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September 28, 2017

Mr. John Lyons  
Acting Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

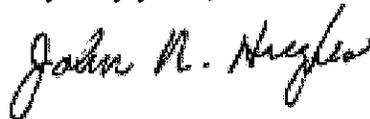
Re: Atmos Energy Corporation:  
Case No. 2017-00349

Dear Mr. Lyons:

Atmos Energy Corporation submits its application for an adjustment of rates. I certify that the electronic filing is a complete and accurate copy of the original documents to be filed in this matter, which will be filed within two days of this submission.

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

Very truly yours,



John N. Hughes

And

Mark R. Hutchinson  
Wilson, Hutchinson and Littlepage  
611 Frederica St.  
Owensboro, KY 42301  
270 926 5011  
[randy@whplawfirm.com](mailto:randy@whplawfirm.com)

Attorneys for Atmos Energy  
Corporation



**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:**

**Application of Atmos Energy Corporation )  
for an Adjustment of Rates ) Case No. 2017-00349  
and Tariff Modifications )**

**APPLICATION FOR ADJUSTMENT OF RATES  
AND TARIFF MODIFICATIONS**

1. Atmos Energy Corporation ("Atmos Energy"), by counsel, pursuant to KRS 278.180, KRS 278.190, 807 KAR 5:001(14) and (16) and 807 KAR 5:011 submits the attached revised tariffs and proposes that certain gas rates and revised tariff provisions for its Kentucky Division become effective on October 28, 2017. This Application and the attached supporting exhibits contain the facts on which the relief being requested is based, a request for the relief sought and references to the particular provisions of law requiring or providing for the relief sought as specified in 807 KAR 5:001. Correspondence and communications with respect to this Application should be directed to:

Mark A. Martin,  
Atmos Energy Corporation,  
3275 Highland Pointe Drive,  
Owensboro, Kentucky  
(270) 685-8095 Ph  
(270) 689-2076 fax  
([Mark.Martin@atmosenergy.com](mailto:Mark.Martin@atmosenergy.com))

Mark R. Hutchinson,  
Wilson, Hutchinson & Littlepage  
611 Frederica Street,  
Owensboro, Kentucky 42301

270 926 5011 Ph  
(270) 926-9394 fax  
([randy@whplawfirm.com](mailto:randy@whplawfirm.com))

And

John N. Hughes  
124 W. Todd St.  
Frankfort, KY 40601  
(502) 227 7270 Ph  
No fax  
([jnhughes@johnnhughespsc.com](mailto:jnhughes@johnnhughespsc.com))

2. Atmos Energy is a utility as defined by KRS 278.010 (3)(b) and is subject to the jurisdiction of the Public Service Commission ("Commission"), pursuant to KRS 278.040. Atmos Energy delivers natural gas to approximately three million residential, commercial, industrial and public-authority customers in eight states. It has six gas utility operating divisions. They are located in Denver, Colorado (Kansas and Colorado Division); Baton Rouge, Louisiana (Louisiana division); Jackson, Mississippi (Mississippi Division); Lubbock, Texas (West Texas Division); Dallas, Texas (Mid-Tex Division); and Franklin, Tennessee (Kentucky/Mid-States).

3. The President of the Atmos Energy Kentucky/Mid-States Division is J. Kevin Dobbs. The Vice President – Rates and Regulatory Affairs for the Kentucky/Mid-States Division is Mark Martin. Atmos Energy's corporate office address is:

Atmos Energy Corporation  
5430 LBJ Freeway  
1800 Three Lincoln Centre  
Dallas, TX 75240  
P.O. Box 650205  
Dallas, Texas 75265-0205  
[www.atmosenergy.com](http://www.atmosenergy.com)

Atmos Energy' s Kentucky/Mid-States Division office location is:

3275 Highland Pointe Dr.  
Owensboro, KY 42303  
270 685 8000 Ph.  
(270) 689-2076 fax  
(Mark.Martin@Atmosenergy.com)

4. Atmos Energy was initially incorporated in Texas on February 6, 1981 and in Virginia on July 21, 1997. Atmos Energy's articles of incorporation are filed as attachments to FR 14(2) in Volume 2. Applicant attests that it is a foreign corporation in good standing to operate in Kentucky. Atmos Energy does not operate under an assumed name in Kentucky.

5. Atmos Energy serves approximately 176,000 customers in central and western Kentucky. The customer base includes residential, commercial and industrial customers. Residential class customers account for the majority of meters of approximately 156,700. Atmos Energy's natural gas deliveries totaled approximately 43.3 Bcf during the 12-month period ending July, 2017.

6. Atmos Energy's Annual Reports including the 2016 report are on file with the Commission as required by 807 KAR 5:006§4(1 and 2).

7. Notice of Intent to file a rate application was delivered to the Executive Director and the Attorney General on August 25, 2017. A copy of that notice is filed as FR 16(2)(c) in Volume 2.

8. In this Application, Atmos Energy proposes rates that will result in an overall approximate increase in the amount of \$10,416,024.00 annually or 6.1% with increases of approximately \$5,634,048.00 or 5.7% for residential consumers,

and \$2,292,550.00 or 4.8% for commercial and public authority consumers, and approximately \$2,418,894.00 or 10.6% for industrial and transportation consumers. Charges from other gas revenue will increase \$70,532.00 or 3.4%. The average monthly bill for residential consumers will increase approximately \$2.99 or 5.74%. The average monthly bill for commercial and public authority consumers will increase approximately \$10.07 or 4.8%. The average monthly bill for industrial and transportation customers will increase approximately \$478.65 or 10.6%. The actual increases by amount and percentage for each customer class are listed in the schedule attached as FR 17(4)(a)(b) and (c) in Volume 9.

9. Pursuant to KRS 278.192(1), this filing is based upon a fully forecasted test year using a base period of January 2017 - December 2017 and a forecasted period of April 1, 2018 through March 31, 2019. As required by KRS 278.192(2), within 45 days after the end of base period, the actual results for the estimated months will be filed.

10. The reasons for the proposed rate adjustment are declining return on equity and inadequate revenue to continue to provide the quality of service required by the Commission and demanded by Atmos Energy's customers. Revised rates are necessary to allow Atmos Energy the opportunity to recover its reasonable operating costs and to earn a reasonable return on its investment. The rate increase is needed to provide sufficient revenue for Atmos Energy to maintain its facilities and provide the level of service mandated by the Commission and the public. This revenue is also necessary for the attraction of additional capital. The existing rates are inadequate for these purposes and thus fail to meet the fair, just and reasonable standard. A more detailed explanation of the need for the rate

adjustment is provided in the testimony filed as FR 16(7)(a), Volumes 1 and 2.

11. In addition to the adjustment of distribution rates, Atmos Energy is proposing certain rate design features which remove avoidable uncertainties for customers, shareholders and regulators inherent to its traditional rate structures. Atmos Energy's tariff and rate design proposals are as follows:

- 1) Maintain the general balance of fixed and variable elements in its distribution rates to reflect the underlying cost characteristics of its service; and better align the interests of the Company and customers.
- 2) Update the Company's Research & Development Rider (R&D) unit charge.
- 3) Implement an Annual Review Mechanism (ARM) to allow for the annual review and adjustment of cost of service and rates.
- 4) Update the time period used to weather normalize revenues and with the Company's Weather Normalization Adjustment (WNA) Rider.

12. Atmos Energy is providing notice of this filing to its customers and interested parties by publication in newspapers of general circulation and posting in each of Atmos Energy local offices for public inspection as well as posting on its website. A copy of the notice is contained in FR 17 (1)(a-c) Volume 9.

13. Atmos Energy requests that the Commission allow the proposed rate changes to take effect without delay.

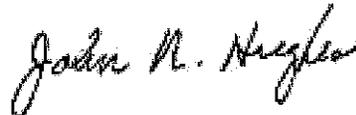
14. Atmos Energy also requests a deviation pursuant to 807 KAR 5:006(28) from any rule, regulation or other requirement that might otherwise delay or impede the review and approval of this Application.

15. All filing requirements (FR) of 807 KAR 5:001 are listed in the table attached to this application.

16. Based on the information provided and in compliance with all filing requirements of KRS Chapter 278 and 807 KAR 5:001, Atmos Energy requests that the Commission issue an order approving the proposed rates and the proposed tariff revisions and granting all other appropriate relief.

Submitted by:

Mark R. Hutchinson  
Wilson, Hutchinson & Littlepage  
611 Frederica St.  
Owensboro, KY 42303  
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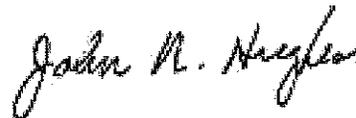


John N. Hughes  
124 West Todd Street  
Frankfort, KY 40601  
502 227 7270  
No fax  
jnhughes@johnnhughespsc.com

Attorneys for Atmos Energy Corporation

**CERTIFICATE**

In accordance with the requirements of 807 KAR 5:001(8), I certify that this electronic filing is a true and accurate copy of the documents to be filed in paper medium; that the electronic filing has been transmitted to the Commission on September 28, 2017; that an original of the filing will be delivered to the Commission within two days of September 28, 2017; and that no party has been excused from participation by electronic means.



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Law/Regulation	Filing Requirement	Witness	Volume No.
Section 16(7)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program;	Christian, Gillham Martin, Raab, Vander Weide, Waller	1, 2
Section 14(2)	If a corporation, identify the state that applicant is incorporated, attest that it is currently in good standing in the state it is organized and if not a Kentucky corporation attest that it is authorized to do business in Kentucky.	Martin	2
Section 16(1)(b)1	A statement of the reason the adjustment is required.	Martin	2
Section 16(1)(b)2	A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.	Martin	2
Section 16(1)(b)3	The proposed tariff in form complying with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.	Martin	2
Section 16(1)(b)4	Proposed tariff changes shown either by providing present and proposed tariffs in comparative form or indicating additions by italicized inserts or underscoring and striking over deletions in a copy of the current tariff.	Martin	2
Section 16(1)(b)5	A statement that customer notice has been given in compliance with Section 17 with a copy of the notice.	Martin	2
Section 16(2)(a)-(c)	Notice of intent. A utility with gross annual revenues greater than \$5,000,000 shall notify the commission in writing of intent to file a rate application at least thirty (30) days, but not more than sixty (60) days, prior to filing its application. (a) The notice of intent shall state if the rate application will be supported by a historical test period or a fully forecasted test period. (b) Upon filing the notice of intent, an application may be made to the commission for permission to use an abbreviated form of newspaper notice of proposed rate increases provided the notice includes a coupon that may be used to obtain a copy from the applicant of the full schedule of increases or rate changes. (c) The applicant shall also transmit by electronic mail a copy of the notice in a portable document format to the Attorney General's Office of Rate Intervention at <a href="mailto:rateintervention@ag.ky.gov">rateintervention@ag.ky.gov</a> .	Martin	2
Section 16(6)(a)	Financial data for forecasted period presented as pro forma adjustments to base period.	Martin, Waller	2
Section 16(6)(b)	Forecasted adjustments shall be limited to the 12 months immediately following the suspension period.	Waller	2
Section 16(6)(c)	Capitalization and net investment rate base shall be based on a 13 month average for the forecasted period.	Christian, Waller	2
Section 16(6)(f)	The utility shall provide a reconciliation of the rate base and capital used to determine its revenue requirements.	Waller	2
Section 16(7)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures	Waller	2
Section 16(7)(c)	Complete description, which may be in pre-filed testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported;	Martin, Waller	2

Law/Regulation	Filing Requirement	Witness	Volume No.
Section 10(7)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period;	Waller	2
Section 16(7)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing: 1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and 2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and 3. That productivity and efficiency gains are included in the forecast;	Martin	2
Section 16(7)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed: 1. Date project began or estimated starting date; 2. Estimated completion date; 3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During Construction ("AFUDC") or Interest During Construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit;	Waller	2
Section 16(7)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection;	Waller	2
Section 16(7)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information: 1. Operating income statement (exclusive of dividends per share or earnings per share); 2. Balance sheet; 3. Statement of cash flows; 4. Revenue requirements necessary to support the forecasted rate of return; 5. Load forecast including energy and demand (electric); 6. Access line forecast (telephone); 7. Mix of generation (electric); 8. Mix of gas supply (gas); 9. Employee level; 10. Labor cost changes; 11. Capital structure requirements; 12. Rate base; 13. Gallons of water projected to be sold (water); 14. Customer forecast (gas, water); 15. MCF sales forecasts (gas); 16. Toll and access forecast of number of calls and number of minutes (telephone); and 17. A detailed explanation of other information provided, if applicable;	Martin, Waller	2
		Waller	2
		Waller	2
		Waller	2
		N/A	2
		N/A	2
		N/A	2
		Martin	2
		Waller	2
		Waller	2
		Christian	2
		Waller	2
		N/A	2
		Martin	2
		Martin	2
		N/A	2
		N/A	2
Section 16(7)(i)	Most recent FERC or FCC audit reports;	Martin	2

<b>Law/Regulation</b>	<b>Filing Requirement</b>	<b>Witness</b>	<b>Volume No.</b>
Section 16(7)(j)	Prospectuses of most recent stock or bond offerings;	Christian	2
Section 16(7)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or the Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone);	Gillham	2
Section 16(7)(l)	The annual report to shareholders or members and the statistical supplements covering the most recent two (2) years from the application filing date;	Gillham	3
Section 16(7)(m)	Current chart of accounts if more detailed than Uniform System of Accounts chart;	Gillham	3
Section 16(7)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast;	Waller	3
Section 16(7)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available;	Waller	4
Section 16(7)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters;	Gillham	4, 5, 6
Section 16(7)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls;	Gillham	6
Section 16(7)(r)	Quarterly reports to the stockholders for the most recent 5 quarters;	Gillham	6
Section 16(7)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style;	Waller	6, 7
Section 16(7)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program	Waller	7
Section 16(7)(u)	If the utility had any amounts charged or allocated to it by an affiliate or general or home office or paid any monies to an affiliate or general or home office during the base period or during the previous three (3) calendar years, the utility shall file: 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment; 2. Method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period; 3. Explain how allocator for both base and forecasted test period was determined; and 4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable.	Gillham	7
Section 16(7)(v)	If gas, electric or water utility with annual gross revenues greater than \$5,000,000, cost of service study based on	Raab	7

Law/Regulation	Filing Requirement	Witness	Volume No.
	methodology generally accepted in industry and based on current and reliable data from single time period;		
Section 16(7)(w)	Incumbent local exchange carriers with fewer than 50,000 access lines shall not be required to file cost of service studies, except as specifically directed by the commission. Local exchange carriers with more than 50,000 access lines shall file: <ol style="list-style-type: none"> <li>1. A jurisdictional separations study consistent with 47 C.F.R. Part 36; and</li> <li>2. Service specific cost studies to support the pricing of all services that generate annual revenue greater than \$1,000,000 except local exchange access: <ol style="list-style-type: none"> <li>a. Based on current and reliable data from a single time period; and</li> <li>b. Using generally recognized fully allocated, embedded, or incremental cost principles.</li> </ol> </li> </ol>	N/A	7
Section 16(8)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase;	Waller	7
Section 16(8)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base;	Gillham, Waller	7
Section 16(8)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account;	Gillham, Martin, Waller	7
Section 16(8)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors;	Martin, Waller	7
Section 16(8)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes;	Waller	7
Section 16(8)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases;	Waller	7
Section 16(8)(g)	Analyses of payroll costs including schedules for wages and salaries, employees benefits, payroll taxes straight time and overtime hours, and executive compensation by title;	Gillham, Waller	7
Section 16(8)(h)	Computation of gross revenue conversion factor for forecasted period;	Waller	7
Section 16(8)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period;	Gillham, Martin, Waller	7
Section 16(8)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure	Christian	7

Law/Regulation	Filing Requirement	Witness	Volume No.
Section 16(8)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period;	Gillham, Martin, Waller	7
Section 16(8)(l)	Narrative description and explanation of all proposed tariff changes;	Martin	7
Section 16(8)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes; and	Martin	7
Section 16(8)(n)	Typical bill comparison under present and proposed rates for all customer classes.	Martin	7
Section 16(10)	A request for waiver of provisions of these filing requirements shall establish the specific reasons for the request. The commission shall grant the request for waiver upon good cause shown by the utility. In determining if good cause has been shown, the commission shall consider: (a) If other information that the utility would provide if the waiver is granted is sufficient to allow the commission to effectively and efficiently review the rate application; (b) If the information that is the subject of the waiver request is normally maintained by the utility or reasonably available to it from the information that it maintains; and (c) The expense to the utility in providing the information that is the subject of the waiver request.	Martin	7
Section 17(1)(a)-(c)	Notice of General Rate Adjustment. Upon filing an application for a general rate adjustment, a utility shall provide notice as established in this section. (1) Public postings. (a) A utility shall post a sample copy of the required notification at its place of business no later than the date on which the application is filed. (b) A utility that maintains a public web site shall, within five (5) business days of filing an application, post a copy of the public notice as well as a hyperlink to its filed application on the commission's Web site. (c) The information required in paragraphs (a) and (b) of this subsection shall not be removed until the commission issues a final decision on the application.	Martin	7
Section 17(2)(b)(3)	Publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made by the date the application is filed.	Martin	7
Section 17(3)(b)	If the notice is published, an affidavit from the publisher verifying the notice was published, including the dates of the publication with an attached copy of the published notice, shall be filed with the commission no later than forty-five (45) days of the filed date of the application.	Martin	7
Section 17(4)(a)-(j)	Notice Requirements. Each notice shall contain the following information: (a) The proposed effective date and the date the proposed rates are expected to be filed with the Commission; (b) The present rates and proposed rates for each customer class to which the proposed rates will apply;	Martin	7

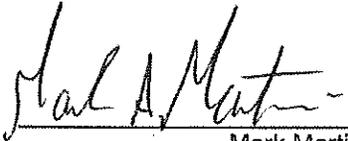
Law/Regulation	Filing Requirement	Witness	Volume No.
	<p>(c) The amount of the change requested in both dollar amounts and percentage change for customer classification to which the proposed rate change will apply;</p> <p>(d) The amount of the average usage and the effect upon the average bill for each customer class to which the proposed rate change will apply, except for local exchange companies, which shall include the effect upon the average bill for each customer class for the proposed rate change in basic local service;</p> <p>(e) A statement that a person may examine this application at the office of (utility name) located at (utility address);</p> <p>(f) A statement that a person may examine this application at the commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at <a href="http://psc.ky.gov">http://psc.ky.gov</a>;</p> <p>(g) A statement that comments regarding this application may be submitted to the Public Service Commission through its Web site or my mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602;</p> <p>(h) A statement that the rates contained in this notice are the rates proposed by (name of utility) but that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;</p> <p>(i) A statement that a person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party; and</p> <p>(j) A statement that if the commission does not receive a written request for intervention within thirty (30) days of the initial publication or mailing of the notice, the commission may take final action on the application.</p>		

Commonwealth of Kentucky

County of Daviess

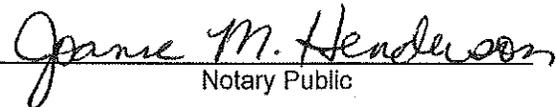
**VERIFICATION**

I, Mark Martin, after being duly sworn, state that I am Vice President of Rates & Regulatory Affairs of Kentucky/Mid-States, a division of Atmos Energy Corporation and that I am authorized to submit this application on behalf of the Company and that the information and statements contained in the Application are true of my own knowledge except as to those matters stated on information and belief, and as to those matters I believe them to be true.

  
\_\_\_\_\_  
Mark Martin

SUBSCRIBED, ACKNOWLEDGED AND SWORN to before me by

Mark A. Martin on this the 26<sup>th</sup> day of September, 2016.

  
\_\_\_\_\_  
Notary Public

My Commission expires: 3-22-18



**Case No. 2017-00349**  
**Atmos Energy Corporation, Kentucky Division**  
**Forecasted Test Period Filing Requirements**  
**MFR FR 16(7)(a)**  
**Page 1 of 1**

**REQUEST:**

Section 16. Applications for General Adjustments of Existing Rates.

- (7) Each application requesting a general adjustment in rates supported by a fully forecasted test period shall include the following or a statement explaining why the required information does not exist and is not applicable to the utility's application:
  - (a) The written testimony of each witness the utility proposes to use to support its application, which shall include testimony from the utility's chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program;

**RESPONSE:**

Please see the Direct Testimony of witnesses Joe Christian, Laura Gillham, Mark Martin, Paul Raab, James Vander Weide and Greg Waller.

Respondents: Joe Christian, Laura Gillham, Mark Martin, Paul Raab, James Vander Weide and Greg Waller





**BEFORE THE PUBLIC SERVICE COMMISSION  
COMMONWEALTH OF KENTUCKY**

<b>APPLICATION OF ATMOS ENERGY</b>	)	
<b>CORPORATION FOR AN ADJUSTMENT</b>	}	<b>Case No. 2017-00349</b>
<b>OF RATES AND TARIFF MODIFICATIONS</b>	}	

**TESTIMONY OF MARK A. MARTIN**

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**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 all rate and regulatory matters in Kentucky, Tennessee and Virginia. I graduated from Eastern Illinois University in 1995 with a degree in Accounting. I have been with United Cities Gas Company and subsequently its successor 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 YOU SUBMITTED TESTIMONY BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION?**

A. Yes. I filed testimony in Case No. 2010-00146, Case No. 2013-00148 and Case No. 2015-00343.

1 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY ON MATTERS**  
2 **BEFORE OTHER STATE REGULATORY COMMISSIONS?**

3 A. Yes, I have filed testimony before the Georgia Public Service Commission, the  
4 Illinois Commerce Commission, the Missouri Public Service Commission, and South  
5 Carolina Public Service Commission.

6 **Q. ARE YOU SPONSORING ANY OF THE FILING REQUIREMENTS IN THIS**  
7 **CASE, AND, IF SO, WHICH REQUIREMENTS?**

8 A. Yes. I am sponsoring the following filing requirements:

9	FR 16(1)(a)(2)	Application Supported by a Fully Forecasted Test Period
10	FR 14(2)	Certified Copy of Articles of Incorporation
11	FR 16(1)(b)(1)	Statement of Reasons
12	FR 16(1)(b)(2)	Compliance with KRS 365.015
13	FR 16(1)(b)(3)	Proposed Tariffs
14	FR 16(1)(b)(4)	Proposed Tariff Changes
15	FR 16(1)(b)(5)	Statement on Customer Notice
16	FR 16(2)(a)-(c)	Notice of Intent
17	FR 16(7)(a)	Statement of Officer in Charge of Kentucky Operations
18	FR 16(7)(e)	Statement of Attestation
19	FR 16(7)(h)	Financial Forecast (Revenues)
20	FR 16(7)(h)1	Operating Income Statement (Revenues)
21	FR16(7)(h)8	Mix of Gas Supply
22	FR 16(7)(h)14	Customer Forecast
23	FR 16(7)(h)15	Mcf Sales Volume Forecast
24	FR 16(8)(c)	Jurisdictional operating income summary for both base and
25		forecast period with supporting schedules which provide
26		breakdowns by major account group and individual account
27	FR 16(8)(d)	Summary of jurisdictional adjustments to operating income

- 1 FR 16(8)(i) Comparative income statements, revenue and sales statistics,  
2 base period, forecast period and two (2) years beyond  
3 FR 16(8)(k) Comparative Financial Data  
4 FR 16(8)(l) Narrative of Proposed Tariff Changes  
5 FR 16(8)(m) Revenue Summary for Both the Period and Forecasted Period  
6 FR 16(8)(n) Bill Comparison  
7 FR 16(10) Request for Waiver of Certain Filing Requirements  
8 FR 17(1)(a)-(c) Notice of General Rate Adjustment  
9 FR 17(2)(b)3 Manner of Notification  
10 FR 17(3)(b) Publisher Affidavits  
11 FR 17(4)(a)-(j) Notice Requirements

12 **Q. DO YOU ADOPT THESE FILING REQUIREMENTS AND MAKE THEM**  
13 **PART OF YOUR TESTIMONY?**

14 A. Yes.

15 **II. PURPOSE AND SUMMARY OF TESTIMONY**

16 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

17 A. My direct testimony will address several issues. First, I will briefly describe the  
18 Company's operations in Kentucky and the recent history of its rate proceedings  
19 before this Commission. Second, I will provide an overview of the Company's  
20 customer base and market trends since 2015. Third, I will describe the principal  
21 factors requiring the Company to file this rate application and address the Company's  
22 efforts to achieve improvements to its efficiency and productivity. Fourth, I will  
23 introduce the other witnesses who will be providing support for the requested rate  
24 increase. Fifth, I will describe the methods used to forecast Company's revenues and  
25 volumes as they relate to the base period and test period in this case. Sixth, I will  
26 present the test period forecast of revenues and volumes. Seventh, I will describe the

1 Annual Rate Mechanism (ARM) proposed by the Company. Finally, I will present  
2 the rates and various tariff changes proposed by the Company.

3 **III. ATMOS ENERGY'S OPERATIONS IN KENTUCKY**

4 **Q. CAN YOU PROVIDE THE COMMISSION WITH A GENERAL**  
5 **DESCRIPTION AND BACKGROUND OF THE COMPANY'S OPERATIONS**  
6 **IN KENTUCKY?**

7 A. Yes. We have a Kentucky-based work force of approximately 218 employees  
8 providing safe and reliable service to a customer base of approximately 176,000  
9 residential, commercial and industrial consumers. Our utility plant in Kentucky  
10 includes over 4,100 miles of transmission and distribution lines.

11 **Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF ATMOS ENERGY'S**  
12 **CORPORATE STRUCTURE AND HOW IT ENABLES THE COMPANY TO**  
13 **BE AN EFFICIENT, LOW COST PROVIDER OF NATURAL GAS.**

14 A. Atmos Energy is the largest pure natural gas distribution company in the United  
15 States, delivering natural gas to approximately 3.0 million residential, commercial,  
16 industrial and public-authority customers in 8 states. Atmos Energy has six gas  
17 utility operating divisions. They are located in Denver, Colorado (Kansas and  
18 Colorado division); Baton Rouge, Louisiana (Louisiana division); Jackson,  
19 Mississippi (Mississippi division); Lubbock, Texas (West Texas division); Dallas,  
20 Texas (Mid-Tex division); and Owensboro, Kentucky and Franklin, Tennessee  
21 (Kentucky/Mid-States division). In addition, Atmos Energy has an operating  
22 division consisting of a regulated intrastate pipeline that functions only within the  
23 state of Texas.

24 Atmos Energy's corporate offices are located in Dallas, Texas and provide  
25 services such as accounting, legal, human resources, rate administration,  
26 procurement, information technology and customer service organizations. The  
27 Company also has two customer contact centers located in Amarillo and Waco,

1 Texas. These centralized services are shared with the other Atmos Energy operating  
2 divisions in order to avoid having to staff and maintain these functions at each  
3 division level. These centralized services are the technical and administrative  
4 services that would be required by each division if it were a stand-alone company.  
5 Atmos Energy believes that this structure provides it with an economic advantage  
6 and enables it to be a low-cost, high-quality provider of natural gas.

7 **IV. OVERVIEW OF SERVICE AREA AND CUSTOMER BASE**

8 **Q. WHAT ARE THE COMPANY'S PRIMARY OBJECTIVES IN ITS**  
9 **KENTUCKY OPERATIONS?**

10 A. We strive to be the safest provider of natural gas service in the United States. The  
11 Company is very proud of its tradition as a low-cost, efficient provider of natural gas  
12 service. Our distribution charges, particularly for residential customers, are the  
13 lowest among the major utilities in Kentucky and our pass-through gas costs are also  
14 typically the lowest or among the lowest in the state.

15 **Q. PLEASE DESCRIBE THE MAKEUP OF ATMOS ENERGY'S CURRENT**  
16 **CUSTOMER BASE IN KENTUCKY.**

17 A. Atmos Energy currently serves 176,000 customers throughout its service area  
18 extending from western to central Kentucky. Residential class customers account for  
19 the vast majority of meters, at approximately 156,700. Atmos Energy's natural gas  
20 deliveries totaled approximately 43.3 Bcf during the 12-month period ending July  
21 2017.

22 The Company is somewhat unique in its level of throughput to industrial class  
23 customers, with industrial sales and transportation volumes accounting for  
24 approximately 67% of Atmos Energy's annual throughput during that 12-month  
25 period. The region served by Atmos Energy is economically dependent on the well-  
26 being of these industries, as is Atmos Energy through its requirements for operating  
27 margin under current rate designs.

1 **Q. HAS THE COMPANY EXPERIENCED GROWTH IN RECENT YEARS?**

2 A. Yes, but only for residential sales, which has seen only modest growth.

3 **V. PRINCIPAL FACTORS FOR THIS RATE APPLICATION**

4 **Q. WHY DID THE COMPANY FILE THIS CASE?**

5 A. As the Commission is aware, the actual costs of the natural gas consumed by our  
6 customers are collected through a gas cost adjustment mechanism. The purpose of  
7 this case is to establish new distribution rates which exclude those pass-through gas  
8 costs and which allow the Company to recover its cost of service, including a fair and  
9 reasonable return on investment. Additionally, the Company is requesting that the  
10 Commission approve an ARM that would set rates formulaically on an annual basis.

11 **Q. WHEN DID THE COMPANY'S CURRENT RATES BECOME EFFECTIVE?**

12 A. The Company's current base distribution rates were established by the Commission  
13 in Case No. 2015-00343 and became effective on August 15, 2016, by the Order  
14 dated August 4, 2016.

15 **Q. ARE THE DISTRIBUTION RATES CURRENTLY IN EFFECT PROVIDING  
16 SUFFICIENT REVENUES?**

17 A. No. Although Atmos Energy continues to operate very efficiently and is proud to  
18 have the lowest distribution charges for residential customers of the major natural gas  
19 providers in Kentucky, our current rates are not providing a fair return on the  
20 Company's investments.

21 At current rates, the Company's calculated rate of return on rate base for the  
22 test year is only 6.26%. The decline in return is primarily due to capital investment  
23 that is not recovered through the PRP mechanism and to the increased costs of doing  
24 business. Examples of capital investment that are not covered through the PRP  
25 mechanism is capital investment related to system integrity, system improvements,  
26 structures, public improvements, information technology, growth, and equipment.  
27 An example of a system integrity investment would be a capital investment made to

1 shore up our existing system such as tie-backs. Examples of system improvements  
2 would be capital investment related to reinforcing our existing system either through  
3 updated odorizers and regulators to any type of capacity issue. Examples of public  
4 improvements would be capital investment related to the relocation of our existing  
5 system to accommodate a public project.

6 **Q. WHAT RATE OF RETURN ON RATE BASE IS ATMOS ENERGY**  
7 **REQUESTING IN THIS RATE APPLICATION?**

8 A. Atmos Energy is asking the Commission to approve new rate schedules that would  
9 increase revenues to provide an overall rate of return on rate base of 7.73% on the  
10 test year rate base of \$430,095,330.

11 **Q. WHAT IS THE AMOUNT OF THE RATE INCREASE THAT ATMOS**  
12 **ENERGY IS SEEKING IN THIS RATE APPLICATION?**

13 A. Atmos Energy is seeking approval to increase its rates to recover approximately  
14 \$10,416,024 in additional revenues. The difference between this amount and the  
15 amount cited in Mr. Waller's testimony and on Schedule A.1 of FR 16(8)(a) is due to  
16 the rounding error inherent in striking rates. For an average residential customer, the  
17 total bill increase would be \$2.99 per month.

18 **Q. PURSUANT TO 807 KAR 5:001(16)(12)(e)(3), PLEASE EXPLAIN HOW THE**  
19 **COMPANY WORKS TO ACHIEVE IMPROVEMENTS IN ITS EFFICIENCY**  
20 **AND PRODUCTIVITY.**

21 A. Since our most recent rate filing in 2015, Atmos Energy has undertaken substantial  
22 investments in technology and process improvements to ensure that it provides the  
23 best and most efficient customer service possible. Examples of these improvements  
24 include mobile applications that allow for workload forecasting, text message  
25 notifications to customers, and other enhancements such as allowing customers to  
26 submit photos of their meters to the Company when concerned about a high bill.

1 Each of these investments will enable the Company to be more productive and  
2 provide the best possible service.

3 **Q. HOW HAVE IMPROVEMENTS TO EFFICIENCY AND PRODUCTIVITY**  
4 **IMPACTED CUSTOMER BILLS?**

5 A. On average, residential bills have remained steady since 2007. The Company  
6 estimates that the average residential bill for 2017 to be \$55 which is well below the  
7 average residential bills in 2007, 2008 or 2009; nearly a decade ago. The Company  
8 estimates that average residential bills will be at or lower than those a decade ago for  
9 the next few years. While the cost of gas is a large percentage of a residential bill,  
10 the Company has been extremely efficient in order to minimize the impact to  
11 customers. When compared to other utility bills, the value proposition for natural gas  
12 is excellent.

13 **Q. PLEASE EXPLAIN ANY OTHER ADJUSTMENTS THAT THE COMPANY**  
14 **HAS MADE IN THIS FILING.**

15 A. In accordance with the Commission's decision in Case No. 2013-00148, the  
16 Company has removed from recovery in customer rates all incentive compensation  
17 expense and has included short term debt into the capital structure. While reserving  
18 the right to propose alternative approaches in future proceedings, the Company has  
19 made those changes to simplify the regulatory review process in this Case.

20 **VI. INTRODUCTION OF WITNESSES**

21 **Q. PLEASE IDENTIFY THE OTHER WITNESSES SPONSORING**  
22 **TESTIMONY IN THIS PROCEEDING?**

23 A. In addition to my testimony, Atmos Energy will present the direct testimony and  
24 exhibits of 5 witnesses.

25 Gregory K. Waller, Manager of Rates and Regulatory Affairs for Atmos  
26 Energy Corporation, is presenting testimony concerning the Operating and  
27 Maintenance (O&M) expense budgeting process used by the Company; the control

1 and the monitoring of O&M variances by the Company; the forecasted test year  
2 budget for O&M, the Company's capital budgeting process, capital expenses,  
3 depreciation expense, and taxes other than income taxes incurred directly by the  
4 Company's Kentucky operations as well as allocated to Kentucky from the Kentucky  
5 /Mid-States General Office and Shared Services Unit. Mr. Waller is also responsible  
6 for the calculation of Company's revenue deficiency and rate base. Finally, Mr.  
7 Waller sponsors the Company's proposed ARM which is designed to create a less  
8 expensive and more efficient process to review the Company's rates on an annual  
9 basis.

10 Laura Gillham, Director of Accounting Services for Atmos Energy  
11 Corporation, is filing testimony regarding the historic books and records of the  
12 Company and the integrity of the financial information in this case. She also  
13 provides testimony concerning the Company's Cost Allocation Manual (CAM),  
14 which describes the methodology for shared services cost allocations.

15 Joe Christian, Director of Rates and Regulatory Affairs for Atmos Energy  
16 Corporation, is filing testimony regarding the Company's Cash Working Capital  
17 study as well as the Company's capital structure.

18 Dr. James Vander Weide testifies regarding the Company's cost of capital and  
19 recommends a rate of return that is appropriate to be used in setting rates for Atmos  
20 Energy in this proceeding.

21 Paul Raab, of Paul H. Raab Economic Consulting, presents the Company's  
22 class cost of service study.

23 **VII. PROCESS OF FORECASTING OF REVENUES AND VOLUMES**

24 **Q. PLEASE DESCRIBE THE GOALS OF FORECASTING REVENUE AND**  
25 **VOLUMES.**

26 **A.** The goal of revenue forecasting, fundamentally, is to determine expected revenues  
27 for business planning purposes. The primary emphasis of the "revenue" forecasting

1 process is the estimate of the Company's gross margin, which is that portion of  
2 revenues excluding purchased gas costs. Purchased gas costs, which are recovered  
3 through the Company's Gas Cost Adjustment ("GCA") mechanism, are calculated  
4 only as a final step in the process, to forecast gross revenues.

5 Revenue forecasting is an essential element of Atmos Energy's financial  
6 planning and affects our level of operating and maintenance expenses, capital  
7 investment, and cash flow requirements.

8 **Q. WHAT TYPES OF FACTORS ARE CONSIDERED IN ATMOS ENERGY'S**  
9 **REVENUE AND GROWTH FORECASTING PROCESS?**

10 A. The forecast process can be segregated into two primary steps. The first step is an  
11 analysis of revenue trends over recent years to determine a baseline reference. The  
12 second step is the consideration of factors and issues expected to affect the budget  
13 period.

14 First, the analysis of historical revenue trends quantifies the net customer  
15 additions and Mcf requirements, by customer class. Using heating degree day  
16 ("HDD") data for the respective periods, the Mcf requirements are "weather-  
17 normalized" for residential, commercial and public authority sales customer classes.  
18 The HDD is a measure of the difference between average daily temperature and a 65  
19 degree Fahrenheit base. Upon completing the analysis of historic data, customer  
20 growth and class usage trends may be identified.

21 Second, consideration is given to any factors that could either continue or  
22 alter historical trends. These factors include, but are not limited to: gas supply price  
23 outlook and consideration of its impact on the market, changing local economic  
24 conditions that could influence customer growth and major industrial additions or  
25 plant closings.

26 Considered individually, these factors may have either a positive or negative  
27 effect upon forecasted revenue streams.

1 **Q. WHAT TIME PERIOD TYPICALLY FORMS THE BASIS FOR REVENUE**  
2 **AND VOLUME FORECASTS?**

3 A. Forecasts are typically prepared for Atmos Energy's fiscal year, which runs from  
4 October 1 to the following September 30.

5 **Q. WHAT IS THE BASE PERIOD FOR THIS CASE?**

6 A. The base period is January 1, 2017 through December 31, 2017.

7 **Q. WHAT IS THE FORECASTED TEST PERIOD FOR THIS CASE?**

8 A. The forecasted test period for this case is April 1, 2018 to March 31, 2019. This  
9 period is largely determined by the date of our filing.

10 **Q. DID THE COMPANY UTILIZE ITS TYPICAL REVENUE BUDGETING**  
11 **PROCESS TO DEVELOP THE BASE PERIOD AND FORECASTED TEST**  
12 **PERIOD REVENUES?**

13 A. No. Although the simple two-step process of historical review and consideration of  
14 forward-looking factors is the same, the annual budget process is not developed at  
15 the level necessary for determining rate design billing determinants. For example,  
16 the typical annual revenue budget is based upon financial statistics reported to the  
17 customer class level; not to the rate classification / billing block level of detail. In  
18 order to build rate case quality billing data, Atmos Energy produced bill frequency  
19 reports to isolate correct determinants of bills rendered and volumes delivered by  
20 customer class as well as by rate classification for the 12-month period ending June  
21 30, 2017. This 12-month period serves as the "reference period" to be normalized  
22 and upon which forward-looking adjustments may be applied, ultimately resulting in  
23 a forecast of billing determinants for the test year period of April 1, 2018 to March  
24 31, 2019.

1 **Q. IS THE PROCESS FOR DEVELOPING THE BASE PERIOD AND**  
2 **FORECASTED TEST PERIOD REVENUES THE SAME AS PRIOR RATE**  
3 **CASE FILINGS?**

4 A. Yes. And it is notable that the Commission found the Company's revenue forecast in  
5 Case No. 2013-00148 and Case No. 2015-00343 to be reasonable and accepted the  
6 normalized base-rate revenues without adjustment.

7 **Q. HOW WAS THE DATA FOR THE REFERENCE PERIOD GATHERED?**

8 A. The unadjusted data for the reference period reflects the actual billing units and  
9 margins for all services during the twelve months ending June 30, 2017. This data  
10 was gathered from billing system reports for that period. Exhibit MAM-1 attached  
11 hereto provides the actual monthly billing units and volumes by class of service for  
12 the reference period ending June 30, 2017.

13 **Q. WHAT STEPS WERE TAKEN TO FORECAST THE FUTURE TEST YEAR**  
14 **FROM THE BASELINE REFERENCE PERIOD?**

15 A. First, the Company assessed appropriate pro-forma adjustments to the reference  
16 period to: 1) reflect known and measurable service contract changes, load changes,  
17 new industries and industry closings, and 2) adjust firm residential, commercial and  
18 public authority volumes to correlate to normal HDD's.

19 Then, forward-looking adjustments were considered to account for: 1) net  
20 customer growth or losses, and 2) changes in firm residential, commercial and public  
21 authority classes attributable to long-standing conservation and energy efficiency  
22 trends.

23 A summary of annualized adjustments for each of these steps is shown on  
24 Exhibit MAM-2 attached hereto.

1 **Q. PLEASE DESCRIBE THE ADJUSTMENTS TO THE REFERENCE PERIOD,**  
2 **INCLUDING KEY ASSUMPTIONS, FOR INDUSTRIAL SALES AND**  
3 **TRANSPORTATION SERVICES.**

4 A. Historical volume requirements for each transportation customer were reviewed, with  
5 adjustments made to account for expected changes by service type for future periods.  
6 For example, usage for a new industrial customer added midway through the  
7 reference period would not be representative of its forecast test period requirements.  
8 In this case, the customer's volumes would need to be "annualized" to reflect usage  
9 throughout the full twelve months. Adjustments were also made for industry  
10 closings, expansions or reductions, and contract changes altering a customer's  
11 service type or rate schedule. These adjustments ensured that known and measurable  
12 changes in industrial sales and transportation were reflected in our test period  
13 forecast. Exhibit MAM-3 attached hereto summarizes the annualized impact of  
14 industrial contract and volume changes, by service type.

15 **Q. PLEASE DESCRIBE THE PROCESS EMPLOYED TO DETERMINE THE**  
16 **ADJUSTMENT FOR WEATHER VARIANCES DURING THE REFERENCE**  
17 **PERIOD.**

18 A. Adjusting for variances from normal weather is a common practice. The  
19 methodology for determining composite degree days was based on a process  
20 instituted originally in Case No. 1999-070, which utilized the composite calculated  
21 weighting weather data from Paducah, Lexington and Louisville, KY, Evansville, IN  
22 and Nashville, TN. The composite normal heating degree days were based upon the  
23 same weighting of the five weather stations, applying the National Oceanic and  
24 Atmospheric Administration ("NOAA") HDD data averages for the twenty-year  
25 period ending May 31, 2017. Traditionally, the Company has employed 30-year  
26 NOAA HDDs as the basis for normal weather. In this Case, however, the Company  
27 has chosen a 20-year average HDD basis based on analysis required in the

1 Commission Order in Case No. 2013-00148 and approved in the Commission Order  
2 in Case No. 2015-00343. Later, my testimony will describe this analysis. Exhibit  
3 MAM-4 attached hereto summarizes the monthly weather adjustment to the reference  
4 period resulting from the 22.7% warmer than normal period. Exhibit MAM-4 also  
5 provides details of the calculations of the respective weather adjustment for the  
6 weather sensitive residential, commercial and public authority classes.

7 **Q. HOW ARE WEATHER NORMALIZATION ADJUSTMENT (“WNA”)**  
8 **TARIFF REVENUES FACTORED INTO THE WEATHER ADJUSTMENT?**

9 A. For the purpose of the weather adjustment, WNA revenues are ignored. The weather  
10 adjustment calculates the normalized volumes associated with normal weather, which  
11 will be priced out to demonstrate weather normalized revenues. Actual WNA  
12 revenues compensate for only a portion of those variances; those occurring during  
13 the WNA billing months of November 1 through April 30 each winter. The weather  
14 adjustment in this Case is intended to normalize the entire 12 month period.

15 **Q. PLEASE DESCRIBE IN DETAIL THE HISTORICAL DATA CONSIDERED**  
16 **IN THE REVENUE AND VOLUME FORECASTING PROCESS.**

17 A. To assess key historical trends necessary for the forecast, financial statistics for ten  
18 years were analyzed, noting the numbers of active customers served during that time  
19 and the total volumetric requirements by customer class. Actual sales volumes each  
20 year were adjusted for variances from normal weather, based on the current HDD  
21 composite and normal basis.

22 Based on the historical data, trends were noted for the customer count, net  
23 annual growth and weather normalized adjusted volumes per customer for  
24 residential, commercial and public authority classes.

1 **Q. PLEASE DISCUSS THE HISTORICAL TRENDS OBSERVED AND THE**  
2 **ASSUMPTIONS USED IN THE DEVELOPMENT OF THE FORECAST**  
3 **TEST PERIOD BUDGET STARTING WITH NET CUSTOMER GROWTH.**

4 A. Based on the net average annual customer growth over the past three years, I  
5 forecasted residential customer growth of 300 customers per year. Based on the  
6 same analysis of commercial and public authority classes, I forecasted zero net  
7 commercial and public authority customer changes from the reference period to the  
8 test year.

9 **Q. WHAT IS THE ASSUMPTION FOR FUTURE DECLINING USE TRENDS AS**  
10 **IT RELATES TO THE TEST YEAR?**

11 A. In Case 1999-070 and in subsequent cases, Atmos Energy noted the long-standing  
12 trend of declining customer usage. The trend-line for the past ten years, however,  
13 shows no apparent further decline in average customer usage. Therefore, I have not  
14 forecasted a decline in residential, commercial or public authority sales usage in this  
15 Case.

16 **Q. WHAT WERE THE ASSUMPTIONS FOR SERVICE CHARGES AND THE**  
17 **LATE PAYMENT FEES?**

18 A. I forecasted the transaction-based service charges to remain flat, equal to the  
19 experience in the twelve month reference period ending June 2017.

20 Late payment fees were first adopted in Case No. 1999-070, beginning in  
21 mid-2000. Since that time, we have observed that late payment fee revenue is  
22 proportionate to the total revenues billed for residential, commercial and public  
23 authority classes. Based upon the correlation for the past few years, I estimated late  
24 payment fees at a ratio equal to 0.89% of the total projected residential, commercial  
25 and public authority class revenues.

1 **Q. HOW WERE GAS COSTS PROJECTED FOR THE TEST YEAR?**

2 A. Based upon the sales volumes projected, projected gas supply prices as stated in  
3 current NYMEX futures, and applying the Company's seasonal plans for storage  
4 injections and withdrawals, I modeled the forward periods to estimate the gas costs to  
5 be recovered through future GCAs. This method was first created in conjunction  
6 with Case No. 1999-070, and has been refined over time to simulate interstate  
7 pipeline demand and commodity costs, retention and other items recoverable through  
8 the GCA. This model was also utilized in the determination of storage cost balances  
9 for forward periods.

10 **Q. IS THE FORECASTING PROCESS YOU HAVE DESCRIBED THE BEST**  
11 **METHOD TO USE FOR THE DEVELOPMENT OF THE TEST YEAR**  
12 **VOLUME AND REVENUE FORECAST IN THIS CASE?**

13 A. Yes. The method of developing the forecast ensures a solid bridge of logical and  
14 measurable adjustments, building upon the actual performance of a recent, reference  
15 period. This forecasting process has been employed in prior Kentucky cases and, in  
16 Case No. 2013-00148 and Case No. 2015-00343, was found by the Commission to  
17 be reasonable and accepted the normalized base-rate revenues without adjustment.

18 Exhibit MAM-2 attached hereto summarizes each step of the process and  
19 applies current rates to the derived billing determinants. Exhibit MAM-5  
20 summarizes the billing determinants for each month of the test year.

21 **Q. PLEASE DESCRIBE EXHIBITS MAM-6 AND MAM-7.**

22 A. The proposed tariff rates were designed to produce the revenue requirement sought  
23 by the Company in this Case. Exhibit MAM-6 replicates Exhibit MAM-2, walking  
24 forward each set of adjustments from reference period billing determinants to those  
25 forecast for the test period, except at the Company's proposed tariff rates. Exhibit  
26 MAM-7 summarizes the billing determinants for each month of the test year, and  
27 applies the proposed rates.

1 **Q. AFTER ADJUSTMENTS FROM THE REFERENCE PERIOD, WHAT IS**  
2 **THE PROJECTED FINANCIAL PERFORMANCE OF THE COMPANY IN**  
3 **THE FORECASTED TEST YEAR?**

4 A. Atmos Energy's forecast of total gross profit for the forecasted period is \$92.0  
5 million. At this level of revenue, the Company would earn a 6.26% return on  
6 shareholder equity, well below investor expectations of 10.3% as set forth in the  
7 testimony of Dr. Vander Weide. An additional distribution margin of approximately  
8 \$10.4 million is required to achieve the rate of return proposed in this case.

9 **VIII. PROPOSED RATES, RATE STRUCTURES AND TARIFF CHANGES**

10 **Q. WHAT ARE THE PRIMARY RATE DESIGN OBJECTIVES OF ATMOS**  
11 **ENERGY IN THIS CASE?**

12 A. As stated earlier in my testimony, Atmos Energy's primary objective is to strive to be  
13 the safest provider of natural gas service. The Company is very proud of its tradition  
14 as a low-cost, efficient provider of natural gas service. Our rate design should  
15 support these objectives. To that end, Atmos Energy is proposing certain rate design  
16 features which remove avoidable uncertainties for customers, shareholders and  
17 regulators inherent to our traditional rate structures.

18 Atmos Energy's tariff and rate design proposals are as follows:

- 19 1) Maintain the general balance of fixed and variable elements in our distribution  
20 rates to reflect the underlying cost characteristics of our service; mitigate the  
21 depletion in revenue caused by relatively flat residential and commercial  
22 customer usage; and better align the interests of the Company and customers.
- 23 2) Implement an ARM that formulaically adjusts the Company's distribution rates  
24 on an annual basis.
- 25 3) Update the Company's Research & Development Rider (R&D) unit charge.
- 26 4) Update the time period used to weather normalize revenues and with the  
27 Company's Weather Normalization Adjustment (WNA) Rider.

1 **Q. HOW DID YOU DETERMINE THE MANNER IN WHICH THE REVENUE**  
2 **DEFICIENCY WOULD BE SPREAD TO CUSTOMER CLASSES AND TO**  
3 **FIXED AND VARIABLE BILLING COMPONENTS?**

4 A. Company witness Raab sponsors a Class Cost of Service study which is required  
5 pursuant to the Minimum Filing Requirements in this Case. In his study, he  
6 determines that all classes contribute adequate amounts to the Company's cost of  
7 service with the lone exception being residential sales. While Mr. Raab's analysis is  
8 utilized as one point of reference, the Company believes that each class (commercial,  
9 public authority, industrial sales and transportation), in addition to the residential  
10 class, should bear some portion of the requested increase.

11 With respect to the balance of the increase to be borne between the fixed or  
12 variable components, the Company has chosen to propose a slight increase in the  
13 fixed monthly charges and an increase in the variable components when compared to  
14 the current rates including the PRP surcharge.

15 **Q. WHAT IS THE RESULTING EFFECT OF ATMOS ENERGY'S PROPOSED**  
16 **RATES COMPARED TO CURRENT RATES FOR THE AVERAGE**  
17 **RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMERS**  
18 **RESPECTIVELY?**

19 A. Using the test year volumes and gas costs as the basis for comparison, the annual  
20 impact of Atmos Energy's proposed rates is as follows. The average monthly  
21 charges for a residential customer under G-1 service increases \$2.99, a 5.7% increase  
22 over current rates. Commercial and public authority class customers' average  
23 monthly charges increase \$10.07, a 4.8% increase over current rates, and the  
24 industrial sales and transportation class average monthly charges increase \$478.65, a  
25 10.6% increase over current rates. The test year revenues at proposed rates are  
26 summarized earlier in my testimony. Please refer to Exhibit MAM-6 (in a format

1 comparable to Exhibit MAM-2) as well as Exhibit MAM-7 which provides the  
2 proposed monthly revenues (in a format comparable to Exhibit MAM-5).

3 **Q. PLEASE EXPLAIN THE ARM THAT THE COMPANY HAS PROPOSED.**

4 A. The Company would like for the Commission to consider the concept of an annual  
5 formula rate mechanism similar to the one that the Company has in Tennessee. Mr.  
6 Waller's testimony will discuss the specifics of the mechanism as well as benefits to  
7 the customer. In past cases, the Company has briefly discussed rate stabilization and  
8 the Company believes that such a formula rate mechanism would be successful in  
9 Kentucky. According to the American Gas Association (AGA), formula rate  
10 mechanisms appear to be most prevalent in the southeast and the Company has six  
11 such mechanisms in effect in other jurisdictions.

12 **Q. HAVE SUCH FORMULA RATE MECHANISMS BEEN SUCCESSFUL IN**  
13 **THE JURISDICTIONS THAT THE COMPANY SERVES?**

14 A. Yes. The process has become largely formulaic with prescribed information being  
15 filed and reviewed on an annual basis.

16 **Q. WHY IS THE COMPANY BASING ITS PROPOSAL ON THE TENNESSEE**  
17 **MODEL AS OPPOSED TO ANOTHER MODEL?**

18 A. The Company based its proposal on the Tennessee model due to its close proximity  
19 to Kentucky and because the Company's operations in those states are in the same  
20 operating division. The Tennessee model has worked extremely well as evidenced  
21 by comments from both Chairman Jones and Commissioner Hill when the Tennessee  
22 Public Utility Commission approved that Company's latest filing to adjust rates.<sup>1</sup>

---

<sup>1</sup> Chairman Jones states in his motion that "the Alternative Ratemaking Mechanism, or ARM, continues to benefit both consumers and Atmos and remains in the public interest. The ARM allows Atmos timely recovery of investment and operating expenses ensuring safe and reliable services while benefiting [sic] consumers through reduced rate case and legal expense that would otherwise likely result through lengthy rate case proceedings." Similarly, Commissioner Hill stated "thank you to all the parties for their good conduct and for their willingness to work together. This is, indeed, what was envisioned by the staff and the commissioners...."

1 **Q. DO YOU BELIEVE A FORMULA RATE MECHANISM WOULD BE**  
2 **APPROPRIATE FOR THE COMPANY'S KENTUCKY OPERATIONS?**

3 A. Yes. A process similar to the one utilized in Tennessee would provide for a regularly  
4 scheduled rate review that will cost less and adjust the rates each year in a more  
5 timely manner to actually achieve the result contemplated by the Commission's rate  
6 orders. Further, the Company already employs a similar mechanism within its  
7 Kentucky Pipe Replacement Program.

8 **Q. PLEASE DISCUSS THE HISTORY OF THE COMPANY'S R&D RIDER.**

9 A. The Company proposed and the Commission approved the Company's R&D Rider  
10 in Case No. 99-070. The R&D unit charge applies to all customers with the  
11 exception of transportation customers. Prior to Case No. 99-070, interstate pipelines  
12 charged local distribution companies (LDCs) a R&D surcharge which ultimately  
13 flowed through the Gas Cost Adjustment (GCA) mechanism. At that point in time,  
14 the interstate pipelines began to phase out the surcharge with 2004 being the last year  
15 that it would have flowed through the GCA mechanism. In an effort to maintain the  
16 same level of funding, the Company planned to initially raise its R&D unit charge a  
17 corresponding amount on an annual basis to offset the reduction in pipeline charges.  
18 By 2004, the Company's R&D charge should have equaled \$0.0174 per Mcf which  
19 would have mirrored the interstate pipeline rate prior to the phase-out.

20 **Q. WHAT IS THE COMPANY'S CURRENT R&D UNIT CHARGE?**

21 A. The Company's current R&D unit charge is \$0.0035 per Mcf.

22 **Q. HAS THE COMPANY EVER INCREASED ITS R&D UNIT CHARGE?**

23 A. No.

24 **Q. WHY DID THE COMPANY NEVER INCREASE ITS R&D UNIT CHARGE?**

25 A. While the Company has never increased its R&D unit charge, it did implement the  
26 appropriate rate at inception. The Company inadvertently failed to increase its R&D  
27 unit charge after inception.

1 **Q. WHAT IS THE COMPANY'S PROPOSAL RELATED TO ITS R&D UNIT**  
2 **CHARGE?**

3 A. The Company proposes to achieve the spirit of the Order in Case No. 99-070 and  
4 increase the R&D unit charge to \$0.0174 per Mcf.

5 **Q. WHY IS THE COMPANY PROPOSING TO INCREASE THE R&D UNIT**  
6 **CHARGE NOW?**

7 A. While investigating what the Company annually contributes to GTI on a Company-  
8 wide base, it appeared the portion related to Kentucky was quite low. Upon further  
9 investigation, it was discovered that the initial R&D unit charge had never been  
10 updated. The Company is simply proposing to increase the R&D unit charge to what  
11 it should have been in 2004.

12 **Q. WHAT IMPACT WOULD THIS HAVE ON CUSTOMERS?**

13 A. With the current R&D unit charge of \$0.0035 per Mcf and assuming sixteen (16) Bcf  
14 of annual sales, applicable customers contribute approximately \$56,000 for R&D  
15 efforts. Increasing the R&D unit charge to \$0.0174 per Mcf would increase funding  
16 by approximately \$222,000 for a total annual contribution of approximately  
17 \$278,000 (\$56,000 + \$222,000).

18 **Q. DOES THE PROPOSED R&D UNIT CHARGE INCREASE CREATE**  
19 **ADDITIONAL REVENUES FOR THE COMPANY?**

20 A. No. While the Company does not directly benefit financially from the R&D Rider,  
21 the Company as well as our customers do benefit by new technology and more  
22 efficient appliances that result from research funded by the R&D Rider. All funds  
23 collected under the R&D Rider are remitted to the Gas Technology Institute (GTI), or  
24 a similar research or commercialization organization. While the Company has some  
25 flexibility on where it remits funds, all funds collected through the R&D unit charge  
26 have been remitted to GTI.

1 **Q. ARE THERE ANY OTHER CONSIDERATIONS RELATED TO THE R&D**  
2 **UNIT CHARGE?**

3 A. Yes. The genesis of the R&D unit charge was over seventeen (17) years ago. While  
4 the R&D Rider continues to benefit customers through research initiatives, the cost  
5 of conducting R&D initiatives continues to rise. While one could argue that the  
6 \$278,000 which could have been billed and collected annually since 2004 is  
7 somewhat stale, the Company would prefer to initially increase the R&D unit charge  
8 to \$0.0174 per Mcf and to seek any additional increases in future proceedings. Also,  
9 according to Sheet No. 51c of Columbia Gas of Kentucky's tariff, a unit charge  
10 related to their Rider for Natural Gas Research and Development is set to collect  
11 \$300,000 annually to fund research and development. The Company's proposed  
12 adjustment is certainly in line with that amount.

13 **Q. IS THE COMPANY PROPOSING A DIFFERENT PERIOD TO WEATHER**  
14 **NORMALIZE REVENUES IN THIS CASE?**

15 A. Yes. As approved in Case No. 2015-00343, the Company is proposing to use a more  
16 current period of time to weather normalize revenues.

17 **Q. WHAT IS THE PERIOD THAT THE COMPANY IS PROPOSING TO USE**  
18 **TO NORMALIZE REVENUES IN THIS CASE?**

19 A. The Company is proposing to use the twenty year period ending August 2017, or  
20 stated another way, the period of September 1997 through August 2017.

21 **IX. CONCLUSION**

22 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

23 A. Yes.

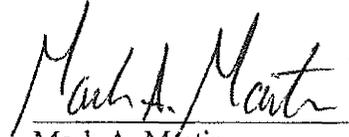
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF )  
RATE APPLICATION OF ) Case No. 2017-00349  
ATMOS ENERGY CORPORATION )

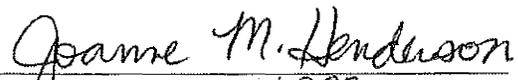
CERTIFICATE AND AFFIDAVIT

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 direct testimony of this affiant in Case No. 2017-00349, 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 direct pre-filed testimony.

  
\_\_\_\_\_  
Mark A. Martin

STATE OF Kentucky  
COUNTY OF Daviess

SUBSCRIBED AND SWORN to before me by Mark A. Martin on this the 15<sup>th</sup> day of September, 2017.

  
\_\_\_\_\_  
Notary Public ID 506385  
My Commission Expires: 3/22/18

ATMOS ENERGY CORPORATION - KENTUCKY  
BILL FREQUENCY DATA  
Reference Period - Twelve Months Ending 06/30/2017

Line No.	Class of Customers	Jul-16 (a)	Aug-16 (b)	Sep-16 (c)	Oct-16 (d)	Nov-16 (e)	Dec-16 (f)	Jan-17 (g)	Feb-17 (h)	Mar-17 (i)	Apr-17 (j)	May-17 (k)	Jun-17 (l)	Number Of Bills (m)	Mcf (n)	Rate (o)	Total Revenue (p)	
1	<u>RESIDENTIAL (Rate G-1)</u>																	
2	FIRM BILLS		154,447	155,312	152,910	153,225	154,516	157,890	158,882	159,583	159,839	157,294	159,280	156,888	1,880,067	\$19.06	\$35,834,077	
3	Sales: 1-300		170,127	140,916	165,532	191,441	405,114	1,413,280	1,939,037	1,421,821	1,036,442	767,272	307,246	196,936		8,157,164	1.5340	12,513,090
4	Sales: 301-15000		0	0	41	905	146	28	274	337	737	-502	36	0		2,002	0.9500	1,902
5	Sales: Over 15000		0	0	0	0	0	0	0	0	0	0	0	0		0	0.7400	0
6	CLASS TOTAL (Mcf/month)		170,127	140,916	165,573	192,346	405,260	1,413,308	1,939,311	1,422,158	1,037,179	766,770	307,282	196,936	1,880,067	8,159,166		\$48,349,059
7																		
8	<u>FIRM COMMERCIAL (Rate G-1)</u>																	
9	FIRM BILLS		17,024	17,149	16,872	16,778	17,200	17,535	17,874	17,890	17,938	17,568	17,819	17,344	208,991		49.74	\$10,395,212
10	Sales: 1-300		139,670	116,780	151,911	154,468	198,487	545,671	757,808	577,780	436,544	320,696	176,219	143,838		3,719,669	1.5340	5,705,972
11	Sales: 301-15000		24,866	22,349	25,373	55,054	5,861	56,035	129,604	70,227	49,673	31,455	24,313	9,224		504,034	0.9500	478,833
12	Sales: Over 15000		0	0	0	2,056	-2,056	0	0	0	0	0	0	0		0	0.7400	0
13	CLASS TOTAL (Mcf/month)		164,536	139,129	177,284	211,576	202,292	601,706	887,213	648,007	486,218	352,150	200,532	153,062	208,991	4,223,703		\$16,580,017
14																		
15	<u>FIRM INDUSTRIAL (Rate G-1)</u>																	
16	FIRM BILLS		182	207	192	188	203	195	221	209	211	194	211	203	2,416		\$49.74	\$120,188
17	Sales: 1-300		8,059	9,685	10,002	9,141	15,019	33,391	42,844	36,133	31,541	20,571	14,960	10,348		241,494	1.5340	370,452
18	Sales: 301-15000		14,937	14,067	16,577	21,028	17,824	41,270	76,700	47,026	41,290	25,829	24,668	17,609		368,823	0.9500	340,882
19	Sales: Over 15000		0	0	0	0	0	0	0	0	0	0	0	0		0	0.7400	0
20	CLASS TOTAL (Mcf/month)		22,996	23,751	26,579	30,168	32,843	74,661	119,344	83,159	72,832	46,400	39,628	27,957	2,416	600,317		\$831,522
21																		
22	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>																	
23	FIRM BILLS		1,520	1,593	1,524	1,554	1,566	1,551	1,552	1,546	1,566	1,509	1,576	1,536	18,583		\$49.74	\$924,318
24	Sales: 1-300		21,528	20,883	27,925	27,062	42,387	103,761	130,785	106,009	84,639	63,690	36,915	23,957		688,429	1.5340	1,056,051
25	Sales: 301-15000		1,242	1,423	3,015	3,202	4,861	21,731	38,799	21,264	14,714	11,611	2,808	3,473		127,962	0.9500	121,564
26	Sales: Over 15000		0	0	0	0	0	0	0	0	0	0	0	0		0	0.7400	0
27	CLASS TOTAL (Mcf/month)		22,770	22,306	30,940	30,263	47,268	125,461	169,584	126,273	99,254	75,300	39,523	27,430	18,583	816,392		\$2,101,933
28																		
29	<u>INTERRUPTIBLE COMMERCIAL (G-2)</u>																	
30	INT BILLS		2	2	2	2	3	3	3	3	3	3	4	2	32		393.35	\$12,587
31	Sales: 1-15000		16	59	56	51	502	1,612	2,477	1,947	1,506	1,435	704	15		10,379	0.9090	9,434
32	Sales: Over 15000		0	0	0	0	0	0	0	0	0	0	0	0		0	0.8849	0
33	CLASS TOTAL (Mcf/month)		16	59	56	51	502	1,612	2,477	1,947	1,506	1,435	704	15	32	10,379		\$22,021
34																		
35	<u>INTERRUPTIBLE INDUSTRIAL (G-2)</u>																	
36	INT BILLS		9	8	8	7	8	8	9	16	10	8	10	9	110		393.35	\$43,269
37	Sales: 1-15000		41,347	27,820	28,622	14,615	26,033	40,531	65,531	50,051	39,184	32,346	39,178	16,531		421,790	0.9090	383,407
38	Sales: Over 15000		7,742	0	4,795	0	0	12,687	48,477	100,423	40,007	38,094	72,430	0		324,655	0.8849	222,356
39	CLASS TOTAL (Mcf/month)		49,089	27,820	33,417	14,615	26,033	53,218	114,008	150,474	79,191	70,440	111,808	16,531	110	746,445		\$649,032
40																		
41	<u>TRANSPORTATION (T-4)</u>																	
42	TRANSPORTATION BILLS		123	123	123	123	124	124	124	124	124	124	124	125	1,485		396.49	\$688,788
43	Trans Admin Fee		\$6,050	\$6,050	\$6,050	\$6,050	\$6,100	\$6,100	\$6,100	\$6,100	\$6,100	\$6,100	\$6,100	\$6,150				73,950
44	EFM Fee		\$6,250	\$6,275	\$6,275	\$6,325	\$6,400	\$6,400	\$6,400	\$6,400	\$6,425	\$6,425	\$6,425	\$6,450				76,450
45	Parking Fee		\$53	\$155	\$121	\$68	\$74	\$801	\$203	\$337	\$356	\$88	\$175	\$100				2,532
46	Firm Transport: 1-300		33,503	33,570	34,124	35,162	36,551	37,200	37,014	37,033	36,818	35,568	34,726	33,990		425,359	1.6233	690,465
47	Firm Transport: 301-15000		348,854	378,638	383,355	416,704	477,246	571,484	568,284	478,844	504,965	391,331	393,731	378,099		5,289,535	1.0053	5,317,570
48	Firm Transport: Over 15000		55,103	77,815	68,662	69,506	96,487	147,727	147,427	121,123	142,686	75,643	82,008	94,288		1,178,385	0.7631	922,793
49	CLASS TOTAL (Mcf/month)		437,560	490,023	486,141	521,372	610,294	756,411	752,725	637,000	684,469	502,442	510,465	504,377	1,485	6,883,279		\$7,671,667
50																		
51	<u>ECONOMIC DEV RIDER (EDR)</u>																	
52	Firm Transport: 1-300		0	0	0	0	0	0	0	0	0	0	0	0		0	1.1505	\$0
53	Firm Transport: 301-15000		0	0	0	0	0	0	0	0	0	0	0	0		0	0.7125	0
54	Firm Transport: Over 15000		10,434	16,523	15,048	15,000	16,271	14,213	25,293	18,199	24,758	17,435	19,507	19,934		212,615	0.5550	118,001
55	CLASS TOTAL (Mcf/month)		10,434	16,523	15,048	15,000	16,271	14,213	25,293	18,199	24,758	17,435	19,507	19,934		212,615		\$118,001
56																		

ATMOS ENERGY CORPORATION - KENTUCKY  
 BILL FREQUENCY DATA  
 Reference Period - Twelve Months Ending 06/30/2017

Line No.	Class of Customers	Jul-16 (a)	Aug-16 (b)	Sep-16 (c)	Oct-16 (d)	Nov-16 (e)	Dec-16 (f)	Jan-17 (g)	Feb-17 (h)	Mar-17 (i)	Apr-17 (j)	May-17 (k)	Jun-17 (l)	Number Of Bills (m)	Mcf (n)	Rate (o)	Total Revenue (p)
57	<u>TRANSPORTATION (T-3)</u>																
58	TRANSPORTATION BILLS	72	72	72	72	72	72	72	73	73	73	73	73	869		398.04	\$345,897
59	Trans Admin Fee	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,650	\$3,650	\$3,650	\$3,650	\$3,650				43,450
60	EFM Fee	\$3,750	\$3,750	\$3,750	\$3,775	\$3,775	\$3,775	\$3,775	\$3,875	\$3,875	\$3,875	\$3,875	\$3,875				45,725
61	Parking Fee	\$138	\$263	\$349	\$306	\$446	\$410	\$233	\$234	\$287	\$344	\$381	\$382				3,773
62	Interrupt Transport: 1-15000	365,197	392,954	409,566	429,316	489,031	495,538	479,023	437,352	467,340	425,906	438,932	417,537		5,227,792	0.9031	4,721,219
63	Interrupt Transport: Over 15000	159,238	188,257	181,757	222,098	227,754	246,997	273,786	215,301	252,265	198,017	204,975	227,598		2,598,044	0.6805	1,767,969
64	CLASS TOTAL (Mcf/month)	524,435	581,211	591,423	651,414	696,785	742,535	752,809	652,653	719,606	623,923	643,907	645,135	869	7,825,836		\$6,928,033
65																	
66	<u>SPECIAL CONTRACTS</u>																
67	TRANSPORTATION BILLS	15	15	15	15	15	15	15	14	14	14	14	14	174		375.00	\$65,100
68	Trans Admin Fee	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$650	\$650	\$650	\$650	\$650				8,150
69	EFM Fee	\$725	\$725	\$725	\$725	\$875	\$875	\$875	\$775	\$775	\$775	\$775	\$775				9,400
70	Parking / Pooling Fees	\$2,029	\$2,635	\$2,262	\$4,989	\$4,624	\$15,795	\$6,226	\$6,312	\$7,403	\$8,223	\$4,727	\$4,258				69,484
71	Transported Volumes	1,157,069	1,136,909	1,137,334	1,211,366	1,193,259	1,336,249	1,352,820	1,129,306	1,200,429	1,057,015	1,063,770	871,787		13,847,313	Various	
72	Charges for Transport Volumes	\$112,538	\$111,972	\$111,576	\$117,733	\$149,831	\$157,113	\$163,551	\$139,881	\$151,368	\$143,504	\$149,711	\$132,359				1,641,126
73	CLASS TOTAL (Mcf/month)	1,157,069	1,136,909	1,137,334	1,211,366	1,193,259	1,336,249	1,352,820	1,129,306	1,200,429	1,057,015	1,063,770	871,787	174	13,847,313		\$1,793,260

ATMOS ENERGY CORPORATION - KENTUCKY  
 SUMMARY OF REVENUE AT PRESENT RATES  
 TEST YEAR ENDING MAR, 31 2019

Line No.	Description	Block (Mcf)	Reference Period - Twelve Months Ending 06/30/2017					Forward-looking Adjustments To Test Year		Total Test Year Volumes (i)	Present Margin (j)	Present Revenue (k)
			Number of Bills, Units (a)	Volumes As Metered (b)	Contract Adj. Bills and Volumes (c)	Weather Adj. Volumes (NOAA 1997-2017) (d)	Total Volumes (e)	Customer Growth Forecast (f)	Conservation & Efficiency Adjustments (g)			
1	<u>Sales</u>											
2	Firm Sales (G-1)	Customer Chrg	1,880,067					6,300			\$19.06	\$35,954,155
3		Customer Chrg	229,990		13						49.74	11,440,365
4		0 - 300		12,806,757	2,648	2,573,875	15,383,280	(15,383,280)	0	-	1.5340	0
5		301 - 15,000		992,822	(34,945)	66,416	1,024,292	0	0	1,024,292	0.9500	973,078
6		Over 15,000		0	0	0	0	0	0	-	0.7400	0
7	Interruptible Sales (G-2)	Customer Chrg	142		0						393.35	55,856
8		0 - 15,000		432,169	(75,000)		357,169			357,169	0.9090	324,667
9		Over 15,000		324,655	(266,795)		57,860			57,860	0.6849	39,828
10												
11	<u>Transportation</u>											
12	Customer Charges (T-4)	Customer Chrg	1,485		11						396.49	593,149
13	Customer Charges (T-3)	Customer Chrg	869		(17)						398.04	339,130
14	Customer Charges (SpK)	Customer Chrg	174		(7)						375.00	62,475
15	Transp. Adm. Fee	Customer Chrg	2,493		(13)						60.00	124,000
16	Parked Volumes [1]			757,887	0						0.10	75,789
17	EPM Charges										Various	130,600
18	Firm Transportation (T-4)	0 - 300		425,359	5,494		430,853			430,853	1.6233	699,404
19		301 - 15,000		5,289,535	151,171		5,440,706			5,440,706	1.0053	5,469,542
20		Over 15,000		1,178,385	(22,342)		1,156,043			1,156,043	0.7831	905,297
21	Economic Dev Rider (EDR)	301 - 15,000		0	0		0			0	0.7125	0
22		Over 15,000		212,615	0		212,615			212,615	0.5550	118,001
23	Interruptible Transportation (T-3)	0 - 15,000		5,227,792	161,611		5,389,403			5,389,403	0.9031	4,867,170
24		Over 15,000		2,598,044	291,250		2,889,294			2,889,294	0.6805	1,966,164
25	Total Special Contracts [2]			13,847,313	(24,300)		13,823,013			13,823,013	Various	2,125,425
26												
27	Total Tariff		2,112,727	43,335,446	188,792	2,640,291	46,164,529	(15,376,980)	0	30,781,248		66,263,895
28												
29	Other Revenues											806,054
30	Late Payment Fees											1,297,964
31	Total Gross Profit											88,387,914
32												
33	Gas Costs											78,709,117
34												
35	Total Revenue											\$ 147,077,031
36												
37	[1] Parked Volumes not included in Total Deliveries.											
38	[2] Based on confidential information.											

ATMOS ENERGY CORPORATION - KENTUCKY  
 VOLUME AND CONTRACT ADJUSTMENTS  
 Reference Period - Twelve Months Ending 06/30/2017

Line No.	Class of Customers	Jul-16 (a)	Aug-16 (b)	Sep-16 (c)	Oct-16 (d)	Nov-16 (e)	Dec-16 (f)	Jan-17 (g)	Feb-17 (h)	Mar-17 (i)	Apr-17 (j)	May-17 (k)	Jun-17 (l)	Number Of Bills (m)	Mcf (n)	Rate (o)	Total Revenue (p)	
1	<u>RESIDENTIAL (Rate G-1)</u>																	
2	FIRM BILLS													0			\$19.06	\$0
3	Sales: 1-300	0	0	41	905	146	28	274	337	737	(502)	36	0		2,002	1.5340	3,072	
4	Sales: 301-15000	0	0	(41)	(905)	(146)	(28)	(274)	(337)	(737)	502	(36)	0		(2,002)	0.9500	(1,902)	
5	Sales: Over 15000						0								0	0.7400	0	
6	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		\$1,169	
7																		
8	<u>FIRM COMMERCIAL (Rate G-1)</u>																	
9	FIRM BILLS																49.74	\$0
10	Sales: 1-300																1.5340	0
11	Sales: 301-15000	0	0	0	2,056	(2,056)	0	0	0	0	0	0	0			0.9500	0	
12	Sales: Over 15000	0	0	0	(2,056)	2,056	0	0	0	0	0	0	0			0.7400	0	
13	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		\$0	
14																		
15	<u>FIRM INDUSTRIAL (Rate G-1)</u>																	
16	FIRM BILLS													13			49.74	\$647
17	Sales: 1-300	(155)	(150)	(171)	(146)	89	654	403	237	294	(242)	(237)	70		646	1.5340	991	
18	Sales: 301-15000	(361)	(42)	(1,267)	(1,542)	(2,605)	(4,398)	(5,124)	(5,329)	(3,814)	(4,193)	(4,268)	0		(32,943)	0.9500	(31,296)	
19	Sales: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.7400	0	
20	CLASS TOTAL (Mcf/month)	(516)	(192)	(1,438)	(1,688)	(2,516)	(3,744)	(4,721)	(5,092)	(3,520)	(4,435)	(4,505)	70	13	(32,297)		(\$29,658)	
21																		
22	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>																	
23	FIRM BILLS																49.74	\$0
24	Sales: 1-300														0		1.5340	0
25	Sales: 301-15000														0		0.9500	0
26	Sales: Over 15000														0		0.7400	0
27	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		\$0	
28																		
29	<u>INTERRUPTIBLE COMMERCIAL (G-2)</u>																	
30	INT BILLS																393.35	\$0
31	Sales: 1-15000														0		0.9090	0
32	Sales: Over 15000														0		0.6849	0
33	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		\$0	
34																		
35	<u>INTERRUPTIBLE INDUSTRIAL (G-2)</u>																	
36	INT BILLS	0	0	0	0	0	0	0	0	0	0	0	0	0			393.35	\$0
37	Sales: 1-15000	0	0	0	0	0	0	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	0		(75,000)	0.9090	(68,175)	
38	Sales: Over 15000	0	0	0	0	0	0	(34,899)	(90,742)	(30,630)	(38,094)	(72,430)	0		(266,795)	0.6849	(182,728)	
39	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	(49,899)	(105,742)	(45,630)	(53,094)	(87,430)	0	0	(341,795)		(\$250,903)	

ATMOS ENERGY CORPORATION - KENTUCKY  
 VOLUME AND CONTRACT ADJUSTMENTS  
 Reference Period - Twelve Months Ending 06/30/2017

Line No.	Class of Customers	Jul-16 (a)	Aug-16 (b)	Sep-16 (c)	Oct-16 (d)	Nov-16 (e)	Dec-16 (f)	Jan-17 (g)	Feb-17 (h)	Mar-17 (i)	Apr-17 (j)	May-17 (k)	Jun-17 (l)	Number Of Bills (m)	Mcf (n)	Rate (o)	Total Revenue (p)
40																	
41	TRANSPORTATION (T-4)																
42	TRANSPORTATION BILLS	1	1	1	1	1	1	1	1	1	1	1	0	11		396.49	\$4,361
43	Trans Admin Fee	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$0				550
44	EFM Fee	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$0				825
45	Parking Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				0
46	Firm Transport: 1-300	465	450	473	477	414	300	300	407	382	592	647	597		5,494	1.6233	8,918
47	Firm Transport: 301-15000	6,982	5,664	8,013	8,712	12,041	10,936	15,677	19,323	14,539	18,366	18,227	12,690		151,171	1.0053	151,973
48	Firm Transport: Over 15000	2,106	2,565	1,800	253	(2,302)	(2,879)	(4,694)	(6,315)	(2,529)	(4,750)	(2,954)	(2,643)		(22,342)	0.7831	(17,496)
49	CLASS TOTAL (Mcf/month)	9,544	8,678	10,287	9,442	10,153	8,357	11,283	13,415	12,392	14,207	15,920	10,644	11	134,323		\$149,131
50																	
51	ECONOMIC DEV RIDER (EDR)																
52	Firm Transport: 1-300	0	0	0	0	0	0	0	0	0	0	0	0		0	1.1505	\$0
53	Firm Transport: 301-15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.7125	0
54	Firm Transport: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.5550	0
55	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0		0		\$0
56																	
57	TRANSPORTATION (T-3)																
58	TRANSPORTATION BILLS	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(17)		398.04	(\$6,767)
59	Trans Admin Fee	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)				(850)
60	EFM Fee	(\$75)	(\$75)	(\$75)	(\$75)	(\$75)	(\$75)	(\$75)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)				(1,275)
61	Parking Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				0
62	Interrupt Transport: 1-15000	16,737	16,210	17,346	16,357	6,333	5,125	16,048	16,129	16,114	16,357	16,213	2,641		161,611	0.9031	145,951
63	Interrupt Transport: Over 15000	25,000	25,000	25,000	26,825	27,037	27,091	27,353	27,139	27,074	26,843	26,887	0		291,250	0.6805	198,196
64	CLASS TOTAL (Mcf/month)	41,737	41,210	42,346	43,183	33,370	32,217	43,401	43,268	43,188	43,200	43,100	2,641	(17)	452,861		\$335,255
65																	
66	SPECIAL CONTRACTS																
67	TRANSPORTATION BILLS	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0	0	0	0	0	(7)		375.00	(\$2,625)
68	Trans Admin Fee	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	\$0	\$0	\$0	\$0	\$0				(350)
69	EFM Fee	(\$75)	(\$75)	(\$75)	(\$75)	(\$75)	(\$75)	(\$75)	\$0	\$0	\$0	\$0	\$0				(525)
70	Parking Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				0
71	Transported Volumes	(21,056)	(20,446)	(21,608)	(25,561)	7,752	7,648	8,573	8,252	8,393	8,073	8,338	7,341		(24,300)	Various	
72	Charges for Transport Volumes	62,169	59,645	63,289	69,456	35,854	50,564	45,474	33,924	32,355	16,291	9,377	5,902				484,300
73	CLASS TOTAL (Mcf/month)	(21,056)	(20,446)	(21,608)	(25,561)	7,752	7,648	8,573	8,252	8,393	8,073	8,338	7,341	(7)	(24,300)		\$480,800

ATMOS ENERGY CORPORATION - KENTUCKY  
 WEATHER ADJUSTMENT - BASE NOAA 1997-2017  
 Reference Period - Twelve Months Ending 06/30/2017

Line No.	Class of Customers	Jul-16 (a)	Aug-16 (b)	Sep-16 (c)	Oct-16 (d)	Nov-16 (e)	Dec-16 (f)	Jan-17 (g)	Feb-17 (h)	Mar-17 (i)	Apr-17 (j)	May-17 (k)	Jun-17 (l)	Number Of Bills (m)	Mcf (n)	Rate (o)	Total Revenue (p)
1	<u>RESIDENTIAL (Rate G-1)</u>																
2	FIRM BILLS													0		\$19.06	\$0
3	Sales: 1-300	(16,548)	13,523	(9,563)	136,686	464,986	103,885	(27,694)	574,381	378,639	110,974	100,773	1,784		1,831,826	1.5340	2,810,021
4	Sales: 301-15000														0	0.9500	0
5	Sales: Over 15000														0	0.7400	0
6	CLASS TOTAL (Mcf/month)	(16,548)	13,523	(9,563)	136,686	464,986	103,885	(27,694)	574,381	378,639	110,974	100,773	1,784	0	1,831,826		\$2,810,021
7																	
8	<u>FIRM COMMERCIAL (Rate G-1)</u>																
9	FIRM BILLS													0		49.74	\$0
10	Sales: 1-300	(5,266)	17,094	(16,238)	5,192	211,932	45,850	(70,125)	165,461	123,354	65,694	48,898	22,791		614,636	1.5340	942,851
11	Sales: 301-15000	(938)	3,272	(2,712)	1,919	4,062	4,708	(11,996)	20,111	14,036	6,443	6,746	1,462		47,114	0.9500	44,758
12	Sales: Over 15000														0	0.7400	0
13	CLASS TOTAL (Mcf/month)	(6,204)	20,366	(18,950)	7,111	215,994	50,558	(82,121)	185,572	137,390	72,137	55,644	24,253	0	681,750		\$987,610
14																	
15	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>																
16	FIRM BILLS													0		-	\$0
17	Sales: 1-300	3,021	4,593	(4,139)	9,691	34,013	7,895	(3,027)	37,226	23,444	5,658	6,973	2,066		127,413	0.0000	0
18	Sales: 301-15000	174	313	(447)	1,146	3,917	1,654	(898)	7,538	4,081	1,031	493	299		19,302	0.0000	0
19	Sales: Over 15000														0	0.0000	0
20	CLASS TOTAL (Mcf/month)	3,195	4,906	(4,586)	10,837	37,930	9,549	(3,925)	44,764	27,525	6,689	7,466	2,365	0	146,715		\$0

Atmos Energy - Kentucky  
 Normalization Of Volumes For Weather  
 Reference Period - Twelve Months Ending 06/30/2017  
 (Weather Basis: 20-years ending 2017)

Line	Month	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Lagged Actual HDDs	0	0	0	40	204	671	788	604	432	226	93	4
2	Lagged Normal HDDs	0	0	2	89	358	665	852	899	607	354	121	22
3	Calendar Normal HDDs	0	0	24	213	500	808	894	728	519	212	59	2
4													
5	<u>RESIDENTIAL (Rate G-1)</u>												
6													
7	Annual Customer Growth												
8	Annual Base Load Decline												
9	Annual Total Load Decline												
10													
11	Actual Constand Load	153,579	154,439	152,050	152,363	153,647	157,002	157,989	158,686	158,940	156,410	158,384	156,007
12	Actual Heat Load	16,548	(13,523)	13,523	39,982	251,613	1,256,306	1,781,322	1,263,472	878,239	610,361	148,898	42,929
13	Heat Load / Customer	0.107	(0.087)	0.088	0.261	1.628	7.957	11.212	7.917	5.495	3.880	0.935	0.274
14	Actual X Coefficient	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130	0.0130
15	Product	0	0	0.0259	1.153	4.6377	8.6148	11.0373	11.5166	7.8634	4.5859	1.5675	0.285
16	Base Load	0.9944	0.9944	0.9944	0.9944	0.9944	0.9944	0.9944	0.9944	0.9944	0.9944	0.9944	0.9944
17	Normal Usage / Customer	0.9944	0.9944	1.0203	2.1474	5.6321	9.6092	12.0317	12.5110	8.8578	5.5803	2.5619	1.2794
18	No. of Customers	154,447	155,312	152,910	153,225	154,516	157,890	158,882	159,583	159,839	157,294	159,280	156,889
19	Normalized Volumes	153,579	154,439	156,011	329,032	870,246	1,517,193	1,911,617	1,999,539	1,415,818	877,744	408,056	200,720
20	Actual Volumes	170,127	140,916	165,573	192,346	405,280	1,413,308	1,939,311	1,422,158	1,037,179	766,770	307,282	198,936
21	Normalized Volume Including Unbilled	153,579	154,439	199,592	575,162	1,154,493	1,809,687	1,998,066	1,663,705	1,233,608	588,398	280,126	160,072
22	Normalized Calendar Volumes	153,888	154,750	199,993	576,319	1,156,817	1,813,329	2,002,088	1,667,053	1,236,091	589,582	280,689	160,394
23													
24	Weather Adjustment	(16,548)	13,523	(9,563)	136,686	464,986	103,885	(27,694)	574,381	378,639	110,974	100,773	1,784
25													
26	Tier 1	(16,548)	13,523	(9,563)	136,686	464,986	103,885	(27,694)	574,381	378,639	110,974	100,773	1,784
27	Tier 2												
28	Tier 3												
29	Total	(16,548)	13,523	(9,563)	136,686	464,986	103,885	(27,694)	574,381	378,639	110,974	100,773	1,784
30													
31													

Atmos Energy - Kentucky  
 Normalization Of Volumes For Weather  
 Reference Period - Twelve Months Ending 06/30/2017  
 (Weather Basis: 20-years ending 2017)

Line	Month	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Lagged Actual HDDs	0	0	0	40	204	671	788	604	432	226	93	4
2	Lagged Normal HDDs	0	0	2	89	358	685	852	889	607	354	121	22
3	Calendar Normal HDDs	0	0	24	213	500	808	894	728	519	212	59	2
4													
32	<u>FIRM COMMERCIAL (Rate G-1)</u>												
33													
34	Annual Customer Growth												
35	Annual Base Load Decline												
36	Annual Total Load Decline												
37													
38	Actual Constand Load	158,332	159,495	156,919	156,044	159,969	163,085	166,238	166,386	166,833	163,392	165,726	161,308
39	Actual Heat Load	6,204	(20,366)	20,366	55,532	42,322	438,621	720,975	481,621	319,385	188,758	34,805	(8,247)
40	Heat Load / Customer	0.364	(1.188)	1.207	3.310	2.461	25.014	40.337	26.921	17.805	10.744	1.953	(0.475)
41	Actual X Coefficient	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420	0.0420
42	Product	0	0	0.0839	3.7336	15.0184	27.8973	35.7421	37.2942	25.4641	14.8506	5.076	0.9229
43	Base Load		9.3005	9.3005	9.3005	9.3005	9.3005	9.3005	9.3005	9.3005	9.3005	9.3005	9.3005
44	Normal Usage / Customer	9.3005	9.3005	9.3844	13.0341	24.3189	37.1978	45.0426	46.5947	34.7646	24.1511	14.3765	10.2234
45	No. of Customers	17,024	17,149	16,872	16,778	17,200	17,535	17,874	17,890	17,938	17,568	17,819	17,344
46	Normalized Volumes	158,332	159,495	158,334	218,687	418,286	652,264	805,092	833,580	623,608	424,287	256,175	177,315
47	Actual Volumes	164,536	139,129	177,284	211,576	202,292	601,706	887,213	648,007	486,218	352,150	200,532	153,062
48	Normalized Volume Including Unbilled	158,332	159,495	173,906	305,964	520,746	757,455	836,584	712,750	557,387	319,634	209,830	162,764
49	Normalized Calendar Volumes	158,877	159,842	174,284	308,630	521,879	759,103	838,404	714,301	558,600	320,329	210,287	163,118
50													
51	Weather Adjustment	(6,204)	20,366	(18,950)	7,111	215,994	50,558	(82,121)	185,572	137,390	72,137	55,644	24,253
52													
53	Tier 1	(5,286)	17,094	(16,238)	5,192	211,932	45,850	(70,125)	165,461	123,354	65,694	48,898	22,791
54	Tier 2	(938)	3,272	(2,712)	1,919	4,062	4,708	(11,996)	20,111	14,036	6,443	6,746	1,462
55	Tier 3	-	-	-	-	-	-	-	-	-	-	-	-
56	Total	(6,204)	20,366	(18,950)	7,111	215,994	50,558	(82,121)	185,572	137,390	72,137	55,644	24,253
57													
58													

**Atmos Energy - Kentucky**  
**Normalization Of Volumes For Weather**  
**Reference Period - Twelve Months Ending 06/30/2017**  
**(Weather Basis: 20-years ending 2017)**

Line	Month	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Lagged Actual HDDs	0	0	0	40	204	671	788	604	432	226	93	4
2	Lagged Normal HDDs	0	0	2	89	358	665	852	889	607	354	121	22
3	Calendar Normal HDDs	0	0	24	213	500	808	894	728	519	212	59	2
4													
59	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>												
60													
61	Annual Customer Growth												
62	Annual Base Load Decline												
63	Annual Total Load Decline												
64													
65	Actual Constand Load	25,965	27,212	26,033	26,546	26,580	26,495	26,512	26,409	26,751	25,777	26,922	26,238
66	Actual Heat Load	(3,195)	(4,906)	4,906	3,717	20,688	98,987	143,072	99,864	72,503	49,523	12,602	1,191
67	Heat Load / Customer	(2.102)	(3.080)	3.219	2.392	13.296	63.621	92.186	64.595	46.298	32.819	7.996	0.776
68	Actual X Coefficient	0.1052	0.1052	0.1052	0.1052	0.1052	0.1052	0.1052	0.1052	0.1052	0.1052	0.1052	0.1052
69	Product	0	0	0.2105	9.3655	37.6725	69.9782	89.6563	93.5498	63.8748	37.2516	12.7329	2.3151
70	Base Load	17,0823	17,0823	17,0823	17,0823	17,0823	17,0823	17,0823	17,0823	17,0823	17,0823	17,0823	17,0823
71	Normal Usage / Customer	17.0823	17.0823	17.2928	26.4478	54.7548	87.0605	106.7386	110.6321	80.9571	54.3339	29.8152	19.3974
72	No. of Customers	1,520	1,593	1,524	1,554	1,556	1,551	1,552	1,546	1,566	1,509	1,576	1,536
73	Normalized Volumes	25,965	27,212	26,354	41,100	85,198	135,031	165,658	171,037	126,779	81,990	46,989	29,794
74	Actual Volumes	22,770	22,306	30,940	30,263	47,268	125,481	169,584	126,273	99,254	75,300	39,523	27,430
75	Normalized Volume Including Unbilled	25,965	27,212	29,882	61,377	108,449	158,370	172,518	144,845	112,277	59,441	36,706	26,562
76	Normalized Calendar Volumes	25,952	27,198	29,867	61,346	108,393	158,288	172,428	144,770	112,219	59,410	36,687	26,548
77													
78	Weather Adjustment	3,195	4,906	(4,586)	10,837	37,930	9,549	(3,925)	44,764	27,525	6,689	7,466	2,365
79													
80	Tier 1	3,021	4,593	(4,139)	9,691	34,013	7,895	(3,027)	37,226	23,444	5,658	6,973	2,066
81	Tier 2	174	313	(447)	1,146	3,917	1,654	(898)	7,538	4,081	1,031	493	299
82	Tier 3	-	-	-	-	-	-	-	-	-	-	-	-
83	Total	3,195	4,906	(4,586)	10,837	37,930	9,549	(3,925)	44,764	27,525	6,689	7,466	2,365

ATMOS ENERGY CORPORATION - KENTUCKY  
 BILL FREQUENCY WITH KNOWN & MEASURABLE ADJUSTMENTS  
 TEST YEAR ENDING MAR. 31 2019  
CURRENT RATES

Line No.	Class of Customers	Rate	Apr-18 (a)	May-18 (b)	Jun-18 (c)	Jul-18 (d)	Aug-18 (e)	Sep-18 (f)	Oct-18 (g)	Nov-18 (h)	Dec-18 (i)	Jan-19 (j)	Feb-19 (k)	Mar-19 (l)	Total Billing Units (m)
1	<u>RESIDENTIAL (Rate G-1)</u>														
2	FIRM BILLS	\$19.06	157,594	159,580	157,189	155,047	155,912	153,510	153,825	155,116	158,490	159,482	160,183	160,439	1,886,367
3	Sales: 1-300	1.5340	879,434	408,824	201,104	154,175	155,035	156,623	330,320	873,656	1,523,006	1,918,900	2,004,126	1,421,181	10,026,386
4	Sales: 301-15000	0.9500	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Sales: Over 15000	0.7400	0	0	0	0	0	0	0	0	0	0	0	0	0
6	CLASS TOTAL (Mcf/month)		879,434	408,824	201,104	154,175	155,035	156,623	330,320	873,656	1,523,006	1,918,900	2,004,126	1,421,181	10,026,386
7	Gas Charge per Mcf	\$4.65	\$4.87	\$4.87	\$4.87	\$4.87	\$4.85	\$4.85	\$4.85	\$4.70	\$4.70	\$4.70	\$4.62	\$4.62	
8	Gas Costs		\$4,088,765	\$1,992,913	\$980,330	\$751,564	\$752,693	\$760,400	\$1,603,698	\$4,104,688	\$7,155,519	\$9,015,541	\$9,266,234	\$6,570,943	\$47,043,289
9															
10	<u>FIRM COMMERCIAL (Rate G-1)</u>														
11	FIRM BILLS	49.74	17,568	17,819	17,344	17,024	17,149	16,872	16,778	17,200	17,535	17,874	17,890	17,938	208,991
12	Sales: 1-300	1.5340	386,389	225,116	166,629	134,404	133,874	135,673	159,657	410,419	591,521	687,483	743,241	559,898	4,334,305
13	Sales: 301-15000	0.9500	37,898	31,059	10,686	23,928	25,621	22,681	59,029	7,867	60,743	117,608	90,338	63,709	551,149
14	Sales: Over 15000	0.7400	0	0	0	0	0	0	0	0	0	0	0	0	0
15	CLASS TOTAL (Mcf/month)		424,287	256,176	177,315	158,332	159,495	158,334	218,687	418,286	652,264	805,092	833,579	623,608	4,885,453
16	Gas Charge per Mcf	\$4.65	\$4.87	\$4.87	\$4.87	\$4.87	\$4.85	\$4.85	\$4.85	\$4.70	\$4.70	\$4.70	\$4.62	\$4.62	
17	Gas Costs		\$1,972,642	\$1,248,789	\$864,364	\$771,828	\$774,345	\$768,709	\$1,061,720	\$1,965,226	\$3,064,522	\$3,782,551	\$3,854,120	\$2,883,299	\$23,012,115
18															
19	<u>FIRM INDUSTRIAL (Rate G-1)</u>														
20	FIRM BILLS	\$49.74	195	212	205	183	208	193	189	204	196	222	210	212	2,429
21	Sales: 1-300	1.5340	20,329	14,723	10,418	7,904	9,535	9,831	8,995	15,108	34,045	43,047	36,370	31,835	242,140
22	Sales: 301-15000	0.9500	21,636	20,400	17,609	14,576	14,025	15,310	19,486	15,219	36,872	71,576	41,697	37,476	325,880
23	Sales: Over 15000	0.7400	0	0	0	0	0	0	0	0	0	0	0	0	0
24	CLASS TOTAL (Mcf/month)		41,965	35,123	28,027	22,480	23,559	25,141	28,480	30,327	70,917	114,623	78,067	69,312	568,020
25	Gas Charge per Mcf	\$4.65	\$4.87	\$4.87	\$4.87	\$4.87	\$4.85	\$4.85	\$4.85	\$4.70	\$4.70	\$4.70	\$4.62	\$4.62	
26	Gas Costs		\$195,106	\$171,215	\$136,625	\$109,583	\$114,380	\$122,057	\$138,271	\$142,483	\$333,187	\$538,533	\$360,949	\$320,468	\$2,682,859
27															
28	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>														
29	FIRM BILLS	\$49.74	1,509	1,576	1,536	1,520	1,593	1,524	1,554	1,556	1,551	1,552	1,546	1,566	18,583
30	Sales: 1-300	1.5340	69,347	43,888	26,023	24,549	25,476	23,786	36,752	76,400	111,646	127,758	142,235	107,984	815,843
31	Sales: 301-15000	0.9500	12,642	3,101	3,772	1,416	1,736	2,568	4,348	8,798	23,384	37,901	28,802	18,795	147,264
32	Sales: Over 15000	0.7400	0	0	0	0	0	0	0	0	0	0	0	0	0
33	CLASS TOTAL (Mcf/month)		81,989	46,989	29,795	25,965	27,212	26,354	41,100	85,198	135,030	165,659	171,037	126,779	963,107
34	Gas Charge per Mcf	\$4.65	\$4.87	\$4.87	\$4.87	\$4.87	\$4.85	\$4.85	\$4.85	\$4.70	\$4.70	\$4.70	\$4.62	\$4.62	
35	Gas Costs		\$381,194	\$229,060	\$145,242	\$126,572	\$132,111	\$127,947	\$199,541	\$400,285	\$634,411	\$778,312	\$790,803	\$586,171	\$4,531,650
36															
37	<u>INTERRUPTIBLE COMMERCIAL (G-2)</u>														
38	INT BILLS	393.35	3	4	2	2	2	2	2	3	3	3	3	3	32
39	Sales: 1-15000	0.9090	1,435	704	15	16	59	56	51	502	1,612	2,477	1,947	1,506	10,380
40	Sales: Over 15000	0.6849	0	0	0	0	0	0	0	0	0	0	0	0	1
41	CLASS TOTAL (Mcf/month)		1,435	704	15	16	59	56	51	502	1,612	2,477	1,947	1,506	10,380
42	Gas Charge per Mcf	\$3.37	\$3.59	\$3.59	\$3.59	\$3.57	\$3.57	\$3.57	\$3.57	\$3.42	\$3.42	\$3.42	\$3.34	\$3.34	
43	Gas Costs		\$4,832	\$2,529	\$52	\$57	\$211	\$202	\$182	\$1,717	\$5,509	\$8,466	\$6,510	\$5,035	\$35,300
44															

ATMOS ENERGY CORPORATION - KENTUCKY  
 BILL FREQUENCY WITH KNOWN & MEASURABLE ADJUSTMENTS  
 TEST YEAR ENDING MAR. 31 2019  
 CURRENT RATES

Line No.	Class of Customers	Rate	Apr-18 (a)	May-18 (b)	Jun-18 (c)	Jul-18 (d)	Aug-18 (e)	Sep-18 (f)	Oct-18 (g)	Nov-18 (h)	Dec-18 (i)	Jan-19 (j)	Feb-19 (k)	Mar-19 (l)	Total Billing Units (m)
45	<u>INTERRUPTIBLE INDUSTRIAL (G-2)</u>														
46	INT BILLS	393.35	8	10	9	9	8	8	7	8	8	9	16	10	110
47	Sales: 1-15000	0.9090	17,346	24,178	16,531	41,347	27,820	28,622	14,615	26,033	40,531	50,531	35,051	24,184	346,791
48	Sales: Over 15000	0.6849	0	0	0	7,742	0	4,795	0	0	12,687	13,578	9,681	9,377	57,861
49	<u>CLASS TOTAL (Mcf/month)</u>		17,346	24,178	16,531	49,089	27,820	33,417	14,615	26,033	53,218	64,109	44,732	33,561	404,652
50	Gas Charge per Mcf		\$3.37	\$3.59	\$3.59	\$3.59	\$3.57	\$3.57	\$3.57	\$3.42	\$3.42	\$3.42	\$3.34	\$3.34	
51	Gas Costs		\$58,413	\$86,870	\$59,396	\$176,375	\$99,407	\$119,406	\$52,224	\$88,986	\$181,911	\$219,138	\$149,564	\$112,213	\$1,403,903
52															
53	<u>TRANSPORTATION (T-4)</u>														
54	TRANSPORTATION BILLS	\$396.49	125	125	125	124	124	124	124	125	125	125	125	125	1,496
55	Trans Admin Fee		6,150	6,150	6,150	6,100	6,100	6,100	6,100	6,150	6,150	6,150	6,150	6,150	\$73,600
56	EFM Fee		6,500	6,500	6,450	6,325	6,350	6,350	6,400	6,475	6,475	6,475	6,475	6,500	\$77,275
57	Parking Fee		88	175	100	53	155	121	68	74	801	203	337	356	\$2,532
58	Firm Transport: 1-300	1.6233	36,160	35,373	34,587	34,058	34,020	34,597	35,639	36,965	37,500	37,314	37,440	37,200	430,853
59	Firm Transport: 301-15000	1.0053	409,697	411,958	388,789	355,836	384,302	391,368	425,416	489,287	582,420	583,961	498,167	519,504	5,440,706
60	Firm Transport: Over 1500	0.7831	70,793	79,054	91,645	57,209	80,380	70,462	69,759	94,195	144,848	142,733	114,808	140,157	1,156,043
61	<u>CLASS TOTAL (Mcf/month)</u>		516,649	526,385	515,021	447,104	498,701	496,428	530,814	620,447	764,768	764,008	650,415	696,861	7,027,602
62															
63	<u>ECONOMIC DEV RIDER (EDR)</u>														
64	Firm Transport: 1-300	1.1505	0	0	0	0	0	0	0	0	0	0	0	0	0
65	Firm Transport: 301-15000	0.7125	0	0	0	0	0	0	0	0	0	0	0	0	0
66	Firm Transport: Over 15000	0.5550	17,435	19,507	19,934	10,434	16,523	15,048	15,000	16,271	14,213	25,293	18,199	24,758	212,615
67	<u>CLASS TOTAL (Mcf/month)</u>		17,435	19,507	19,934	10,434	16,523	15,048	15,000	16,271	14,213	25,293	18,199	24,758	212,615
68															
69	<u>TRANSPORTATION (T-3)</u>														
70	TRANSPORTATION BILLS	398.04	71	71	71	71	71	71	71	71	71	71	71	71	852
71	Trans Admin Fee		3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	\$42,600
72	EFM Fee		3,725	3,725	3,725	3,675	3,675	3,675	3,700	3,700	3,700	3,700	3,725	3,725	\$44,450
73	Parking Fee		344	381	382	138	263	349	306	446	410	233	234	287	\$3,773
74	Interrupt Transport: 1-15000	0.9031	442,263	455,145	420,178	381,934	408,164	427,012	445,673	475,364	500,663	495,071	453,481	483,454	5,389,404
75	Interrupt Transport: Over 15000	0.6805	224,860	231,862	227,598	184,238	213,257	206,757	248,923	254,791	274,088	301,139	242,440	279,340	2,889,295
76	<u>CLASS TOTAL (Mcf/month)</u>		667,123	687,007	647,776	566,172	622,421	633,769	694,597	730,155	774,752	796,210	695,921	762,794	8,278,699
77															
78	<u>SPECIAL CONTRACTS</u>														
79	TRANSPORTATION BILLS	375.00	14	14	14	14	14	14	14	14	14	14	14	14	167
80	Trans Admin Fee		650	650	650	650	650	650	650	650	650	650	650	650	\$7,800
81	EFM Fee		775	775	775	650	650	650	650	800	800	800	775	775	\$8,875
82	Parking Fee		8,223	4,727	4,258	2,029	2,635	2,262	4,989	4,624	15,795	6,226	6,312	7,403	\$69,484
83	Transported Volumes	Various	1,065,088	1,072,108	879,128	1,136,013	1,116,463	1,115,726	1,185,805	1,201,011	1,343,897	1,361,393	1,137,558	1,208,822	13,823,013
84	Charges for Transport Volumes		159,796	159,087	138,261	174,707	171,617	174,865	187,188	185,686	207,677	209,035	173,785	183,723	\$2,125,425
85	<u>CLASS TOTAL (Mcf/month)</u>		1,065,088	1,072,108	879,128	1,136,013	1,116,463	1,115,726	1,185,805	1,201,011	1,343,897	1,361,393	1,137,558	1,208,822	13,823,013
86															
87	<u>OTHER REVENUE</u>														
88	Service Charges		\$49,919	\$53,628	\$55,397	\$45,327	\$57,173	\$55,395	\$88,176	\$126,545	\$87,101	\$58,133	\$54,439	\$74,821	\$806,054
89	Late Payment Fees		\$154,728	\$111,173	\$76,089	\$58,231	\$53,684	\$54,035	\$53,461	\$67,434	\$110,916	\$163,043	\$195,126	\$200,044	\$1,297,964
90															
91	<b>TOTAL GROSS PROFIT</b>		\$7,697,206	\$6,705,840	\$6,058,096	\$5,782,302	\$5,897,232	\$5,852,374	\$6,328,765	\$7,794,983	\$9,546,764	\$10,521,842	\$10,489,941	\$9,344,814	\$92,020,159
92	Gas Costs		\$6,700,953	\$3,731,375	\$2,186,010	\$1,935,980	\$1,873,148	\$1,898,722	\$3,055,635	\$6,703,385	\$11,375,060	\$14,342,542	\$14,428,181	\$10,478,128	\$78,709,117
93	<b>TOTAL REVENUE</b>		\$14,398,159	\$10,437,215	\$8,244,106	\$7,718,282	\$7,770,380	\$7,751,095	\$9,384,400	\$14,498,368	\$20,921,824	\$24,864,383	\$24,918,122	\$19,822,942	\$170,729,276

**ATMOS ENERGY CORPORATION - KENTUCKY  
SUMMARY OF REVENUE AT PROPOSED RATES  
TEST YEAR ENDING MAR, 31 2019**

Line No.	Description	Block (Mcf)	Reference Period - Twelve Months Ending 06/30/2017					Forward-looking Adjustments To Test Year		Total Test Year Volumes (i)	Proposed Margin (j)	Proposed Revenue (k)
			Number of Bills, Units (a)	Volumes As Metered (b)	Contract Adj. Bills and Volumes (c)	Weather Adj. Volumes (NOAA 1997-2017) (d)	Total Volumes (e)	Customer Growth Forecast (f)	Conservation & Efficiency Adjustments (g)			
1	<u>Sales</u>											
2	Firm Sales (G-1)	Customer Chrg	1,880,067					6,300			\$20.50	\$38,670,524
3		Customer Chrg	229,990		13						52.50	12,075,174
4		0 - 300		12,806,757	2,648	2,573,875	15,383,280	35,393	0	15,418,673	1.8250	28,139,079
5		301 - 15,000		992,822	(34,945)	66,416	1,024,292		0	1,024,292	1.1850	1,213,786
6		Over 15,000		0	0	0	0		0	0	0.9000	0
7	Interruptible Sales (G-2)	Customer Chrg	142		0						400.00	58,800
8		0 - 15,000		432,169	(75,000)		357,169			357,169	1.0450	373,242
9		Over 15,000		324,655	(266,795)		57,860			57,860	0.7640	44,205
10												
11	<u>Transportation</u>											
12	Customer Charges (T-4)	Customer Chrg	1,485		11						400.00	598,400
13	Customer Charges (T-3)	Customer Chrg	869		(17)						400.00	340,800
14	Customer Charges (SpK)	Customer Chrg	174		(7)						375.00	62,475
15	Transp. Adm. Fee	Customer Chrg	2,493		(13)						50.00	124,000
16	Parked Volumes [1]			757,887	0						0.10	75,789
17	EFM Charges										Various	130,600
18	Firm Transportation (T-4)	0 - 300		425,359	5,494		430,853			430,853	1.8250	786,307
19		301 - 15,000		5,289,535	151,171		5,440,706			5,440,706	1.1850	6,447,237
20		Over 15,000		1,178,385	(22,342)		1,156,043			1,156,043	0.9000	1,040,438
21	Economic Dev Rider (EDR)	301 - 15,000		0	0		0			0	0.8888	0
22		Over 15,000		212,615	0		212,615			212,615	0.6750	143,515
23	Interruptible Transportation (T-3)	0 - 15,000		5,227,792	161,611		5,389,403			5,389,403	1.0450	5,631,926
24		Over 15,000		2,598,044	291,250		2,889,294			2,889,294	0.7640	2,207,420
25	Total Special Contracts [2]			13,847,313	(24,300)		13,823,013			13,823,013	Various	2,125,425
26												
27	Total Tariff		<u>2,112,727</u>	<u>43,335,446</u>	<u>188,792</u>	<u>2,640,291</u>	<u>46,164,529</u>	<u>41,693</u>	<u>0</u>	<u>46,199,922</u>		<u>100,287,142</u>
28												
29	Other Revenues											806,054
30	Late Payment Fees											1,368,496
31	Total Gross Profit											<u>102,461,693</u>
32												
33	Gas Costs											<u>78,709,117</u>
34												
35	Total Revenue											<u>\$ 181,170,810</u>
36												
37	[1] Parked Volumes not included in Total Deliveries.											10,441,534
38	[2] Based on confidential information.											

ATMOS ENERGY CORPORATION - KENTUCKY  
BILL FREQUENCY WITH KNOWN & MEASURABLE ADJUSTMENTS  
TEST YEAR ENDING MAR. 31 2019  
PROPOSED RATES

Line No.	Class of Customers	Rate	Apr-18 (a)	May-18 (b)	Jun-18 (c)	Jul-18 (d)	Aug-18 (e)	Sep-18 (f)	Oct-18 (g)	Nov-18 (h)	Dec-18 (i)	Jan-19 (j)	Feb-19 (k)	Mar-19 (l)	Total Billing Units (m)
1	<u>RESIDENTIAL (Rate G-1)</u>														
2	FIRM BILLS	\$20.50	157,594	159,580	157,189	155,047	155,912	153,510	153,825	155,116	158,490	159,482	160,183	160,439	1,886,367
3	Sales: 1-300	1.8250	879,434	408,824	201,104	154,175	155,035	156,623	330,320	873,656	1,523,006	1,918,900	2,004,126	1,421,181	10,026,386
4	Sales: 301-15000	1.1850	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Sales: Over 15000	0.9000	0	0	0	0	0	0	0	0	0	0	0	0	0
6	CLASS TOTAL (Mcf/month)		879,434	408,824	201,104	154,175	155,035	156,623	330,320	873,656	1,523,006	1,918,900	2,004,126	1,421,181	10,026,386
7	Gas Charge per Mcf	\$4.65	\$4.87	\$4.87	\$4.87	\$4.87	\$4.85	\$4.85	\$4.85	\$4.70	\$4.70	\$4.70	\$4.62	\$4.62	
8	Gas Costs		\$4,088,765	\$1,992,913	\$980,330	\$751,564	\$752,693	\$760,400	\$1,603,698	\$4,104,688	\$7,155,519	\$9,015,541	\$9,266,234	\$6,570,943	\$47,043,289
9															
10	<u>FIRM COMMERCIAL (Rate G-1)</u>														
11	FIRM BILLS	\$2.50	17,568	17,819	17,344	17,024	17,149	16,872	16,778	17,200	17,535	17,874	17,890	17,938	208,991
12	Sales: 1-300	1.8250	386,389	225,116	166,629	134,404	133,874	135,673	159,657	410,419	591,521	687,483	743,241	559,898	4,334,305
13	Sales: 301-15000	1.1850	37,898	31,059	10,686	23,928	25,621	22,661	59,029	7,867	60,743	117,608	90,338	63,709	551,149
14	Sales: Over 15000	0.9000	0	0	0	0	0	0	0	0	0	0	0	0	0
15	CLASS TOTAL (Mcf/month)		424,287	256,176	177,315	158,332	159,495	158,334	218,687	418,286	652,264	805,092	833,579	623,608	4,885,453
16	Gas Charge per Mcf	\$4.65	\$4.87	\$4.87	\$4.87	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	\$4.70	\$4.70	\$4.62	\$4.62	
17	Gas Costs		\$1,972,642	\$1,248,789	\$864,364	\$771,828	\$774,345	\$768,709	\$1,061,720	\$1,965,226	\$3,064,522	\$3,782,551	\$3,854,120	\$2,883,299	\$23,012,115
18															
19	<u>FIRM INDUSTRIAL (Rate G-1)</u>														
20	FIRM BILLS	\$52.50	195	212	205	183	208	193	189	204	196	222	210	212	2,429
21	Sales: 1-300	1.8250	20,329	14,723	10,418	7,904	9,535	9,831	8,995	15,108	34,045	43,047	36,370	31,835	242,140
22	Sales: 301-15000	1.1850	21,636	20,400	17,609	14,576	14,025	15,310	19,486	15,219	36,872	71,576	41,697	37,476	325,880
23	Sales: Over 15000	0.9000	0	0	0	0	0	0	0	0	0	0	0	0	0
24	CLASS TOTAL (Mcf/month)		41,965	35,123	28,027	22,480	23,559	25,141	28,480	30,327	70,917	114,623	78,067	69,312	568,020
25	Gas Charge per Mcf	\$4.65	\$4.87	\$4.87	\$4.87	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	\$4.70	\$4.70	\$4.62	\$4.62	
26	Gas Costs		\$195,106	\$171,215	\$136,625	\$109,583	\$114,380	\$122,057	\$138,271	\$142,483	\$333,187	\$538,533	\$360,949	\$320,468	\$2,682,859
27															
28	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>														
29	FIRM BILLS	\$52.50	1,509	1,576	1,536	1,520	1,593	1,524	1,554	1,556	1,551	1,552	1,546	1,566	18,583
30	Sales: 1-300	1.8250	69,347	43,888	26,023	24,549	25,476	23,786	36,752	76,400	111,646	127,758	142,235	107,984	815,843
31	Sales: 301-15000	1.1850	12,642	3,101	3,772	1,416	1,736	2,568	4,348	8,798	23,384	37,901	28,802	18,795	147,264
32	Sales: Over 15000	0.9000	0	0	0	0	0	0	0	0	0	0	0	0	0
33	CLASS TOTAL (Mcf/month)		81,989	46,989	29,795	25,965	27,212	26,354	41,100	85,198	135,030	165,659	171,037	126,779	963,107
34	Gas Charge per Mcf	\$4.65	\$4.87	\$4.87	\$4.87	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	\$4.70	\$4.70	\$4.62	\$4.62	
35	Gas Costs		\$381,194	\$229,060	\$145,242	\$126,572	\$132,111	\$127,947	\$199,541	\$400,285	\$634,411	\$778,312	\$790,803	\$586,171	\$4,531,650
36															
37	<u>INTERRUPTIBLE COMMERCIAL (G-2)</u>														
38	INT BILLS	400.00	3	4	2	2	2	2	2	3	3	3	3	3	32
39	Sales: 1-15000	1.0450	1,435	704	15	16	59	56	51	502	1,612	2,477	1,947	1,506	10,380
40	Sales: Over 15000	0.7640	0	0	0	0	0	0	0	0	0	0	0	0	1
41	CLASS TOTAL (Mcf/month)		1,435	704	15	16	59	56	51	502	1,612	2,477	1,947	1,506	10,381
42	Gas Charge per Mcf	\$3.37	\$3.59	\$3.59	\$3.59	\$3.57	\$3.57	\$3.57	\$3.57	\$3.42	\$3.42	\$3.42	\$3.34	\$3.34	
43	Gas Costs		\$4,832	\$2,529	\$52	\$57	\$211	\$202	\$182	\$1,717	\$5,509	\$8,466	\$6,510	\$5,035	\$35,300
44															

ATMOS ENERGY CORPORATION - KENTUCKY  
BILL FREQUENCY WITH KNOWN & MEASURABLE ADJUSTMENTS  
TEST YEAR ENDING MAR. 31 2019  
PROPOSED RATES

Line No.	Class of Customers	Rate	Apr-18 (a)	May-18 (b)	Jun-18 (c)	Jul-18 (d)	Aug-18 (e)	Sep-18 (f)	Oct-18 (g)	Nov-18 (h)	Dec-18 (i)	Jan-19 (j)	Feb-19 (k)	Mar-19 (l)	Total Billing Units (m)
45	<u>INTERRUPTIBLE INDUSTRIAL (G-2)</u>														
46	INT BILLS	400.00	8	10	9	9	8	8	7	8	8	9	16	10	110
47	Sales: 1-15000	1.0450	17,346	24,178	16,531	41,347	27,820	28,622	14,615	26,033	40,531	50,531	35,051	24,184	346,791
48	Sales: Over 15000	0.7640	0	0	0	7,742	0	4,795	0	0	12,667	13,578	9,681	9,377	57,861
49	<b>CLASS TOTAL (Mcf/month)</b>		17,346	24,178	16,531	49,089	27,820	33,417	14,615	26,033	53,218	64,109	44,732	33,561	404,652
50	Gas Charge per Mcf		\$3.37	\$3.59	\$3.59	\$3.59	\$3.57	\$3.57	\$3.57	\$3.42	\$3.42	\$3.42	\$3.34	\$3.34	
51	Gas Costs		\$58,413	\$86,870	\$59,396	\$176,375	\$99,407	\$119,406	\$52,224	\$88,986	\$181,911	\$219,138	\$149,564	\$112,213	\$1,403,903
52															
53	<u>TRANSPORTATION (T-4)</u>														
54	TRANSPORTATION BILLS	400.00	125	125	125	124	124	124	124	125	125	125	125	125	1,496
55	Trans Admin Fee		6,150	6,150	6,150	6,100	6,100	6,100	6,100	6,150	6,150	6,150	6,150	6,150	\$73,600
56	EFM Fee		6,500	6,500	6,450	6,325	6,350	6,350	6,400	6,475	6,475	6,475	6,475	6,500	\$77,275
57	Parking Fee		88	175	100	53	155	121	68	74	801	203	337	356	\$2,532
58	Firm Transport: 1-300	1.8250	36,160	35,373	34,587	34,058	34,020	34,597	35,639	36,965	37,500	37,314	37,440	37,200	430,853
59	Firm Transport: 301-15000	1.1850	409,697	411,958	388,789	355,836	384,302	391,368	425,416	489,287	582,420	583,961	498,167	519,504	5,440,706
60	Firm Transport: Over 1500	0.9000	70,793	79,054	91,645	57,209	80,380	70,462	69,759	94,195	144,848	142,733	114,808	140,157	1,156,043
61	<b>CLASS TOTAL (Mcf/month)</b>		516,649	526,385	515,021	447,104	498,701	496,428	530,814	620,447	764,768	764,008	650,415	696,861	7,027,602
62															
63	<u>ECONOMIC DEV RIDER (EDR)</u>														
64	Firm Transport: 1-300	1.1505	0	0	0	0	0	0	0	0	0	0	0	0	0
65	Firm Transport: 301-15000	0.7125	0	0	0	0	0	0	0	0	0	0	0	0	0
66	Firm Transport: Over 15000	0.5550	17,435	19,507	19,934	10,434	16,523	15,048	15,000	16,271	14,213	25,293	18,199	24,758	212,615
67	<b>CLASS TOTAL (Mcf/month)</b>		17,435	19,507	19,934	10,434	16,523	15,048	15,000	16,271	14,213	25,293	18,199	24,758	212,615
68															
69	<u>TRANSPORTATION (T-3)</u>														
70	TRANSPORTATION BILLS	400.00	71	71	71	71	71	71	71	71	71	71	71	71	852
71	Trans Admin Fee		3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	3,550	\$42,600
72	EFM Fee		3,725	3,725	3,725	3,675	3,675	3,675	3,700	3,700	3,700	3,700	3,725	3,725	\$44,450
73	Parking Fee		344	381	382	138	263	349	306	446	410	233	234	287	\$3,773
74	Interrupt Transport: 1-15000	1.0450	442,263	455,145	420,178	381,934	409,164	427,012	445,673	475,364	500,663	495,071	453,481	483,454	5,389,404
75	Interrupt Transport: Over 15000	0.7640	224,860	231,862	227,598	184,238	213,257	206,757	248,923	254,791	274,068	301,139	242,440	279,340	2,889,295
76	<b>CLASS TOTAL (Mcf/month)</b>		667,123	687,007	647,776	566,172	622,421	633,769	694,597	730,155	774,752	796,210	695,921	762,794	8,278,699
77															
78	<u>SPECIAL CONTRACTS</u>														
79	TRANSPORTATION BILLS	375.00	14	14	14	14	14	14	14	14	14	14	14	14	167
80	Trans Admin Fee		650	650	650	650	650	650	650	650	650	650	650	650	\$7,800
81	EFM Fee		775	775	775	650	650	650	650	800	800	800	775	775	\$8,875
82	Parking Fee		8,223	4,727	4,258	2,029	2,635	2,262	4,989	4,624	15,795	6,226	6,312	7,403	\$69,484
83	Transported Volumes	Various	1,065,088	1,072,108	879,128	1,136,013	1,116,463	1,115,726	1,185,805	1,201,011	1,343,897	1,361,393	1,137,558	1,208,822	13,823,013
84	Charges for Transport Volumes		159,796	159,087	138,261	174,707	171,617	174,865	187,188	185,685	207,677	209,035	173,785	183,723	\$2,125,425
85	<b>CLASS TOTAL (Mcf/month)</b>		1,065,088	1,072,108	879,128	1,136,013	1,116,463	1,115,726	1,185,805	1,201,011	1,343,897	1,361,393	1,137,558	1,208,822	13,823,013
86															
87	<u>OTHER REVENUE</u>														
88	Service Charges		\$49,919	\$53,628	\$55,397	\$45,327	\$57,173	\$55,395	\$88,176	\$126,545	\$87,101	\$58,133	\$54,439	\$74,821	\$806,054
89	Late Payment Fees		\$160,780	\$115,522	\$79,617	\$61,538	\$57,014	\$57,325	\$57,379	\$73,442	\$119,357	\$172,971	\$205,389	\$208,162	\$1,368,496
90															
91	<b>TOTAL GROSS PROFIT</b>		\$8,568,726	\$7,386,859	\$6,634,885	\$6,317,331	\$6,446,979	\$6,400,714	\$6,959,124	\$8,683,855	\$10,753,282	\$11,910,664	\$11,875,933	\$10,497,827	\$102,436,180
92	Gas Costs		\$6,700,953	\$3,731,375	\$2,186,010	\$1,935,980	\$1,873,148	\$1,898,722	\$3,055,635	\$6,703,385	\$11,375,060	\$14,342,542	\$14,428,181	\$10,478,128	\$78,709,117
93	<b>TOTAL REVENUE</b>		\$15,269,679	\$11,118,234	\$8,820,895	\$8,253,311	\$8,320,127	\$8,299,436	\$10,014,759	\$15,387,240	\$22,128,342	\$26,253,206	\$26,304,114	\$20,975,955	\$181,145,297



BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY )  
CORPORATION FOR AN ADJUSTMENT ) Case No. 2017-00349  
OF RATES AND TARIFF MODIFICATIONS )

DIRECT TESTIMONY OF GREGORY K. WALLER

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19

I. INTRODUCTION

**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. WHAT IS YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE?**

A. I received a Bachelor of Arts degree in economics from Dartmouth College in 1994 and an MBA degree from the University of Texas in 2000. I worked as a management consultant from 1994 to 2003 at Harbor Research in Boston, MA (1994-1996) and Towers Perrin in Dallas, TX (1997-2003). I joined Atmos Energy in 2003 in the Planning and Budgeting Department in Dallas. In November of 2005 I became Vice President of Finance for the Kentucky/Mid-States Division, which includes the Company’s regulated Kentucky operations. I assumed my current role in Dallas, TX in July 2012.

**Q. HAVE YOU TESTIFIED BEFORE THIS OR ANY OTHER REGULATORY COMMISSION?**

A. Yes. I testified before this Commission in 2014 in Case No. 2013-00148. I have also testified before the Tennessee Public Utility Commission in 2006 and 2016 and the

1 Georgia Public Service Commission in 2008, 2009 and 2011. I also submitted direct  
2 testimony in the Company's rate proceedings in Kentucky (2006, 2009, 2013 and  
3 2015), Tennessee (2007, 2008, 2012, 2014, 2016 and 2017), and Virginia (2008,  
4 2009, 2014 and 2016).

5 **Q. WHAT IS THE SCOPE OF YOUR TESTIMONY IN THIS PROCEEDING?**

6 A. I am responsible for the details and advocacy regarding the Company's proposed  
7 Annual Review Mechanism ("ARM") as well as supporting the calculation of the  
8 Company's revenue deficiency, rate base and operating expenses in this rate  
9 proceeding. In that regard I am sponsoring the following Filing Requirements (FR):

10 FR 16(6)(a) Forecasted financial data presented as pro forma adjustments  
11 to the base period;

12 FR 16(6)(b) Forecasted adjustments limited to twelve (12) months  
13 immediately following the suspension period;

14 FR 16(6)(c) Capitalization and net investment rate base;

15 FR 16(6)(f) Reconciliation of the rate base and capitalization;

16 FR 16(7)(b) The utility's most recent capital construction budget  
17 containing at a minimum a three (3) year forecast of  
18 construction expenditures;

19 FR 16(7)(c) Description of all factors used in preparation of the forecast  
20 test period - income statement, operation and maintenance  
21 expenses, employee and labor expenses, capital construction  
22 budget;

23 FR 16(7)(d) Annual and monthly budget for the 12 month period  
24 preceding filing date, the base period and the forecast period;

25 FR 16(7)(f) Detailed information for each major construction project  
26 constituting more than five percent (5%) of the annual  
27 construction budget within the three (3) year forecast;

- 1 FR 16(7)(g) Detailed information for the aggregate of construction  
2 projects constituting less than five percent (5%) of the annual  
3 construction budget within the three (3) year forecast;
- 4 FR 16(7)(h) (1) Operating Income Statement; (2) Balance Sheet; (3)  
5 Statement of Cash Flows; (4) Revenue Requirements; (9)  
6 Employee Level; (10) Labor cost changes; and (12) Rate  
7 Base;
- 8 FR 16(7)(i) Most Recent FERC or FCC Audit Reports;
- 9 FR 16(7)(n) Latest 12 months of the monthly managerial reports providing  
10 financial results of operations in comparison to forecast;
- 11 FR 16(7)(o) Complete monthly budget variance reports, with narrative  
12 explanations, for the twelve (12) months immediately prior to  
13 the base period, each month of the base period, and any  
14 subsequent months, as they become available;
- 15 FR 16(7)(t) List all commercial or in-house computer software, programs,  
16 and models used to develop schedules and work papers  
17 associated with this application;
- 18 FR 16(8)(a) A jurisdictional financial summary for both the base period  
19 and the forecasted period that details how the utility derived  
20 the amount of the requested revenue increase;
- 21 FR 16(8)(b) A jurisdictional rate base summary for both the base period  
22 and the forecasted period with supporting schedules, which  
23 include detailed analyses of each component of the rate base;
- 24 FR 16(8)(c) Jurisdictional operating income summary for both base and  
25 forecasted periods with supporting schedules which provide  
26 breakdowns by major account group and individual account;
- 27 FR 16(8)(d) Summary of jurisdictional adjustments to operating income;

- 1 FR 16(8)(e) Jurisdictional federal and state income tax summaries;  
2 FR 16(8)(f) Summary schedules for the base and forecast periods of  
3 various expenses;  
4 FR 16(8)(g) Analysis of payroll costs;  
5 FR 16(8)(h) Computation of gross revenue conversion factor;  
6 FR 16(8)(i) Comparative income statements, revenue and sales statistics,  
7 base period, forecast period and two (2) years beyond;  
8 FR 16 (8)(k) Comparative financial data.

9 **Q. WHAT ARE THE BASE PERIOD AND TEST PERIOD FOR THIS CASE?**

10 A. The base period is January 1, 2017 through December 31, 2017 (“Base Period”) and  
11 the forecasted test period is April 1, 2018 through March 31, 2019 (“Test Period”)

12 **Q. ARE YOU SPONSORING ANY EXHIBITS IN CONNECTION WITH YOUR**  
13 **TESTIMONY?**

14 A. Yes, I am sponsoring Exhibits GKW-1, GKW-2, and GKW-3, all of which are  
15 attached to my testimony. Exhibit GKW-1 provides the composite factors used to  
16 allocate common costs for the purpose of the Test Period in this rate proceeding.  
17 Exhibit GKW-2 is a Base Period to Test Period O&M comparison by cost element.  
18 GKW-3 contains the details of the Company’s proposed ARM.

19 **Q. DO YOU ADOPT THESE FILING REQUIREMENTS AND EXHIBITS, AND**  
20 **THEIR ASSOCIATED SCHEDULES, AND MAKE THEM PART OF YOUR**  
21 **TESTIMONY?**

22 A. Yes.

23 **Q. WHAT IS THE SOURCE OF THE DATA USED TO COMPLETE THE**  
24 **FILING REQUIREMENTS THAT YOU ARE SPONSORING?**

25 A. The source of the data includes the accounting books and records of the Company  
26 which are being sponsored by Company witness Ms. Laura Gillham along with  
27 information provided by the following witnesses to this proceeding: Mr. Mark Martin

1 (revenues, gas cost and margin forecast; sales statistics); Mr. Joe Christian (capital  
2 structure and cost of debt); and Dr. James Vander Weide (rate of return on equity).

3 The detail concerning how this information was derived is found in the  
4 testimony of these witnesses. The data and information provided by these witnesses  
5 is the best available information and was developed consistent with sound  
6 ratemaking practices. Further, the methods that I used to determine the Company's  
7 revenue requirement in this docket are consistent with the Company's approach in  
8 prior cases before this Commission while recognizing the Commission's findings in  
9 the Final Order of Case No. 2013-00148 on the topics of O&M inflation, incentive  
10 compensation and capital structure.

## 11 **II. PROPOSED ANNUAL REVIEW MECHANISM**

### 12 **Q. PLEASE EXPLAIN THE OBJECTIVE OF THE COMPANY'S PROPOSED** 13 **ANNUAL REVIEW MECHANISM.**

14 A. The proposed ARM is designed to create a more efficient and lower cost process to  
15 review rates on an annual basis so that the rates paid by the customers more  
16 accurately reflect current costs.

17 The Company is proposing the ARM to address the interests of our  
18 customers, interveners, and the Commission with a more efficient and cost effective  
19 process while at the same time better aligning the Company's costs and revenues.  
20 Specifically, the ARM would provide assurance to customers and the Company that  
21 the rates in place are appropriate and reflective of current cost of service. The ARM  
22 accomplishes this through annual, consistent and financially transparent rate reviews  
23 that ensure the Company earns no more than its authorized return while reducing the  
24 time and cost required in traditional ratemaking. This mechanism would replace the  
25 current process by which the Company files annual PRP filings in addition to  
26 periodic comprehensive rate cases. The ARM would provide an annual

1 comprehensive review of the Company's overall financial performance instead of  
2 focusing on the limited issues relating to plant investments that the PRP entails.

3 **Q. WHY DOES THE COMPANY BELIEVE AN ARM IS NECESSARY?**

4 A. The current ratemaking process depends on the Company filing a comprehensive rate  
5 case when it determines it is not earning enough to cover its cost of service. The  
6 process does not match rates with current costs unless the utility files annual rate  
7 cases. The Company's experience in Kentucky since 2009 shows that the traditional  
8 rate case process can take seven months or more and cost several hundred thousand  
9 dollars; and even then does not accurately keep rates in line with current cost  
10 decreases or increases. The ARM creates a regular, streamlined, lower cost and more  
11 rational process that occurs on an annual schedule and adjusts the rates, up or down,  
12 to reflect current operations.

13 The Company believes that the ARM would provide benefits to customers by  
14 avoiding the costly and resource-intensive process to review adjustments through the  
15 traditional rate case process. The ARM would replace that process with a  
16 straightforward and financially transparent process that would ensure that the  
17 customer pays only the appropriate rate. The process would eliminate concerns  
18 regarding: (1) whether the Company's earnings are too high; and (2) that the  
19 traditional rate making process is too expensive and time consuming.

20 **Q. WHY DOES THE COMPANY BELIEVE THE ARM IS NECESSARY GIVEN**  
21 **THE FACT THAT IT ALREADY HAS AN APPROVED ANNUAL PRP?**

22 A. While the PRP has significantly streamlined recovery of the Company's investments  
23 in certain system integrity and safety related categories, it does not cover a  
24 significant portion of the Company's investment. In fact, since the first full year of  
25 the PRP, the mechanism has only encompassed approximately half of the direct  
26 investments made by the Company as shown here:

<i>\$ millions</i> Fiscal Year	PRP Investment	Non PRP Investment	Total Direct Investment	PRP as % of Total
2012	\$17.3	\$20.5	\$37.8	46%
2013	17.2	18.3	35.5	48%
2014	22.7	26.6	49.3	46%
2015	36.9	18.6	55.5	67%
2016	30.0	34.2	64.2	47%
2017	40.2	33.2	73.4	55%
2018	44.9	32.1	77.0	58%
<b>Total</b>	<b>\$209.2</b>	<b>\$183.5</b>	<b>\$392.7</b>	<b>53%</b>

1  
2 Furthermore, the PRP does not cover any of the investments made in assets that are  
3 shared by other jurisdictions and allocable to Kentucky.

4 **Q. WHAT OTHER CATEGORIES OF COST OF SERVICE DOES THE PRP**  
5 **FAIL TO ADDRESS?**

6 A. The PRP captures only return on and return of (depreciation expense) eligible  
7 investment plus an allowance for increased income taxes, ad valorem taxes and a  
8 minor adjustment for O&M savings. It does not adjust for changes in revenues (due  
9 to growth and declining usage), O&M, most taxes other than income taxes and  
10 changes in capital structure or cost of debt. Adjusting rates annually to reflect  
11 changes in all cost of service components would ensure that customers' rates best  
12 reflect the underlying actual costs incurred by the Company in delivering safe and  
13 reliable natural gas service.

14 **Q. PLEASE DESCRIBE THE FILING PROCESS FOR THE PROPOSED ARM**  
15 **MECHANISM.**

16 A. The Company's ARM proposal is fully described and documented in Exhibit GKW-3  
17 attached to my testimony. No later than December 1 of each year, the Company  
18 would file financial schedules, as more specifically identified in the proposed tariff  
19 and Exhibit GKW-3, that are consistent with the revenue requirement model the  
20 Company has used to calculate its revenue requirement in Kentucky dating back to at  
21 least 2009. The method of calculating each component of cost of service is discussed  
22 in Exhibit GKW-3. The methodologies detailed in the exhibit are consistent with the

1 Company's filing practices both in its 2015 case as well as the instant petition.  
2 While the Company has a long history of reaching settlement with intervening parties  
3 in its Kentucky cases both before and since 2013, the 2013 case was unique in that it  
4 went to hearing thereby allowing the Commission to clarify and/or reiterate its  
5 position on the calculation of certain cost of service items that were previously  
6 subject to settlement. As discussed in my testimony in the 2015 case, the Company  
7 incorporated the Commission's positions regarding methodologies clarified in 2013  
8 in its 2015 case and has done the same in this case. Those same calculation  
9 methodologies approved by the Commission are reflected in the Company's ARM  
10 proposal throughout Exhibit GKW-3.

11 **Q. WOULD TESTIMONY AND ALL FILING REQUIREMENTS ("FRs") BE**  
12 **REQUIRED OF THE COMPANY IN ITS ANNUAL FILING?**

13 A. The Company does not propose to submit testimony but would be agreeable to doing  
14 so should the Commission or Attorney General's office find it useful. In my  
15 experience, testimony accompanying each ARM filing is unnecessary when the  
16 schedules and supporting documents of an ARM are well-defined and filed  
17 consistently each year. The ARM, as proposed, has provisions in place for handling  
18 necessary changes and disputes without lengthy testimony and the attestation  
19 proposed to be filed annually certifies that the schedules and support filed are in  
20 compliance with the provisions of the ARM tariff and that the information is true and  
21 correct. The Company currently files annual rate mechanisms without accompanying  
22 testimony in Mississippi, Louisiana and Texas. The Company's Tennessee ARM was  
23 originally proposed without testimony accompanying each filing. The Tennessee  
24 Public Utility Commission, however, later found that limited testimony would be  
25 useful for its analysis and the Company has complied in each filing since. The  
26 Company proposes to file only the FRs that are directly related to and necessary for  
27 calculating cost of service and for notifying customers as it does in Tennessee. As

1 with testimony, however, if the Commission or Office of Attorney General specifies  
2 that additional FRs would be helpful or necessary for their analysis, the Company  
3 will include them in its filing package.

4 **Q. HAS THE COMPANY PREPARED PROPOSED TARIFF SHEETS FOR THE**  
5 **ARM?**

6 A. Yes. The mechanism is described on the proposed ARM tariff sheets in FR  
7 16(1)(b)(3) and 16(1)(b)(4) consistent with the methodologies detailed in Exhibit  
8 GKW-3.

9 **Q. WHAT ARE THE SAFEGUARDS THAT PREVENT THE ARM FROM**  
10 **RESULTING IN A HIGHER THAN APPROPRIATE RETURN FOR THE**  
11 **COMPANY?**

12 A. First, the ARM is fully transparent. It would provide for discovery, review and  
13 investigation by the Commission and Office of Attorney General. Nothing in the  
14 ARM attempts to lessen the authority of regulators and intervening parties in that  
15 regard. Secondly, and perhaps most important, the Annual Reconciliation filing, as  
16 described in Exhibit GKW-3, reconciles each forward looking test year to actual  
17 results and adjusts rates to ensure that the Company only earns its authorized rate of  
18 return.

19 **Q. DOES THE ARM PROVIDE THE COMPANY WITH A GUARANTEED**  
20 **RATE OF RETURN?**

21 A. No, it does not. The practical reality is that the Commission ultimately determines  
22 the rates that the Company is authorized to charge. In any rate proceeding, whether  
23 through a traditional rate case or annual mechanism such as an ARM, it is the  
24 responsibility of the Commission to establish rates and a level of return that only  
25 affords the Company the opportunity to earn a reasonable return on its invested  
26 capital. The Company's earnings opportunity, however, hinges on the determination  
27 of the type and amount of operating expenses that should be recovered by a public

1 utility to generate a fair return and the proper valuation of the rate base or the value  
2 of the property entitled to a return.

3 **Q. WHAT ARE THE BENEFITS OF THE PROPOSED ARM MECHANISM TO**  
4 **CUSTOMERS, THE COMMISSION, INTERVENERS AND THE COMPANY?**

5 A. As I mentioned above, evaluation procedures are proposed to provide for a full  
6 review by the Commission and interveners just as they can do in a traditional rate  
7 case. The proposed ARM does, however, seek to lessen the burden on the  
8 Commission, Commission staff and interveners by streamlining the traditional rate-  
9 making process. By first establishing specific calculation methodologies and then  
10 filing only the information necessary to properly calculate the Company's cost of  
11 service, the ARM ensures that time is not spent reviewing and investigating  
12 unneeded information or re-litigating matters that have been addressed by the  
13 Commission in prior proceedings. Secondly, filing the information in a consistent  
14 manner in accordance with an established schedule allows the Commission and  
15 interveners to better plan how to utilize their resources and anticipate workloads,  
16 without the necessity of establishing a procedural schedule and filing direct and  
17 rebuttal testimony as would be required with a traditional rate case. In my  
18 experience operating under annual mechanisms similar to the one proposed in this  
19 case, the entire process improves and becomes more efficient with each subsequent  
20 filing. The uniformity and consistency of the filings ensures that the Company gets  
21 consistently better at preparing the filings and regulators get consistently better at  
22 analyzing and reviewing them. This has been true in Tennessee, where we have had  
23 the ARM in place for two years, as well as Louisiana and Mississippi where the  
24 mechanisms have been in place for well over two decades.

25 Customers will benefit, as stated previously, by the additional assurance that  
26 both the Company's earnings and the rates they pay are reasonable and appropriate.  
27 Secondly, the mechanism should largely eliminate the need for traditional rate cases

1 and the expenses that accompany them<sup>1</sup>. The ongoing reasonable and necessary  
2 costs of a rate proceeding are borne by our customers, and we believe the ARM will  
3 provide an opportunity to maintain low costs and efficient service for the benefit of  
4 our customers.

5 The Company wishes to retain its position as a low-cost, efficient natural gas  
6 service provider and, simultaneously, the opportunity to earn a reasonable return for  
7 its shareholders. I believe this mechanism will instill greater confidence that the  
8 Company's earnings are reasonable, provide for timely return on capital investments,  
9 and reduce the costs associated with rate cases for all parties. The Company seeks to  
10 provide the best combination of price, safety, service, and value to the customer and I  
11 believe the ARM strengthens our position to meet these goals.

12 **Q. IS THE COMPANY WILLING TO CONSIDER CHANGES TO THE ARM AS**  
13 **PROPOSED?**

14 A. Yes. Should the Commission agree in principle with the Company's ARM proposal  
15 but wish to change specific components of it, such as filing requirements, base and  
16 test year timing, or annual filing dates, the Company is willing to work with all  
17 parties and the Commission toward a mutually agreeable mechanism.

18 **III. REVENUE DEFICIENCY**

19 **Q. WHAT IS THE AMOUNT OF ATMOS ENERGY'S REVENUE**  
20 **DEFICIENCY?**

21 A. The amount of revenue deficiency Atmos Energy seeks to recover in its proposed  
22 rates is \$10,416,375 as shown on line 8 of Schedule A. This deficiency is based on  
23 the forecasted Test Period twelve months ended March 31, 2019, an average rate base  
24 of \$430,095,330 and a required rate of return on rate base of 7.73%.

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<sup>1</sup> To be clear, however, nothing in the ARM proposal lessens the Commission's or any parties' authority to initiate a petition for a general rate case should they believe one is merited to, for example, re-evaluate authorized ROE or re-evaluate the merits of the ARM itself.

1 **Q. WHAT IS THE SOURCE OF FORECASTED TEST PERIOD ADJUSTED**  
2 **OPERATING INCOME OF \$26,926,486 SHOWN ON SCHEDULE A, LINE 2?**

3 A. The forecasted Test Period adjusted operating income is determined in Schedule C  
4 using inputs discussed in my testimony and the testimony of Company witness Mark  
5 Martin.

6 **IV. RATE BASE**

7 **Q. HOW DID YOU DETERMINE THE LEVEL OF RATE BASE FOR THE**  
8 **TEST PERIOD?**

9 A. The Test Period rate base of \$430,095,330 is summarized in Schedule B-1, and  
10 detailed in Schedules B-2 through B-6. Each component of the Test Period rate base  
11 is a thirteen month average forecasted amount, unless noted otherwise. The  
12 components of rate base are: net plant in service, construction work in progress, cash  
13 working capital, regulatory assets and an allowance for other working capital items  
14 consisting of materials and supplies, gas stored underground, and prepayments, less  
15 customer advances for construction and deferred income taxes.

16 **Q. HOW WAS THE TEST PERIOD GROSS PLANT IN SERVICE PROJECTED?**

17 A. I began with actual per books gross plant as of June 30, 2017 including allocations of  
18 shared plant as discussed by Ms. Gillham in her testimony. I used the capital  
19 spending projection for July - September 2017 and the recently approved fiscal year  
20 2018 budget for the months in fiscal year 2018 (October 2017 through September  
21 2018). For the months of October 2018 - March 2019, I added plant additions in  
22 monthly amounts twelve percent greater than the previous year's budget for  
23 Kentucky direct investment, and in monthly amounts equal to the previous year's  
24 budget for Shared Services and Division office investment. The increase in direct  
25 investment reflects expected growth in investment needs consistent with the  
26 Company's five-year plan. Projected plant retirements were based on the level of  
27 retirements recorded in the six months of actuals included in the Base Period

1 (January 2017 through June 2017). Routine retirements in each forecasted month  
2 were projected to continue at the same level in the same month in future years.

3 **Q. WHAT IS THE FORECASTED TEST PERIOD CAPITAL PROJECTION?**

4 A. The forecasted Test Period capital investment projection is \$63.15 million which is  
5 comprised of three components - the direct capital spending for Kentucky for the  
6 forecasted test period, the amount allocated to Kentucky resulting from capital  
7 spending by the Kentucky/Mid-States Division's general office and the amount  
8 allocated to Kentucky resulting from capital spending by the SSU during the  
9 forecasted test period.

10 **Q. WHAT KEY PRIORITIES ARE ADDRESSED THROUGH THE KENTUCKY**  
11 **DIRECT CAPITAL BUDGET?**

12 A. Investments that focus on customer safety and system reliability are our highest  
13 priorities for capital budgeting. The next priority is public improvements and state  
14 and local public works projects such as highway relocations. The next priority is  
15 customer growth. Atmos Energy continues to build good working relationships with  
16 developers, economic development boards, and growing communities to meet the  
17 needs of the customer and to accommodate customer growth on its system. Next in  
18 order of priority, a modern fleet of vehicles and equipment (backhoes, safety  
19 equipment, ditchers, first responder equipment, air compressors, welding machines,  
20 etc.) allows us to maintain our system and continue to provide a reliable and efficient  
21 level of service to our customers. To enhance the level of customer service provided  
22 in the field, we also continue to make investments in new technology. Technology is  
23 a strategic investment that will enable us to continue improving our business  
24 processes, hold down operating costs, and meet the changing expectations of our  
25 customers.

1 **Q. HOW WAS KENTUCKY'S DIRECT CAPITAL BUDGET FOR THE**  
2 **FORECAST PERIOD DEVELOPED?**

3 A. I relied upon the detailed FY2018 capital budget as a baseline for projecting FY2018  
4 through FY2019 capital expenditures for purposes of the forecasted Test Period in  
5 this application. For July - September 2017 I relied upon the FY2017 capital  
6 projections. I describe the Company's budgeting process as well as the process for  
7 developing a forecasted Test Period O&M budget in detail later in my testimony.

8 **Q. WHAT IS KENTUCKY'S FY2018 DIRECT CAPITAL BUDGET?**

9 A. The FY2018 direct capital budget for Kentucky is \$77.02 million.

10 **Q. HOW DID YOU ADJUST KENTUCKY'S FY2018 CAPITAL BUDGET IN**  
11 **ORDER TO PREPARE THE FORECASTED TEST PERIOD CAPITAL**  
12 **BUDGET?**

13 A. For the months of the forecasted Test Period that extend beyond the Company's  
14 FY2018 budget, I added twelve percent to the corresponding FY2018 monthly  
15 capital budget. The increase in direct investment reflects expected growth in capital  
16 needs and is consistent with the Company's five-year plan for direct investment in  
17 Kentucky.

18 **Q. IS THE PIPE REPLACEMENT PROGRAM ("PRP") ESTABLISHED IN**  
19 **DOCKET NO. 2009-00354 COMPLETE?**

20 A. No, it is not complete.

21 **Q. PLEASE DESCRIBE THE RESULTS OF THE PRP SINCE ITS**  
22 **IMPLEMENTATION.**

23 A. Since beginning the PRP in mid-2011, Atmos Energy has completed replacement of  
24 approximately 184 miles of mains and services. These replacements target aging  
25 infrastructure and enhance the safety and reliability of gas supply for the  
26 communities Atmos Energy services. The meter sets have been replaced with new  
27 meters or regulators and relocated to accessible location for meter reading or

1 emergency response. The new service lines have been installed with excess-flow  
2 devices which add an enhanced level of safety for our customers. In several  
3 instances, entire low pressure systems have been eliminated which improves service  
4 reliability. Atmos Energy has invested in new technology that allows detailed  
5 mapping of these replacement projects showing service detail and ensuring  
6 locatability using wireless marking devices. Atmos Energy has completed  
7 infrastructure replacement in many of our service territories including: Bowling  
8 Green, Russellville, Horse Cave, Cave City, Glasgow, Mayfield, Munfordville,  
9 Hopkinsville, Owensboro, Paducah, Marion, Madisonville, Princeton,  
10 Campbellsville, Sebree, Dawson Springs, Crofton, Shelbyville, Harrodsburg and  
11 Lancaster. Our local operations have coordinated much of this work with our  
12 community beautification/enhancement programs to eliminate need for future  
13 maintenance. With a strong commitment to safety these construction activities have  
14 been incident free and with minimal disruption to the communities Atmos Energy  
15 services.

16 **Q. IS THE PRP INCLUDED IN THE FY2018 KENTUCKY DIRECT CAPITAL**  
17 **BUDGET?**

18 A. Yes.

19 **Q. DID YOU INCLUDE CUMULATIVE PRP INVESTMENT IN THE TEST**  
20 **YEAR RATE BASE AND REVENUE REQUIREMENT?**

21 A. Yes, as required by the PRP tariff, the impact of the Company's PRP investment is  
22 included throughout the filing and reflected in the total revenue requirement of  
23 \$181,145,651 proposed by the Company.

24

1 **Q. HOW DO YOU PROPOSE TO HANDLE THE AUGUST 2017 AND 2018 PRP**  
2 **FILINGS TO AVOID OVER-RECOVERY OF FISCAL YEAR 2018 AND 2019**  
3 **PRP INVESTMENT?**

4 A. The Company's annual August PRP filing normally includes PRP investment that is  
5 forecasted to be spent between October 1 and September 30 following the August  
6 filing. The forecasted Test Period rate base in this case includes actual and  
7 forecasted PRP investment that the Company will make through September 30, 2018.  
8 The amount of PRP investment forecasted to be spent from October 1, 2017 to  
9 September 30, 2018 is \$44.9 million, which is built into the rate base and revenue  
10 requirement of this proceeding. This is the same \$44.9 million of investment  
11 forecasted in Case No. 2017-00308. The PRP surcharge rates that result from that  
12 case will be set to zero once the rate schedule that results from this proceeding  
13 becomes effective. Because the rates resulting from this proceeding are based upon  
14 the Company's cumulative cost of service, including the \$44.9 million of forecasted  
15 PRP investment from October 1, 2017 - September 30, 2018, the Company ensures  
16 that it earns a return on that \$44.9 million of PRP investment once and only once.  
17 Furthermore, by only including PRP investment through September 30, 2018 (six  
18 months short of the end of the test period in this proceeding) the Company can make  
19 its August 2018 PRP filing (which will include PRP investment forecasted for  
20 October 1, 2018 to September 30, 2019) as scheduled and not disrupt the annual  
21 timeline for PRP filings.

22 **Q. HOW WOULD THE PRP FILING SCHEDULE BE AFFECTED SHOULD**  
23 **THE COMMISSION APPROVE THE ARM AS PROPOSED?**

24 A. Should the Commission approve the ARM with the filing dates as proposed (as  
25 further discussed earlier in my testimony), the Company would forgo the August 1,  
26 2018 PRP filing and incorporate that PRP investment into its first ARM filing on  
27 December 1, 2018.

1 **Q. HOW WAS THE KENTUCKY/MID-STATES GENERAL OFFICE CAPITAL**  
2 **BUDGET DEVELOPED?**

3 A. The capital budget for the Kentucky/Mid-States Division general office was  
4 developed in conjunction with Kentucky's capital budget as well as the capital  
5 budgets for all other rate divisions within the Division as part of the Division's total  
6 capital budget. The Division general office budget for the forecasted Test Period is  
7 \$19,649, \$9,874 of which is allocated to Kentucky for ratemaking purposes.

8 **Q. WHAT IS THE SHARED SERVICES FORECASTED TEST PERIOD**  
9 **CAPITAL INVESTMENT PROJECTION FOR THIS PROCEEDING?**

10 A. The Shared Service projection for the forecasted Test Period is \$22.74 million, \$1.23  
11 million of which is allocated to Kentucky for ratemaking purposes.

12 **Q. HOW WAS THE TEST PERIOD ACCUMULATED DEPRECIATION**  
13 **PROJECTED?**

14 A. I began with actual per books accumulated depreciation as of June 2017 including  
15 allocations as discussed by Ms. Gillham in her testimony. For the months of July  
16 2017 through the end of the test year, I added projected depreciation expenses  
17 (described later in my testimony) and deducted the same retirements that were  
18 projected for gross plant.

19 **Q. HOW DID YOU DETERMINE THE AMOUNT OF TEST PERIOD**  
20 **CONSTRUCTION WORK IN PROGRESS ("CWIP") TO INCLUDE IN RATE**  
21 **BASE?**

22 A. I began with actual per books CWIP as of June 2017 including allocations. I reduced  
23 that amount to exclude the allowance for funds used during construction on projects  
24 on which it was recorded. I concluded that the June 2017 CWIP balances were  
25 reasonable estimates of future CWIP balances through the forecasted Test Period. By  
26 leaving the amount of CWIP level through the end of the test year I in effect assumed  
27 that projected capital projects would be closed to gross plant at the same rate at

1 which capital costs were incurred and booked to construction work in progress. My  
2 methodology also ensures that the Company recovers these investments and  
3 associated return once and only once as the amount of forecasted capital expenditures  
4 will equal the amount of new gross plant additions by holding the level of CWIP  
5 constant throughout the forecasted Test Period.

6 **Q. HOW DID YOU DETERMINE THE AMOUNT OF TEST PERIOD CASH**  
7 **WORKING CAPITAL ALLOWANCE TO INCLUDE IN RATE BASE?**

8 A. Relying on Commission precedent, I used the 1/8th O&M method of calculating the  
9 Company's cash working capital allowance. The method recognizes that lead-lag  
10 studies are burdensome and time consuming for the preparer as well as Commission  
11 Staff and interveners tasked with reviewing and analyzing each study. Using a  
12 reasonable estimate in place of the workload required to prepare and analyze a  
13 comprehensive lead-lag study is prudent rate-making methodology. However, in  
14 compliance with the Settlement Agreement, Stipulation, and Recommendation  
15 Paragraph 6 ("SASR") in Case No. 2015-00343 (Final Order issued on August 4,  
16 2016), Atmos Energy agreed with the Attorney General's condition of filing a  
17 lead/lag study in our next general rate case which is sponsored by Company witness  
18 Mr. Joe Christian. The SASR also permits the Company to file an alternative  
19 calculation methodology, which I have done consistent with Commission precedent.

20 **Q. HOW WAS THE TEST PERIOD AMOUNT OF MATERIAL AND SUPPLIES**  
21 **DETERMINED?**

22 A. I calculated the 13 month average amount of materials and supplies in the forecasted  
23 Test Period using average actual balances recorded in the six months of actuals  
24 included in the Base Period (January 2017 - June 2017). The Company does not  
25 anticipate a significant change in the amount of materials and supplies in the test  
26 year. The calculation method maintains the historic level of materials and supplies  
27 while smoothing out any historic month to month fluctuations.

1 **Q. HOW WAS THE AMOUNT OF GAS IN STORAGE DETERMINED?**

2 A. The projected amount of gas in storage is discussed in Mr. Mark Martin's testimony.

3 **Q. HOW WAS THE TEST PERIOD AMOUNT OF PREPAYMENTS**  
4 **DETERMINED?**

5 A. I calculated the 13 month average amount of prepayments in the forecasted Test  
6 Period based using average actual balances recorded in the six months of actuals  
7 included in the Base Period (January - June 2017). The Company has no expectation  
8 that these amounts will change materially in the test year.

9 **Q. HOW DID YOU PROJECT THE AMOUNT OF TEST PERIOD CUSTOMER**  
10 **ADVANCES FOR CONSTRUCTION?**

11 A. I calculated the amount of customer advances in the forecasted Test Period based on  
12 the average of actual amounts booked in the base period from January 2017 to June  
13 2017. The Company does not anticipate a significant change in the amount of  
14 customer advances in the test year. The calculation method maintains the historic  
15 level of customer advances while smoothing out any historic month to month  
16 fluctuations.

17 **Q. DID YOU PROPOSE ANY ADJUSTMENTS FOR ANY REGULATORY**  
18 **ASSETS?**

19 A. Yes. I included the 13 month average of the projected unamortized balance of one  
20 proposed regulatory asset. I am proposing a regulatory asset for the unamortized  
21 balance of projected rate case expenses that the Company projects to incur in the  
22 context of this proceeding. The Company projects rate case expenses totaling  
23 \$313,884 which is the same amount that the Company incurred in Case No. 2015-  
24 00343 less the amount incurred for depreciation expertise in that case. I am  
25 proposing a two year amortization of these costs. The amortization expense is  
26 included in O&M and the details concerning the regulatory asset are documented on  
27 Schedule F.6 in FR 16(8)(f).

1 **Q. DOES THE COMPANY'S RATE FILING REFLECT A PROJECTION OF**  
2 **ACCUMULATED DEFERRED INCOME TAX ("ADIT")?**

3 A. Yes. ADIT balances are projected in a manner consistent with the ADIT forecast  
4 filed by the Company in Case No. 2015-00343.

5 **Q. WERE ANY ITEMS EXCLUDED FROM THE ADIT PROJECTION?**

6 A. Yes. The projection excludes any estimated amount for over/under recovery of gas  
7 cost in order to normalize the tax effect of over/under recovery of gas cost to zero. In  
8 addition, the Base Period and Test Period forecast excludes the net operating loss  
9 carry forward balance attributable to the Company's unregulated business.

10 **Q. DID YOU PREPARE A RECONCILIATION OF TEST PERIOD RATE BASE**  
11 **AND CAPITALIZATION?**

12 A. Yes. To comply with section 16(6)(f) of 807 KAR 5:001, I prepared the  
13 reconciliation in Schedule FR 16(6)(f). It shows the differences between the Test  
14 Period average rate base and Test Period end capital that result from using 13-month  
15 averages in rate base, certain balance sheet items not being included in rate base as  
16 well as amounts included in rate base for particular categories that differ from the  
17 amount included on the balance sheet.

18 **V. O&M BUDGETING PROCESS**

19 **Q. WHAT ARE THE OBJECTIVES OF THE COMPANY'S O&M BUDGETING**  
20 **PROCESS?**

21 A. The objectives of the Company's O&M budgeting process are to: (1) formalize the  
22 process of identifying the anticipated costs of operating and maintaining Atmos  
23 Energy's systems each year; (2) ensure that all policies and procedures associated  
24 with the annual budgeting process are consistently adhered to by the functional  
25 managers and officers; (3) assess the appropriateness of routine maintenance  
26 requirements and non-capital expenditures proposed by the functional managers and  
27 officers to ensure that the amounts are adequate to deliver safe, reliable and efficient

1 natural gas service to the Company's customers; and (4) ensure that the O&M budget  
2 properly reflects our strategic operational and financial plans. These objectives are  
3 applicable to the Company as a whole as well as to its various division, state and  
4 local level operations.

5 **Q. CAN YOU DESCRIBE THE COMPANY'S O&M BUDGETING PROCESS?**

6 A. Yes. O&M costs are budgeted on a fiscal year basis, which begins on October 1 of  
7 each year (consistent with the seasonal operations of our business) and runs through  
8 September 30 of the following year. Preparation of operating and construction  
9 budgets for a fiscal year formally begins in late May of each year and culminates  
10 with completion of final budgets in late August, just prior to the beginning of the  
11 fiscal year. Budget preparation is based on meeting the four objectives described  
12 above. Budgets are approved at multiple levels beginning with supervisors/managers  
13 up through division leadership. Additional reviews are performed by corporate  
14 executive operations management and their staff. High level reviews of the division  
15 budgets are also performed by the Company's senior executives who are presiding  
16 members of the Company's Management Committee. The Board of Directors must  
17 review and approve the total Company budget before finalization and  
18 implementation. This approval typically occurs in September of each year.

19 **Q. WHAT ROLE DOES THE O&M BUDGETING PROCESS PLAY IN THE**  
20 **COMPANY'S FINANCIAL PLANNING?**

21 A. Atmos Energy's Planning and Budgeting Department is responsible for financial  
22 planning at the enterprise level. That department receives direction from the Board  
23 of Directors concerning forward-looking financial objectives for the Company.  
24 Planning and Budgeting is responsible, with significant input and collaboration from  
25 division leadership, for translating those enterprise targets into a financial plan for  
26 each division and rate jurisdiction. It is the collaboration between Planning and  
27 Budgeting and division leadership that ensures that all four of the objectives

1 described above are met each year. Spending targets are established as a result of  
2 this collaboration.

3 **Q. SO FAR YOU HAVE DESCRIBED THE O&M BUDGETING PROCESS.**  
4 **CAN YOU EXPLAIN HOW THE BUDGET IS PREPARED WITHIN THE**  
5 **PARAMETERS OF THIS PROCESS?**

6 A. Yes. The O&M budget is prepared by type of cost element, such as labor, benefits,  
7 transportation, rents, office supplies, etc. Within each cost element we budget  
8 expenses at the sub-account level. The prior year's actual costs, year-to-date actual  
9 costs and budgeted costs for the remainder of the fiscal year are used as guidelines  
10 for budgeting by functional managers and officers. The budgets are prepared using a  
11 web-based software tool called PlanIt. This tool allows cost center owners to enter  
12 their budgets and for management to review budgets using a number of standard and  
13 ad hoc reports.

14 **Q. ARE THESE BUDGETS PREPARED BY FERC ACCOUNT?**

15 A. No. In our experience, FERC accounts do not provide a sufficient level of detail to  
16 enable us to understand the costs within each account. For budgeting purposes (and  
17 subsequent managing of expenses), we need more individualized expense types that  
18 relate to the operation of each cost center. FERC accounts do not provide that level  
19 of detail. However, we do identify our expenditures by FERC account as well as  
20 expense type. This provides a timely analysis of the type of charges being expensed  
21 by FERC account.

22 **Q. HOW DOES ATMOS ENERGY CONVERT ITS O&M BUDGET BY COST**  
23 **ELEMENT INTO FERC ACCOUNTS?**

24 A. To convert our budget and forecast to FERC accounts, prior year actual expenditures  
25 are downloaded from the general ledger by FERC account and cost element. A  
26 calculation is then made to determine within each cost element type the percentage of  
27 spending attributable to each FERC account. Each percentage factor was then

1 applied to the fiscal year 2018 budget and test period forecast by cost type to develop  
2 a budget and Test Period forecast by FERC account.

3 **VI. CONTROL AND MONITORING PROCESSES**

4 **Q. DOES THE COMPANY EMPLOY ANY METHODOLOGY TO MONITOR**  
5 **AND CONTROL O&M ACCORDING TO BUDGETED LEVELS?**

6 A. Yes. Atmos Energy utilizes variance monitoring to ensure financial quality control of  
7 O&M expenses by formalizing the analysis of variances by cost type and cost center.  
8 On a quarterly basis, the Division presents actual to budget variances with  
9 explanation to the Company's Management Committee, SSU department heads,  
10 select Board of Directors members and external auditors at a formal Quarterly  
11 Performance Review. The goal is to keep all levels of management informed of our  
12 O&M spending in comparison to budgeted amounts, in order to allow management  
13 to react to unanticipated events on a timely basis.

14 **Q. ARE O&M VARIANCES EVALUATED MORE FREQUENTLY THAN ON A**  
15 **QUARTERLY BASIS?**

16 A. Yes. The Kentucky Mid-States Division Finance Department conducts a thorough  
17 review of O&M actual to budget variances each month.

18 **Q. PLEASE DESCRIBE YOUR MONTHLY VARIANCE REVIEW PROCESS.**

19 A. The process begins by examining, at the Division level, significant variances by cost  
20 type (labor, benefits, materials, rents, etc.). Significant variances are researched until  
21 an explanation is found. Reasonable explanations could include events that affected  
22 the entire Division or a particular cost center or region. In some cases, clarifying  
23 information is sought from cost center owners to explain unusual variances or  
24 transactions. For some cost types, clarifying analysis is provided by SSU  
25 departments. If errors are found, they are most often corrected in the current month's  
26 business. Occasionally, however, errors are discovered after the books are closed,  
27 and, depending on materiality, they are corrected in the following month's business.

1 **Q. DOES ANYONE ELSE WITHIN THE DIVISION HAVE THE ABILITY TO**  
2 **MONITOR OR REVIEW O&M VARIANCES?**

3 A. In addition to the research conducted by the Division Finance Department, each cost  
4 center owner has the ability to run variance reports throughout the monthly closing  
5 process. Because cost center owners are held accountable for significant variances to  
6 budget, they conduct their own research and often contact the Division Finance  
7 Department when they find errors or have questions about the expenses that were  
8 charged to their cost centers.

9 **Q. WHAT CONTROLS AND REPORTING ARE INVOLVED IN THE**  
10 **MONTHLY CLOSE PROCESS REGARDING O&M VARIANCES?**

11 A. Once the monthly books are closed, the SSU Financial Reporting department in  
12 Dallas publishes (electronically) the monthly Atmos Energy Financial Package. This  
13 package details the financial performance for Atmos Energy at the corporate and  
14 division level. For each division, the report includes a comparative income  
15 statement, operating statistics (volumes, total spending), and other financial details.  
16 At the end of each quarter, narrative comments are provided by Division officers to  
17 describe quarterly and YTD variances. Once complete, this Financial Package is  
18 available to all Atmos Energy officers and Board members for review and is an  
19 official Sarbanes-Oxley control document of the Company. On a quarterly basis,  
20 once the package is complete, an online questionnaire generated by our Sarbanes-  
21 Oxley Compliance Tool is completed certifying that the Division Finance  
22 Department has conducted a thorough review of the Division's financial performance  
23 and the Financial Package and all matters addressed therein. The Company's  
24 external auditors look for this certification as evidence of Sarbanes-Oxley  
25 compliance.

26 After meeting the Financial Package control requirement, the Division  
27 Finance Department publishes (electronically) detailed O&M reports that include

1 monthly and YTD variances for each cost center and these reports are then made  
2 available to each cost center owner and their respective managers (managers,  
3 Division Vice Presidents, and the Division President). This activity ensures that each  
4 cost center owner receives the same information in the same format each month in a  
5 timely fashion in order to make operational decisions and manage our operations  
6 effectively and efficiently.

7 **Q. HAS THE O&M VARIANCE MONITORING AND CONTROL PROCESS**  
8 **YOU HAVE DESCRIBED ENABLED KENTUCKY TO OPERATE**  
9 **REASONABLY WITHIN ITS BUDGET EACH YEAR?**

10 A. Yes. As the table below demonstrates, the Company's actual O&M expenditures  
11 over the past five years in Kentucky have tracked closely to overall budgeted  
12 amounts.

<b>Fiscal Year</b>	<b>Actual \$</b>	<b>Budget \$</b>	<b>Over/(Under) \$</b>	<b>Variance %</b>
2016	\$27,496	\$26,191	\$1,305	5.0%
2015	\$27,922	\$26,762	\$1,160	4.3%
2014	\$26,515	\$26,804	(\$289)	(1.1)%
2013	\$25,509	24,913	\$596	2.4%
2012	\$23,540	\$22,362	\$1,178	5.3%

13 *Dollars in thousands*

14 **Q. DO YOU HAVE AN OPINION REGARDING THE SIGNIFICANCE OF THE**  
15 **HISTORICAL DATA REFLECTED IN THE TABLE ABOVE?**

16 A. Overall, I believe that these results indicate that we have been successful in our  
17 annual budgets in projecting and managing our O&M expense to the extent those  
18 expenses are within our control.

19 **Q. WHY IS THAT IMPORTANT?**

20 A. This data demonstrates that the Company's budgeting and control processes I have  
21 described form a reasonable basis for purposes of the Company's forecasted Test  
22 Period O&M budget in this rate proceeding.

1 Q. WHAT ARE THE GOALS OF THE COMPANY'S PROCESS OF  
2 CONTROLLING AND MONITORING CAPITAL EXPENDITURE  
3 VARIANCES?

4 A. Variances from budgeted amounts are inherent in the process of making capital  
5 expenditures. Our variance monitoring process exists to institute financial quality  
6 control by formalizing the analysis of variances by budget category and  
7 responsibility center in a process that identifies year-to-date spending variances.  
8 The goal is to keep all levels of management informed of spending by category and  
9 responsibility center relative to budgeted levels and to ensure that corrective action is  
10 initiated on a timely basis. This supports decision-making related to the cost and  
11 appropriate management of current and future capital projects.

12 Q. PLEASE DESCRIBE THE COMPANY'S PROCESS FOR CONTROLLING  
13 AND MONITORING CAPITAL EXPENDITURE VARIANCES.

14 A. The Company's process for controlling and monitoring capital expenditure variances  
15 is utilized by each operating division as well as by Shared Services. At the division  
16 level the Company's capital budgeting system maintains projects in two broad  
17 categories - Blanket Functionals and Specific Projects. The Blanket Functionals  
18 include total capital authorizations of a similar type such as new services, leak repair,  
19 short main replacements, small integrity/reliability projects, etc. Specific projects are  
20 uniquely identified such as a specific highway relocation project, replacement of  
21 work equipment, or some larger significant integrity/reliability project.

22 Once a project has been entered in the capital budget system a request for  
23 authorization is submitted. If during the course of a project, field management  
24 identifies that the costs of the project will exceed approved amounts, a request for  
25 supplemental funding may be submitted. All expenditures above authorized  
26 appropriation, as well as expenditures for unbudgeted projects or variances on

1 budgeted and approved projects, must be approved at the appropriate levels within  
2 the Company.

3 In FY2015 the Company began utilizing a monthly capital forecast module  
4 through its accounting system PowerPlan. The forecast module is updated  
5 throughout the month by Project Specialists, Operation Supervisors and Operation  
6 Managers as known and measurable changes occur. At the end of each month, the  
7 forecast for that specific month is updated with actuals and closed to future charges  
8 as part of the monthly closing process. Once current month actuals have posted, the  
9 Project Specialists, Operations Supervisors and Operations Managers are given two  
10 to three days to make final updates to their respective projects. Once complete, the  
11 forecasts are reviewed by the Operations Supervisors, Operations Managers and the  
12 VP Operations. A final review of the forecast is performed by the division Finance  
13 Department. The VP of Finance communicates to the corporate Plant Accounting  
14 Department that the forecast is approved. A snapshot of the forecast is then taken by  
15 Plant Accounting for archiving. Upon completion of the snapshot the forecast  
16 module is reopened for changes as they become known and measurable during the  
17 course of the new month.

18 **VII. FORECASTED TEST PERIOD O&M BUDGET**

19 **Q. WHAT IS THE FORECASTED TEST PERIOD USED IN THIS RATE**  
20 **APPLICATION?**

21 A. The forecasted Test Period is April 1, 2018 through March 31, 2019.

22 **Q. HOW WAS THE FORECASTED TEST PERIOD BUDGET DEVELOPED?**

23 A. The basis for the forecasted Test Period is our FY2018 budget. Consistent with our  
24 normal annual budgeting timelines, this budget was prepared during the summer of  
25 2017 and approved by the Board of Directors in September of 2017. This budget  
26 was prepared in the manner I described earlier. The forecasted Test Period includes  
27 the last six months of FY2018 and the first six months of FY2019. I will describe the

1 methodology used for the projection period in detail below. The FY2018 O&M  
2 budget and forecasted Test Period projection were converted into FERC account  
3 detail using the method described above.

4 **Q. WHAT ARE THE COMPONENTS OF O&M FOR THE FORECASTED TEST**  
5 **PERIOD?**

6 A. The forecasted Test Period O&M is comprised of three parts: expenses incurred and  
7 booked directly in Kentucky (rate division 009), allocated expenses from the  
8 Division General Office (rate division 091), and allocated expenses from SSU  
9 (comprised of rate divisions 002 and 012). I will describe the methodology used for  
10 the projection for each of the three components.

11 **Q. WHAT COMPRISES THE BASE PERIOD LEVEL OF COST FILED IN THIS**  
12 **RATE APPLICATION?**

13 A. The Base Period level of cost is January 1, 2017 through December 31, 2017. It is  
14 composed of six months of actual results through June 2017 and six months of our  
15 FY2017 and FY2018 budgets.

16 **Q. WHAT IS THE DIRECT O&M FOR THE BASE PERIOD?**

17 A. \$13,435,812.

18 **Q. WHAT IS THE DIRECT O&M BUDGET FOR THE FORECASTED TEST**  
19 **PERIOD?**

20 A. \$13,551,833.

21 **Q. WHAT IS THE DIFFERENCE BETWEEN THE BASE PERIOD O&M AND**  
22 **TEST PERIOD O&M?**

23 A. The difference is an increase of \$116,021 and reflects adjustments I have made for  
24 labor and benefits, rent, other O&M and bad debt.

25 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT FOR LABOR AND BENEFITS.**

26 A. The labor forecast for the forecasted Test Period is based on the Company's approved  
27 FY2018 budget. As part of the normal budgeting process, each employee's total

1 salary, expected capital / expense ratio and expected standby and overtime amounts  
2 are included. While there is always a normal level of position vacancy at any given  
3 point in time, we strive to fill open positions in a timely manner when and if filling  
4 the position is justified by current workload. The Base Period level of total labor  
5 expenditures represents a fully staffed level minus the normal level of vacancies and  
6 employee levels are projected to remain relatively constant from the base period to  
7 the test period. Base pay increases go into effect each October 1 and averaged 3.0%  
8 for the increases that became effective October 1, 2017. These increases are captured  
9 as part of the FY2018 budget. An adjustment was made as part of the forecast to  
10 account for an average wage increase of 3.0% to become effective October 1, 2018.  
11 The 3.0% is consistent with the average level of increases from the past several  
12 years. Overall, labor expense is projected to increase \$27,487 from the base period  
13 to the test period.

14 Benefits are projected as a fixed benefit load percentage of labor expense plus  
15 an amount for workers' comp insurance. The Test Period benefits expense of  
16 \$1,741,158 is \$75,500 lower than the base period.

17 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT RELATING TO RENT.**

18 A. Unlike other O&M categories that are likely to increase with normal inflation, our  
19 building rents are driven by leases already in place and can therefore be projected  
20 with a high level of accuracy. Overall, direct Rent, Utilities and Maintenance is  
21 projected to decrease \$62,276 from the base period.

22 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT RELATING TO OTHER O&M.**

23 A. Other O&M consists of all expenses except labor, benefits, rent and bad debt. In  
24 filings involving forward looking test periods, the Company normally includes in  
25 O&M its most recent budget without adjustments for the months where the budget  
26 and test year overlap and applies an inflation factor to these O&M categories for  
27 months when the forward looking test period extends beyond the Company's budget.

1           However, recognizing the Commission's findings in Case No. 2013-00148,<sup>2</sup> I have  
2           not inflated these O&M categories above budgeted levels in this proceeding.

3   **Q.   PLEASE EXPLAIN YOUR ADJUSTMENT RELATING TO BAD DEBT.**

4   A.   Our goal is to keep bad debt no higher than 0.50% of residential, commercial and  
5       public authority margin during any given year. We work vigorously to collect bad  
6       debts and reduce the impact of bad debt expense on customers. To arrive at the bad  
7       debt projection of \$362,112, I calculated 0.50% of residential, commercial and public  
8       authority margin from the revenue projection in the direct testimony of Company  
9       witness Mr. Mark Martin. This projection is \$7,799 lower than the Base Period.

10 **Q.   WHAT IS THE AMOUNT OF THE DIVISION'S GENERAL OFFICE O&M**  
11 **ALLOCATED TO KENTUCKY FOR THE BASE PERIOD?**

12 A.   \$4,765,341.

13 **Q.   WHAT IS THE AMOUNT OF THE DIVISION'S GENERAL OFFICE O&M**  
14 **BUDGET ALLOCATED TO KENTUCKY FOR THE FORECASTED TEST**  
15 **PERIOD?**

16 A.   \$5,733,364.

17 **Q.   PLEASE DISCUSS THE DIFFERENCES BETWEEN THE GENERAL**  
18 **OFFICE BASE PERIOD AND FORECASTED TEST PERIOD AMOUNTS.**

19 A.   The difference is \$968,022 and reflects adjustments I have made for labor and  
20       benefits, rent and other O&M. The budgeting process and forecast methodologies  
21       are identical for both direct O&M and General Office O&M. Therefore, the  
22       categories of adjustments made to forecast General Office O&M are also the same as  
23       direct.

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<sup>2</sup> Case No. 2013-00148, *Application of Atmos Energy Corporation for an Adjustment of Rates and Tariff Modifications* (Ky. PSC Apr. 22, 2014) at 16-17.

1 Q. WHAT IS THE AMOUNT OF SHARED SERVICES O&M ALLOCATED TO  
2 KENTUCKY FOR THE BASE PERIOD?

3 A. \$8,760,739.

4 Q. WHAT IS THE AMOUNT OF THE SHARED SERVICES O&M BUDGET  
5 ALLOCATED TO KENTUCKY FOR THE FORECASTED TEST PERIOD?

6 A. \$8,279,037.

7 Q. PLEASE DISCUSS THE DIFFERENCES BETWEEN THE SHARED  
8 SERVICES BASE PERIOD AND FORECASTED TEST PERIOD AMOUNTS.

9 A. The difference is a decrease of \$481,701. The SSU budget is prepared in a fashion  
10 consistent with that of the Division. Once the SSU department heads complete,  
11 submit and get approval for their budgets, the appropriate level of expenses are  
12 allocated to the Kentucky rate jurisdiction per the methodologies described in Ms.  
13 Laura Gillham's testimony.

14 Q. WHO MONITORS SHARED SERVICES BILLINGS TO THE DIVISION?

15 A. Shared Services expense billings are reviewed as part of our monthly close process  
16 described earlier. The Division Finance Department is then responsible to contact  
17 Accounting in Dallas and obtain an explanation for any significant variances.

18 Q. WHAT IS THE TOTAL FORECASTED TEST PERIOD O&M THAT  
19 RESULTS FROM THE SUM OF THE DIRECT, GENERAL OFFICE AND  
20 SSU COMPONENTS?

21 A. \$27,564,234.

22 Q. DO THE FORECASTED O&M AMOUNTS DISCUSSED IN YOUR  
23 TESTIMONY INCLUDE THE RATEMAKING ADJUSTMENTS  
24 QUANTIFIED ON SCHEDULE C-2?

25 A. No. Schedule C-2 contains four ratemaking adjustments.

26 • Adjustment for Sales and Promotional Advertising Expenses

1 The first adjustment removes \$86,665 of sales and promotional advertising  
2 from test year sales expense. It is quantified on Schedule F.4.

3 • Adjustment for Regulatory Asset Amortization Expenses

4 The second adjustment adds \$156,942 to test year administrative and general  
5 expense to account for the first year's expense of a proposed two-year  
6 amortization of the expected costs pertaining to this case. The amounts are  
7 quantified on Schedule F.6.

8 • Adjustment for Expense Report Exclusion

9 The third adjustment removes \$62,528 of certain expense report items from  
10 test year administrative and general expense. The Company's goal is to  
11 ensure that its Kentucky rates rest upon a sound foundation of unquestionable  
12 costs. The Company is committed to achieving that goal even if it means  
13 foregoing recovery of a certain amount of legitimate business expense in an  
14 effort to ensure that there can be no question about what remains. The  
15 expense report exclusion adjustment is made to exclude certain cost items of  
16 which the Company does not intend to seek recovery from its customers in  
17 this case. The excluded amounts are quantified on Schedule F.8 and occur in  
18 Kentucky as well as the Division General Office and SSU.

19 • Adjustment for Incentive Compensation

20 The fourth adjustment removes incentive compensation expenses associated  
21 with all of its employees. This adjustment is \$1,407,953. The Company  
22 believes incentive compensation is a critical part of the ability to attract and  
23 retain employees at competitive market rates, and should be included as a  
24 recoverable O&M expense. Atmos Energy is not unique in making incentive  
25 compensation part of the overall compensation package that it provides to its  
26 employees. The Company designs its total compensation package to be in  
27 the middle of the job market in which we compete for talent. This means that

1           there are as many companies offering total compensation above Atmos  
2           Energy's package as there are below it for comparable jobs. It is important to  
3           understand that "total compensation" does not represent only base salary, but  
4           also includes bonuses, benefits, retirement, etc. Because Atmos Energy falls  
5           in the middle of the job market in terms of the overall compensation  
6           packages, the Company believes the incentive compensation costs that are a  
7           component of this overall compensation package are reasonable and should  
8           be recovered as part of revenue requirement. In order to meet the Company's  
9           incentive pay criteria, Company employees must work together to ensure that  
10          the Company operates efficiently and effectively. Efficient and effective  
11          operations translate into lower costs and therefore into lower rates for  
12          customers. Strong financial performance for the Company and lower rates  
13          for customers are, therefore, not mutually exclusive. However, in recognition  
14          of the Commission's findings in Case No. 2013-00148<sup>3</sup>, I have removed this  
15          expense in this proceeding and the proposed ARM methodologies for the sole  
16          purpose of expediting the rate case process. This adjustment is quantified on  
17          Schedule F.10.

18   **Q.   DO YOU BELIEVE THAT THE FORECASTED TEST PERIOD O&M**  
19   **BUDGET YOU HAVE PRESENTED IS THE MOST REASONABLE**  
20   **ESTIMATE OF COSTS FOR THE TEST PERIOD USED IN THIS**  
21   **PROCEEDING?**

22   A.   Yes. It is the best estimate we have of the Kentucky jurisdiction's future operating  
23   and maintenance expenses.

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<sup>3</sup> See *id.* at 19-20.



1 for base pay increases consistent with my labor forecast. The monthly accrual for  
2 the Public Service Commission Assessment is based on the assessment rate and  
3 projected Test Period revenues. The monthly ad valorem accrual for the test period  
4 reflects the most recent budgeted accrual. The DOT transmission user tax has been  
5 held constant from the Base Period. The amount of taxes allocated from the Division  
6 General Office and SSU is based on the allocation methodologies discussed in the  
7 Cost Allocation Manual.

8 **IX. CONCLUSION**

9 **Q. DO YOU BELIEVE THAT THE FORECASTED TEST PERIOD COST OF**  
10 **SERVICE COMPONENTS YOU HAVE PRESENTED REPRESENT THE**  
11 **MOST REASONABLE ESTIMATE OF COSTS FOR THE TEST PERIOD**  
12 **USED IN THIS PROCEEDING?**

13 A. Yes. The cost of service forecast is the best projection of the Company's future cost  
14 of service. The expenses and investments for which the Company seeks recovery  
15 have been prudently budgeted and will be prudently incurred.

16 **Q. WHAT ARE YOU ASKING THE COMMISSION TO DO?**

17 A. I respectfully request that the Commission approve the Company's revenue  
18 requirement of \$181,145,651 and resulting rates as proposed. I also respectfully  
19 request that the Commission approve the ARM Tariff as proposed, including the  
20 underlying rate making methodologies and filing time-frames and parameters.

21 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

22 A. Yes.

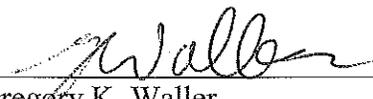
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF )  
RATE APPLICATION OF ) Case No. 2017-00349  
ATMOS ENERGY CORPORATION )

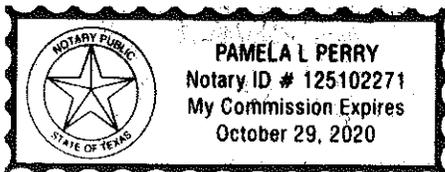
CERTIFICATE AND AFFIDAVIT

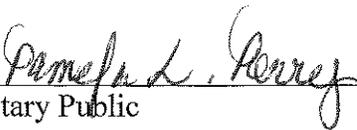
The Affiant, Gregory K. Waller, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared direct testimony of this affiant in Case No. 2017-00349, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared direct pre-filed testimony.

  
\_\_\_\_\_  
Gregory K. Waller

STATE OF Texas  
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Gregory K. Waller on this the 21<sup>st</sup> day of September, 2017.



  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 10-29-20



**Atmos Energy Corporation**  
**Atmos Energy Mid States Div**  
**Development of Allocation Factors**  
**Effective October 1, 2016**

Div #	Division Name	Sept '16 Direct Property Plant & Equipment	Percent of MidStates Property	YE Sept '16 Total O &M w/o 922	Percent of MidStates O & M	YE Sept '16 Avg Number of Customers	Percent of MidStates Customers	STAT Sub account for customers	MidStates Allocation Percent
		(1)	(2)	(3)	(4)	(5)	(6)		(7)
09	KENTUCKY	523,914,610	47.41074	14,584,340	51.45948	175,300	51.88386	91C09	<b>50.25136</b>
93	TENNESSEE	492,964,180	44.60994	11,243,940	39.67319	139,707	41.34934	91C93	<b>41.87749</b>
96	VIRGINIA	88,175,886	7.97932	2,513,125	8.86733	22,863	6.76680	91C96	<b>7.87115</b>
<b>Total</b>		<b>1,105,054,675.25</b>	<b>100.00</b>	<b>28,341,405.41</b>	<b>100.00</b>	<b>337,870</b>	<b>100.00</b>		<b>100.00</b>

O&M by Cost Element

	Kentucky			SSU			Division General Office			Total		
	Base	Test	Difference	Base	Test	Difference	Base	Test	Difference	Base	Test	Difference
Labor	\$ 4,988,282	\$ 5,015,768	\$ 27,487	\$ 4,196,953	\$ 4,332,291	\$ 135,338	\$ 1,295,293	\$ 1,154,362	\$ (140,931)	\$ 10,480,527	\$ 10,502,421	\$ 21,894
Benefits	1,816,658	1,741,168	(75,500)	1,370,589	1,410,171	39,582	513,565	511,701	(1,864)	3,700,811	3,663,030	(37,782)
Employee Welfare	146,457	112,767	(33,691)	1,828,049	1,658,315	(169,734)	706,346	624,979	(81,367)	2,680,852	2,398,080	(284,792)
Insurance	90,261	5,640	(84,621)	1,104,289	1,088,861	(15,428)	112,527	207,650	95,123	1,307,077	1,302,151	(4,926)
Rent, Maint., & Utilities	586,728	524,452	(62,276)	434,993	459,237	24,244	171,470	162,145	(9,325)	1,193,190	1,145,834	(47,357)
Vehicles & Equip	934,999	1,018,243	83,245	4,188	4,971	783	38,815	40,946	2,131	978,001	1,064,160	86,159
Materials & Supplies	718,830	749,371	30,542	55,946	59,913	3,966	87,880	91,284	3,405	862,656	900,568	37,912
Information Technologies	4,805	-	(4,805)	1,078,681	1,071,089	(7,592)	47,069	56,743	9,674	1,130,586	1,127,832	(2,723)
Telecom	272,677	298,878	26,202	147,948	151,753	3,805	203,713	263,502	59,789	624,338	714,134	89,796
Marketing	162,999	191,385	28,386	12,056	14,068	2,012	156,111	168,549	12,438	331,185	374,001	42,836
Directors & Shareholders & PR	284	-	(284)	368,271	359,427	(8,844)	-	-	-	368,555	359,427	(9,128)
Dues & Donations	90,359	60,556	(29,803)	28,077	29,406	1,329	55,568	75,374	19,806	174,004	165,336	(8,668)
Print & Postages	15,280	13,166	(2,114)	11,185	13,921	2,736	7,172	9,614	2,442	33,636	36,701	3,065
Travel & Entertainment	390,073	456,769	66,696	164,039	199,081	35,042	250,093	292,131	42,038	804,204	947,981	143,777
Training	14,801	13,231	(1,370)	74,852	69,283	(5,569)	31,680	39,933	8,252	121,134	122,457	1,323
Outside Services	2,756,510	2,970,827	214,317	1,476,416	792,910	(683,506)	1,108,610	1,983,727	874,918	5,341,735	5,747,464	405,729
Provision for Bad Debt	359,911	362,112	(7,799)	-	-	-	-	-	-	359,911	362,112	(7,799)
Miscellaneous	76,100	17,510	(58,590)	(3,695,793)	(3,435,669)	160,124	(20,769)	50,723	71,492	(3,540,462)	(3,367,435)	173,027
<b>Total O&amp;M Expenses</b>	<b>\$ 13,435,812</b>	<b>\$ 13,551,833</b>	<b>\$ 116,021</b>	<b>\$ 8,760,739</b>	<b>\$ 8,279,037</b>	<b>\$ (481,701)</b>	<b>\$ 4,765,341</b>	<b>\$ 5,733,364</b>	<b>\$ 968,022</b>	<b>\$ 26,961,891</b>	<b>\$ 27,564,234</b>	<b>\$ 602,342</b>
<u>RateMaking Adjustments:</u>												
Advertising Adjustments		(76,812)	(76,812)		(5,825)	(5,825)		(4,028)	(4,028)		(86,665)	(86,665)
Club Expenses		-	-		-	-		-	-		-	-
Expense Report Exclusions		(21,173)	(21,173)		(19,723)	(19,723)		(21,632)	(21,632)		(62,528)	(62,528)
Leases		-	-		-	-		-	-		-	-
Regulatory Asset Amortizations		156,942	156,942		-	-		-	-		156,942	156,942
Incentive Compensation		(47,468)	(47,468)		(814,403)	(814,403)		(546,082)	(546,082)		(1,407,953)	(1,407,953)
<b>Grand Total</b>	<b>\$ 13,435,812</b>	<b>\$ 13,563,322</b>	<b>\$ 127,511</b>	<b>\$ 8,760,739</b>	<b>\$ 7,439,086</b>	<b>\$ (1,321,653)</b>	<b>\$ 4,765,341</b>	<b>\$ 5,161,621</b>	<b>\$ 396,280</b>	<b>\$ 26,961,891</b>	<b>\$ 26,164,029</b>	<b>\$ (797,862)</b>

**Atmos Energy Annual Review Mechanism (“ARM”) Proposal**

**I. Annual ARM Filing and Forward Looking Rate Adjustment**

- a. Atmos Energy (“Atmos Energy” or “Company”) shall make an annual revenue requirement filing on or before December 1 of each year (“Annual ARM Filing”) to the Kentucky Public Service Commission (“Commission”).
- b. Certain required procedures, definitions, filings, and time frames relevant to the Annual ARM Filing are stated in the ARM Tariff.
- c. The Company shall provide, with each year’s Annual ARM Filing, the following subset of Filing Requirements (“FRs”) as well as all relied-upon documents, spreadsheets, and workpapers produced to support them. Nothing herein shall limit the Commission staff, the Office of Attorney General, or any other intervener from requesting additional data and/or documents after each Annual ARM Filing, and the Company shall provide any such additional requested data and/or document within 10 business days of such request.

**ARM FILING REQUIREMENTS:**

FR 16(1)(b)(3) Proposed Tariffs

FR 16(1)(b)(4) Proposed Tariff Changes

FR 16(1)(b)(5) Statement on Customer Notice

FR 16(7)(e) Statement of attestation (satisfied by “Certificate” described in Section II. below)

- FR 16(7)(u) Method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period
- Explain how allocator for both base and forecasted test period was determined
- FR 16(8)(a) A jurisdictional financial summary for both the base period and the forecasted period that details how the utility derived the amount of the requested revenue increase
- FR 16(8)(b) A jurisdictional rate base summary for both the base period and the forecasted period with supporting schedules, which include detailed analyses of each component of the rate base
- FR 16(8)(c) Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and individual account
- FR 16(8)(d) Summary of jurisdictional adjustments to operating income
- FR 16 (8)(e) Jurisdictional federal and state income tax summaries
- FR 16(8)(f) Summary schedules for the base and forecast periods of various expenses
- FR 16(8)(g) Analysis of payroll costs
- FR 16(8)(h) Computation of gross revenue conversion factor

FR 16(8)(i)	Comparative income statements, revenue and sales statistics, base period, forecast period and two (2) years beyond
FR 16 (8)(j)	Cost of Capital Summary
FR 16 (8)(k)	Comparative financial data
FR 16(8)(m)	Revenue Summary
FR 16(8)(n)	Bill Comparison
FR 17(1)(a)-(c)	Notice of Annual Adjustment
FR 17(2)(b)3	Manner of Notification
FR 17(3)(b)	Publisher Affidavits
FR 17(4)(a)-(j)	Notice Requirements

- d. All Filing Requirements listed in part c above shall be provided at the time that the Company makes the Annual ARM Filing. The Company shall make its first Annual ARM Filing on or before December 1, 2018.
- e. Each Annual ARM Filing shall present financial data and ratemaking calculations for a Historic Base Period and Forward Looking Test Year as defined and calculated in the ARM Tariff and shall calculate a revenue sufficiency or deficiency for the Forward Looking Test Year.
- f. In each Annual ARM Filing, the Company shall utilize the Approved Methodologies, as defined below.
- g. Any rate adjustment resulting from an Annual ARM Filing, after review, consideration, and adjustment of the tariff rates requested by such Annual ARM

Filing by the Commission, shall be effective on bills rendered on and after April

- 1.
- h. The resulting revenue sufficiency or deficiency for the Forward Looking Test Year shall be applied to all tariff rate classes, excluding existing Commission-approved Special Contracts.
- i. The Company shall file an annual reconciliation of actual results to the Authorized Return on Equity, as more fully described as an Annual Reconciliation below.

## **II. Representations and Warranties Made With Annual ARM Filing**

- a. With each Annual ARM Filing, a Company officer shall, as of the date of each Annual ARM Filing, affirmatively represent and warrant, upon information and belief formed after reasonable inquiry, by signing a certificate ("Certificate") under oath:
  - i. That the Company's Annual ARM Filing has been prepared in accordance with the Approved Methodologies, or that any deviation from or the resolution of any ambiguities in the Approved Methodologies has been affirmatively disclosed and explained in a document attached to such affidavit;
  - ii. That all New Matters (as defined below) have been affirmatively disclosed and explained in a document attached to such affidavit;

- iii. That the Variance Report (as defined below) includes all matters that are required by the ARM Tariff and any related Commission order to be disclosed in the Variance Report;
- iv. That no Disallowed Items (as identified and described in Section V.b.iii. below) have been included in the Company's Annual ARM Filing;
- v. That productivity and efficiency gains are included in the forecast;
- vi. That, except as expressly disclosed in a separate schedule dedicated to such disclosure attached to the Certificate, there have been no additions, deletions, or modifications to the accounts or subaccounts used by the Company to account for operating revenues and expenses since the previous year's ARM filing.

**III. Allocation of Rate Change, If Any, After Annual ARM Filing, Among Customer Classes and Rate Components**

- a. The Forward Looking Test Year sufficiency or deficiency shall be distributed among the tariff rate classes proportionate to the current margin of each class, proportionate to the current base and volumetric components within each class and otherwise consistent with the distribution methodology as reflected in the Final Order from Case No. 17-00349.

**IV. Definitions**

- a. **Annual Filing Date** shall be the date the Company will make its Annual ARM Filing. The Annual Filing Date shall be no later than December 1 of each year.

- b. Historic Base Period** is defined as the twelve month period ending August 31 of each year prior to each Annual Filing Date.
- c. Forward Looking Test Year** is defined as the twelve months beginning April 1 of each calendar year.
- d. Approved Methodologies** are defined as the methodologies used to calculate each component of the Company's cost of service and resulting revenue deficiency / sufficiency. The Approved Methodologies are defined throughout this Exhibit and are used in the Company's revenue requirement model which comprises FRs 16(8)(a) through 16(8)(k) of Case No. 2017-00349. The cost of service ultimately approved by the Commission in Case No. 2017-00349, and the ratemaking methodologies contained in the revenue requirement model underlying and supporting the approved cost of service in Case No. 2017-00349, shall become the "Approved Methodologies" for the purpose of implementing the ARM Tariff and all filings made the Company pursuant to the ARM Tariff.
- e. New Matters** refers to any issue, adjustment, and/or ambiguity in or for any account, method of accounting or estimation, or ratemaking topic that would directly or indirectly affect the Annual ARM Filing for which there is no explicit prior determination in this Case No. 2017-00349 by the Commission regarding the Company.
- f. Authorized Return on Equity:** The Authorized Return on Equity shall be as included in the Commission's Final Order in Case No. 2017-00349 or until a

different return on equity is adopted by the Commission in a subsequent general rate case.

**V. Methodologies for Calculation of Annual Revenue Requirement and Resulting Sufficiency or Deficiency for each Forward Looking Test Year.** The revenue requirement and resulting sufficiency or deficiency shall be calculated using the ratemaking methodologies explicitly defined and set out in this Exhibit ("Approved Methodologies") or as modified by the Final Order in Case No. 2017-00349.

**a. Billing Determinants and Revenue at Present Rates**

**i. Forward Looking Test Year Billing Determinants** - In calculating Forward Looking Test Year Billing Determinants, the Company shall begin with Historic Base Period sales and transportation volumes and bills. The Company shall then adjust the billing determinants for normal weather, annualized customer usage, customer growth and service contract changes to arrive at Forward Looking Test Year Billing Determinants. The weather adjustment shall be calculated using the weather data from the Paducah, Evansville, Nashville, Louisville and Lexington weather stations to normalize sales data using the basis for normal weather approved in Case No. 2017-00349. For industrial and transportation customers the Company shall analyze individual customer usage and adjust volumes accordingly based on any known and measurable changes expected for the Forward Looking Test Year. For residential and commercial customer growth the

Company shall use a three year average, with the last year being the Historic Base Period, to calculate prospective customer growth adjustments.

- ii. Forward Looking Test Year Revenues** - Forward Looking Test Year Revenues shall be calculated by multiplying the Forward Looking Test Year Billing Determinants by the rates effective at the end of the Historic Base Period.
- iii. Weather Normalization** - The weather adjustment shall be calculated using the weather data from the Paducah, Nashville (TN), Evansville (IN), Louisville and Lexington NOAA weather stations to normalize actual usage for all residential, firm commercial and public authority customers. Monthly degree days shall be calculated from the 16th of the previous month to the 15th of the current month to approximate cycle-billing. The basis for Normal HDDs correlates to those approved in Case No. 2017-00349.
- iv. Other Revenues** - The Company shall forecast Miscellaneous Service Revenue (Account 4880) equal to those revenues for the Historic Base Period. Late Payment Fees (Forfeited Discounts, Account 4870) for a three year period (the third year being the Historic Base Period) are compared to total revenues for residential, commercial and public authority sales to determine the ratio of Late Payment Fees to sales revenues. This ratio is

applied to the forecast sales revenues of residential, commercial and public authority classes to forecast Late Payment Fee revenues.

v. **Cost of Gas** - The Company shall calculate Gas Costs by applying NYMEX futures prices to projected market purchases, then projecting quarterly Gas Cost Adjustments, recognizing storage injection and withdrawal plans.

b. **Operations and Maintenance Expense (“O&M”)**. Total O&M excluding Cost of Gas shall be comprised of expenses incurred directly in the Company’s Kentucky operations and expenses allocated from the three rate divisions that allocate expenses to Kentucky (Division 091, the Kentucky/Mid-States General Office; Division 002, Shared Services General Office; and Division 012, Shared Services Customer Service). The forecast for O&M shall be developed independently for each of the four rate divisions using the forecast methodologies defined below. For divisions 091, 002 and 012, the appropriate amount of expense shall be allocated to the Kentucky operation as described in the Company’s Cost Allocation Manual (“CAM”).

i. **Labor** - Labor expense shall be equal to the Company’s most recently completed and approved budget for the months of the Forward Looking Test Year for which the budget is available. Labor expense shall be forecasted using an inflation factor to adjust the months of the Forward Looking Test Year that extend beyond the Company’s most recently

completed budget. The inflation factor shall be the Company's budgeted average target common merit increase from its most recently completed budget. The development of the O&M forecast shall be consistent for each entity that allocates costs to Kentucky. For divisions 091, 002 and 012, the appropriate amount of expense shall be allocated to the Kentucky operation as described in the Company's CAM.

- ii. **Non-Labor (except bad debt expense)** -- Non-labor O&M expense types other than bad debt expense and other than specifically noted below shall be equal to the Company's most recently completed budget for the months of the Forward Looking Test Year for which the budget is available. For each remaining month of the Forward Looking Test Year, O&M expense types other than bad debt expense and other than specifically noted below shall be equal to the amount budgeted in that same calendar month in the most recently completed budget. The development of the O&M forecast shall be consistent for each entity that allocates costs to Kentucky. For divisions 091, 002 and 012, the appropriate amount of expense shall be allocated to the Kentucky operation as described in the Company's CAM.
- iii. **Disallowances** - The Company shall remove from O&M amounts related to promotional advertising (as calculated on Schedule F.4); incentive compensation (as calculated on Schedule F.10); and certain expense report amounts (as calculated on Schedule F.8). In years in which the Company

plans to construct or purchase a new building, forecasted avoided lease expense shall be removed (as calculated on Schedule F.9).

- iv. **Bad Debt Expense** - The Company shall calculate and include in O&M 0.5% of expected residential, commercial and public authority gross margins as calculated on Schedule C.2.2 B 09 and C.2.2 F 09 of the revenue requirement model.
- v. **Rate Case Expense** - The Company shall include an annual amount of \$156,942 in the Forward Looking Test Year O&M to account for a 2 year amortization of the estimated rate case expenses for this Case. Upon completion of this Case, the Company shall defer accumulated rate case expenses and begin amortizing the actual balance at \$13,079 per month until the actual balance is fully amortized. In the Forward Looking Test Year following the full amortization of the rate case expense balance, the Company shall cease to include in O&M an adjustment for rate case expense. The Company shall include in its normal operating budget an estimated amount for legal expenses as it would any other O&M expense. Legal expenses associated with prosecuting the Company's Annual ARM Filing are expected to be annually recurring and significantly lower than the level required to prosecute a traditional rate case. The annual expense incurred for such legal expenses shall be subject to the annual reconciliation described below just like any other O&M expense.

**c. Taxes, Other than Income Taxes**

i. Total Taxes, Other than Income Taxes shall be comprised of taxes incurred directly in the Company's Kentucky operations and taxes allocated from the three rate divisions that allocate expenses to Kentucky (Division 091, the Kentucky/Mid-States General Office; Division 002, Shared Services General Office; and Division 012, Shared Services Customer Service). The forecast for Taxes, Other than Income Taxes shall be developed independently for each of the four rate divisions. For divisions 091, 002 and 012, the appropriate amount of taxes shall be allocated to the Kentucky operation as described in the Company's CAM. The forecast for Taxes, Other Than Income Taxes shall be comprised of the Company's most recently completed budget for each type of tax with the following three exceptions:

1. Payroll taxes (FICA, FUTA, SUTA) shall be inflated at the same rate as labor O&M for months in the Forward Looking Test Year that extend beyond the most recently completed budget;
2. The monthly accrual for ad valorem taxes shall be the Company's most recent monthly accrual for estimated ad valorem taxes due; and
3. The PSC fee shall be calculated by multiplying the most recent PSC fee rate times gross revenues forecasted for the Forward Looking Test Year.

**d. Depreciation and Amortization Expense**

- i. Depreciation and Amortization Expense for each Forward Looking Test Year shall be calculated within the Company's plant forecast described below. Depreciation expense shall be calculated by multiplying the approved rate for each account by the projected account balance for each month. The depreciation rates used to calculate depreciation expense are those most recently approved by the Commission for Kentucky and each of the entities allocable to Kentucky. Depreciation expense allocable to Kentucky shall be done in accordance with the Company's CAM.
- ii. Prudent rate making and accounting requires that depreciation rates be updated periodically. The Company's practice is to conduct depreciation studies and update rates in its various operating divisions and entities housing shared assets (including the Kentucky Mid-States General Office and SSU) every 4-6 years. The Company does plan to conduct depreciation studies in the future consistent with this practice and prudent accounting and rate making procedures. In the event it conducts a depreciation study for its Kentucky operations or any of the entities that house shared assets that support Kentucky operations, the Company shall, within 30 days of completing the study, file the depreciation study with the Commission, and provide a copy to the Office of Attorney General, and ask that the rates contained in the study be approved for its next annual review. Following

any appropriate discovery and rebuttal, and conditioned upon approval by the Commission of new rates, the Company shall calculate depreciation expense using the newly approved rates in its subsequent Annual ARM Filing. To assist with review, the Company shall file any new depreciation study when it is completed, rather than waiting until it makes the next Annual ARM Filing.

- e. **Rate Base** -- The rate base shall include projected thirteen month averages for each of the following components. Each component shall be forecasted consistent with the methodologies described in each section below.

- i. **Original Cost of Plant**

- 1. The forecast of monthly gross plant balances shall begin with the actual plant balances at the end of the Historic Base Period. Plant additions for the period between the end of the Historic Base Period and end of the Forward Looking Test Year are made up of projected and budgeted plant additions from the Company's monthly projections and most recently completed capital budget. Plant additions are comprised of three components:
      - a. the capital spending for Kentucky;
      - b. the amount allocated to Kentucky resulting from capital spending by the KY/Mid-States Division's general office; and

- c. the amount allocated to Kentucky resulting from capital spending by the Company's Shared Services (SSU) during the Forward Looking Test Year.
  2. Four components of SSU that house shared plant assets, the Charles K. Vaughan Center (CKV), the Greenville data center (Greenville), Atmos Energy/Atmos Marketing (AEAM) and Align Software (ALGN) shall use allocation percentages that recognize the unique nature and use of those assets and that are consistent with the Company's workpapers.
  3. The capital forecast shall be converted to plant account ("300 account") detail for the purpose of projecting additions, retirements, depreciation expense, accumulated depreciation and resulting net plant at the required level of detail. Projected plant retirements shall be based on the level of retirements recorded during each Historic Base Period.
- ii. Accumulated Depreciation and Amortization** - Accumulated depreciation and amortization for each Forward Looking Test Year shall be forecast within the Company's plant projection described in the preceding section and shall incorporate the most recently approved depreciation rates. The forecast shall begin with actual per books accumulated depreciation balances at the end of the Historic Base Period. For each month between

the end of each Historic Base Period and the end of each Forward Looking Test Year, the forecast shall add projected depreciation expense and deduct the same retirements that were projected for gross plant. Depreciation expense shall be calculated by multiplying the approved rate for each account by the projected account balance for each month.

- iii. **Construction Work in Progress (“CWIP”)** - The balance of CWIP at the end of each Historic Base Period shall be projected to remain constant through the end of each Forward Looking Test Year as capital spending is offset by completing projects and placing assets in service.
- iv. **Storage Gas Investment** - The Company shall calculate storage gas investment by applying NYMEX futures prices to projected market purchases, then projecting quarterly Gas Cost Adjustments, recognizing storage injection and withdrawal plans.
- v. **Cash Working Capital** - The Company shall calculate cash working capital requirements by multiplying its total O&M by 1/8<sup>th</sup> as shown on Schedules B.4.2 B and B.4.2 F.
- vi. **Materials and Supplies** - The balance of materials and supplies at the end of each Historic Base Period shall be projected to remain constant through the end of each Forward Looking Test Year.

- vii. Prepayments** - The balance of prepayments at the end of each Historic Base Period shall be projected to remain constant through the end of each Forward Looking Test Year.
- viii. Regulatory Assets** - The unamortized balance of actual rate case expense incurred in Case No. 2017-00349 (described in Section V.b.v. above) shall be included as a regulatory asset. Following the full amortization of this regulatory asset, there will be no others included unless as ordered by the Commission in a future proceeding.
- ix. Accumulated Deferred Income Tax** - Accumulated Deferred Income Taxes (“ADIT”) shall be forecasted consistent with Schedules B.5.B and B.5.F and supporting workpapers and relied-upon files and shall be based on forecasted plant additions and currently enacted tax law. The forecast of monthly ADIT balances shall begin with the actual ADIT balances at the end of the Historic Base Period. The forecast of book plant additions and book depreciation for the period between the end of the Historic Base Period and end of the Forward Looking Test Year shall be consistent with the amounts described above in Sections V.e.i and V.e.ii. To arrive at tax plant additions, the tax repairs basis adjustment shall be estimated based on the type of projected book plant additions and prior period deductible percentages. In periods for which bonus depreciation has been enacted, the bonus depreciation basis adjustment shall be estimated based on the type of

projected book plant additions. Projected tax plant additions shall be used to compute tax projected depreciation in accordance with the current MACRs rates. The difference between projected book plant additions and projected tax plant additions results in projected fixed asset cost ADIT. The difference between projected book accumulated depreciation and projected tax accumulated depreciation results in projected fixed asset accumulated ADIT. ADIT balances for Kentucky and each rate division allocable to Kentucky shall include both liability and asset balances including NOLCs but excluding any estimated amount for over/under recovery of gas cost in order to normalize the tax effect of over/under recovery of gas cost to zero. ADIT shall include a ratemaking adjustment to remove non-utility related ADIT associated with any consolidated tax net operating loss. So long as the Company is in an NOL position, the incremental change in the NOLC balance shall be forecasted consistent with the presentation on Schedule B.5.F.

- x. **Customer Advances for Construction** - The balance of customer advances for construction at the end of each Historic Base Period shall be projected to remain constant through the end of each Forward Looking Test Year.

**f. Rate of Return**

**i. Capital Structure** - The Company's capital structure shall be calculated annually and be made up of:

1. Thirteen-month average equity balance for the Historic Base Period
2. Thirteen-month average long term debt ("LTD") balance for the Historic Base Period
3. Twelve-month average daily short term debt ("STD") balance for the Historic Base Period

**ii. Cost of Debt** - Cost of Long Term Debt shall be calculated annually as it is calculated on Schedules J.3 B and J.3 F. Cost of Short Term Debt shall be calculated annually as it is calculated on Schedules J.2 B and J.2 F.

**iii. Return on Equity** - The Authorized Return on Equity shall be as included in the Commission's Final Order in Case No. 17-00349 or until a different return on equity is adopted by the Commission in a subsequent general rate case

**g. Other Methodologies Adopted** -- To the extent that ratemaking methodologies are not described in this Exhibit but are consistent with any methodology described in this Exhibit, the methodologies used in the Company's revenue requirement model and supporting workpapers and relied-upon files in this Case No. 2017-00349 may be utilized in calculating and evaluating the Company's annual revenue requirement and resulting sufficiency or deficiency; provided,

however, that to the extent that any such methodology is or could be interpreted as ambiguous or contradictory, no methodology shall be inferred with respect to the item or process that is ambiguous or contradictory.

**VI. Annual Reconciliation of Actual Results to Authorized Return on Equity**

- a. On or before July 1 of each year, the Company shall file with the Commission, and shall provide a copy to the Office of Attorney General, a reconciliation of actual results ("Annual Reconciliation") to the Authorized Return on Equity for the Forward Looking Test Year immediately completed.
- b. The Annual Reconciliation shall include a calculation of actual cost of service, determined in accordance with the Approved Methodologies, for the Forward Looking Test Year immediately completed; using the same revenue requirement model used in each Annual ARM Filing, substituting actual results in place of previously forecasted data for all aspects of cost of service, excluding revenue calculations. Actual cost of service shall be compared with actual booked revenue, ignoring the revenue impact of any prior year reconciliation, to determine the revenue requirement ("Annual Reconciliation Revenue Requirement") necessary to adjust the actual return on equity to the Authorized Return on Equity for the Forward Looking Test Year immediately completed, all determined in accordance with the Approved Methodologies. Interest will be added to the Annual Revenue Reconciliation Revenue Requirement (whether

positive or negative). The interest rate shall be the overall cost of capital as stated on Schedule A.1 of the Annual ARM Filing compounded for 2 years.

- c. Rates shall be calculated to produce a net rate adjustment comprised of the Annual Reconciliation Revenue Requirement from the most recently completed Forward Looking Test Year and the revenue sufficiency/deficiency for the ensuing Forward Looking Test Year, all determined in accordance with the methodologies set forth herein and as approved and adopted by the Commission.
- d. The resulting rates shall be effective on bills rendered on and after April 1 of each year. All tariff rates (except Special Contract rates, which shall not be affected) shall be adjusted in proportion to the relative base revenue share of each class as described above.
- e. The first Annual Reconciliation Revenue Requirement filing shall occur on July 1, 2019, and shall cover the Forward Looking Test Year ended March 31, 2019. The resulting Annual Reconciliation Revenue Requirement shall be incorporated into the Company's December 1, 2019 Annual ARM Filing.

## **VII. Variance Report and ARM Review**

- a. As part of its Annual ARM Filing, Atmos Energy shall prepare and file with the Commission, with a copy to the Office of Attorney General, a Variance Report ("Variance Report") that identifies and explains each and every Atmos Energy operating revenue and expense account and/or subaccount for which the Kentucky amount (including amounts allocated to Kentucky) either:

- i. exceeds the prior year's amount (based on amounts as filed by Atmos Energy in the Annual ARM Filing) by 5% and \$30,000; or
  - ii. exceeds the amount (based on amounts as filed by Atmos Energy in the Annual ARM Filing) in such account and/or subaccount in the third preceding year by 10% and \$60,000; or
  - iii. has been, when compared with the accounts and/or subaccounts existing on the Effective Date of the ARM Tariff and/or used in the calculations referenced herein, added or deleted or modified in form or substance in any way.
- b. As to any account and/or subaccount (and including without limitation any process related directly or indirectly to any such account or subaccount) included on a Variance Report, subject to the Commission's rule of discovery, the Commission, interveners and/or Office of Attorney General shall have the right in its discretion to request additional information and an explanation from Atmos Energy. Atmos Energy agrees to provide any such information or explanation requested within ten business days of such request. The Office of Attorney General, further, has the right in its discretion to bring such account and/or subaccount (or related process) to the attention of the Commission and to request the Commission to review and consider such account and/or subaccount (or related process).



**BEFORE THE PUBLIC SERVICE COMMISSION**

**COMMONWEALTH OF KENTUCKY**

**APPLICATION OF ATMOS ENERGY )**  
**)**  
**CORPORATION FOR AN ADJUSTMENT ) Case No. 2017-00349**  
**)**  
**OF RATES AND TARIFF MODIFICATIONS )**

**DIRECT TESTIMONY OF JAMES H. VANDER WEIDE, PH.D.**

**RATE OF RETURN**

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EXHIBIT:

Exhibit JWV-1 – Schedules and Appendices

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**I. INTRODUCTION AND PURPOSE**

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

A. My name is James H. Vander Weide. I am President of Financial Strategy Associates, a firm that provides strategic and financial consulting services to business clients. My business address is 3606 Stoneybrook Drive, Durham, North Carolina 27705.

**Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PRIOR ACADEMIC EXPERIENCE.**

A. I graduated from Cornell University with a Bachelor's Degree in Economics and from Northwestern University with a Ph.D. in Finance. After joining the faculty of the School of Business at Duke University, I was named Assistant Professor, Associate Professor, Professor, and then Research Professor. I have published research in the areas of finance and economics and taught courses in these fields at Duke for more than thirty-five years. I am now retired from my teaching duties at Duke. A summary of my research, teaching, and other professional experience is presented in Exhibit JVW-1, Appendix 1.

**Q. HAVE YOU PREVIOUSLY TESTIFIED ON FINANCIAL OR ECONOMIC ISSUES?**

A. Yes. As an expert on financial and economic theory and practice, I have participated in more than five hundred regulatory and legal proceedings before the public service commissions of forty-five states and four Canadian provinces, the Federal Energy Regulatory Commission, the National Energy Board (Canada), the Federal Communications Commission, the Canadian Radio-Television and

1 Telecommunications Commission, the United States Congress, the National  
2 Telecommunications and Information Administration, the insurance commissions  
3 of five states, the Iowa State Board of Tax Review, the National Association of  
4 Securities Dealers, and the North Carolina Property Tax Commission. In addition,  
5 I have prepared expert testimony in proceedings before the United States District  
6 Court for the District of Nebraska; the United States District Court for the District  
7 of New Hampshire; the United States District Court for the District of Northern  
8 Illinois; the United States District Court for the Eastern District of North Carolina;  
9 the Montana Second Judicial District Court, Silver Bow County; the United States  
10 District Court for the Northern District of California; the Superior Court, North  
11 Carolina; the United States Bankruptcy Court for the Southern District of West  
12 Virginia; the United States District Court for the Eastern District of Michigan; and  
13 the Supreme Court of the State of New York.

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

15 A. I have been asked by Atmos Energy Corporation (“Atmos Energy” or “the  
16 Company”) to prepare an independent appraisal of its cost of equity capital and to  
17 recommend a rate of return on equity that is fair, that allows Atmos Energy to attract  
18 capital on reasonable terms, and that allows Atmos Energy to maintain its financial  
19 integrity.

20 **II. SUMMARY OF TESTIMONY**

21 **Q. HOW DO YOU ESTIMATE ATMOS ENERGY’S COST OF EQUITY?**

22 A. I estimate Atmos Energy’s cost of equity by applying several standard cost of equity  
23 methods to market data for a proxy group of utility companies of comparable risk.

1 Q. WHY DO YOU APPLY YOUR COST OF EQUITY METHODS TO A  
2 PROXY GROUP OF COMPARABLE RISK UTILITIES RATHER THAN  
3 SOLELY TO ATMOS ENERGY?

4 A. I apply my cost of equity methods to a proxy group of comparable risk companies  
5 because standard cost of equity methods, such as the discounted cash flow (DCF),  
6 risk premium, and capital asset pricing model (CAPM) require inputs of quantities  
7 that are not easily measured. Because these inputs can only be estimated, there is  
8 naturally some degree of uncertainty surrounding the estimate of the cost of equity  
9 for each company. However, the uncertainty in the estimate of the cost of equity  
10 for an individual company can be greatly reduced by applying cost of equity  
11 methods to a sample of comparable companies.

12 Intuitively, unusually high estimates for some individual companies are  
13 offset by unusually low estimates for other individual companies. Thus, financial  
14 economists invariably apply cost of equity methods to a group of comparable  
15 companies. In utility regulation, the practice of using a group of comparable  
16 companies, called the comparable company approach, is further supported by the  
17 United States Supreme Court standard that the utility should be allowed to earn a  
18 return on its investment that is commensurate with returns being earned on other  
19 investments of similar risk. See *Bluefield Water Works and Improvement Co. v.*  
20 *Public Service Comm'n.* 262 U.S. 679, 692 (1923) and *Federal Power Comm'n v.*  
21 *Hope Natural Gas Co.*, 320 U.S. 561, 603 (1944).

1 **Q. WHAT COST OF EQUITY DO YOU FIND FOR YOUR COMPARABLE**  
2 **COMPANIES IN THIS PROCEEDING?**

3 A. On the basis of my studies, I find that the cost of equity for my comparable  
4 companies is 10.3 percent. This conclusion is based on my application of standard  
5 cost of equity estimation techniques, including the DCF model, the ex ante risk  
6 premium approach, the ex post risk premium approach, and the CAPM, to a broad  
7 group of utilities of comparable business risk.

8 **Q. WHAT IS YOUR RECOMMENDATION REGARDING ATMOS**  
9 **ENERGY'S FAIR RATE OF RETURN ON COMMON EQUITY?**

10 A. I conservatively recommend that Atmos Energy be allowed a fair rate of return on  
11 common equity equal to 10.3 percent.

12 **Q. WHY IS YOUR RECOMMENDED RETURN ON EQUITY**  
13 **CONSERVATIVE?**

14 A. My recommended return on equity is conservative because the financial risk of my  
15 comparable companies, which is based on the equity ratio resulting from the market  
16 values of their equity and debt, is less than the financial risk of the lower equity  
17 ratio in Atmos Energy's ratemaking capital structure, which is based on its book  
18 values of equity and debt.

19 **Q. DO YOU HAVE EXHIBITS ACCOMPANYING YOUR TESTIMONY?**

20 A. Yes. I have prepared or supervised the preparation of Exhibit JVW-1 consisting of  
21 nine schedules and five appendices that were prepared by me or under my direction  
22 and supervision.



1 investors have a residual claim on the firm's assets and income, equity investments  
2 are riskier than debt investments. Thus, the cost of equity exceeds the cost of debt.

3 **Q. WHAT IS THE OVERALL OR AVERAGE COST OF CAPITAL?**

4 A. The overall or average cost of capital is a weighted average of the cost of debt and  
5 cost of equity, where the weights are the percentages of debt and equity in a firm's  
6 capital structure.

7 **Q. CAN YOU ILLUSTRATE THE CALCULATION OF THE OVERALL OR  
8 WEIGHTED AVERAGE COST OF CAPITAL?**

9 A. Yes. Assume that the cost of debt is 7 percent, the cost of equity is 13 percent, and  
10 the percentages of debt and equity in the firm's capital structure are 50 percent and  
11 50 percent, respectively. Then the weighted average cost of capital is expressed by  
12  $0.50 \text{ times } 7 \text{ percent plus } 0.50 \text{ times } 13 \text{ percent, or } 10.0 \text{ percent.}$

13 **Q. HOW DO ECONOMISTS DEFINE THE COST OF EQUITY?**

14 A. Economists define the cost of equity as the return investors expect to receive on  
15 alternative equity investments of comparable risk. Since the return on an equity  
16 investment of comparable risk is not a contractual return, the cost of equity is more  
17 difficult to measure than the cost of debt. However, as I have already noted, there  
18 is agreement among economists that the cost of equity is greater than the cost of  
19 debt. There is also agreement among economists that the cost of equity, like the  
20 cost of debt, is both forward looking and market based.

21 **Q. HOW DO ECONOMISTS MEASURE THE PERCENTAGES OF DEBT  
22 AND EQUITY IN A FIRM'S CAPITAL STRUCTURE?**

23 A. Economists measure the percentages of debt and equity in a firm's capital structure

1 by first calculating the market value of the firm's debt and the market value of its  
2 equity. Economists then calculate the percentage of debt by the ratio of the market  
3 value of debt to the combined market value of debt and equity, and the percentage  
4 of equity by the ratio of the market value of equity to the combined market value  
5 of debt and equity. For example, if a firm's debt has a market value of \$25 million  
6 and its equity has a market value of \$75 million, then its total market capitalization  
7 is \$100 million, and its capital structure contains twenty-five percent debt and  
8 seventy-five percent equity.

9 **Q. WHY DO ECONOMISTS MEASURE A FIRM'S CAPITAL STRUCTURE**  
10 **IN TERMS OF THE MARKET VALUES OF ITS DEBT AND EQUITY?**

11 A. Economists measure a firm's capital structure in terms of the market values of its  
12 debt and equity because: (1) the weighted average cost of capital is defined as the  
13 return investors expect to earn on a portfolio of the company's debt and equity  
14 securities; (2) investors measure the expected return and risk on their portfolios  
15 using market value weights, not book value weights; and (3) market values are the  
16 best measures of the amounts of debt and equity investors have invested in the  
17 company on a going forward basis.

18 **Q. WHY DO INVESTORS MEASURE THE EXPECTED RETURN AND RISK**  
19 **ON THEIR INVESTMENT PORTFOLIOS USING MARKET VALUE**  
20 **WEIGHTS RATHER THAN BOOK VALUE WEIGHTS?**

21 A. Investors measure the expected return and risk on their investment portfolios using  
22 market value weights because: (1) the expected return on a portfolio is calculated  
23 by comparing the expected value of the portfolio at the end of the investment period

1 to its current value; (2) the risk of a portfolio is calculated by examining the  
2 variability of the end-of-period return on the portfolio about the expected value;  
3 and (3) market values are the best measure of the current value of the portfolio.  
4 From the investor's point of view, the historical cost, or book value of the  
5 investment, is irrelevant for the purpose of assessing the required return and risk on  
6 their portfolios because if they were to sell their investments, they would receive  
7 market value, not historical cost. Thus, the return can only be measured in terms of  
8 market values.

9 **Q. IS THE ECONOMIC DEFINITION OF THE WEIGHTED AVERAGE**  
10 **COST OF CAPITAL CONSISTENT WITH REGULATORS'**  
11 **TRADITIONAL DEFINITION OF THE AVERAGE COST OF CAPITAL?**

12 A. No. The economic definition of the weighted average cost of capital is based on the  
13 market costs of debt and equity, the market value percentages of debt and equity in  
14 a company's capital structure, and the future expected risk of investing in the  
15 company. In contrast, regulators have traditionally defined the weighted average  
16 cost of capital using the embedded cost of debt and the book values of debt and  
17 equity in a company's capital structure.

18 **Q. ARE THE ECONOMIC PRINCIPLES REGARDING THE FAIR RETURN**  
19 **FOR CAPITAL RECOGNIZED IN ANY UNITED STATES SUPREME**  
20 **COURT CASES?**

21 A. Yes. These economic principles, relating to the supply of and demand for capital,  
22 are recognized in two United States Supreme Court cases: (1) *Bluefield Water*  
23 *Works and Improvement Co. v. Public Service Comm'n. of W. Va.*; and (2) *Federal*

1           *Power Comm'n v. Hope Natural Gas Co.* In *Bluefield Water Works*, the Court  
2           stated:

3                     A public utility is entitled to such rates as will permit it to earn a  
4                     return upon the value of the property which it employs for the  
5                     convenience of the public equal to that generally being made at the  
6                     same time and in the same general part of the country on investments  
7                     in other business undertakings which are attended by corresponding  
8                     risks and uncertainties; but it has no constitutional right to profits  
9                     such as are realized or anticipated in highly profitable enterprises or  
10                    speculative ventures. The return should be reasonably sufficient to  
11                    assure confidence in the financial soundness of the utility, and  
12                    should be adequate, under efficient and economical management, to  
13                    maintain and support its credit, and enable it to raise the money  
14                    necessary for the proper discharge of its public duties. [*Bluefield*  
15                    *Water Works and Improvement Co. v. Public Service Comm'n.* 262  
16                    U.S. 679, 692 (1923).]

17           The Court clearly recognizes here that: (1) a regulated firm cannot remain  
18           financially sound unless the return it is allowed to earn on the value of its property  
19           is at least equal to the cost of capital (the principle relating to the demand for  
20           capital); and (2) a regulated firm will not be able to attract capital if it does not  
21           offer investors an opportunity to earn a return on their investment equal to the  
22           return they expect to earn on other investments of the same risk (the principle  
23           relating to the supply of capital).

24                     In the *Hope Natural Gas* case, the Court reiterates the financial soundness  
25           and capital attraction principles of *Bluefield Water Works*:

26                     From the investor or company point of view it is important that there  
27                     be enough revenue not only for operating expenses but also for the  
28                     capital costs of the business. These include service on the debt and  
29                     dividends on the stock... By that standard the return to the equity  
30                     owner should be commensurate with returns on investments in other  
31                     enterprises having corresponding risks. That return, moreover,  
32                     should be sufficient to assure confidence in the financial integrity of  
33                     the enterprise, so as to maintain its credit and to attract capital.  
34                     [*Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591,  
35                     603 (1944).]

1 The Court clearly recognizes that the fair rate of return on equity should be:  
2 (1) comparable to returns investors expect to earn on other investments of similar  
3 risk; (2) sufficient to assure confidence in the company's financial integrity; and  
4 (3) adequate to maintain and support the company's credit and to attract capital.

5 **IV. BUSINESS AND FINANCIAL RISKS**

6 **Q. HOW DO INVESTORS ESTIMATE THE EXPECTED RATE OF RETURN**  
7 **ON SPECIFIC INVESTMENTS, SUCH AS AN INVESTMENT IN ATMOS**  
8 **ENERGY?**

9 A. Investors estimate the expected rate of return in several steps. First, they estimate  
10 the amount of their investment in the company. Second, they estimate the timing  
11 and amounts of the cash flows they expect to receive from their investment over  
12 the life of the investment. Third, they determine the return, or discount rate, that  
13 equates the present value of the expected cash receipts from their investment in the  
14 company to the current value of their investment in the company.

15 **Q. ARE THE RETURNS ON INVESTMENT OPPORTUNITIES, SUCH AS AN**  
16 **INVESTMENT IN ATMOS ENERGY, KNOWN WITH CERTAINTY AT**  
17 **THE TIME THE INVESTMENT IS MADE?**

18 A. No. The return on an investment in ATMOS ENERGY depends on the Company's  
19 expected future cash flows over the life of the investment, as discussed above. Since  
20 the Company's expected future cash flows are uncertain at the time the investment  
21 is made, the return on the investment is also uncertain.

1 **Q. YOU NOTE THAT INVESTORS REQUIRE A RETURN ON**  
2 **INVESTMENT THAT IS EQUAL TO THE RETURN THEY EXPECT TO**  
3 **RECEIVE ON OTHER INVESTMENTS OF SIMILAR RISK. DOES THE**  
4 **REQUIRED RETURN ON AN INVESTMENT DEPEND ON THE RISK OF**  
5 **THAT INVESTMENT?**

6 A. Yes. Since investors are averse to risk, they require a higher rate of return on  
7 investments with greater risk.

8 **Q. WHAT FUNDAMENTAL RISK DO INVESTORS FACE WHEN THEY**  
9 **INVEST IN A COMPANY SUCH AS ATMOS ENERGY?**

10 A. Investors face the fundamental risk that their realized, or actual, return on  
11 investment will be less than their required return on investment.

12 **Q. HOW DO INVESTORS MEASURE INVESTMENT RISK?**

13 A. Investors generally measure investment risk by estimating the probability, or  
14 likelihood, of earning less than the required return on investment. For investments  
15 with potential returns distributed symmetrically about the expected, or mean,  
16 return, investors can also measure investment risk by estimating the variance, or  
17 volatility, of the potential return on investment.

18 **Q. DO INVESTORS DISTINGUISH BETWEEN BUSINESS AND FINANCIAL**  
19 **RISK?**

20 A. Yes. Business risk is the underlying risk that investors will earn less than their  
21 required return on investment when the investment is financed entirely with equity.  
22 Financial risk is the additional risk of earning less than the required return when the  
23 investment is financed with both fixed-cost debt and equity.

1 **Q. WHAT ARE THE PRIMARY DETERMINANTS OF A NATURAL GAS**  
2 **UTILITY'S BUSINESS RISK?**

3 A. The business risk of investing in natural gas utilities such as Atmos Energy is  
4 caused by: (1) demand uncertainty; (2) operating expense uncertainty;  
5 (3) investment cost uncertainty; (4) high operating leverage; and (5) regulatory  
6 uncertainty.

7 **Q. HOW DOES DEMAND UNCERTAINTY AFFECT A NATURAL GAS**  
8 **UTILITY'S BUSINESS RISK?**

9 A. Demand uncertainty affects a natural gas utility's business risk through its impact  
10 on the variability of the company's revenues and its return on investment. The  
11 greater the uncertainty in demand, the greater is the uncertainty in the company's  
12 revenues and its return on investment.

13 **Q. WHAT CAUSES THE DEMAND FOR NATURAL GAS DISTRIBUTION**  
14 **SERVICES TO BE UNCERTAIN?**

15 A. Demand uncertainty is caused by the sensitivity of demand to: (1) the state of the  
16 economy and population growth; (2) fluctuations in temperatures during the peak  
17 heating season; (3) changes in rates; (4) customer efforts to conserve energy;  
18 (5) the ability of customers to switch to alternative sources of energy such as  
19 electricity or propane; (6) customer use of more efficient appliances; and  
20 (7) potential service interruptions due to accidents or natural disasters.

21 **Q. WHY ARE A NATURAL GAS UTILITY'S OPERATING EXPENSES**  
22 **UNCERTAIN?**

23 A. Operating expense uncertainty arises as a result of variability in (1) purchased gas

1 costs; (2) pipeline capacity costs; (3) employee-related costs such as salaries and  
2 wages, pensions, and insurance; (4) maintenance and materials costs; (5) customer  
3 billing and accounting expenses; and (6) bad debt expenses.

4 **Q. WHY ARE A NATURAL GAS UTILITY'S INVESTMENT COSTS**  
5 **UNCERTAIN?**

6 A. The natural gas utility business requires large investments in the storage and  
7 distribution facilities required to deliver natural gas to customers. The future  
8 amounts of required investment in storage and distribution facilities are uncertain  
9 due to uncertainty regarding: (1) long-run demand; (2) costs of complying with  
10 environmental, health, and safety laws and regulations; (3) costs to maintain and  
11 replace aging plant and equipment; and (4) costs required to assure adequate natural  
12 gas supply to meet forecasted demand.

13 **Q. YOU NOTE ABOVE THAT HIGH OPERATING LEVERAGE**  
14 **CONTRIBUTES TO THE BUSINESS RISK OF NATURAL GAS**  
15 **UTILITIES. WHAT IS OPERATING LEVERAGE?**

16 A. Operating leverage is the increased sensitivity of a company's earnings to sales  
17 variability that arises when some of the company's costs are fixed.

18 **Q. HOW DO ECONOMISTS MEASURE OPERATING LEVERAGE?**

19 A. Economists typically measure operating leverage by the ratio of a company's fixed  
20 expenses to its operating margin (revenues minus variable expenses).

21 **Q. WHAT IS THE DIFFERENCE BETWEEN FIXED AND VARIABLE**  
22 **EXPENSES?**

23 A. Fixed expenses are expenses that do not vary with output, and variable expenses

1 are expenses that vary directly with output. For natural gas utilities, fixed expenses  
2 include the fixed component of operating and maintenance costs, depreciation and  
3 amortization, and taxes. Variable expenses include fuel costs and the variable  
4 component of operations and maintenance costs.

5 **Q. DO NATURAL GAS UTILITIES EXPERIENCE HIGH OPERATING**  
6 **LEVERAGE?**

7 A. Yes. As noted above, operating leverage increases when a firm's commitment to  
8 fixed costs rises in relation to its operating margin on sales. The relatively high  
9 degree of fixed costs in the natural gas utility business arises primarily from: (1)  
10 the average natural gas utility's large investment in fixed, long-lived plant and  
11 equipment; and (2) the relative "fixity" of a natural gas utility's operating and  
12 maintenance costs. High operating leverage causes the average natural gas utility's  
13 operating income to be highly sensitive to demand and revenue fluctuations.

14 **Q. HOW DOES OPERATING LEVERAGE AFFECT A COMPANY'S**  
15 **BUSINESS RISK?**

16 A. Operating leverage affects a company's business risk through its impact on the  
17 variability of the company's profits or income. Generally speaking, the higher a  
18 company's operating leverage, the higher is the variability of the company's  
19 operating profits.

20 **Q. DOES REGULATION CREATE UNCERTAINTY FOR NATURAL GAS**  
21 **UTILITIES?**

22 A. Yes. Rates for natural gas distribution services are generally set by state regulatory  
23 authorities in a manner that provides natural gas distribution companies an

1 opportunity to recover prudently incurred operating expenses and earn a fair rate of  
2 return on their prudently incurred investment in property, plant, and equipment.  
3 Investors' perceptions of the business and financial risks of natural gas utilities are  
4 strongly influenced by their views of the quality of regulation. Investors are aware  
5 that regulators in some jurisdictions may be unwilling at times to set rates that allow  
6 companies an opportunity to recover their cost of service in a timely manner and  
7 earn a fair and reasonable return on investment. Investors are also aware that, even  
8 if a company presently has an opportunity to earn a fair return on its investment in  
9 property, plant, and equipment, there is no assurance that they will continue to have  
10 such an opportunity in the future. If investors perceive that regulators may not  
11 provide an opportunity to earn a fair rate of return on investment, investors may  
12 demand a higher rate of return for natural gas utilities operating in such  
13 jurisdictions. If investors perceive that regulators are likely to continue to provide  
14 an opportunity for a company to earn a fair rate of return on investment, investors  
15 will view the risk of earning a less than fair return as minimal.

16 **Q. YOU NOTE THAT FINANCIAL LEVERAGE INCREASES THE RISK OF**  
17 **INVESTING IN NATURAL GAS UTILITIES SUCH AS ATMOS ENERGY.**  
18 **HOW DO ECONOMISTS MEASURE FINANCIAL LEVERAGE?**

19 A. Economists generally measure financial leverage by the percentages of debt and  
20 equity in a company's market value capital structure. Companies with a high  
21 percentage of debt compared to equity are considered to have high financial  
22 leverage.

1 Q. WHY DOES FINANCIAL LEVERAGE AFFECT THE RISK OF  
2 INVESTING IN A NATURAL GAS UTILITY'S STOCK?

3 A. High debt leverage is a source of additional risk to utility stock investors because it  
4 increases the percentage of the firm's costs that are fixed, and the presence of higher  
5 fixed costs increases the variability of the equity investors' return on investment.

6 Q. CAN THE RISKS OF INVESTING IN NATURAL GAS UTILITIES SUCH  
7 AS ATMOS ENERGY BE DISTINGUISHED FROM THE RISKS OF  
8 INVESTING IN COMPANIES IN OTHER INDUSTRIES?

9 A. Yes. The risks of investing in natural gas utilities such as Atmos Energy can be  
10 distinguished from the risks of investing in companies in many other industries in  
11 several ways. First, the risks of investing in natural gas utilities are increased  
12 because of the greater capital intensity of the natural gas utility business and the  
13 fact that most investments in natural gas facilities are largely irreversible once they  
14 are made. Second, unlike returns in competitive industries, the returns from  
15 investment in natural gas utilities are largely asymmetric. That is, there is little  
16 opportunity for natural gas utilities to earn more than the required return, and a  
17 significant chance that the utilities will earn less than the required return.

18 V. COST OF EQUITY ESTIMATION METHODS

19 Q. WHAT METHODS DO YOU USE TO ESTIMATE ATMOS ENERGY'S  
20 COST OF EQUITY?

21 A. I use several generally accepted methods for estimating the cost of equity for Atmos  
22 Energy. These are the DCF, the ex ante risk premium, the ex post risk premium,  
23 and the CAPM. The DCF method assumes that the current market price of a firm's

1 stock is equal to the discounted value of all expected future cash flows. The ex ante  
2 risk premium method assumes that an investor's expectations regarding the equity  
3 risk premium can be estimated from data on the DCF expected rate of return on  
4 equity compared to the interest rate on long-term bonds. The ex post risk premium  
5 method assumes that an investor's expectations regarding the equity-debt return  
6 differential are influenced by the historical record of comparable returns on stock  
7 and bond investments. The cost of equity under both risk premium methods is then  
8 equal to the expected interest rate on bond investments plus the expected risk  
9 premium. The CAPM assumes that the investor's required rate of return on equity  
10 is equal to an expected risk-free rate of interest plus the product of a company-  
11 specific risk factor, beta, and the expected risk premium on the market portfolio.

12 **A. DISCOUNTED CASH FLOW METHOD**

13 **Q. PLEASE DESCRIBE THE DCF MODEL.**

14 A. The DCF model is based on the assumption that investors value an asset because  
15 they expect to receive a sequence of cash flows from owning the asset. Thus,  
16 investors value an investment in a bond because they expect to receive a sequence  
17 of semi-annual coupon payments over the life of the bond and a terminal payment  
18 equal to the bond's face value at the time the bond matures. Likewise, investors  
19 value an investment in a firm's stock because they expect to receive a sequence of  
20 dividend payments and, perhaps, expect to sell the stock at a higher price sometime  
21 in the future.

22 A second fundamental principle of the DCF method is that investors value  
23 a dollar received in the future less than a dollar received today. A future dollar is

1 valued less than a current dollar because investors could invest a current dollar in  
2 an interest earning account and increase their wealth. This principle is called the  
3 time value of money.

4 Applying the two fundamental DCF principles noted above to an investment  
5 in a bond leads to the conclusion that investors value their investment in the bond  
6 on the basis of the present value of the bond's future cash flows. Thus, the price of  
7 the bond should be equal to:

8 **EQUATION 1**

9 
$$P_B = \frac{C}{(1+i)} + \frac{C}{(1+i)^2} + \dots + \frac{C+F}{(1+i)^n}$$

10 where:

- 11  $P_B$  = Bond price;  
12  $C$  = Cash value of the coupon payment (assumed for notational  
13 convenience to occur annually rather than semi-annually);  
14  $F$  = Face value of the bond;  
15  $i$  = The rate of interest the investor could earn by investing her  
16 money in an alternative bond of equal risk; and  
17  $n$  = The number of periods before the bond matures.

18 Applying these same principles to an investment in a firm's stock suggests that  
19 the price of the stock should be equal to:

20 **EQUATION 2**

21 
$$P_s = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n}$$

1 where:

2  $P_s$  = Current price of the firm's stock;

3  $D_1, D_2 \dots D_n$  = Expected annual dividend per share on the firm's stock;

4  $P_n$  = Price per share of stock at the time the investor expects to sell  
5 the stock; and

6  $k$  = Return the investor expects to earn on alternative investments  
7 of the same risk, i.e., the investor's required rate of return.

8 Equation 2 is frequently called the annual discounted cash flow model of stock  
9 valuation. Assuming that dividends grow at a constant annual rate,  $g$ , this equation  
10 can be solved for  $k$ , the cost of equity. The resulting cost of equity equation is  $k =$   
11  $D_1/P_s + g$ , where  $k$  is the cost of equity,  $D_1$  is the expected next period annual  
12 dividend,  $P_s$  is the current price of the stock, and  $g$  is the constant annual growth  
13 rate in earnings, dividends, and book value per share. The term  $D_1/P_s$  is called the  
14 expected dividend yield component of the annual DCF model, and the term  $g$  is  
15 called the expected growth component of the annual DCF model. As in the case of  
16 the price of a bond, the price of a stock is related to the timing, magnitude, and  
17 relative risk of the expected cash flows.

18 **Q. ARE YOU RECOMMENDING THAT THE ANNUAL DCF MODEL BE**  
19 **USED TO ESTIMATE ATMOS ENERGY'S COST OF EQUITY?**

20 A. No. The DCF model assumes that a company's stock price is equal to the present  
21 discounted value of all expected future dividends. The annual DCF model is only a  
22 correct expression for the present value of future dividends if dividends are paid  
23 annually at the end of each year. Because the companies in my comparable group

1 all pay dividends quarterly, the current market price that investors are willing to  
2 pay reflects the expected quarterly receipt of dividends. Therefore, a quarterly DCF  
3 model should be used to estimate the cost of equity for these firms. The quarterly  
4 DCF model differs from the annual DCF model in that it expresses a company's  
5 price as the present value of a quarterly stream of dividend payments. A complete  
6 analysis of the implications of the quarterly payment of dividends on the DCF  
7 model is provided in Exhibit JVW-1, Appendix 2. For the reasons cited there, I  
8 employed the quarterly DCF model throughout my calculations, even though the  
9 results of the quarterly DCF model for my companies are approximately equal to  
10 the results of a properly applied annual DCF model (in which the end-of-year  
11 dividend is estimated by multiplying the current annual dividend by the factor one  
12 plus the growth rate).

13 **Q. PLEASE DESCRIBE THE QUARTERLY DCF MODEL YOU USE.**

14 A. The quarterly DCF model I use is described on Exhibit JVW-1, Schedule 1 and in  
15 Appendix 2. The quarterly DCF equation shows that the cost of equity is: the sum  
16 of the future expected dividend yield and the growth rate, where the dividend in the  
17 dividend yield is the equivalent future value of the four quarterly dividends at the  
18 end of the year, and the growth rate is the expected growth in dividends or earnings  
19 per share.

20 **Q. HOW DO YOU ESTIMATE THE QUARTERLY DIVIDEND PAYMENTS**  
21 **IN YOUR QUARTERLY DCF MODEL?**

22 A. The quarterly DCF model requires an estimate of the dividends,  $d_1$ ,  $d_2$ ,  $d_3$ , and  $d_4$ ,  
23 investors expect to receive over the next four quarters. I estimate the next four

1 quarterly dividends by multiplying the previous four quarterly dividends by the  
2 factor,  $(1 + \text{the growth rate, } g)$ .

3 **Q. CAN YOU ILLUSTRATE HOW YOU ESTIMATE THE NEXT FOUR**  
4 **QUARTERLY DIVIDENDS WITH DATA FOR A SPECIFIC COMPANY?**

5 A. Yes. In the case of Atmos Energy, the first company shown in Exhibit JW-1,  
6 Schedule I, the last four quarterly dividends are equal to 0.42, 0.45, 0.45, and 0.45.  
7 Thus dividend  $d_1$  is equal to 0.449 [ $0.42 \times (1 + .07) = 0.449$ ] and dividends  $d_2$ ,  $d_3$ ,  
8 and  $d_4$  are equal to 0.482 [ $0.45 \times (1 + .07) = 0.482$ ]. (As noted previously, the logic  
9 underlying this procedure is described in Appendix 2.)

10 **Q. HOW DO YOU ESTIMATE THE GROWTH COMPONENT OF THE**  
11 **QUARTERLY DCF MODEL?**

12 A. I use the analysts' estimates of future earnings per share (EPS) growth reported by  
13 I/B/E/S Thomson Reuters.

14 **Q. WHAT ARE THE ANALYSTS' ESTIMATES OF FUTURE EPS GROWTH?**

15 A. As part of their research, financial analysts working at Wall Street firms  
16 periodically estimate EPS growth for each firm they follow. The EPS forecasts for  
17 each firm are then published. Investors who are contemplating purchasing or selling  
18 shares in individual companies review the forecasts. These estimates represent  
19 three- to five-year forecasts of EPS growth.

20 **Q. WHAT IS I/B/E/S?**

21 A. I/B/E/S is a division of Thomson Reuters that reports analysts' EPS growth  
22 forecasts for a broad group of companies. The forecasts are expressed in terms of a  
23 mean forecast and a standard deviation of forecast for each firm. Investors use the

1 mean forecast as an estimate of future firm performance.

2 **Q. WHY DO YOU USE THE I/B/E/S GROWTH ESTIMATES?**

3 A. I use the I/B/E/S growth rates because they: (1) are widely circulated in the  
4 financial community, (2) include the projections of reputable financial analysts  
5 who develop estimates of future EPS growth, (3) are reported on a timely basis to  
6 investors, and (4) are widely used by institutional and other investors.

7 **Q. WHY DO YOU RELY ON ANALYSTS' PROJECTIONS OF FUTURE EPS**  
8 **GROWTH IN ESTIMATING THE INVESTORS' EXPECTED GROWTH**  
9 **RATE RATHER THAN LOOKING AT HISTORICAL GROWTH RATES?**

10 A. I rely on analysts' projections of future EPS growth because there is considerable  
11 empirical evidence that investors use analysts' forecasts to estimate future earnings  
12 growth.

13 **Q. HAVE YOU PERFORMED ANY STUDIES CONCERNING THE USE OF**  
14 **ANALYSTS' FORECASTS AS AN ESTIMATE OF INVESTORS'**  
15 **EXPECTED GROWTH RATE, G?**

16 A. Yes. I prepared a study with Willard T. Carleton, Professor Emeritus of Finance at  
17 the University of Arizona, which is described in a paper entitled "Investor Growth  
18 Expectations and Stock Prices: Analysts vs. History," published in the Spring 1988  
19 edition of *The Journal of Portfolio Management*.

20 **Q. PLEASE SUMMARIZE THE RESULTS OF YOUR STUDY.**

21 A. We performed a correlation analysis to identify the historically oriented growth  
22 rates which best described a firm's stock price. We then performed a regression  
23 study comparing the historical growth rates and retention growth rates with the

1 average I/B/E/S analysts' forecasts. In every case, the regression equations  
2 containing the average of analysts' forecasts statistically outperformed the  
3 regression equations containing the historical growth and retention growth  
4 estimates. These results are consistent with those found by Cragg and Malkiel, the  
5 early major research in this area (John G. Cragg and Burton G. Malkiel,  
6 *Expectations and the Structure of Share Prices*, University of Chicago Press, 1982).  
7 These results are also consistent with the hypothesis that investors use analysts'  
8 forecasts, rather than historically oriented growth calculations, in making decisions  
9 to buy and sell stock. The results provide overwhelming evidence that the analysts'  
10 forecasts of future growth are superior to historically-oriented growth measures in  
11 predicting a firm's stock price. I note that researchers at State Street Financial  
12 Advisors updated my study in 2004, and their results continue to confirm that  
13 analysts' growth forecasts are superior to historically-oriented growth measures in  
14 predicting a company's stock price.

15 **Q. WHAT PRICE DO YOU USE IN YOUR DCF MODEL?**

16 A. I use a simple average of the monthly high and low stock prices for each firm for  
17 the three-month period ending June 2017. These high and low stock prices were  
18 obtained from Thomson Reuters.

19 **Q. WHY DO YOU USE THE THREE-MONTH AVERAGE STOCK PRICE IN  
20 APPLYING THE DCF METHOD?**

21 A. I use the three-month average stock price in applying the DCF method because  
22 stock prices fluctuate daily, while financial analysts' forecasts for a given company  
23 are generally changed less frequently, often on a quarterly basis. Thus, to match the

1 stock price with an earnings forecast, it is appropriate to average stock prices over  
2 a three-month period.

3 **Q. DO YOU INCLUDE AN ALLOWANCE FOR FLOTATION COSTS IN**  
4 **YOUR DCF ANALYSIS?**

5 A. Yes. I include a five percent allowance for flotation costs in my DCF calculations.  
6 A complete explanation of the need for flotation costs is contained in Appendix 3.

7 **Q. PLEASE EXPLAIN YOUR INCLUSION OF FLOTATION COSTS.**

8 A. All firms that have sold securities in the capital markets have incurred some level  
9 of flotation costs, including the costs of underwriters' commissions, legal fees, and  
10 printing expense, for example. These costs are withheld from the proceeds of the  
11 stock sale or are paid separately, and must be recovered over the life of the equity  
12 issue. Costs vary depending upon the size of the issue, the type of registration  
13 method used and other factors, but in general these costs range between three and  
14 five percent of the proceeds from the issue [see Inmoo Lee, Scott Lochhead,  
15 Jay Ritter, and Quanshui Zhao, "The Costs of Raising Capital," *The Journal of*  
16 *Financial Research*, Vol. XIX No 1 (Spring 1996), 59-74, and Clifford W. Smith,  
17 "Alternative Methods for Raising Capital," *Journal of Financial Economics* 5  
18 (1977) 273-307]. In addition to these costs, for large equity issues (in relation to  
19 outstanding equity shares), there is likely to be a decline in price associated with  
20 the sale of shares to the public. On average, the decline in price associated with new  
21 stock issuances has been estimated at two to three percent (see Richard H. Pettway,  
22 "The Effects of New Equity Sales upon Utility Share Prices," *Public Utilities*  
23 *Fortnightly*, May 10, 1984, 35—39). Thus, the total flotation cost, including both

1 issuance expense and stock price decline, generally ranges from five to  
2 eight percent of the proceeds of an equity issue. I believe a combined five percent  
3 allowance for flotation costs is a conservative estimate that should be used in  
4 applying the DCF model in this proceeding (see Exhibit JVW-1, Schedule 1).

5 **Q. IS A FLOTATION COST ADJUSTMENT ONLY APPROPRIATE IF A**  
6 **COMPANY ISSUES STOCK DURING THE TEST YEAR?**

7 A. No. As described in Exhibit JVW-1, Appendix 3, a flotation cost adjustment is  
8 required whether or not a company issued new stock during the test year. Previously  
9 incurred flotation costs have not been recovered in previous rate cases; rather, they  
10 are a permanent cost associated with past issues of common stock. Just as an  
11 adjustment is made to the embedded cost of debt to reflect previously incurred debt  
12 issuance costs (regardless of whether additional bond issuances were made in the  
13 test year), so should an adjustment be made to the cost of equity regardless of  
14 whether additional stock was issued during the test year.

15 **Q. HOW DO YOU APPLY THE DCF APPROACH TO ESTIMATE THE**  
16 **REQUIRED RETURN ON EQUITY FOR ATMOS ENERGY?**

17 A. I apply the DCF approach to the Value Line natural gas utilities shown in Exhibit  
18 JVW-1, Schedule 1.

19 **Q. HOW DO YOU SELECT YOUR PROXY GROUP OF NATURAL GAS**  
20 **DISTRIBUTION COMPANIES?**

21 A. I select all the natural gas utilities followed by Value Line that: (1) paid dividends  
22 during every quarter of the last two years; (2) did not decrease dividends during  
23 any quarter of the past two years; (3) have an available positive I/B/E/S long-term

1 growth forecast; (4) have an investment grade bond rating and a Value Line Safety  
2 Rank of 1, 2, or 3; and (5) are not the subject of a merger offer that has not been  
3 completed.

4 **Q. WHY DO YOU ELIMINATE COMPANIES THAT HAVE EITHER**  
5 **DECREASED OR ELIMINATED THEIR DIVIDEND IN THE PAST TWO**  
6 **YEARS?**

7 A. The DCF model requires the assumption that dividends will grow at a constant rate  
8 into the indefinite future. If a company has either decreased or eliminated its  
9 dividend in recent years, an assumption that the company's dividend will grow at  
10 the same rate into the indefinite future is questionable.

11 **Q. WHY DO YOU ELIMINATE COMPANIES THAT ARE THE SUBJECT OF**  
12 **A MERGER OFFER THAT HAS NOT BEEN COMPLETED?**

13 A. A merger announcement can sometimes have a significant impact on a company's  
14 stock price because of anticipated merger-related cost savings and new market  
15 opportunities. Analysts' growth forecasts, on the other hand, are necessarily related  
16 to companies as they currently exist, and do not reflect investors' views of the  
17 potential cost savings and new market opportunities associated with mergers. The  
18 use of a stock price that includes the value of potential mergers in conjunction with  
19 growth forecasts that do not include the growth-enhancing prospects of potential  
20 mergers produces DCF results that tend to distort a company's cost of equity.

21 **Q. PLEASE SUMMARIZE THE RESULTS OF YOUR APPLICATION OF**  
22 **THE DCF MODEL TO YOUR PROXY GROUP.**

23 A. As shown on JVW-1, Schedule 1, I obtain an average DCF result of 9.4 percent.

1           **B.     RISK PREMIUM METHOD**

2   **Q.   PLEASE DESCRIBE THE RISK PREMIUM METHOD OF ESTIMATING**  
3       **THE COST OF EQUITY.**

4   A.   The risk premium method is based on the principle that investors expect to earn a  
5       return on an equity investment that reflects a “premium” above the interest rate they  
6       expect to earn on an investment in bonds. This equity risk premium compensates  
7       equity investors for the additional risk they bear in making equity investments  
8       versus bond investments.

9   **Q.   DOES THE RISK PREMIUM APPROACH SPECIFY WHAT DEBT**  
10       **INSTRUMENT SHOULD BE USED TO ESTIMATE THE INTEREST**  
11       **RATE COMPONENT IN THE METHODOLOGY?**

12  A.   No. The risk premium approach can be implemented using virtually any debt  
13       instrument. However, the risk premium approach does require that the debt  
14       instrument used to estimate the risk premium be the same as the debt instrument  
15       used to calculate the interest rate component of the risk premium approach. For  
16       example, if the risk premium on equity is calculated by comparing the returns on  
17       stocks to the interest rate on A-rated utility bonds, then the interest rate on A-rated  
18       utility bonds must be used to estimate the interest rate component of the risk  
19       premium approach.

20  **Q.   DOES THE RISK PREMIUM APPROACH REQUIRE THAT THE SAME**  
21       **COMPANIES BE USED TO ESTIMATE THE STOCK RETURN AS ARE**  
22       **USED TO ESTIMATE THE BOND RETURN?**

23  A.   No. For example, many analysts apply the risk premium approach by comparing  
24       the return on a portfolio of stocks to the income return on Treasury securities such

1 as long-term Treasury bonds. Clearly, in this widely accepted application of the risk  
2 premium approach, the same companies are not used to estimate the stock return as  
3 are used to estimate the bond return, since the United States government is not a  
4 company.

5 **Q. HOW DO YOU MEASURE THE REQUIRED RISK PREMIUM ON AN**  
6 **EQUITY INVESTMENT IN YOUR GROUP OF PUBLICLY-TRADED**  
7 **NATURAL GAS UTILITIES?**

8 A. I use two methods to estimate the required risk premium on an equity investment  
9 in publicly-traded natural gas utilities. The first is called the ex ante risk premium  
10 method and the second is called the ex post risk premium method.

11 **1. Ex Ante Risk Premium Method**

12 **Q. PLEASE DESCRIBE YOUR EX ANTE RISK PREMIUM APPROACH FOR**  
13 **MEASURING THE REQUIRED RISK PREMIUM ON AN EQUITY**  
14 **INVESTMENT IN NATURAL GAS UTILITIES.**

15 A. My ex ante risk premium method is based on studies of the DCF expected return  
16 on a group of natural gas utilities compared to the interest rate on Moody's A-rated  
17 utility bonds. Specifically, for each month in my study period, I calculate the risk  
18 premium using the equation,

19 
$$RP_{\text{PROXY}} = DCF_{\text{PROXY}} - I_A$$

20 where:

21  $RP_{\text{PROXY}}$  = the required risk premium on an equity investment in the  
22 proxy group of companies;

23  $DCF_{\text{PROXY}}$  = average DCF estimated cost of equity on a portfolio of  
24 proxy companies; and



1 **Q. WHAT COST OF EQUITY ESTIMATE DO YOU OBTAIN USING YOUR**  
2 **EX ANTE RISK PREMIUM METHOD?**

3 A. I obtain a cost of equity estimate of 11.0 percent using my ex ante risk premium  
4 method. This cost of equity estimate is the sum of the estimated 5.2 percent equity  
5 risk premium from my regression analyses and the 5.8 percent forecasted yield to  
6 maturity on A-rated utility bonds.

7 **Q. HOW DO YOU OBTAIN THE EXPECTED YIELD ON A-RATED UTILITY**  
8 **BONDS?**

9 A. I obtain the expected yield to maturity on A-rated utility bonds, 5.8 percent, by  
10 averaging forecast data from Value Line and the U.S. Energy Information  
11 Administration (EIA). Value Line Selection & Opinion (June 2, 2017) projects a  
12 Aaa-rated Corporate bond yield equal to 5.5 percent. The June 2017 average spread  
13 between A-rated utility bonds and Aaa-rated Corporate bonds is 26 basis points (A-  
14 rated utility, 3.94 percent, less Aaa-rated Corporate, 3.68 percent, equals 26 basis  
15 points). Adding 26 basis points to the 5.5 percent Value Line Aaa Corporate bond  
16 forecast equals a forecast yield of 5.76 percent for the A-rated utility bonds. The  
17 EIA forecasts a AA-rated utility bond yield equal to 5.71 percent. The average  
18 spread between AA-rated utility and A-rated utility bonds at June 2, 2017 is 12  
19 basis points (3.82 percent less 3.94 percent). Adding 12 basis points to EIA's  
20 5.71 percent AA-utility bond yield forecast equals a forecast yield for A-rated  
21 utility bonds equal to 5.83 percent. The average of the forecasts (5.76 percent using  
22 Value Line data and 5.83 percent using EIA data) is 5.8 percent.

1 **Q. WHY DO YOU USE A FORECASTED YIELD TO MATURITY ON A-**  
2 **RATED UTILITY BONDS RATHER THAN A CURRENT YIELD TO**  
3 **MATURITY?**

4 A. I use a forecasted yield to maturity on A-rated utility bonds rather than a current  
5 yield to maturity because the fair rate of return standard requires that a company  
6 have an opportunity to earn its required return on its investment during the forward-  
7 looking period during which rates will be in effect. Economists project that future  
8 interest rates will be higher than current interest rates as the Federal Reserve allows  
9 interest rates to rise in order to prevent inflation. Thus, the use of forecasted interest  
10 rates is consistent with the fair rate of return standard, whereas the use of current  
11 interest rates at this time is not.

12 **2. Ex Post Risk Premium Method**

13 **Q. PLEASE DESCRIBE YOUR EX POST RISK PREMIUM METHOD FOR**  
14 **MEASURING THE REQUIRED RISK PREMIUM ON AN EQUITY**  
15 **INVESTMENT IN NATURAL GAS UTILITIES.**

16 A. I first perform a study of the comparable returns received by stock and bond  
17 investors over the 80 years of my study. I estimate the returns on stock and bond  
18 portfolios, using stock price and dividend yield data on the S&P 500 and bond yield  
19 data on Moody's A-rated Utility Bonds. My study consists of making an investment  
20 of one dollar in the S&P 500 and Moody's A-rated utility bonds at the beginning  
21 of 1937, and reinvesting the principal plus return each year to 2017. The return  
22 associated with each stock portfolio is the sum of the annual dividend yield and  
23 capital gain (or loss) which accrued to this portfolio during the year(s) in which it  
24 was held. The return associated with the bond portfolio, on the other hand, is the

1 sum of the annual coupon yield and capital gain (or loss) which accrued to the bond  
2 portfolio during the year(s) in which it was held. The resulting annual returns on  
3 the stock and bond portfolios purchased in each year from 1937 to 2017 are shown  
4 on Exhibit JVW-1, Schedule 3. The average annual return on an investment in the  
5 S&P 500 stock portfolio is 11.2 percent, while the average annual return on an  
6 investment in the Moody's A-rated utility bond portfolio is 6.6 percent. The risk  
7 premium on the S&P 500 stock portfolio is, therefore, 4.6 percent ( $11.2 - 6.6 =$   
8  $4.6$ ).

9 I also conduct a second study using stock data on the S&P Utilities rather  
10 than the S&P 500. As shown on Exhibit JVW-1, Schedule 4, the average annual  
11 return on an investment in the S&P Utility stock portfolio is 10.6 percent per year.  
12 Thus, the return on the S&P Utility stock portfolio exceeded the return on the  
13 Moody's A-rated utility bond portfolio by 4.0 percent ( $10.6 - 6.6 = 4.0$ ).

14 **Q. WHY IS IT APPROPRIATE TO PERFORM YOUR EX POST RISK**  
15 **PREMIUM ANALYSIS USING BOTH THE S&P 500 AND THE S&P**  
16 **UTILITIES STOCK INDICES?**

17 A. I perform my ex post risk premium analysis on both the S&P 500 and the S&P  
18 Utilities because I believe natural gas utilities today face risks that are somewhere  
19 in between the average risk of the S&P Utilities and the S&P 500 over the years  
20 1937 to 2017. Thus, I use the average of the two historically-based risk premiums  
21 as my estimate of the required risk premium in my ex post risk premium method.

1 **Q. WOULD YOUR STUDY PROVIDE A DIFFERENT RISK PREMIUM IF**  
2 **YOU STARTED WITH A DIFFERENT TIME PERIOD?**

3 A. Yes. The risk premium results vary somewhat depending on the historical time  
4 period chosen. My policy is to go back as far in history as I can get reliable data. I  
5 thought it would be most meaningful to begin after the passage and implementation  
6 of the Public Utility Holding Company Act of 1935 (the 1935 Act). This Act  
7 significantly changed the structure of the public utility industry. Because the 1935  
8 Act was not implemented until the beginning of 1937, I concluded that data prior  
9 to 1937 should not be used in my study. (The repeal of the 1935 Act has not  
10 materially impacted the structure of the public utility industry; thus, the Act's repeal  
11 does not have any impact on my choice of time period.)

12 **Q. WHY IS IT NECESSARY TO EXAMINE THE YIELD FROM DEBT**  
13 **INVESTMENTS IN ORDER TO DETERMINE THE INVESTORS'**  
14 **REQUIRED RATE OF RETURN ON EQUITY CAPITAL?**

15 A. As previously explained, investors expect to earn a return on their equity investment  
16 that exceeds currently available bond yields because the return on equity, as a  
17 residual return, is less certain than the yield on bonds; and investors must be  
18 compensated for this uncertainty. Investors' expectations concerning the amount  
19 by which the return on equity will exceed the bond yield may be influenced by  
20 historical differences in returns to bond and stock investors. Thus, we can estimate  
21 investors' expected returns from an equity investment based on information about  
22 past differences between returns on stocks and bonds. In interpreting this  
23 information, investors would also recognize that risk premiums increase when

1 interest rates are low.

2 **Q. WHAT CONCLUSIONS DO YOU DRAW FROM YOUR EX POST RISK**  
3 **PREMIUM ANALYSES ABOUT THE REQUIRED RETURN ON AN**  
4 **EQUITY INVESTMENT IN NATURAL GAS UTILITIES?**

5 A. My studies provide strong evidence that investors today require an equity return of  
6 at least 4.0 to 4.6 percentage points above the expected yield on A-rated utility  
7 bonds. As discussed above, the forecast yield on A-rated utility bonds is  
8 5.8 percent. Adding a 4.0 to 4.6 percentage point risk premium to a yield of  
9 5.8 percent on A-rated utility bonds, I obtain an expected return on equity in the  
10 range 9.8 percent to 10.4 percent, with a midpoint of 10.1 percent. Adding a 14  
11 basis-point allowance for flotation costs, I obtain an estimate of 10.2 percent as the  
12 ex post risk premium cost of equity. (I determine the flotation cost allowance by  
13 calculating the difference in my DCF results with and without a flotation cost  
14 allowance.)

15 **C. CAPITAL ASSET PRICING MODEL**

16 **Q. WHAT IS THE CAPM?**

17 A. The CAPM is an equilibrium model of the security markets in which the expected  
18 or required return on a given security is equal to the risk-free rate of interest, plus  
19 the company equity "beta," times the market risk premium:

20 
$$\text{Cost of equity} = \text{Risk-free rate} + (\text{Equity beta} \times \text{Market risk premium})$$

21 The risk-free rate in this equation is the expected rate of return on a risk-free  
22 government security, the equity beta is a measure of the company's risk relative to  
23 the market as a whole, and the market risk premium is the premium investors

1 require to invest in the market basket of all securities compared to the risk-free  
2 security.

3 **Q. HOW DO YOU USE THE CAPM TO ESTIMATE THE COST OF EQUITY**  
4 **FOR YOUR PROXY COMPANIES?**

5 A. The CAPM requires an estimate of the risk-free rate, the company-specific risk  
6 factor or beta, and the expected return on the market portfolio. For my estimate of  
7 the risk-free rate, I use a forecasted yield to maturity on 20-year Treasury bonds of  
8 4.2 percent, obtained using data from Value Line and EIA. For my estimate of the  
9 company-specific risk, or beta, I use both the current average 0.74 Value Line beta  
10 for my group of natural gas utilities and the 0.90 beta estimated from the  
11 relationship between the historical risk premium on utilities and the historical risk  
12 premium on the market portfolio. For my estimate of the expected risk premium on  
13 the market portfolio, I use two approaches. First, I estimate the risk premium on the  
14 market portfolio using historical risk premium data reported in the *2017 Valuation*  
15 *Handbook* for the years 1926 through 2016, data which are consistent with the data  
16 previously reported by Ibbotson<sup>®</sup> SBBI<sup>®</sup>. Second, I estimate the risk premium on  
17 the market portfolio from the difference between the DCF cost of equity for the  
18 S&P 500 and the forecasted yield to maturity on 20-year Treasury bonds.

19 **Q. HOW DO YOU OBTAIN THE FORECASTED YIELD TO MATURITY ON**  
20 **20-YEAR TREASURY BONDS?**

21 A. As noted above, I use data from Value Line and EIA to obtain a forecasted yield to  
22 maturity on 20-year Treasury bonds. Value Line forecasts a yield on 10-year  
23 Treasury notes equal to 4.0 percent. The spread between the average June 2017

1 yield on 10-year Treasury notes (2.19 percent) and 20-year Treasury bonds  
2 (2.54 percent) is 35 basis points. Adding 35 basis points to Value Line's 4.0 percent  
3 forecasted yield on 10-year Treasury notes produces a forecasted yield of  
4 4.35 percent for 20-year Treasury bonds (see Value Line Investment Survey,  
5 Selection & Opinion, June 2, 2016). EIA forecasts a yield of 3.75 percent on 10-  
6 year Treasury notes. Adding the 34 basis point spread between 10-year Treasury  
7 notes and 20-year Treasury bonds to the EIA forecast of 3.75 percent for 10-year  
8 Treasury notes produces an EIA forecast for 20-year Treasury bonds equal to  
9 4.10 percent. The average of the forecasts is 4.2 percent (4.35 percent using Value  
10 Line data and 4.1 percent using EIA data).

11 **1. Historical CAPM**

12 **Q. HOW DO YOU ESTIMATE THE EXPECTED RISK PREMIUM ON THE**  
13 **MARKET PORTFOLIO USING HISTORICAL RISK PREMIUM DATA**  
14 **DEVELOPED BY IBBOTSON® SBBI®?**

15 A. I estimate the expected risk premium on the market portfolio by calculating the  
16 difference between the arithmetic mean total return on the S&P 500 from 1926 to  
17 2017 (11.96 percent) and the average income return on 20-year U.S. Treasury  
18 bonds over the same period (5.01 percent). Thus, my historical risk premium  
19 method produces a risk premium of 6.9 percent ( $11.96 - 5.01 = 6.94$ ).

20 **Q. WHY DO YOU RECOMMEND THAT THE RISK PREMIUM ON THE**  
21 **MARKET PORTFOLIO BE ESTIMATED USING THE ARITHMETIC**  
22 **MEAN RETURN ON THE S&P 500?**

23 A. I recommend that the risk premium on the market portfolio be estimated using the  
24 arithmetic mean return on the S&P 500 because, in my opinion, the arithmetic mean

1 return is the best approach for calculating the return investors expect to receive in  
2 the future. For an investment which has an uncertain outcome, the arithmetic mean  
3 is the best historically-based measure of the return investors expect to receive in the  
4 future. A discussion of the importance of using arithmetic mean returns in the  
5 context of CAPM or risk premium studies is contained in Exhibit JVW-1, Schedule  
6 5.

7 **Q. WHY DO YOU RECOMMEND THAT THE RISK PREMIUM ON THE**  
8 **MARKET PORTFOLIO BE MEASURED USING THE INCOME RETURN**  
9 **ON 20-YEAR TREASURY BONDS RATHER THAN THE TOTAL**  
10 **RETURN ON THESE BONDS?**

11 A. As discussed above, the CAPM requires an estimate of the risk-free rate of interest.  
12 When Treasury bonds are issued, the income return on the bond is risk free, but the  
13 total return, which includes both income and capital gains or losses, is not. Thus,  
14 the income return should be used in the CAPM because it is only the income return  
15 that is risk free.

16 **Q. WHAT CAPM RESULT DO YOU OBTAIN WHEN YOU ESTIMATE THE**  
17 **EXPECTED RISK PREMIUM ON THE MARKET PORTFOLIO FROM**  
18 **THE ARITHMETIC MEAN DIFFERENCE BETWEEN THE RETURN ON**  
19 **THE MARKET AND THE YIELD ON 20-YEAR TREASURY BONDS?**

20 A. Using a risk-free rate equal to 4.2 percent, a natural gas utility beta equal to 0.74, a  
21 risk premium on the market portfolio equal to 6.9 percent, and a flotation cost  
22 allowance equal to fourteen basis points, I obtain an historical CAPM estimate of  
23 the cost of equity equal to 9.5 percent for my natural gas utility group ( $4.2 + 0.74 \times$



1 Q. WHAT IS THE EVIDENCE THAT THE CAPM TENDS TO  
2 UNDERESTIMATE THE COST OF EQUITY FOR COMPANIES WITH  
3 BETAS LESS THAN 1.0 AND IS LESS RELIABLE THE FURTHER THE  
4 ESTIMATED BETA IS FROM 1.0?

5 A. The original evidence that the unadjusted CAPM tends to underestimate the cost of  
6 equity for companies whose equity beta is less than 1.0 and is less reliable the  
7 further the estimated beta is from 1.0 was presented in a paper by Black, Jensen,  
8 and Scholes, "The Capital Asset Pricing Model: Some Empirical Tests." Numerous  
9 subsequent papers have validated the Black, Jensen, and Scholes findings,  
10 including those by Litzenberger and Ramaswamy (1979), Banz (1981), Fama and  
11 French (1992), Fama and French (2004), Fama and MacBeth (1973), and Jegadeesh  
12 and Titman (1993).

13 Q. CAN YOU BRIEFLY SUMMARIZE THESE ARTICLES?

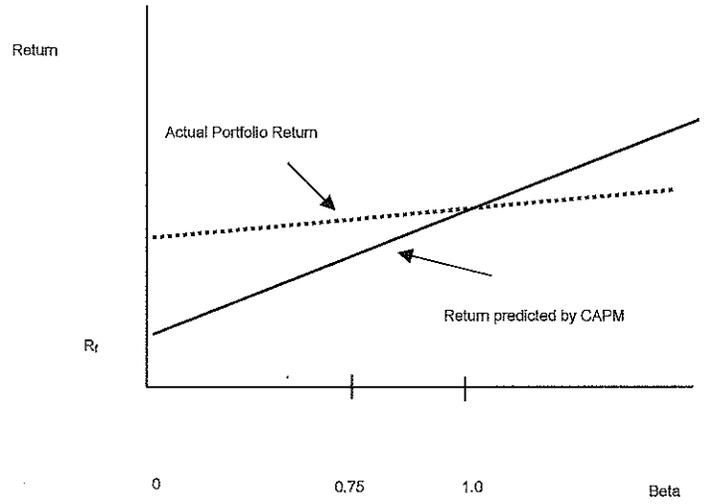
14 A. Yes. The CAPM conjectures that security returns increase with increases in security  
15 betas in line with the equation

16 
$$ER_i = R_f + \beta_i [ER_m - R_f],$$

17 where  $ER_i$  is the expected return on security or portfolio  $i$ ,  $R_f$  is the risk-free rate,  
18  $ER_m - R_f$  is the expected risk premium on the market portfolio, and  $\beta_i$  is a  
19 measure of the risk of investing in security or portfolio  $i$ . If the CAPM correctly  
20 predicts the relationship between risk and return in the marketplace, then the  
21 realized returns on portfolios of securities and the corresponding portfolio betas  
22 should lie on the solid straight line with intercept  $R_f$  and slope  $[R_m - R_f]$  shown  
23 below in FIGURE 1.

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**FIGURE 1**  
**AVERAGE RETURNS COMPARED TO BETA**  
**FOR PORTFOLIOS FORMED ON PRIOR BETA**



Financial scholars have studied the relationship between estimated portfolio betas and the achieved returns on the underlying portfolio of securities to test whether the CAPM correctly predicts achieved returns in the marketplace. They find that the relationship between returns and betas is inconsistent with the relationship posited by the CAPM. As described in Fama and French (1992) and Fama and French (2004), the actual relationship between portfolio betas and returns is shown by the dotted line in FIGURE 1 above. Although financial scholars disagree on the reasons why the return/beta relationship looks more like the dotted line in Figure 1 than the solid line, they generally agree that the dotted line lies above the solid line for portfolios with betas less than 1.0 and below the solid line for portfolios with betas greater than 1.0. Thus, in practice, scholars generally agree that the CAPM underestimates portfolio returns for companies with betas less than 1.0, and overestimates portfolio returns for portfolios with betas greater than 1.0.

1    **Q.    DO YOU HAVE ADDITIONAL EVIDENCE THAT THE CAPM TENDS TO**  
2           **UNDERESTIMATE THE COST OF EQUITY FOR UTILITIES WITH**  
3           **AVERAGE BETAS LESS THAN 1.0?**

4    A.    Yes. As shown in Exhibit JVW-1, Schedule 7, over the period 1937 to 2017,  
5           investors in the S&P Utilities Stock Index have earned a risk premium over the  
6           yield on long-term Treasury bonds equal to 5.47 percent, while investors in the S&P  
7           500 have earned a risk premium over the yield on long-term Treasury bonds equal  
8           to 6.08 percent. According to the CAPM, investors in utility stocks should expect  
9           to earn a risk premium over the yield on long-term Treasury securities equal to the  
10          average utility beta times the expected risk premium on the S&P 500. Thus, the  
11          ratio of the risk premium on the utility portfolio to the risk premium on the S&P  
12          500 should equal the utility beta. However, the average natural gas utility beta at  
13          the time of my studies is approximately 0.74, whereas the historical ratio of the  
14          utility risk premium to the S&P 500 risk premium is 0.90 ( $5.47 \div 6.08 = 0.90$ ). In  
15          short, the current 0.74 measured beta for natural gas utilities underestimates the cost  
16          of equity for natural gas utilities, providing further support for the conclusion that  
17          the CAPM underestimates the cost of equity for natural gas utilities at this time.

18   **Q.    CAN YOU ADJUST FOR THE TENDENCY OF THE CAPM TO**  
19           **UNDERESTIMATE THE COST OF EQUITY FOR COMPANIES WITH**  
20           **BETAS LESS THAN 1.0?**

21   A.    Yes. I can implement the CAPM using the 0.90 beta I discuss above, which I obtain  
22          by comparing the historical returns on utilities to historical returns on the S&P 500.

1    **Q.    WHAT CAPM RESULT DO YOU OBTAIN WHEN YOU USE A BETA**  
2           **EQUAL TO 0.90 RATHER THAN A NATURAL GAS UTILITY BETA**  
3           **EQUAL TO 0.74?**

4    A.    I obtain a CAPM result equal to 10.6 percent using a risk free rate equal to 4.2  
5           percent, a beta equal to 0.90, the historical market risk premium equal to 6.9  
6           percent, and a flotation cost allowance of 14 basis points ( $4.2 + 0.90 \times 6.9 + 0.14 =$   
7           10.6). (See Exhibit JVW-1, Schedule 8.)

8    **Q.    WHAT IS THE AVERAGE OF YOUR THREE HISTORICAL CAPM**  
9           **RESULTS?**

10   A.    The average of my three historical CAPM results is 10.2 percent ( $9.5 \text{ percent} + 10.6$   
11           percent + 10.6 percent)  $\div 3 = 10.2$  percent). I use 10.2 percent as my estimate of  
12           the historical CAPM cost of equity.

13                           **2.    DCF-Based CAPM**

14   **Q.    HOW DOES YOUR DCF-BASED CAPM DIFFER FROM YOUR**  
15           **HISTORICAL CAPM?**

16   A.    As noted above, my DCF-based CAPM differs from my historical CAPM only in  
17           the method I use to estimate the risk premium on the market portfolio. In the  
18           historical CAPM, I use historical risk premium data to estimate the risk premium  
19           on the market portfolio. In the DCF-based CAPM, I estimate the risk premium on  
20           the market portfolio from the difference between the DCF cost of equity for the  
21           S&P 500 and the forecasted yield to maturity on 20-year Treasury bonds.

1    **Q.    WHAT RISK PREMIUM DO YOU OBTAIN WHEN YOU CALCULATE**  
2           **THE DIFFERENCE BETWEEN THE DCF-RETURN ON THE S&P 500**  
3           **AND THE RISK-FREE RATE?**

4    A.    Using this method, I obtain a risk premium on the market portfolio equal to  
5           7.7 percent (This value is obtained by subtracting the forecasted risk-free rate, 4.2  
6           percent, from the DCF estimate of the market return, 11.9 percent ( $11.9 - 4.2 =$   
7           7.7). (See Exhibit JVW-1, Schedule 9.)

8    **Q.    WHAT CAPM RESULT DO YOU OBTAIN WHEN YOU ESTIMATE THE**  
9           **EXPECTED RETURN ON THE MARKET PORTFOLIO BY APPLYING**  
10          **THE DCF MODEL TO THE S&P 500?**

11   A.    Using a risk-free rate of 4.2 percent, a natural gas utility beta of 0.74, a risk  
12          premium on the market portfolio of 7.7 percent, and a flotation cost allowance equal  
13          to 14 basis points, I obtain a CAPM result of 10.0 percent for my natural gas utility  
14          group. Using a risk-free rate of 4.2 percent, a natural gas utility beta of 0.90, a risk  
15          premium on the market portfolio of 7.7 percent, and a flotation cost allowance of  
16          14 basis points, I obtain a CAPM result of 11.3 percent for my natural gas utility  
17          group. The average of these two results is 10.7 percent [ $(10.0 \text{ percent} +$   
18           $11.3 \text{ percent}) \div 2 = 10.7 \text{ percent}$ ]. I use 10.7 percent as my estimate of the DCF-  
19          based CAPM cost of equity.

20                                   **VI.   FAIR RATE OF RETURN ON EQUITY**

21   **Q.    WHAT IS THE FAIR RATE OF RETURN ON EQUITY?**

22   A.    The fair rate of return on equity is a forward-looking return on equity that provides  
23          the regulated company with an opportunity to earn a return on its investment over

1 the period in which rates are in effect that is commensurate with returns that  
2 investors expect to earn on other investments of similar risk. Because the fair rate  
3 of return is a forward-looking return, the estimate of the fair return requires  
4 consideration of investors' expectations for a reasonably long period into the future.

5 **Q. BASED ON YOUR APPLICATION OF SEVERAL COST OF EQUITY**  
6 **METHODS TO YOUR PROXY COMPANY GROUPS, WHAT IS YOUR**  
7 **CONCLUSION REGARDING THE FAIR RATE OF RETURN ON EQUITY**  
8 **FOR YOUR COMPARABLE COMPANIES?**

9 A. Based on my application of several cost of equity methods, I conclude that the fair  
10 rate of return on equity for my comparable companies is in the range 9.4 percent to  
11 11.0 percent, with an average equal to 10.3 percent (see Table 2). I conclude that  
12 the fair rate of return on equity for my comparable companies is 10.3 percent.

**TABLE 2**  
**COST OF EQUITY MODEL RESULTS**

METHOD	MODEL RESULT
DCF	9.4%
Ex Ante Risk Premium	11.0%
Ex Post Risk Premium	10.2%
CAPM-Historical	10.2%
CAPM-DCF Based	10.7%
Average	10.3%

13

14 **Q. IS THERE EVIDENCE THAT YOUR 10.3 PERCENT COST OF EQUITY**  
15 **RECOMMENDATION IS CONSERVATIVE?**

16 A. Yes. My cost of equity analyses reflect the financial risk of my proxy companies as  
17 measured by their average market value capital structure, which has more than  
18 68 percent equity. If Atmos Energy's ratemaking, or book value capital structure,

1 is used to set rates, the cost of equity for Atmos Energy will necessarily be higher  
2 than the cost of equity for the proxy group because the financial risk associated  
3 with Atmos Energy's book value capital structure is significantly higher than the  
4 financial risk reflected in the cost of equity estimate for my proxy companies.

5 **Q. WHAT IS ATMOS ENERGY'S RECOMMENDED RATEMAKING**  
6 **CAPITAL STRUCTURE IN THIS PROCEEDING?**

7 A. Atmos Energy is recommending a ratemaking capital structure containing  
8 3.48 percent short-term debt, 43.95 percent long-term debt, and 52.57 percent  
9 common equity.

10 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

11 A. Yes, it does.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF )  
RATE APPLICATION OF ) Case No. 2017-00349  
ATMOS ENERGY CORPORATION )

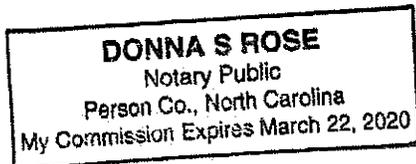
CERTIFICATE AND AFFIDAVIT

The Affiant, James H. Vander Weide, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared direct testimony of this affiant in Case No. 2017-00349, 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 direct pre-filed testimony.

James H. Vander Weide  
James H. Vander Weide

STATE OF North Carolina  
COUNTY OF Durham

SUBSCRIBED AND SWORN to before me by James H. Vander Weide on this the 15 day of September, 2017.



Donna Rose  
Notary Public

My Commission Expires: 3.22.2020

## LIST OF SCHEDULES AND APPENDICES

Exhibit JVW-1 Schedule-1	Summary of Discounted Cash Flow Analysis for Natural Gas Utilities
Exhibit JVW-1 Schedule-2	Comparison of the DCF Expected Return on an Investment in Natural Gas Utilities to the Interest Rate on Moody's A-Rated Utility Bonds
Exhibit JVW-1 Schedule-3	Comparative Returns on S&P 500 Stock Index and Moody's A-Rated Bonds 1937—2017
Exhibit JVW-1 Schedule-4	Comparative Returns on S&P Utility Stock Index and Moody's A-Rated Bonds 1937—2017
Exhibit JVW-1 Schedule-5	Using the Arithmetic Mean to Estimate the Cost of Equity Capital
Exhibit JVW-1 Schedule-6	Calculation of Capital Asset Pricing Model Cost of Equity Using an Historical Risk Premium
Exhibit JVW-1 Schedule-7	Comparison of Risk Premiums on S&P500 and S&P Utilities 1937 – 2017
Exhibit JVW-1 Schedule-8	Calculation of Capital Asset Pricing Model Cost of Equity Using an Historical Risk Premium and a 0.90 Utility Beta
Exhibit JVW-1 Schedule-9	Calculation of Capital Asset Pricing Model Cost of Equity Using DCF Estimate of the Expected Rate of Return on the Market Portfolio
Exhibit JVW-1 Appendix 1	Qualifications of James H. Vander Weide
Exhibit JVW-1 Appendix 2	Derivation of the Quarterly DCF Model
Exhibit JVW-1 Appendix 3	Adjusting for Flotation Costs in Determining a Public Utility's Allowed Rate of Return on Equity
Exhibit JVW-1 Appendix 4	Ex Ante Risk Premium Method
Exhibit JVW-1 Appendix 5	Ex Post Risk Premium Method

**ATMOS ENERGY**  
**EXHIBIT\_(JVW-1)**  
**SCHEDULE 1**  
**SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS**  
**FOR NATURAL GAS UTILITIES**

	COMPANY	MOST RECENT QUARTERLY DIVIDEND (d <sub>0</sub> )	STOCK PRICE (P <sub>0</sub> )	FORECAST OF FUTURE EARNINGS GROWTH	MARKET CAP \$ (MIL)	DCF MODEL RESULT
1	Atmos Energy	0.450	81.735	7.00%	8,960	9.5%
2	Chesapeake Utilities	0.325	73.432	7.05%	1,220	9.0%
3	New Jersey Resources	0.255	40.975	6.00%	3,669	8.9%
4	NiSource Inc.	0.175	24.968	7.90%	8,458	11.1%
5	Northwest Nat. Gas	0.470	60.208	4.50%	1,787	8.0%
6	ONE Gas Inc.	0.420	69.658	5.50%	3,774	8.0%
7	South Jersey Inds.	0.273	36.202	6.00%	2,931	9.5%
8	Spire Inc.	0.525	68.877	4.47%	3,496	7.9%
9	UGI Corp.	0.250	49.514	7.95%	8,795	10.2%
10	Average					9.1%
11	Market-weighted Average					9.6%
12	Average Line 10, 11					9.4%

Notes:

- $d_0$  = Most recent quarterly dividend
- $d_1, d_2, d_3, d_4$  = Next four quarterly dividends, calculated by multiplying the last four quarterly dividends by the factor  $(1 + g)$
- $P_0$  = Average of the monthly high and low stock prices during the three months ending June 2017 per Thomson Reuters
- FC = Flotation cost allowance (five percent) as a percent of stock price
- $g$  = I/B/E/S forecast of future earnings growth June 2017 from Thomson Reuters
- $k$  = Cost of equity using the quarterly version of the DCF model

$$k = \frac{d_1(1+k)^{.75} + d_2(1+k)^{.50} + d_3(1+k)^{.25} + d_4}{P_0(1-FC)} + g$$

In my analysis, I also eliminate outlier results, including results that are less than one hundred basis points above forecasted bond yields for the companies' ratings. The forecasted A-rated utility bond yield at the time of Dr. Vander Weide's studies is 5.8 percent, the forecasted BBB+-rated utility bond yield is 6.0 percent, and the forecasted yield on BBB-rated utility bonds is 6.2 percent.

**ATMOS ENERGY  
EXHIBIT (JVW-1)  
SCHEDULE 2**

**COMPARISON OF DCF EXPECTED RETURN ON AN INVESTMENT IN NATURAL GAS  
UTILITY STOCKS TO THE INTEREST RATE ON MOODY'S A-RATED UTILITY BONDS**

In this analysis, I compute a natural gas utility equity risk premium by comparing the DCF estimated cost of equity for an electric utility proxy group to the interest rate on A-rated utility bonds. For each month in my June 1998 through June 2017 study period:

DCF = Average DCF-estimated cost of equity on a portfolio of proxy companies;  
 Bond Yield = Yield to maturity on an investment in A-rated utility bonds; and  
 Risk Premium = DCF – Bond yield.

A more detailed description of my *ex ante* risk premium method is contained in Appendix 4.

LINE	DATE	DCF	BOND YIELD	RISK PREMIUM
1	Jun-98	0.1154	0.0703	0.0451
2	Jul-98	0.1186	0.0703	0.0483
3	Aug-98	0.1234	0.0700	0.0534
4	Sep-98	0.1273	0.0693	0.0580
5	Oct-98	0.1260	0.0696	0.0564
6	Nov-98	0.1211	0.0703	0.0508
7	Dec-98	0.1185	0.0691	0.0494
8	Jan-99	0.1195	0.0697	0.0498
9	Feb-99	0.1243	0.0709	0.0534
10	Mar-99	0.1257	0.0726	0.0531
11	Apr-99	0.1260	0.0722	0.0538
12	May-99	0.1221	0.0747	0.0474
13	Jun-99	0.1208	0.0774	0.0434
14	Jul-99	0.1222	0.0771	0.0451
15	Aug-99	0.1220	0.0791	0.0429
16	Sep-99	0.1226	0.0793	0.0433
17	Oct-99	0.1233	0.0806	0.0427
18	Nov-99	0.1240	0.0794	0.0446
19	Dec-99	0.1280	0.0814	0.0466
20	Jan-00	0.1301	0.0835	0.0466
21	Feb-00	0.1344	0.0825	0.0519
22	Mar-00	0.1344	0.0828	0.0516
23	Apr-00	0.1316	0.0829	0.0487
24	May-00	0.1292	0.0870	0.0422
25	Jun-00	0.1295	0.0836	0.0459
26	Jul-00	0.1317	0.0825	0.0492
27	Aug-00	0.1290	0.0813	0.0477
28	Sep-00	0.1257	0.0823	0.0434
29	Oct-00	0.1260	0.0814	0.0446
30	Nov-00	0.1251	0.0811	0.0440
31	Dec-00	0.1239	0.0784	0.0455
32	Jan-01	0.1261	0.0780	0.0481
33	Feb-01	0.1261	0.0774	0.0487
34	Mar-01	0.1275	0.0768	0.0507
35	Apr-01	0.1227	0.0794	0.0433
36	May-01	0.1302	0.0799	0.0503
37	Jun-01	0.1304	0.0785	0.0519
38	Jul-01	0.1338	0.0778	0.0560

LINE	DATE	DCF	BOND YIELD	RISK PREMIUM
39	Aug-01	0.1327	0.0759	0.0568
40	Sep-01	0.1268	0.0775	0.0493
41	Oct-01	0.1268	0.0763	0.0505
42	Nov-01	0.1268	0.0757	0.0511
43	Dec-01	0.1254	0.0783	0.0471
44	Jan-02	0.1236	0.0766	0.0470
45	Feb-02	0.1241	0.0754	0.0487
46	Mar-02	0.1189	0.0776	0.0413
47	Apr-02	0.1159	0.0757	0.0402
48	May-02	0.1162	0.0752	0.0410
49	Jun-02	0.1170	0.0741	0.0429
50	Jul-02	0.1242	0.0731	0.0511
51	Aug-02	0.1234	0.0717	0.0517
52	Sep-02	0.1260	0.0708	0.0552
53	Oct-02	0.1250	0.0723	0.0527
54	Nov-02	0.1221	0.0714	0.0507
55	Dec-02	0.1216	0.0707	0.0509
56	Jan-03	0.1219	0.0706	0.0513
57	Feb-03	0.1232	0.0693	0.0539
58	Mar-03	0.1195	0.0679	0.0516
59	Apr-03	0.1162	0.0664	0.0498
60	May-03	0.1126	0.0636	0.0490
61	Jun-03	0.1114	0.0621	0.0493
62	Jul-03	0.1127	0.0657	0.0470
63	Aug-03	0.1139	0.0678	0.0461
64	Sep-03	0.1127	0.0656	0.0471
65	Oct-03	0.1123	0.0643	0.0480
66	Nov-03	0.1089	0.0637	0.0452
67	Dec-03	0.1071	0.0627	0.0444
68	Jan-04	0.1059	0.0615	0.0444
69	Feb-04	0.1039	0.0615	0.0424
70	Mar-04	0.1037	0.0597	0.0440
71	Apr-04	0.1041	0.0635	0.0406
72	May-04	0.1045	0.0662	0.0383
73	Jun-04	0.1036	0.0646	0.0390
74	Jul-04	0.1011	0.0627	0.0384
75	Aug-04	0.1008	0.0614	0.0394
76	Sep-04	0.0976	0.0598	0.0378
77	Oct-04	0.0974	0.0594	0.0380
78	Nov-04	0.0962	0.0597	0.0365
79	Dec-04	0.0970	0.0592	0.0378
80	Jan-05	0.0990	0.0578	0.0412
81	Feb-05	0.0979	0.0561	0.0418
82	Mar-05	0.0979	0.0583	0.0396
83	Apr-05	0.0988	0.0564	0.0424
84	May-05	0.0981	0.0553	0.0427
85	Jun-05	0.0976	0.0540	0.0436
86	Jul-05	0.0966	0.0551	0.0415
87	Aug-05	0.0969	0.0550	0.0419
88	Sep-05	0.0980	0.0552	0.0428
89	Oct-05	0.0990	0.0579	0.0411
90	Nov-05	0.1049	0.0588	0.0461
91	Dec-05	0.1045	0.0580	0.0465

LINE	DATE	DCF	BOND YIELD	RISK PREMIUM
92	Jan-06	0.0982	0.0575	0.0407
93	Feb-06	0.1124	0.0582	0.0542
94	Mar-06	0.1127	0.0598	0.0529
95	Apr-06	0.1100	0.0629	0.0471
96	May-06	0.1056	0.0642	0.0414
97	Jun-06	0.1049	0.0640	0.0409
98	Jul-06	0.1087	0.0637	0.0450
99	Aug-06	0.1041	0.0620	0.0421
100	Sep-06	0.1053	0.0600	0.0453
101	Oct-06	0.1030	0.0598	0.0432
102	Nov-06	0.1033	0.0580	0.0453
103	Dec-06	0.1035	0.0581	0.0454
104	Jan-07	0.1013	0.0596	0.0417
105	Feb-07	0.1018	0.0590	0.0428
106	Mar-07	0.1018	0.0585	0.0433
107	Apr-07	0.1007	0.0597	0.0410
108	May-07	0.0967	0.0599	0.0368
109	Jun-07	0.0970	0.0630	0.0340
110	Jul-07	0.1006	0.0625	0.0381
111	Aug-07	0.1021	0.0624	0.0397
112	Sep-07	0.1014	0.0618	0.0396
113	Oct-07	0.1080	0.0611	0.0469
114	Nov-07	0.1083	0.0597	0.0486
115	Dec-07	0.1084	0.0616	0.0468
116	Jan-08	0.1113	0.0602	0.0511
117	Feb-08	0.1139	0.0621	0.0518
118	Mar-08	0.1147	0.0621	0.0526
119	Apr-08	0.1167	0.0629	0.0538
120	May-08	0.1069	0.0627	0.0442
121	Jun-08	0.1062	0.0638	0.0424
122	Jul-08	0.1086	0.0640	0.0446
123	Aug-08	0.1123	0.0637	0.0486
124	Sep-08	0.1130	0.0649	0.0481
125	Oct-08	0.1213	0.0756	0.0457
126	Nov-08	0.1221	0.0760	0.0461
127	Dec-08	0.1162	0.0654	0.0508
128	Jan-09	0.1131	0.0639	0.0492
129	Feb-09	0.1155	0.0630	0.0524
130	Mar-09	0.1198	0.0642	0.0556
131	Apr-09	0.1146	0.0648	0.0498
132	May-09	0.1225	0.0649	0.0576
133	Jun-09	0.1208	0.0620	0.0588
134	Jul-09	0.1145	0.0597	0.0548
135	Aug-09	0.1109	0.0571	0.0538
136	Sep-09	0.1109	0.0553	0.0556
137	Oct-09	0.1146	0.0555	0.0592
138	Nov-09	0.1148	0.0564	0.0584
139	Dec-09	0.1123	0.0579	0.0544
140	Jan-10	0.1198	0.0577	0.0621
141	Feb-10	0.1167	0.0587	0.0580
142	Mar-10	0.1074	0.0584	0.0490
143	Apr-10	0.0934	0.0582	0.0352
144	May-10	0.0970	0.0552	0.0418

LINE	DATE	DCF	BOND YIELD	RISK PREMIUM
145	Jun-10	0.0953	0.0546	0.0407
146	Jul-10	0.1050	0.0526	0.0524
147	Aug-10	0.1038	0.0501	0.0537
148	Sep-10	0.1034	0.0501	0.0533
149	Oct-10	0.1050	0.0510	0.0540
150	Nov-10	0.1041	0.0536	0.0505
151	Dec-10	0.1029	0.0557	0.0472
152	Jan-11	0.1019	0.0557	0.0462
153	Feb-11	0.1004	0.0568	0.0436
154	Mar-11	0.1014	0.0556	0.0458
155	Apr-11	0.1031	0.0555	0.0476
156	May-11	0.1018	0.0532	0.0486
157	Jun-11	0.1020	0.0526	0.0494
158	Jul-11	0.1035	0.0527	0.0508
159	Aug-11	0.1179	0.0469	0.0710
160	Sep-11	0.1155	0.0448	0.0707
161	Oct-11	0.1150	0.0452	0.0698
162	Nov-11	0.1120	0.0425	0.0695
163	Dec-11	0.1092	0.0435	0.0657
164	Jan-12	0.1078	0.0434	0.0644
165	Feb-12	0.1081	0.0436	0.0645
166	Mar-12	0.1081	0.0448	0.0633
167	Apr-12	0.1133	0.0440	0.0693
168	May-12	0.1203	0.0420	0.0783
169	Jun-12	0.1013	0.0408	0.0605
170	Jul-12	0.0978	0.0393	0.0585
171	Aug-12	0.1025	0.0400	0.0625
172	Sep-12	0.1040	0.0402	0.0638
173	Oct-12	0.1011	0.0391	0.0620
174	Nov-12	0.1032	0.0384	0.0648
175	Dec-12	0.1023	0.0400	0.0623
176	Jan-13	0.1013	0.0415	0.0598
177	Feb-13	0.0982	0.0418	0.0564
178	Mar-13	0.1018	0.0420	0.0598
179	Apr-13	0.1001	0.0400	0.0601
180	May-13	0.1000	0.0417	0.0583
181	Jun-13	0.1000	0.0453	0.0547
182	Jul-13	0.0983	0.0468	0.0515
183	Aug-13	0.0982	0.0473	0.0509
184	Sep-13	0.0991	0.0480	0.0511
185	Oct-13	0.0998	0.0470	0.0528
186	Nov-13	0.0964	0.0477	0.0487
187	Dec-13	0.0966	0.0481	0.0485
188	Jan-14	0.0948	0.0463	0.0485
189	Feb-14	0.1019	0.0453	0.0566
190	Mar-14	0.1027	0.0451	0.0576
191	Apr-14	0.1081	0.0441	0.0640
192	May-14	0.1069	0.0426	0.0643
193	Jun-14	0.1059	0.0429	0.0630
194	Jul-14	0.1075	0.0423	0.0652
195	Aug-14	0.1069	0.0413	0.0656
196	Sep-14	0.1058	0.0424	0.0634
197	Oct-14	0.1131	0.0406	0.0725

LINE	DATE	DCF	BOND YIELD	RISK PREMIUM
198	Nov-14	0.1113	0.0409	0.0704
199	Dec-14	0.1105	0.0395	0.0710
200	Jan-15	0.1043	0.0358	0.0685
201	Feb-15	0.1043	0.0367	0.0676
202	Mar-15	0.1062	0.0374	0.0688
203	Apr-15	0.1072	0.0375	0.0697
204	May-15	0.1067	0.0417	0.0650
205	Jun-15	0.1020	0.0439	0.0581
206	Jul-15	0.0974	0.0440	0.0534
207	Aug-15	0.0949	0.0425	0.0524
208	Sep-15	0.0975	0.0439	0.0536
209	Oct-15	0.0961	0.0429	0.0532
210	Nov-15	0.1007	0.0440	0.0567
211	Dec-15	0.1027	0.0435	0.0592
212	Jan-16	0.1017	0.0427	0.0590
213	Feb-16	0.1002	0.0411	0.0591
214	Mar-16	0.0973	0.0416	0.0557
215	Apr-16	0.0974	0.0400	0.0574
216	May-16	0.0944	0.0393	0.0551
217	Jun-16	0.0963	0.0378	0.0585
218	Jul-16	0.0952	0.0357	0.0595
219	Aug-16	0.0971	0.0359	0.0612
220	Sep-16	0.0978	0.0366	0.0612
221	Oct-16	0.0990	0.0377	0.0613
222	Nov-16	0.1041	0.0408	0.0633
223	Dec-16	0.1032	0.0427	0.0605
224	Jan-17	0.1021	0.0414	0.0607
225	Feb-17	0.0991	0.0418	0.0573
226	Mar-17	0.0983	0.0423	0.0560
227	Apr-17	0.0975	0.0412	0.0563
228	May-17	0.0984	0.0412	0.0572
229	Jun-17	0.0968	0.0394	0.0574

Notes: Utility bond yield information from *Mergent Bond Record* (formerly Moody's). See Appendix 4 for a description of my ex ante risk premium approach. DCF results are calculated using a quarterly DCF model as follows:

- d<sub>0</sub> = Latest quarterly dividend
- P<sub>0</sub> = Average of the monthly high and low stock prices for each month per Thomson Reuters
- FC = Flotation cost allowance (five percent) as a percentage of stock price
- g = I/B/E/S forecast of future earnings growth for each month
- k = Cost of equity using the quarterly version of the DCF model

$$k = \left[ \frac{d_0(1+g)^{\frac{1}{4}}}{P_0(1-FC)} + (1+g)^{\frac{1}{4}} \right]^4 - 1$$

**ATMOS ENERGY**  
**EXHIBIT (JVW-1)**  
**SCHEDULE 3**  
**COMPARATIVE RETURNS ON S&P 500 STOCK INDEX**  
**AND MOODY'S A-RATED UTILITY BONDS 1937 – 2017**

LINE	YEAR	S&P 500 STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RETURN	RISK PREMIUM
1	2017	2,275.12	0.0209		\$96.13		
2	2016	1,918.60	0.0222	20.80%	\$95.48	4.87%	15.93%
3	2015	2,028.18	0.0208	-3.32%	\$107.65	-7.59%	4.26%
4	2014	1,822.36	0.0210	13.39%	\$89.89	24.20%	-10.81%
5	2013	1,481.11	0.0220	25.24%	\$97.45	-3.65%	28.89%
6	2012	1,300.58	0.0214	16.02%	\$94.36	7.52%	8.50%
7	2011	1,282.62	0.0185	3.25%	\$77.36	27.14%	-23.89%
8	2010	1,123.58	0.0203	16.18%	\$75.02	8.44%	7.74%
9	2009	865.58	0.0310	32.91%	\$68.43	15.48%	17.43%
10	2008	1,378.76	0.0206	-35.16%	\$72.25	0.24%	-35.40%
11	2007	1,424.16	0.0181	-1.38%	\$72.91	4.59%	-5.97%
12	2006	1,278.72	0.0183	13.20%	\$75.25	2.20%	11.01%
13	2005	1,181.41	0.0177	10.01%	\$74.91	5.80%	4.21%
14	2004	1,132.52	0.0162	5.94%	\$70.87	11.34%	-5.40%
15	2003	895.84	0.0180	28.22%	\$62.26	20.27%	7.95%
16	2002	1,140.21	0.0138	-20.05%	\$57.44	15.35%	-35.40%
17	2001	1,335.63	0.0116	-13.47%	\$56.40	8.93%	-22.40%
18	2000	1,425.59	0.0118	-5.13%	\$52.60	14.82%	-19.95%
19	1999	1,248.77	0.0130	15.46%	\$63.03	-10.20%	25.66%
20	1998	963.35	0.0162	31.25%	\$62.43	7.38%	23.87%
21	1997	766.22	0.0195	27.68%	\$56.62	17.32%	10.36%
22	1996	614.42	0.0231	27.02%	\$60.91	-0.48%	27.49%
23	1995	465.25	0.0287	34.93%	\$50.22	29.26%	5.68%
24	1994	472.99	0.0269	1.05%	\$60.01	-9.65%	10.71%
25	1993	435.23	0.0288	11.56%	\$53.13	20.48%	-8.93%
26	1992	416.08	0.0290	7.50%	\$49.56	15.27%	-7.77%
27	1991	325.49	0.0382	31.65%	\$44.84	19.44%	12.21%
28	1990	339.97	0.0341	-0.85%	\$45.60	7.11%	-7.96%
29	1989	285.41	0.0364	22.76%	\$43.06	15.18%	7.58%
30	1988	250.48	0.0366	17.61%	\$40.10	17.36%	0.25%
31	1987	264.51	0.0317	-2.13%	\$48.92	-9.84%	7.71%
32	1986	208.19	0.0390	30.95%	\$39.98	32.36%	-1.41%
33	1985	171.61	0.0451	25.83%	\$32.57	35.05%	-9.22%
34	1984	166.39	0.0427	7.41%	\$31.49	16.12%	-8.72%
35	1983	144.27	0.0479	20.12%	\$29.41	20.65%	-0.53%
36	1982	117.28	0.0595	28.96%	\$24.48	36.48%	-7.51%
37	1981	132.97	0.0480	-7.00%	\$29.37	-3.01%	-3.99%
38	1980	110.87	0.0541	25.34%	\$34.69	-3.81%	29.16%
39	1979	99.71	0.0533	16.52%	\$43.91	-11.89%	28.41%
40	1978	90.25	0.0532	15.80%	\$49.09	-2.40%	18.20%

LINE	YEAR	S&P 500 STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RETURN	RISK PREMIUM
41	1977	103.80	0.0399	-9.06%	\$50.95	4.20%	-13.27%
42	1976	96.86	0.0380	10.96%	\$43.91	25.13%	-14.17%
43	1975	72.56	0.0507	38.56%	\$41.76	14.75%	23.81%
44	1974	96.11	0.0364	-20.86%	\$52.54	-12.91%	-7.96%
45	1973	118.40	0.0269	-16.14%	\$58.51	-3.37%	-12.77%
46	1972	103.30	0.0296	17.58%	\$56.47	10.69%	6.89%
47	1971	93.49	0.0332	13.81%	\$53.93	12.13%	1.69%
48	1970	90.31	0.0356	7.08%	\$50.46	14.81%	-7.73%
49	1969	102.00	0.0306	-8.40%	\$62.43	-12.76%	4.36%
50	1968	95.04	0.0313	10.45%	\$66.97	-0.81%	11.26%
51	1967	84.45	0.0351	16.05%	\$78.69	-9.81%	25.86%
52	1966	93.32	0.0302	-6.48%	\$86.57	-4.48%	-2.00%
53	1965	86.12	0.0299	11.35%	\$91.40	-0.91%	12.26%
54	1964	76.45	0.0305	15.70%	\$92.01	3.68%	12.02%
55	1963	65.06	0.0331	20.82%	\$93.56	2.61%	18.20%
56	1962	69.07	0.0297	-2.84%	\$89.60	8.89%	-11.73%
57	1961	59.72	0.0328	18.94%	\$89.74	4.29%	14.64%
58	1960	58.03	0.0327	6.18%	\$84.36	11.13%	-4.95%
59	1959	55.62	0.0324	7.57%	\$91.55	-3.49%	11.06%
60	1958	41.12	0.0448	39.74%	\$101.22	-5.60%	45.35%
61	1957	45.43	0.0431	-5.18%	\$100.70	4.49%	-9.67%
62	1956	44.15	0.0424	7.14%	\$113.00	-7.35%	14.49%
63	1955	35.60	0.0438	28.40%	\$116.77	0.20%	28.20%
64	1954	25.46	0.0569	45.52%	\$112.79	7.07%	38.45%
65	1953	26.18	0.0545	2.70%	\$114.24	2.24%	0.46%
66	1952	24.19	0.0582	14.05%	\$113.41	4.26%	9.79%
67	1951	21.21	0.0634	20.39%	\$123.44	-4.89%	25.28%
68	1950	16.88	0.0665	32.30%	\$125.08	1.89%	30.41%
69	1949	15.36	0.0620	16.10%	\$119.82	7.72%	8.37%
70	1948	14.83	0.0571	9.28%	\$118.50	4.49%	4.79%
71	1947	15.21	0.0449	1.99%	\$126.02	-2.79%	4.79%
72	1946	18.02	0.0356	-12.03%	\$126.74	2.59%	-14.63%
73	1945	13.49	0.0460	38.18%	\$119.82	9.11%	29.07%
74	1944	11.85	0.0495	18.79%	\$119.82	3.34%	15.45%
75	1943	10.09	0.0554	22.98%	\$118.50	4.49%	18.49%
76	1942	8.93	0.0788	20.87%	\$117.63	4.14%	16.73%
77	1941	10.55	0.0638	-8.98%	\$116.34	4.55%	-13.52%
78	1940	12.30	0.0458	-9.65%	\$112.39	7.08%	-16.73%
79	1939	12.50	0.0349	1.89%	\$105.75	10.05%	-8.16%
80	1938	11.31	0.0784	18.36%	\$99.83	9.94%	8.42%
81	1937	17.59	0.0434	-31.36%	\$103.18	0.63%	-31.99%
82	Average			11.2%		6.6%	4.62%

Note: See Appendix 5 for an explanation of how stock and bond returns are derived and the source of the data presented.

**ATMOS ENERGY**  
**EXHIBIT (JVW-1)**  
**SCHEDULE 4**  
**COMPARATIVE RETURNS ON S&P UTILITY STOCK INDEX**  
**AND MOODY'S A-RATED UTILITY BONDS 1937 - 2017**

LINE	YEAR	S&P UTILITY STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RETURN	RISK PREMIUM
1	2017				\$96.13		
2	2016			17.44%	\$95.48	4.87%	12.57%
3	2015			-3.90%	\$107.65	-7.59%	3.69%
4	2014			28.91%	\$89.89	24.20%	4.71%
5	2013			13.01%	\$97.45	-3.65%	16.66%
6	2012			2.09%	\$94.36	7.52%	-5.43%
7	2011			19.99%	\$77.36	27.14%	-7.15%
8	2010			7.04%	\$75.02	8.44%	-1.40%
9	2009			10.71%	\$68.43	15.48%	-4.77%
10	2008			-25.90%	\$72.25	0.24%	-26.14%
11	2007			16.56%	\$72.91	4.59%	11.96%
12	2006			20.76%	\$75.25	2.20%	18.56%
13	2005			16.05%	\$74.91	5.80%	10.25%
14	2004			22.84%	\$70.87	11.34%	11.50%
15	2003			23.48%	\$62.26	20.27%	3.21%
16	2002			-14.73%	\$57.44	15.35%	-30.08%
17	2001	307.70	0.0287	-17.90%	\$56.40	8.93%	-26.83%
18	2000	239.17	0.0413	32.78%	\$52.60	14.82%	17.96%
19	1999	253.52	0.0394	-1.72%	\$63.03	-10.20%	8.48%
20	1998	228.61	0.0457	15.47%	\$62.43	7.38%	8.09%
21	1997	201.14	0.0492	18.58%	\$56.62	17.32%	1.26%
22	1996	202.57	0.0454	3.83%	\$60.91	-0.48%	4.31%
23	1995	153.87	0.0584	37.49%	\$50.22	29.26%	8.23%
24	1994	168.70	0.0496	-3.83%	\$60.01	-9.65%	5.82%
25	1993	159.79	0.0537	10.95%	\$53.13	20.48%	-9.54%
26	1992	149.70	0.0572	12.46%	\$49.56	15.27%	-2.81%
27	1991	138.38	0.0607	14.25%	\$44.84	19.44%	-5.19%
28	1990	146.04	0.0558	0.33%	\$45.60	7.11%	-6.78%
29	1989	114.37	0.0699	34.68%	\$43.06	15.18%	19.51%
30	1988	106.13	0.0704	14.80%	\$40.10	17.36%	-2.55%
31	1987	120.09	0.0588	-5.74%	\$48.92	-9.84%	4.10%
32	1986	92.06	0.0742	37.87%	\$39.98	32.36%	5.51%
33	1985	75.83	0.0860	30.00%	\$32.57	35.05%	-5.04%
34	1984	68.50	0.0925	19.95%	\$31.49	16.12%	3.83%
35	1983	61.89	0.0948	20.16%	\$29.41	20.65%	-0.49%
36	1982	51.81	0.1074	30.20%	\$24.48	36.48%	-6.28%
37	1981	52.01	0.0978	9.40%	\$29.37	-3.01%	12.41%
38	1980	50.26	0.0953	13.01%	\$34.69	-3.81%	16.83%
39	1979	50.33	0.0893	8.79%	\$43.91	-11.89%	20.68%
40	1978	52.40	0.0791	3.96%	\$49.09	-2.40%	6.36%

LINE	YEAR	S&P UTILITY STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RETURN	RISK PREMIUM
41	1977	54.01	0.0714	4.16%	\$50.95	4.20%	-0.04%
42	1976	46.99	0.0776	22.70%	\$43.91	25.13%	-2.43%
43	1975	38.19	0.0920	32.24%	\$41.76	14.75%	17.49%
44	1974	48.60	0.0713	-14.29%	\$52.54	-12.91%	-1.38%
45	1973	60.01	0.0556	-13.45%	\$58.51	-3.37%	-10.08%
46	1972	60.19	0.0542	5.12%	\$56.47	10.69%	-5.57%
47	1971	63.43	0.0504	-0.07%	\$53.93	12.13%	-12.19%
48	1970	55.72	0.0561	19.45%	\$50.46	14.81%	4.64%
49	1969	68.65	0.0445	-14.38%	\$62.43	-12.76%	-1.62%
50	1968	68.02	0.0435	5.28%	\$66.97	-0.81%	6.08%
51	1967	70.63	0.0392	0.22%	\$78.69	-9.81%	10.03%
52	1966	74.50	0.0347	-1.72%	\$86.57	-4.48%	2.76%
53	1965	75.87	0.0315	1.34%	\$91.40	-0.91%	2.25%
54	1964	67.26	0.0331	16.11%	\$92.01	3.68%	12.43%
55	1963	63.35	0.0330	9.47%	\$93.56	2.61%	6.86%
56	1962	62.69	0.0320	4.25%	\$89.60	8.89%	-4.64%
57	1961	52.73	0.0358	22.47%	\$89.74	4.29%	18.18%
58	1960	44.50	0.0403	22.52%	\$84.36	11.13%	11.39%
59	1959	43.96	0.0377	5.00%	\$91.55	-3.49%	8.49%
60	1958	33.30	0.0487	36.88%	\$101.22	-5.60%	42.48%
61	1957	32.32	0.0487	7.90%	\$100.70	4.49%	3.41%
62	1956	31.55	0.0472	7.16%	\$113.00	-7.35%	14.51%
63	1955	29.89	0.0461	10.16%	\$116.77	0.20%	9.97%
64	1954	25.51	0.0520	22.37%	\$112.79	7.07%	15.30%
65	1953	24.41	0.0511	9.62%	\$114.24	2.24%	7.38%
66	1952	22.22	0.0550	15.36%	\$113.41	4.26%	11.10%
67	1951	20.01	0.0606	17.10%	\$123.44	-4.89%	21.99%
68	1950	20.20	0.0554	4.60%	\$125.08	1.89%	2.71%
69	1949	16.54	0.0570	27.83%	\$119.82	7.72%	20.10%
70	1948	16.53	0.0535	5.41%	\$118.50	4.49%	0.92%
71	1947	19.21	0.0354	-10.41%	\$126.02	-2.79%	-7.62%
72	1946	21.34	0.0298	-7.00%	\$126.74	2.59%	-9.59%
73	1945	13.91	0.0448	57.89%	\$119.82	9.11%	48.79%
74	1944	12.10	0.0569	20.65%	\$119.82	3.34%	17.31%
75	1943	9.22	0.0621	37.45%	\$118.50	4.49%	32.96%
76	1942	8.54	0.0940	17.36%	\$117.63	4.14%	13.22%
77	1941	13.25	0.0717	-28.38%	\$116.34	4.55%	-32.92%
78	1940	16.97	0.0540	-16.52%	\$112.39	7.08%	-23.60%
79	1939	16.05	0.0553	11.26%	\$105.75	10.05%	1.21%
80	1938	14.30	0.0730	19.54%	\$99.83	9.94%	9.59%
81	1937	24.34	0.0432	-36.93%	\$103.18	0.63%	-37.55%
82	Average			10.6%		6.6%	4.0%

Note: See Appendix 5 for an explanation of how stock and bond returns are derived and the source of the data presented. Standard & Poor's discontinued its S&P Utilities Index in December 2001 and replaced its utilities stock index with separate indices for electric and natural gas utilities. In this study, the stock returns beginning in 2002 are based on the total returns for the EEI Index of U.S. shareholder-owned electric utilities, as reported by EEI on its website.  
<http://www.eei.org/whatwedo/DataAnalysis/IndusFinanAnalysis/Pages/QtrlyFinancialUpdates.aspx>

**ATMOS ENERGY**  
**EXHIBIT \_\_ (JVW-1)**  
**SCHEDULE 5**  
**USING THE ARITHMETIC MEAN TO ESTIMATE**  
**THE COST OF EQUITY CAPITAL**

Consider an investment that in a given year generates a return of 30 percent with probability equal to 0.5 and a return of -10 percent with a probability equal to 0.5. For each one dollar invested, the possible outcomes of this investment at the end of year one are:

END OF YEAR 1	WEALTH AFTER ONE YEAR	PROBABILITY
	\$1.30	0.5
	\$0.90	0.5

At the end of year two, the possible outcomes are:

END OF YEAR 2	WEALTH AFTER TWO YEARS		VALUE	PROBABILITY	WEALTH X PROBABILITY
	(1.30) (1.30)	=	\$ 1.69	0.25	\$ 0.4225
	(1.30) (.9)	=	\$ 1.17	0.25	\$ 0.2925
	(.9) (1.30)	=	\$ 1.17	0.25	\$ 0.2925
	(.9) (.9)	=	\$ 0.81	0.25	\$ 0.2025
	Expected Wealth	=			\$ 1.21

The expected value of this investment at the end of year two is \$1.21. In a competitive capital market, the cost of equity is equal to the expected rate of return on an investment. In the above example, the cost of equity is that rate of return which will make the initial investment of one dollar grow to the expected value of \$1.21 at the end of two years. Thus, the cost of equity is the solution to the equation:

$$1(1+k)^2 = 1.21 \text{ or}$$

$$k = (1.21/1)^{.5} - 1 = 10\%.$$

The arithmetic mean of this investment is:

$$(30\%) (.5) + (-10\%) (.5) = 10\%.$$

Thus, the arithmetic mean is equal to the cost of equity capital.

The geometric mean of this investment is:

$$[(1.3) (.9)]^{.5} - 1 = .082 = 8.2\%.$$

Thus, the geometric mean is not equal to the cost of equity capital.

The lesson is obvious: for an investment with an uncertain outcome, the arithmetic mean is the best measure of the cost of equity capital.

**ATMOS ENERGY  
EXHIBIT (JVW-1)  
SCHEDULE-6**

**CALCULATION OF CAPITAL ASSET PRICING MODEL COST OF EQUITY  
USING AN HISTORICAL 6.9 PERCENT RISK PREMIUM**

LINE	COMPANY	VALUE LINE BETA	RISK-FREE RATE	MARKET RISK PREMIUM	BETA X RISK PREMIUM	CAPM RESULT	MARKET CAP \$ (MIL)	SIZE PREMIUM	SIZE-ADJUSTED CAPM
1	Atmos Energy	0.70	4.2%	6.9%	4.86%	9.2%	8,960	1.02%	10.2%
2	Chesapeake Utilities	0.70	4.2%	6.9%	4.86%	9.2%	1,220	1.75%	11.0%
3	NiSource Inc.	0.65	4.2%	6.9%	4.51%	8.9%	8,458	1.02%	9.9%
4	New Jersey Resources	0.80	4.2%	6.9%	5.55%	9.9%	3,669	1.02%	10.9%
5	Northwest Nat. Gas	0.65	4.2%	6.9%	4.51%	8.9%	1,787	1.75%	10.6%
6	ONE Gas Inc.	0.70	4.2%	6.9%	4.86%	9.2%	3,774	1.02%	10.2%
7	South Jersey Inds.	0.80	4.2%	6.9%	5.55%	9.9%	2,931	1.02%	10.9%
8	Spire Inc.	0.70	4.2%	6.9%	4.86%	9.2%	3,496	1.02%	10.2%
9	UGI Corp.	0.90	4.2%	6.9%	6.25%	10.6%	8,795	1.02%	11.6%
10	Southwest Gas	0.75	4.2%	6.9%	5.21%	9.6%	3,667	1.02%	10.6%
11	Average					9.5%			10.6%

NOTES			
Estimates of Premiums for Company Size			
Decile	Smallest Mkt. Cap. (\$Millions)	Largest Mkt. Cap. (\$Millions)	Premium
Large-Cap (No Adjustment)	10,712.000		0
Mid-Cap (3-5)	2,392.689	10,711.194	1.02%
Low-Cap (6-8)	569.279	2,390.899	1.75%
Micro-Cap (9-10)	2.516	567.843	3.67%
Risk-free Rate	4.2%	Forecast Yield on Long-term U.S. Treasury Bonds	
Market Risk Premium	6.9%	Ibbotson	
Flotation - Natural Gas Utilities	0.14%		

Historical Ibbotson® SBBT® risk premium including years 1926 through year end 2016 from 2017 Valuation Handbook. Value Line beta for comparable companies from Value Line Investment Analyzer. Treasury bond yield forecast from data in Value Line Selection & Opinion, June 2, 2017, and Energy Information Administration, 2017, determined as follows. Value Line forecasts a yield on 10-year Treasury notes equal to 4.0 percent. The spread between the average June 2017 yield on 10-year Treasury notes (2.19 percent) and 20-year Treasury bonds (2.54 percent) is 35 basis points. Adding 35 basis points to Value Line's 4.0 percent forecasted yield on 10-year Treasury notes produces a forecasted yield of 4.35 percent for 20-year Treasury bonds (see Value Line Investment Survey, Selection & Opinion, June 2, 2016). EIA forecasts a yield of 3.75 percent on 10-year Treasury notes. Adding the 34 basis point spread between 10-year Treasury notes and 20-year Treasury bonds to the EIA forecast of 3.75 percent for 10-year Treasury notes produces an EIA forecast for 20-year Treasury bonds equal to 4.10 percent. The average of the forecasts is 4.2 percent (4.35 percent using Value Line data and 4.1 percent using EIA data).

**ATMOS ENERGY**  
**EXHIBIT\_(JVW-1)**  
**SCHEDULE-7**  
**COMPARISON OF RISK PREMIUMS ON**  
**S&P500 AND S&P UTILITIES 1937 – 2017**

YEAR	S&P UTILITIES STOCK RETURN	SP500 STOCK RETURN	10-YR. TREASURY BOND YIELD	UTILITIES RISK PREMIUM	MARKET RISK PREMIUM
2016	0.1744	0.2080	0.0184	0.1560	0.1896
2015	-0.0390	-0.0332	0.0214	-0.0604	-0.0546
2014	0.2891	0.1339	0.0254	0.2637	0.1085
2013	0.1301	0.2524	0.0235	0.1066	0.2289
2012	0.0209	0.1602	0.0180	0.0029	0.1422
2011	0.1999	0.0325	0.0278	0.1721	0.0047
2010	0.0704	0.1618	0.0322	0.0382	0.1296
2009	0.1071	0.3291	0.0326	0.0745	0.2965
2008	-0.2590	-0.3516	0.0367	-0.2957	-0.3883
2007	0.1656	-0.0138	0.0463	0.1193	-0.0601
2006	0.2076	0.1320	0.0479	0.1597	0.0841
2005	0.1605	0.1001	0.0429	0.1176	0.0572
2004	0.2284	0.0594	0.0427	0.1857	0.0167
2003	0.2348	0.2822	0.0401	0.1947	0.2421
2002	-0.1473	-0.2005	0.0461	-0.1934	-0.2466
2001	-0.1790	-0.1347	0.0502	-0.2292	-0.1849
2000	0.3278	-0.0513	0.0603	0.2675	-0.1116
1999	-0.0172	0.1546	0.0564	-0.0736	0.0982
1998	0.1547	0.3125	0.0526	0.1021	0.2599
1997	0.1858	0.2768	0.0635	0.1223	0.2133
1996	0.0383	0.2702	0.0644	-0.0261	0.2058
1995	0.3749	0.3493	0.0658	0.3091	0.2835
1994	-0.0383	0.0105	0.0708	-0.1091	-0.0603
1993	0.1095	0.1156	0.0587	0.0508	0.0569
1992	0.1246	0.0750	0.0701	0.0545	0.0049
1991	0.1425	0.3165	0.0786	0.0639	0.2379
1990	0.0033	-0.0085	0.0855	-0.0822	-0.0940
1989	0.3468	0.2276	0.0850	0.2618	0.1426
1988	0.1480	0.1761	0.0884	0.0596	0.0877
1987	-0.0574	-0.0213	0.0838	-0.1412	-0.1051
1986	0.3787	0.3095	0.0768	0.3019	0.2327
1985	0.3000	0.2583	0.1062	0.1938	0.1521
1984	0.1995	0.0741	0.1244	0.0751	-0.0503
1983	0.2016	0.2012	0.1110	0.0906	0.0902
1982	0.3020	0.2896	0.1300	0.1720	0.1596
1981	0.0940	-0.0700	0.1391	-0.0451	-0.2091
1980	0.1301	0.2534	0.1146	0.0155	0.1388
1979	0.0879	0.1652	0.0944	-0.0065	0.0708
1978	0.0396	0.1580	0.0841	-0.0445	0.0739

YEAR	S&P UTILITIES STOCK RETURN	SP500 STOCK RETURN	10-YR. TREASURY BOND YIELD	UTILITIES RISK PREMIUM	MARKET RISK PREMIUM
1977	0.0416	-0.0906	0.0742	-0.0326	-0.1648
1976	0.2270	0.1096	0.0761	0.1509	0.0335
1975	0.3224	0.3856	0.0799	0.2425	0.3057
1974	-0.1429	-0.2086	0.0756	-0.2185	-0.2842
1973	-0.1345	-0.1614	0.0684	-0.2029	-0.2298
1972	0.0512	0.1758	0.0621	-0.0109	0.1137
1971	-0.0007	0.1381	0.0616	-0.0623	0.0765
1970	0.1945	0.0708	0.0735	0.1210	-0.0027
1969	-0.1438	-0.0840	0.0667	-0.2105	-0.1507
1968	0.0528	0.1045	0.0565	-0.0037	0.0480
1967	0.0022	0.1605	0.0507	-0.0485	0.1098
1966	-0.0172	-0.0648	0.0492	-0.0664	-0.1140
1965	0.0134	0.1135	0.0428	-0.0294	0.0707
1964	0.1611	0.1570	0.0419	0.1192	0.1151
1963	0.0947	0.2082	0.0400	0.0547	0.1682
1962	0.0425	-0.0284	0.0395	0.0030	-0.0679
1961	0.2247	0.1894	0.0388	0.1859	0.1506
1960	0.2252	0.0618	0.0412	0.1840	0.0206
1959	0.0500	0.0757	0.0433	0.0067	0.0324
1958	0.3688	0.3974	0.0332	0.3356	0.3642
1957	0.0790	-0.0518	0.0365	0.0425	-0.0883
1956	0.0716	0.0714	0.0318	0.0398	0.0396
1955	0.1016	0.2840	0.0282	0.0734	0.2558
1954	0.2237	0.4552	0.0240	0.1997	0.4312
1953	0.0962	0.0270	0.0281	0.0681	-0.0011
1952	0.1536	0.1405	0.0248	0.1288	0.1157
1951	0.1710	0.2039	0.0241	0.1469	0.1798
1950	0.0460	0.3230	0.0205	0.0255	0.3025
1949	0.2783	0.1610	0.0193	0.2590	0.1417
1948	0.0541	0.0928	0.0215	0.0326	0.0713
1947	-0.1041	0.0199	0.0185	-0.1226	0.0014
1946	-0.0700	-0.1203	0.0174	-0.0874	-0.1377
1945	0.5789	0.3818	0.0173	0.5616	0.3645
1944	0.2065	0.1879	0.0209	0.1856	0.1670
1943	0.3745	0.2298	0.0207	0.3538	0.2091
1942	0.1736	0.2087	0.0211	0.1525	0.1876
1941	-0.2838	-0.0898	0.0199	-0.3037	-0.1097
1940	-0.1652	-0.0965	0.0220	-0.1872	-0.1185
1939	0.1126	0.0189	0.0235	0.0891	-0.0046
1938	0.1954	0.1836	0.0255	0.1699	0.1581
1937	-0.3693	-0.3136	0.0269	-0.3962	-0.3405
Risk Premium 1937 to 2017				0.0547	0.0608
RP Utilities/RP SP500				0.90	

**ATMOS ENERGY  
EXHIBIT\_\_(JVW-1)  
SCHEDULE-8**

**CALCULATION OF CAPITAL ASSET PRICING MODEL COST OF EQUITY  
USING AN HISTORICAL 6.9 PERCENT RISK PREMIUM AND A 0.90 UTILITY BETA**

		BETA	RISK-FREE RATE	MARKET RISK PREMIUM	BETA X MRP	MODEL RESULT
1	Historical Utility Beta	0.90	4.2%	6.9%	6.2%	10.6%

Historical utility beta per Schedule 7. Flotation cost of 14 basis points. Treasury bond yield forecast from data in Value Line Selection & Opinion, June 2, 2017, and Energy Information Administration, 2017, determined as follows. Value Line forecasts a yield on 10-year Treasury notes equal to 4.0 percent. The spread between the average June 2017 yield on 10-year Treasury notes (2.19 percent) and 20-year Treasury bonds (2.54 percent) is 35 basis points. Adding 35 basis points to Value Line's 4.0 percent forecasted yield on 10-year Treasury notes produces a forecasted yield of 4.35 percent for 20-year Treasury bonds (see Value Line Investment Survey, Selection & Opinion, June 2, 2016). EIA forecasts a yield of 3.75 percent on 10-year Treasury notes. Adding the 34 basis point spread between 10-year Treasury notes and 20-year Treasury bonds to the EIA forecast of 3.75 percent for 10-year Treasury notes produces an EIA forecast for 20-year Treasury bonds equal to 4.10 percent. The average of the forecasts is 4.2 percent (4.35 percent using Value Line data and 4.1 percent using EIA data).

**ATMOS ENERGY**  
**EXHIBIT\_(JVW-1)**  
**SCHEDULE 9**  
**CALCULATION OF CAPITAL ASSET PRICING MODEL COST OF EQUITY**  
**USING DCF ESTIMATE OF THE EXPECTED RATE OF RETURN**  
**ON THE MARKET PORTFOLIO**

LINE	COMPANY	VALUE LINE BETA	RISK- FREE RATE	DCF S&P 500	MARKET RISK PREMIUM	BETA X RISK PREMIUM	CAPM COST OF EQUITY
1	Atmos Energy	0.70	4.2%	11.9%	7.7%	5.38%	9.7%
2	Chesapeake Utilities	0.70	4.2%	11.9%	7.7%	5.38%	9.7%
3	NiSource Inc.	0.65	4.2%	11.9%	7.7%	4.99%	9.4%
4	New Jersey Resources	0.80	4.2%	11.9%	7.7%	6.15%	10.5%
5	Northwest Nat. Gas	0.65	4.2%	11.9%	7.7%	4.99%	9.4%
6	ONE Gas Inc.	0.70	4.2%	11.9%	7.7%	5.38%	9.7%
7	South Jersey Inds.	0.80	4.2%	11.9%	7.7%	6.15%	10.5%
8	Spire Inc.	0.70	4.2%	11.9%	7.7%	5.38%	9.7%
9	UGI Corp.	0.90	4.2%	11.9%	7.7%	6.91%	11.3%
10	Southwest Gas	0.75	4.2%	11.9%	7.7%	5.76%	10.1%
11	DCF CAPM Result						10.0%
	Beta Equal to 0.90						
	DCF CAPM Result	0.90	4.2%	11.9%	7.7%	6.91%	11.3%
	Risk-free Rate	4.2%	Forecast Yield on Long-term U.S. Treasury Bonds				
	Flotation - Natural Gas Utilities		0.14%				

Beta per Value Line for proxy utilities and per Schedule 7. Treasury bond yield forecast from data in Value Line Selection & Opinion, June 2, 2017, and Energy Information Administration, 2017, determined as follows. Value Line forecasts a yield on 10-year Treasury notes equal to 4.0 percent. The spread between the average June 2017 yield on 10-year Treasury notes (2.19 percent) and 20-year Treasury bonds (2.54 percent) is 35 basis points. Adding 35 basis points to Value Line's 4.0 percent forecasted yield on 10-year Treasury notes produces a forecasted yield of 4.35 percent for 20-year Treasury bonds (see Value Line Investment Survey, Selection & Opinion, June 2, 2016). EIA forecasts a yield of 3.75 percent on 10-year Treasury notes. Adding the 34 basis point spread between 10-year Treasury notes and 20-year Treasury bonds to the EIA forecast of 3.75 percent for 10-year Treasury notes produces an EIA forecast for 20-year Treasury bonds equal to 4.10 percent. The average of the forecasts is 4.2 percent (4.35 percent using Value Line data and 4.1 percent using EIA data).

**ATMOS ENERGY**  
**EXHIBIT (JVW-1)**  
**SCHEDULE 9 (CONTINUED)**  
**SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS**  
**FOR S&P 500 COMPANIES**

	COMPANY	STOCK PRICE (P <sub>0</sub> )	D <sub>0</sub>	FORECAST OF FUTURE EARNINGS GROWTH	MODEL RESULT	MARKET CAP \$ (MILS)
1	3M	200.33	4.70	9.33%	11.9%	126,191
2	ABBOTT LABORATORIES	45.10	1.06	11.22%	13.9%	83,501
3	ACCENTURE CLASS A	121.29	2.42	9.42%	11.6%	78,503
4	ADV.AUTO PARTS	137.38	0.24	11.63%	11.8%	9,685
5	AETNA	140.78	2.00	12.02%	13.6%	49,523
6	AFLAC	75.26	1.72	7.97%	10.5%	30,875
7	AGILENT TECHS.	57.17	0.53	9.87%	10.9%	19,026
8	ALLERGAN	236.08	2.80	12.38%	13.7%	78,848
9	ALLIANCE DATA SYSTEMS	248.89	2.08	12.29%	13.2%	13,921
10	ALTRIA GROUP	73.45	2.44	7.87%	11.5%	147,597
11	AMERICAN WATER WORKS	78.92	1.66	7.70%	10.0%	14,622
12	AMERISOURCEBERGEN	88.40	1.46	8.84%	10.6%	20,619
13	ANTHEM	180.98	2.60	11.78%	13.4%	50,016
14	APPLE	147.44	2.52	11.07%	13.0%	752,305
15	AT&T	39.23	1.96	7.25%	12.7%	238,788
16	AUTOMATIC DATA PROC.	101.39	2.28	11.39%	13.9%	45,712
17	AVERY DENNISON	83.71	1.80	11.11%	13.5%	7,576
18	BALL	39.38	0.20	11.16%	11.7%	14,450
19	BANK OF AMERICA	23.29	0.30	11.71%	13.2%	234,268
20	BECTON DICKINSON	185.85	2.92	9.90%	11.6%	43,373
21	BRISTOL MYERS SQUIBB	54.74	1.56	9.19%	12.3%	89,423
22	C R BARD	299.32	1.04	11.46%	11.8%	22,734
23	CAPITAL ONE FINL.	81.07	1.60	8.32%	10.5%	39,289
24	CENTERPOINT EN.	28.03	1.07	5.89%	10.0%	12,330
25	CHURCH & DWIGHT CO.	51.05	0.76	8.24%	9.9%	13,348
26	CIGNA	160.06	0.04	13.60%	13.6%	42,826
27	CITIGROUP	61.35	0.64	9.46%	10.6%	176,484
28	CLOROX	134.60	3.36	6.93%	9.6%	18,052
29	CMS ENERGY	46.17	1.33	7.52%	10.7%	13,484
30	COLGATE-PALM.	73.98	1.60	8.57%	10.9%	67,439
31	COMCAST 'A'	39.61	0.63	11.95%	13.7%	196,157
32	CORNING	28.74	0.62	9.36%	11.7%	27,046
33	COSTCO WHOLESALE	172.65	2.00	9.97%	11.2%	78,973
34	CUMMINS	154.99	4.10	10.48%	13.4%	27,162
35	CVS HEALTH	79.34	2.00	7.89%	10.6%	81,595
36	D R HORTON	33.43	0.40	11.14%	12.5%	12,702
37	DISCOVER FINANCIAL SVS.	62.13	1.20	8.43%	10.5%	23,085
38	DOW CHEMICAL	62.61	1.84	6.96%	10.1%	78,311
39	DR PEPPER SNAPPLE GROUP	93.62	2.32	8.73%	11.4%	17,238

	COMPANY	STOCK PRICE (P <sub>0</sub> )	D <sub>0</sub>	FORECAST OF FUTURE EARNINGS GROWTH	MODEL RESULT	MARKET CAP \$ (MILS)
40	E I DU PONT DE NEMOURS	79.84	1.52	8.06%	10.1%	71,244
41	EATON	76.35	2.40	10.36%	13.9%	34,057
42	ECOLAB	129.62	1.48	11.91%	13.2%	38,823
43	EMERSON ELECTRIC	59.26	1.92	7.00%	10.5%	38,836
44	EQUIFAX	137.17	1.56	11.00%	12.3%	17,024
45	ESTEE LAUDER COS.'A'	90.95	1.36	9.66%	11.3%	21,839
46	FEDEX	196.05	2.00	11.78%	12.9%	56,269
47	FIDELITY NAT.INFO.SVS.	83.64	1.16	12.48%	14.0%	28,440
48	FOOT LOCKER	64.91	1.24	7.58%	9.7%	6,937
49	GAP	23.93	0.92	7.33%	11.5%	9,138
50	GENERAL MILLS	57.77	1.96	6.21%	9.9%	33,951
51	GOLDMAN SACHS GP.	220.69	3.00	12.24%	13.8%	87,870
52	HARLEY-DAVIDSON	56.08	1.46	9.23%	12.1%	9,608
53	HARTFORD FINL.SVS.GP.	49.31	0.92	9.97%	12.0%	19,055
54	HERSHEY	110.18	2.47	8.22%	10.7%	17,481
55	HONEYWELL INTL.	131.31	2.66	7.42%	9.6%	102,512
56	HUMANA	225.03	1.60	12.98%	13.8%	33,540
57	HUNT JB TRANSPORT SVS.	88.93	0.92	12.15%	13.3%	9,930
58	HUNTINGTON BCSH	12.95	0.32	10.56%	13.3%	14,448
59	ILLINOIS TOOL WORKS	139.96	2.60	9.11%	11.2%	51,199
60	INGERSOLL-RAND	87.98	1.60	10.64%	12.7%	23,006
61	INTEL	35.80	1.09	8.36%	11.7%	166,275
62	JP MORGAN CHASE & CO.	86.25	2.00	7.98%	10.5%	307,566
63	JUNIPER NETWORKS	29.31	0.40	12.12%	13.7%	11,027
64	KANSAS CITY SOUTHERN	93.69	1.32	11.90%	13.5%	10,806
65	KEYCORP	18.11	0.38	10.32%	12.7%	20,475
66	KOHL'S	38.59	2.20	5.04%	11.2%	6,356
67	KRAFT HEINZ	90.38	2.40	9.25%	12.2%	111,596
68	L BRANDS	50.39	2.40	8.00%	13.2%	14,936
69	M&T BANK	157.55	3.00	8.15%	10.2%	24,851
70	MARSH & MCLENNAN	75.75	1.50	10.23%	12.4%	41,278
71	MCCORMICK & COMPANY NV.	100.67	1.88	8.46%	10.5%	11,966
72	MCDONALDS	144.32	3.76	9.05%	11.9%	123,214
73	MEDTRONIC	84.12	1.84	7.38%	9.7%	119,996
74	MICROSOFT	68.81	1.56	9.35%	11.9%	539,664
75	MONDELEZ INTERNATIONAL CL.A	44.84	0.76	10.11%	12.0%	69,613
76	MOODY'S	116.94	1.52	10.31%	11.8%	23,129
77	NEWELL BRANDS	50.14	0.92	10.45%	12.5%	26,372
78	NEXTERA ENERGY	136.51	3.93	6.70%	9.8%	66,418
79	NIELSEN	39.38	1.36	8.42%	12.2%	13,738
80	NIKE 'B'	54.66	0.72	11.23%	12.7%	70,104
81	NISOURCE	24.97	0.70	7.49%	10.5%	8,458
82	NVIDIA	127.51	0.56	12.19%	12.7%	90,660
83	OMNICOM GROUP	83.25	2.20	7.85%	10.7%	19,285
84	ORACLE	45.63	0.76	8.57%	10.4%	183,293

	COMPANY	STOCK PRICE (P <sub>0</sub> )	D <sub>0</sub>	FORECAST OF FUTURE EARNINGS GROWTH	MODEL RESULT	MARKET CAP \$ (MILS)
85	PATTERSON COMPANIES	44.84	1.04	7.51%	10.0%	4,549
86	PAYCHEX	58.65	1.84	8.22%	11.7%	21,817
87	PERKINELMER	61.77	0.28	9.87%	10.4%	7,027
88	PFIZER	33.35	1.28	5.64%	9.8%	195,388
89	PNC FINL.SVS.GP.	120.64	3.00	10.01%	12.8%	59,505
90	PPG INDUSTRIES	108.70	1.60	9.72%	11.3%	28,520
91	PRAXAIR	128.24	3.15	8.39%	11.1%	38,483
92	QUEST DIAGNOSTICS	105.88	1.80	8.17%	10.0%	14,740
93	RAYTHEON 'B'	158.38	3.19	9.02%	11.2%	47,329
94	REPUBLIC SVS.'A'	63.18	1.28	10.68%	12.9%	22,008
95	REYNOLDS AMERICAN	65.28	2.04	9.97%	13.4%	93,721
96	ROBERT HALF INTL.	46.94	0.96	8.20%	10.4%	6,116
97	ROCKWELL AUTOMATION	157.84	3.04	8.87%	11.0%	20,820
98	ROCKWELL COLLINS	104.42	1.32	10.60%	12.0%	17,390
99	ROSS STORES	62.32	0.64	10.27%	11.4%	23,705
100	S&P GLOBAL	139.15	1.64	12.35%	13.7%	38,268
101	SCRIPPS NETWORKS INTACT. 'A'	71.57	1.20	11.13%	13.0%	6,489
102	SEMPRA EN.	113.15	3.29	9.90%	13.1%	28,841
103	SHERWIN-WILLIAMS	334.15	3.40	10.96%	12.1%	32,735
104	SOUTHWEST AIRLINES	58.08	0.50	12.11%	13.1%	36,346
105	STRYKER	137.58	1.70	9.70%	11.1%	52,787
106	SYNCHRONY FINANCIAL	29.07	0.52	8.82%	10.8%	23,901
107	SYSCO	53.13	1.32	11.00%	13.8%	29,720
108	T ROWE PRICE GROUP	71.15	2.28	9.36%	12.9%	17,673
109	TEXAS INSTRUMENTS	80.49	2.00	10.13%	12.9%	79,786
110	THERMO FISHER SCIENTIFIC	168.26	0.60	10.65%	11.0%	68,123
111	TIFFANY & CO	91.05	2.00	9.01%	11.4%	11,346
112	TIME WARNER	99.07	1.61	11.11%	12.9%	76,871
113	TJX	75.58	1.25	10.76%	12.6%	46,663
114	TOTAL SYSTEM SERVICES	57.57	0.40	11.61%	12.4%	10,928
115	TWENTY-FIRST CENTURY FOX CL.A	29.30	0.36	11.74%	13.1%	29,192
116	TWENTY-FIRST CENTURY FOX CL.B	29.30	0.36	11.74%	13.1%	29,192
117	UNITED PARCEL SER.'B'	106.68	3.32	8.35%	11.8%	75,944
118	V F	55.01	1.68	8.32%	11.7%	22,466
119	WALT DISNEY	110.13	1.56	9.41%	11.0%	165,846
120	WASTE MANAGEMENT	72.83	1.70	10.41%	13.0%	32,726
121	WELLS FARGO & CO	53.59	1.52	8.23%	11.3%	269,355
122	WILLIS TOWERS WATSON	138.85	2.12	10.71%	12.4%	20,065
123	XILINX	63.59	1.40	8.54%	10.9%	16,090
124	ZIMMER BIOMET HDG.	121.47	0.96	9.72%	10.6%	25,375
125	ZOETIS	58.71	0.42	12.88%	13.7%	30,621
126	Average				11.9%	

Notes: In applying the DCF model to the S&P 500, I included in the DCF analysis only those companies in the S&P 500 group which pay a dividend, have a positive growth rate, and have at least three analysts' long-term growth estimates. I also eliminated those 25 percent of companies with the highest and lowest DCF results, a decision which had no impact on my CAPM estimate of the cost of equity.

- $D_0$  = Current dividend per Thomson Reuters
- $P_0$  = Average of the monthly high and low stock prices during the three months ending June 2017 per Thomson Reuters
- $g$  = I/B/E/S forecast of future earnings growth June 2017
- $k$  = Cost of equity using the quarterly version of the DCF model shown below:

$$k = \left[ \frac{d_0(1+g)^{\frac{1}{4}}}{P_0} + (1+g)^{\frac{1}{4}} \right]^4 - 1$$

**APPENDIX 1**  
**QUALIFICATIONS OF JAMES H. VANDER WEIDE, PH.D.**  
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James H. Vander Weide is President of Financial Strategy Associates, a consulting firm that provides financial and economic consulting services, including cost of capital and valuation studies, to corporate clients. Dr. Vander Weide holds a Ph.D. in Finance from Northwestern University and a Bachelor of Arts in Economics from Cornell University. After receiving his Ph.D. in Finance, Dr. Vander Weide joined the faculty at Duke University, the Fuqua School of Business, and was named Assistant Professor, Associate Professor, Professor, and then Research Professor of Finance and Economics.

As a Professor at Duke University and the Fuqua School of Business, Dr. Vander Weide has published research in the areas of finance and economics and taught courses in corporate finance, investment management, management of financial institutions, statistics, economics, operations research, and the theory of public utility pricing. Dr. Vander Weide has been active in executive education at Duke and Duke Corporate Education, leading executive development seminars on topics including financial analysis, cost of capital, creating shareholder value, mergers and acquisitions, capital budgeting, measuring corporate performance, and valuation. In addition, Dr. Vander Weide designed and served as Program Director for several executive education programs, including the Advanced Management Program, Competitive Strategies in Telecommunications, and the Duke Program for Manager Development for managers from the former Soviet Union. He is now retired from his teaching responsibilities at Duke.

As an expert financial economist and industry expert, Dr. Vander Weide has participated in approximately five hundred regulatory and legal proceedings, appearing in U.S. courts and federal and state or provincial proceedings in the United States and Canada. He has testified as an expert witness on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, valuation, and other financial and economic issues. His clients include investor-owned electric, gas, and water utilities, natural gas pipelines, oil pipelines, telecommunications companies, and insurance companies.

Publications

Dr. Vander Weide has written research papers on such topics as portfolio management, capital budgeting, investments, the effect of regulation on the performance of public utilities, and cash management. His articles have been published in *American Economic Review*, *Journal of Finance*, *Journal of Financial and Quantitative Analysis*, *Management Science*, *Financial Management*, *Journal of Portfolio Management*, *International Journal of Industrial Organization*, *Journal of Bank Research*, *Journal of Accounting Research*, *Journal of Cash Management*, *Atlantic Economic Journal*, *Journal of Economics and Business*, and *Computers and Operations Research*. He has written a book entitled *Managing Corporate Liquidity: An Introduction to Working Capital Management* published by John Wiley and Sons, Inc.; and he has written a chapter titled "Financial Management in the Short Run" for *The Handbook of Modern Finance*, and a chapter

titled "Principles for Lifetime Portfolio Selection: Lessons from Portfolio Theory" for *The Handbook of Portfolio Construction: Contemporary Applications of Markowitz Techniques*. *The Handbook of Portfolio Construction* is a peer-reviewed collection of research papers by notable scholars on portfolio optimization, published in 2010 in honor of Nobel Prize winner Harry Markowitz.

Professional Consulting Experience

Dr. Vander Weide has provided financial and economic consulting services to firms in the electric, gas, insurance, oil and gas pipeline, telecommunications, and water industries for more than thirty years. He has testified on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, valuation, and other financial and economic issues in more than five hundred cases before the Federal Energy Regulatory Commission, the National Energy Board (Canada), the Federal Communications Commission, the Canadian Radio-Television and Telecommunications Commission, the National Telecommunications and Information Administration, the United States Tax Court, the public service commissions of forty-five states and the District of Columbia, four Canadian provinces, the insurance commissions of five states, the Iowa State Board of Tax Review, and the North Carolina Property Tax Commission. In addition, he has testified as an expert witness in proceedings before numerous federal district courts, including the U.S. District Court for the District of Nebraska; the U.S. District Court for the District of New Hampshire; the U.S. District Court for the District of Northern Illinois; the U.S. District Court for the Eastern District of North Carolina; the Montana Second Judicial District Court, Silver Bow County; the U.S. District Court for the Northern District of California; the Superior Court, North Carolina; the U.S. Bankruptcy Court for the Southern District of West Virginia; the U. S. District Court for the Eastern District of Michigan; and the Supreme Court of the State of New York. Dr. Vander Weide testified in thirty states on issues relating to the pricing of unbundled network elements and universal service cost studies and consulted with Bell Canada, Deutsche Telekom, and Telefónica on similar issues. Dr. Vander Weide has provided consulting and expert witness testimony to the following companies:

<b>ELECTRIC, GAS, PIPELINE, WATER COMPANIES</b>	
Alcoa Power Generating, Inc.	MidAmerican Energy and subsidiaries
Alliant Energy and subsidiaries	National Fuel Gas
AltaLink, L.P.	Nevada Power Company
Ameren	Newfoundland Power Inc.
American Water Works and subsidiaries	NICOR
Atmos Energy and subsidiaries	North Carolina Natural Gas
BP p.l.c.	North Shore Gas
Buckeye Partners, L.P.	Northern Natural Gas Company
Central Illinois Public Service	NOVA Gas Transmission Ltd.
Citizens Utilities	PacifiCorp
Consolidated Edison and subsidiaries	Peoples Energy and its subsidiaries
Consolidated Natural Gas and subsidiaries	PG&E
Dominion Resources and subsidiaries	Plains All American Pipeline, L.P.
Duke Energy and subsidiaries	Progress Energy and subsidiaries
Empire District Electric and subsidiaries	PSE&G
EPCOR Distribution & Transmission Inc.	Public Service Company of North Carolina
EPCOR Energy Alberta Inc.	Sempra Energy/San Diego Gas and Electric
FortisAlberta Inc.	South Carolina Electric and Gas
FortisBC Utilities	Southern Company and subsidiaries
Hope Natural Gas	Spectra Energy
Iberdrola Renewables	Tennessee-American Water Company
Interstate Power Company	The Peoples Gas, Light and Coke Co.
Iowa Southern	Trans Québec & Maritimes Pipeline Inc.
Iowa-American Water Company	TransCanada
Iowa-Illinois Gas and Electric	Union Gas
Kentucky Power Company	United Cities Gas Company
Kentucky-American Water Company	Virginia-American Water Company
Kinder Morgan Energy Partners	West Virginia-American Water Company
Maritimes & Northeast Pipeline	Westcoast Energy Inc.
	Wisconsin Energy Corporation
	Xcel Energy

<b>TELECOMMUNICATIONS COMPANIES</b>	
ALLTEL and subsidiaries	Phillips County Cooperative Tel. Co.
Ameritech (now AT&T new)	Pine Drive Cooperative Telephone Co.
AT&T (old)	Roseville Telephone Company (SureWest)
Bell Canada/Nortel	SBC Communications (now AT&T new)
BellSouth and subsidiaries	Sherburne Telephone Company
Centel and subsidiaries	Siemens
Cincinnati Bell (Broadwing)	Southern New England Telephone
Cisco Systems	Sprint/United and subsidiaries
Citizens Telephone Company	Telefónica
Concord Telephone Company	Tellabs, Inc.
Contel and subsidiaries	The Stentor Companies

<b>TELECOMMUNICATIONS COMPANIES</b>	
Deutsche Telekom	U S West (Qwest)
GTE and subsidiaries (now Verizon)	Union Telephone Company
Heins Telephone Company	United States Telephone Association
JDS Uniphase	Valor Telecommunications (Windstream)
Lucent Technologies	Verizon (Bell Atlantic) and subsidiaries
Minnesota Independent Equal Access Corp.	Woodbury Telephone Company
NYNEX and subsidiaries (Verizon)	
Pacific Telesis and subsidiaries	

<b>INSURANCE COMPANIES</b>
Allstate
North Carolina Rate Bureau
United Services Automobile Association (USAA)
The Travelers Indemnity Company
Gulf Insurance Company

Other Professional Experience

Dr. Vander Weide has conducted in-house seminars and training sessions on topics such as creating shareholder value, financial analysis, competitive strategy, cost of capital, real options, financial strategy, managing growth, mergers and acquisitions, valuation, measuring corporate performance, capital budgeting, cash management, and financial planning. Among the firms for whom he has designed and taught tailored programs and training sessions are ABB Asea Brown Boveri, Accenture, Allstate, Ameritech, AT&T, Bell Atlantic/Verizon, BellSouth, Progress Energy/Carolina Power & Light, Contel, Fisons, GlaxoSmithKline, GTE, Lafarge, MidAmerican Energy, New Century Energies, Norfolk Southern, Pacific Bell Telephone, The Rank Group, Siemens, Southern New England Telephone, TRW, and Wolseley Plc. Dr. Vander Weide has also hosted a nationally prominent conference/workshop on estimating the cost of capital. In 1989, at the request of Mr. Fuqua, Dr. Vander Weide designed the Duke Program for Manager Development for managers from the former Soviet Union, the first in the United States designed exclusively for managers from Russia and the former Soviet republics.

Early in his career, Dr. Vander Weide helped found University Analytics, Inc., one of the fastest growing small firms in the country at that time. As an officer at University Analytics, he designed cash management models, databases, and software used by most major U.S. banks in consulting with their corporate clients. Having sold his interest in University Analytics, Dr. Vander Weide now concentrates on strategic and financial consulting, academic research, and executive education.

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**JAMES H. VANDER WEIDE**

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## APPENDIX 2 DERIVATION OF THE QUARTERLY DCF MODEL

The simple DCF Model assumes that a firm pays dividends only at the end of each year. Since firms in fact pay dividends quarterly and investors appreciate the time value of money, the annual version of the DCF Model generally underestimates the value investors are willing to place on the firm's expected future dividend stream. In these workpapers, we review two alternative formulations of the DCF Model that allow for the quarterly payment of dividends.

When dividends are assumed to be paid annually, the DCF Model suggests that the current price of the firm's stock is given by the expression:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n} \quad (1)$$

where

- |                        |   |  |
|------------------------|---|--|
| $P_0$                  | = | current price per share of the firm's stock,   |
| $D_1, D_2, \dots, D_n$ | = | expected annual dividends per share on the firm's stock,   |
| $P_n$                  | = | price per share of stock at the time investors expect to sell the stock, and   |
| $k$                    | = | return investors expect to earn on alternative investments of the same risk, i.e., the investors' required rate of return. |

Unfortunately, expression (1) is rather difficult to analyze, especially for the purpose of estimating  $k$ . Thus, most analysts make a number of simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate  $g$  into the indefinite future. Second, they assume that the stock price at time  $n$  is simply the present value of all dividends expected in periods subsequent to  $n$ . Third, they assume that the investors' required rate of return,  $k$ , exceeds the expected dividend growth rate  $g$ . Under the above simplifying assumptions, a firm's stock price may be written as the following sum:

$$P_0 = \frac{D_0(1+g)}{(1+k)} + \frac{D_0(1+g)^2}{(1+k)^2} + \frac{D_0(1+g)^3}{(1+k)^3} + \dots, \quad (2)$$

where the three dots indicate that the sum continues indefinitely.

As we shall demonstrate shortly, this sum may be simplified to:

$$P_0 = \frac{D_0(1+g)}{(k-g)}$$

First, however, we need to review the very useful concept of a geometric progression.

### Geometric Progression

Consider the sequence of numbers 3, 6, 12, 24,..., where each number after the first is obtained by multiplying the preceding number by the factor 2. Obviously, this sequence of numbers may also be expressed as the sequence  $3, 3 \times 2, 3 \times 2^2, 3 \times 2^3$ , etc. This sequence is an example of a geometric progression.

Definition: A geometric progression is a sequence in which each term after the first is obtained by multiplying some fixed number, called the common ratio, by the preceding term.

A general notation for geometric progressions is:  $a$ , the first term,  $r$ , the common ratio, and  $n$ , the number of terms. Using this notation, any geometric progression may be represented by the sequence:

$$a, ar, ar^2, ar^3, \dots, ar^{n-1}.$$

In studying the DCF Model, we will find it useful to have an expression for the sum of  $n$  terms of a geometric progression. Call this sum  $S_n$ . Then

$$S_n = a + ar + \dots + ar^{n-1}. \quad (3)$$

However, this expression can be simplified by multiplying both sides of equation (3) by  $r$  and then subtracting the new equation from the old. Thus,

$$rS_n = ar + ar^2 + ar^3 + \dots + ar^n$$

and

$$S_n - rS_n = a - ar^n ,$$

or

$$(1 - r) S_n = a (1 - r^n) .$$

Solving for  $S_n$ , we obtain:

$$S_n = \frac{a(1 - r^n)}{(1 - r)} \quad (4)$$

as a simple expression for the sum of  $n$  terms of a geometric progression. Furthermore, if  $|r| < 1$ , then  $S_n$  is finite, and as  $n$  approaches infinity,  $S_n$  approaches  $a \div (1-r)$ . Thus, for a geometric progression with an infinite number of terms and  $|r| < 1$ , equation (4) becomes:

$$S = \frac{a}{1 - r} \quad (5)$$

#### Application to DCF Model

Comparing equation (2) with equation (3), we see that the firm's stock price (under the DCF assumption) is the sum of an infinite geometric progression with the first term

$$a = \frac{D_0(1 + g)}{(1 + k)}$$

and common factor

$$r = \frac{(1 + g)}{(1 + k)}$$

Applying equation (5) for the sum of such a geometric progression, we obtain

$$S = a \cdot \frac{1}{(1-r)} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1}{1 - \frac{1+g}{1+k}} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1+k}{k-g} = \frac{D_0(1+g)}{k-g}$$

as we suggested earlier.

**Quarterly DCF Model**

The Annual DCF Model assumes that dividends grow at an annual rate of  $g\%$  per year (see Figure 1).

Figure 1

Annual DCF Model

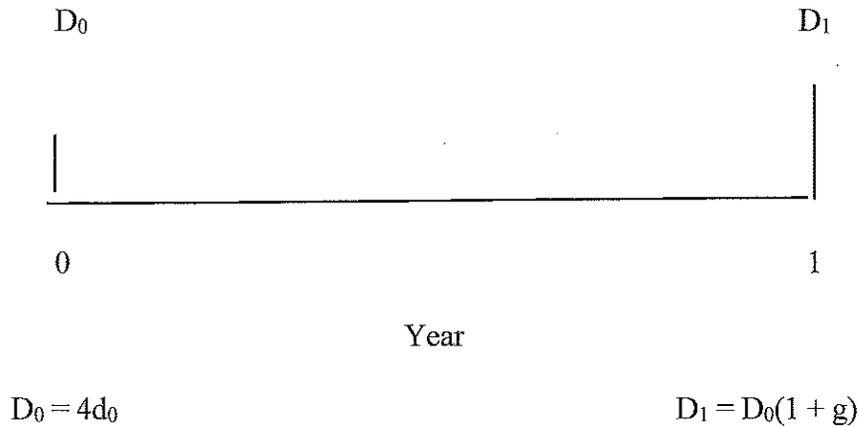
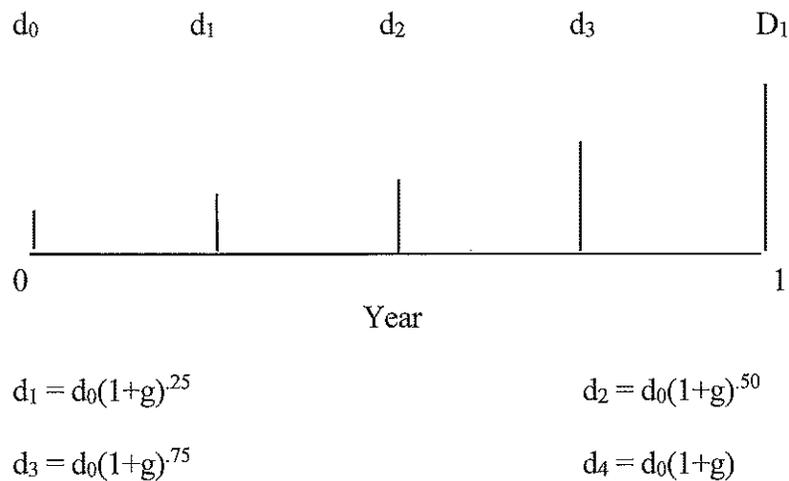


Figure 2

Quarterly DCF Model (Constant Growth Version)



In the Quarterly DCF Model, it is natural to assume that quarterly dividend payments differ from the preceding quarterly dividend by the factor  $(1 + g)^{.25}$ , where  $g$  is expressed in terms of percent per year and the decimal .25 indicates that the growth has only occurred for one quarter of the year. (See Figure 2.) Using this assumption, along with the assumption of

constant growth and  $k > g$ , we obtain a new expression for the firm's stock price, which takes account of the quarterly payment of dividends. This expression is:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}}} + \frac{d_0(1+g)^{\frac{2}{4}}}{(1+k)^{\frac{2}{4}}} + \frac{d_0(1+g)^{\frac{3}{4}}}{(1+k)^{\frac{3}{4}}} + \dots \quad (6)$$

where  $d_0$  is the last quarterly dividend payment, rather than the last annual dividend payment.

(We use a lower case d to remind the reader that this is not the annual dividend.)

Although equation (6) looks formidable at first glance, it too can be greatly simplified using the formula [equation (4)] for the sum of an infinite geometric progression. As the reader can easily verify, equation (6) can be simplified to:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}} - (1+g)^{\frac{1}{4}}} \quad (7)$$

Solving equation (7) for  $k$ , we obtain a DCF formula for estimating the cost of equity under the quarterly dividend assumption:

$$k = \left[ \frac{d_0(1+g)^{\frac{1}{4}}}{P_0} + (1+g)^{\frac{1}{4}} \right]^4 - 1 \quad (8)$$

### An Alternative Quarterly DCF Model

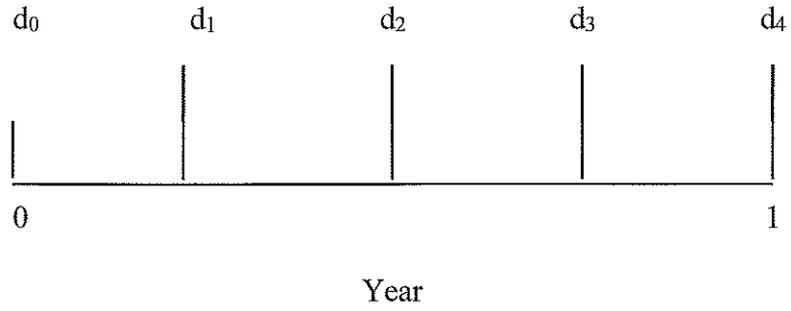
Although the constant growth Quarterly DCF Model [equation (8)] allows for the quarterly timing of dividend payments, it does require the assumption that the firm increases its dividend payments each quarter. Since this assumption is difficult for some analysts to accept, we now discuss a second Quarterly DCF Model that allows for constant quarterly dividend payments within each dividend year.

Assume then that the firm pays dividends quarterly and that each dividend payment is constant for four consecutive quarters. There are four cases to consider, with each case distinguished by varying assumptions about where we are evaluating the firm in relation to the time of its next dividend increase. (See Figure 3.)

**Figure 3**

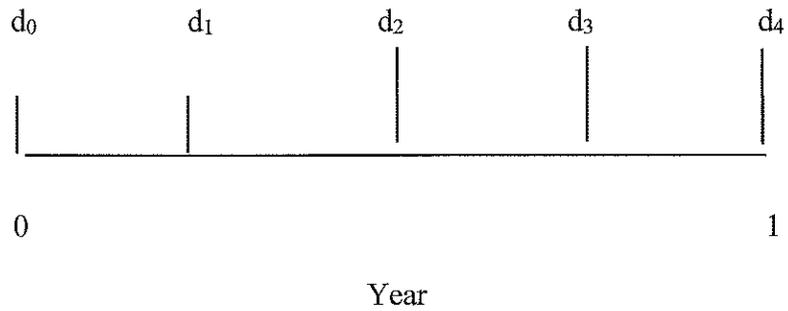
**Quarterly DCF Model (Constant Dividend Version)**

**Case 1**



$$d_1 = d_2 = d_3 = d_4 = d_0(1+g)$$

**Case 2**

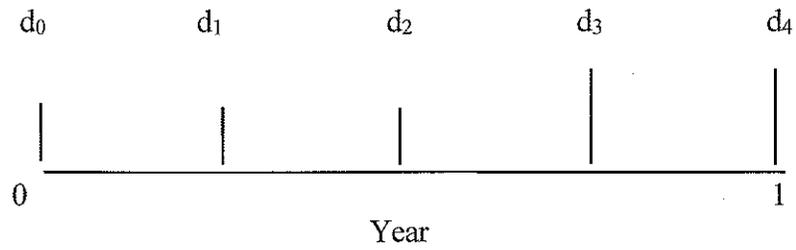


$$d_1 = d_0$$

$$d_2 = d_3 = d_4 = d_0(1+g)$$

**Figure 3 (continued)**

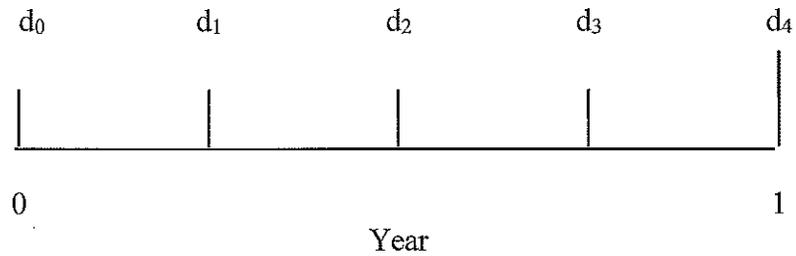
**Case 3**



$$d_1 = d_2 = d_0$$

$$d_3 = d_4 = d_0(1+g)$$

**Case 4**



$$d_1 = d_2 = d_3 = d_0$$

$$d_4 = d_0(1+g)$$

If we assume that the investor invests the quarterly dividend in an alternative investment of the same risk, then the amount accumulated by the end of the year will in all cases be given by:

$$D_1^* = d_1 (1+k)^{3/4} + d_2 (1+k)^{1/2} + d_3 (1+k)^{1/4} + d_4$$

where  $d_1$ ,  $d_2$ ,  $d_3$  and  $d_4$  are the four quarterly dividends. Under these new assumptions, the firm's stock price may be expressed by an Annual DCF Model of the form (2), with the exception that:

$$D_1^* = d_1 (1+k)^{3/4} + d_2 (1+k)^{1/2} + d_3 (1+k)^{1/4} + d_4 \quad (9)$$

is used in place of  $D_0(1+g)$ . But, we already know that the Annual DCF Model may be reduced to:

$$P_0 = \frac{D_0(1+g)}{k-g}$$

Thus, under the assumptions of the second Quarterly DCF Model, the firm's cost of equity is given by:

$$k = \frac{D_1^*}{P_0} + g \quad (10)$$

with  $D_1^*$  given by (9).

Although equation (10) looks like the Annual DCF Model, there are at least two very important practical differences. First, since  $D_1^*$  is always greater than  $D_0(1+g)$ , the estimates of the cost of equity are always larger (and more accurate) in the Quarterly Model (10) than in the Annual Model. Second, since  $D_1^*$  depends on  $k$  through equation (9), the unknown "k" appears on both sides of (10), and an iterative procedure is required to solve for  $k$ .

### APPENDIX 3

## ADJUSTING FOR FLOTATION COSTS IN DETERMINING A PUBLIC UTILITY'S ALLOWED RATE OF RETURN ON EQUITY

### I. Introduction

Regulation of public utilities is guided by the principle that utility revenues should be sufficient to allow recovery of all prudently incurred expenses, including the cost of capital. As set forth in the 1944 *Hope Natural Gas Case* [*Federal Power Comm'n v. Hope Natural Gas Co.* 320 U. S. 591 (1944) at 603], the U. S. Supreme Court states:

From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock.... By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks.

Since the flotation costs arising from the issuance of debt and equity securities are an integral component of capital costs, this standard requires that the company's revenues be sufficient to fully recover flotation costs.

Despite the widespread agreement that flotation costs should be recovered in the regulatory process, several issues still need to be resolved. These include:

1. How is the term "flotation costs" defined? Does it include only the out-of-pocket costs associated with issuing securities (e. g., legal fees, printing costs, selling and underwriting expenses), or does it also include the reduction in a security's price that frequently accompanies flotation?
2. What should be the time pattern of cost recovery? Should a company be allowed to recover flotation costs immediately, or should flotation costs be recovered over the life of the issue?
3. For the purposes of regulatory accounting, should flotation costs be included as an expense? As an addition to rate base? Or as an additional element of a firm's allowed rate of return?
4. Do existing regulatory methods for flotation cost recovery allow a firm *full* recovery of flotation costs?

In this paper, I review the literature pertaining to the above issues and discuss my own views regarding how this literature applies to the cost of equity for a regulated firm.

### II. Definition of Flotation Cost

The value of a firm is related to the future stream of net cash flows (revenues minus expenses measured on a cash basis) that can be derived from its assets. In the process of

acquiring assets, a firm incurs certain expenses which reduce its value. Some of these expenses or costs are directly associated with revenue production in one period (e. g., wages, cost of goods sold), others are more properly associated with revenue production in many periods (e. g., the acquisition cost of plant and equipment). In either case, the word "cost" refers to any item that reduces the value of a firm.

If this concept is applied to the act of issuing new securities to finance asset purchases, many items are properly included in issuance or flotation costs. These include: (1) compensation received by investment bankers for underwriting services, (2) legal fees, (3) accounting fees, (4) engineering fees, (5) trustee's fees, (6) listing fees, (7) printing and engraving expenses, (8) SEC registration fees, (9) Federal Revenue Stamps, (10) state taxes, (11) warrants granted to underwriters as extra compensation, (12) postage expenses, (13) employees' time, (14) market pressure, and (15) the offer discount. The finance literature generally divides these flotation cost items into three categories, namely, underwriting expenses, issuer expenses, and price effects.

### III. Magnitude of Flotation Costs

The finance literature contains several studies of the magnitude of the flotation costs associated with new debt and equity issues. These studies differ primarily with regard to the time period studied, the sample of companies included, and the source of data. The flotation cost studies generally agree, however, that for large issues, underwriting expenses represent approximately one and one-half percent of the proceeds of debt issues and three to five percent of the proceeds of seasoned equity issues. They also agree that issuer expenses represent approximately 0.5 percent of both debt and equity issues, and that the difference between the offering price and the last reported sales price is at least two to three percent of the proceeds from the stock issue. (Underwriters set the public offering price at a value less than the most recent market price in order to reduce the risk that they would have to sell the equity at a loss.) Thus, total flotation costs represent approximately two percent<sup>1</sup> of the proceeds from debt issues, and five and one-half to eight and one-half percent of the proceeds of equity issues.

Lee *et. al.* [14] is an excellent example of the type of flotation cost studies found in the finance literature. The Lee study is a comprehensive study of the underwriting and issuer costs associated with debt and equity issues for both utilities and non-utilities. The results of the Lee *et. al.* study are reproduced in Tables 1 and 2. Table 1 demonstrates that the total underwriting and issuer expenses for the 1,092 debt issues in their study averaged 2.24 percent of the proceeds of the issues, while the total underwriting and issuer costs for the 1,593 seasoned equity issues in their study averaged 7.11 percent of the proceeds of the new issue. Table 1 also demonstrates that the total underwriting and issuer costs of seasoned equity offerings, as a percent of proceeds, decline with the size of the issue. For

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[1] The two percent flotation cost on debt only recognizes the cost of newly-issued debt. When interest rates decline, many companies exercise the call provisions on higher cost debt and reissue debt at lower rates. This process involves reacquisition costs that are not included in the academic studies. If reacquisition costs were included in the academic studies, debt flotation costs could increase significantly.

issues above \$60 million, total underwriting and issuer costs amount to from three to five percent of the amount of the proceeds.

Table 2 reports the total underwriting and issuer expenses for 135 utility debt issues and 136 seasoned utility equity issues. Total underwriting and issuer expenses for utility bond offerings averaged 1.47 percent of the amount of the proceeds and for seasoned utility equity offerings averaged 4.92 percent of the amount of the proceeds. Again, there are some economies of scale associated with larger equity offerings. Total underwriting and issuer expenses for equity offerings in excess of 40 million dollars generally range from three to four percent of the proceeds.

The results of the Lee study for large equity issues are consistent with results of earlier studies by Bhagat and Frost [4], Mikkelson and Partch [17], and Smith [24]. Bhagat and Frost found that total underwriting and issuer expenses average approximately four and one-half percent of the amount of proceeds from negotiated utility offerings during the period 1973 to 1980, and approximately three and one-half percent of the amount of the proceeds from competitive utility offerings over the same period. Mikkelson and Partch found that total underwriting and issuer expenses average five and one-half percent of the proceeds from seasoned equity offerings over the 1972 to 1982 period. Smith found that total underwriting and issuer expenses for larger equity issues generally amount to four to five percent of the proceeds of the new issue.

The finance literature also contains numerous studies of the decline in price associated with sales of large blocks of stock to the public. These articles relate to the price impact of: (1) initial public offerings; (2) the sale of large blocks of stock from one investor to another; and (3) the issuance of seasoned equity issues to the general public. All of these studies generally support the notion that the announcement of the sale of large blocks of stock produces a decline in a company's share price. The decline in share price for initial public offerings is significantly larger than the decline in share price for seasoned equity offerings; and the decline in share price for public utilities is less than the decline in share price for non-public utilities. A comprehensive study of the magnitude of the decline in share price associated specifically with the sale of new equity by public utilities is reported in Pettway [19], who found the market pressure effect for a sample of 368 public utility equity sales to be in the range of two to three percent. This decline in price is a real cost to the utility, because the proceeds to the utility depend on the stock price on the day of issue.

In addition to the price decline associated with the announcement of a new equity issue, the finance literature recognizes that there is also a price decline associated with the actual issuance of equity securities. In particular, underwriters typically sell seasoned new equity securities to investors at a price lower than the closing market price on the day preceding the issue. The Rules of Fair Practice of the National Association of Securities Dealers require that underwriters not sell shares at a price above the offer price. Because the offer price represents a binding constraint to the underwriter, the underwriter tends to set the offer price slightly below the last reported market price to compensate for the risk that the price received by the underwriter may go down, but cannot increase.

In summary, the finance literature provides strong support for the conclusion that total underwriting and issuer expenses for public utility debt offerings represent approximately two percent of the amount of the proceeds, while total underwriting and issuer expenses for public utility equity offerings represent at least four to five percent of the amount of the proceeds. In addition, the finance literature supports the conclusion that the cost associated with the decline in stock price at the announcement date represents approximately two to three percent as a result of a large public utility equity issue.

#### **IV. Time Pattern Of Flotation Cost Recovery**

Although flotation costs are incurred only at the time a firm issues new securities, there is no reason why an issuing firm ought to recognize the expense only in the current period. In fact, if assets purchased with the proceeds of a security issue produce revenues over many years, a sound argument can be made in favor of recognizing flotation expenses over a reasonably lengthy period of time. Such recognition is certainly consistent with the generally accepted accounting principle that the time pattern of expenses match the time pattern of revenues, and it is also consistent with the normal treatment of debt flotation expenses in both regulated and unregulated industries.

In the context of a regulated firm, it should be noted that there are many possible time patterns for the recovery of flotation expenses. However, if it is felt that flotation expenses are most appropriately recovered over a period of years, then it should be recognized that investors must also be compensated for the passage of time. That is to say, the value of an investor's capital will be reduced if the expenses are merely distributed over time, without any allowance for the time value of money.

#### **V. Accounting For Flotation Cost In A Regulatory Setting**

In a regulatory setting, a firm's revenue requirements are determined by the equation:

$$\text{Revenue Requirement} = \text{Total Expenses} + \text{Allowed Rate of Return} \times \text{Rate Base}$$

Thus, there are three ways in which an issuing firm can account for and recover its flotation expenses: (1) treat flotation expenses as a current expense and recover them immediately; (2) include flotation expenses in rate base and recover them over time; and (3) adjust the allowed rate of return upward and again recover flotation expenses over time. Before considering methods currently being used to recover flotation expenses in a regulatory setting, I shall briefly consider the advantages and disadvantages of these three basic recovery methods.

**Expenses.** Treating flotation costs as a current expense has several advantages. Because it allows for recovery at the time the expense occurs, it is not necessary to compute amortized balances over time and to debate which interest rate should be applied to these balances. A firm's stockholders are treated fairly, and so are the firm's customers, because they pay neither more nor less than the actual flotation expense. Since flotation costs are relatively small compared to the total revenue requirement, treatment as a current expense does not cause unusual rate hikes in the year of flotation, as would the

introduction of a large generating plant in a state that does not allow Construction Work in Progress in rate base.

On the other hand, there are two major disadvantages of treating flotation costs as a current expense. First, since the asset purchased with the acquired funds will likely generate revenues for many years into the future, it seems unfair that current ratepayers should bear the full cost of issuing new securities, when future ratepayers share in the benefits. Second, this method requires an estimate of the underpricing effect on each security issue. Given the difficulties involved in measuring the extent of underpricing, it may be more accurate to estimate the average underpricing allowance for many securities than to estimate the exact figure for one security.

**Rate Base.** In an article in *Public Utilities Fortnightly*, Bierman and Hass [5] recommend that flotation costs be treated as an intangible asset that is included in a firm's rate base along with the assets acquired with the stock proceeds. This approach has many advantages. For ratepayers, it provides a better match between benefits and expenses: the future ratepayers who benefit from the financing costs contribute the revenues to recover these costs. For investors, if the allowed rate of return is equal to the investors' required rate of return, it is also theoretically fair since they are compensated for the opportunity cost of their investment (including both the time value of money and the investment risk).

Despite the compelling advantages of this method of cost recovery, there are several disadvantages that probably explain why it has not been used in practice. First, a firm will only recover the proper amount for flotation expenses if the rate base is multiplied by the appropriate cost of capital. To the extent that a commission under or over estimates the cost of capital, a firm will under or over recover its flotation expenses. Second, it is may be both legally and psychologically difficult for commissioners to include an intangible asset in a firm's rate base. According to established legal doctrine, assets are to be included in rate base only if they are "used and useful" in the public service. It is unclear whether intangible assets such as flotation expenses meet this criterion.

**Rate of Return.** The prevailing practice among state regulators is to treat flotation expenses as an additional element of a firm's cost of capital or allowed rate of return. This method is similar to the second method above (treatment in rate base) in that some part of the initial flotation cost is amortized over time. However, it has a disadvantage not shared by the rate base method. If flotation cost is included in rate base, it is fairly easy to keep track of the flotation cost on each new equity issue and see how it is recovered over time. Using the rate of return method, it is not possible to track the flotation cost for specific issues because the flotation cost for a specific issue is never recorded. Thus, it is not clear to participants whether a current allowance is meant to recover (1) flotation costs actually incurred in a test period, (2) expected future flotation costs, or (3) past flotation costs. This confusion never arises in the treatment of debt flotation costs. Because the exact costs are recorded and explicitly amortized over time, participants recognize that current allowances for debt flotation costs are meant to recover some fraction of the flotation costs on all past debt issues.

## VI. Existing Regulatory Methods

Although most state commissions prefer to let a regulated firm recover flotation expenses through an adjustment to the allowed rate of return, there is considerable controversy about the magnitude of the required adjustment. The following are some of the most frequently asked questions: (1) Should an adjustment to the allowed return be made every year, or should the adjustment be made only in those years in which new equity is raised? (2) Should an adjusted rate of return be applied to the entire rate base, or should it be applied only to that portion of the rate base financed with paid-in capital (as opposed to retained earnings)? (3) What is the appropriate formula for adjusting the rate of return?

This section reviews several methods of allowing for flotation cost recovery. Since the regulatory methods of allowing for recovery of debt flotation costs is well known and widely accepted, I will begin my discussion of flotation cost recovery procedures by describing the widely accepted procedure of allowing for debt flotation cost recovery.

### **Debt Flotation Costs**

Regulators uniformly recognize that companies incur flotation costs when they issue debt securities. They typically allow recovery of debt flotation costs by making an adjustment to both the cost of debt and the rate base (see Brigham [6]). Assume that: (1) a regulated company issues \$100 million in bonds that mature in 10 years; (2) the interest rate on these bonds is seven percent; and (3) flotation costs represent four percent of the amount of the proceeds. Then the cost of debt for regulatory purposes will generally be calculated as follows:

$$\begin{aligned}\text{Cost of Debt} &= \frac{\text{Interest expense} + \text{Amortization of flotation costs}}{\text{Principal value} - \text{Unamortized flotation costs}} \\ &= \frac{\$7,000,000 + \$400,000}{\$100,000,000 - \$4,000,000} \\ &= 7.71\%\end{aligned}$$

Thus, current regulatory practice requires that the cost of debt be adjusted upward by approximately 71 basis points, in this example, to allow for the recovery of debt flotation costs. This example does not include losses on reacquisition of debt. The flotation cost allowance would increase if losses on reacquisition of debt were included.

The logic behind the traditional method of allowing for recovery of debt flotation costs is simple. Although the company has issued \$100 million in bonds, it can only invest \$96 million in rate base because flotation costs have reduced the amount of funds received by \$4 million. If the company is not allowed to earn a 71 basis point higher rate of return on the \$96 million invested in rate base, it will not generate sufficient cash flow to pay the seven percent interest on the \$100 million in bonds it has issued. Thus, proper regulatory treatment is to increase the required rate of return on debt by 71 basis points.

## Equity Flotation Costs

The finance literature discusses several methods of recovering equity flotation costs. Since each method stems from a specific model, (i. e., set of assumptions) of a firm and its cash flows, I will highlight the assumptions that distinguish one method from another.

**Arzac and Marcus.** Arzac and Marcus [2] study the proper flotation cost adjustment formula for a firm that makes continuous use of retained earnings and external equity financing and maintains a constant capital structure (debt/equity ratio). They assume at the outset that underwriting expenses and underpricing apply only to new equity obtained from external sources. They also assume that a firm has previously recovered all underwriting expenses, issuer expenses, and underpricing associated with previous issues of new equity.

To discuss and compare various equity flotation cost adjustment formulas, Arzac and Marcus make use of the following notation:

k	=	an investors' required return on equity
r	=	a utility's allowed return on equity base
S	=	value of equity in the absence of flotation costs
S <sub>f</sub>	=	value of equity net of flotation costs
K <sub>t</sub>	=	equity base at time t
E <sub>t</sub>	=	total earnings in year t
D <sub>t</sub>	=	total cash dividends at time t
b	=	$(E_t - D_t) \div E_t$ = retention rate, expressed as a fraction of earnings
h	=	new equity issues, expressed as a fraction of earnings
m	=	equity investment rate, expressed as a fraction of earnings,
		$m = b + h < 1$
f	=	flotation costs, expressed as a fraction of the value of an issue.

Because of flotation costs, Arzac and Marcus assume that a firm must issue a greater amount of external equity each year than it actually needs. In terms of the above notation, a firm issues  $hE_t \div (1-f)$  to obtain  $hE_t$  in external equity funding. Thus, each year a firm loses:

### Equation 1

$$L = \frac{hE_t}{1-f} - hE_t = \frac{f}{1-f} \times hE_t$$

due to flotation expenses. The present value,  $V$ , of all future flotation expenses is:

**Equation 2**

$$V = \sum_{t=1}^{\infty} \frac{fhE_t}{(1-f)(1+k)^t} = \frac{fh}{1-f} \times \frac{rK_0}{k-mr}$$

To avoid diluting the value of the initial stockholder's equity, a regulatory authority needs to find the value of  $r$ , a firm's allowed return on equity base, that equates the value of equity net of flotation costs to the initial equity base ( $S_f = K_0$ ). Since the value of equity net of flotation costs equals the value of equity in the absence of flotation costs minus the present value of flotation costs, a regulatory authority needs to find that value of  $r$  that solves the following equation:

$$S_f = S - L.$$

This value is:

**Equation 3**

$$r = \frac{k}{1 - \frac{fh}{1-f}}$$

To illustrate the Arzac-Marcus approach to adjusting the allowed return on equity for the effect of flotation costs, suppose that the cost of equity in the absence of flotation costs is 12 percent. Furthermore, assume that a firm obtains external equity financing each year equal to 10 percent of its earnings and that flotation expenses equal 5 percent of the value of each issue. Then, according to Arzac and Marcus, the allowed return on equity should be:

$$r = \frac{.12}{1 - \frac{(.05) \cdot (.1)}{.95}} = .1206 = 12.06\%$$

**Summary.** With respect to the three questions raised at the beginning of this section, it is evident that Arzac and Marcus believe the flotation cost adjustment should be applied each year, since continuous external equity financing is a fundamental assumption of their model. They also believe that the adjusted rate of return should be applied to the entire equity-financed portion of the rate base because their model is based on the assumption that the flotation cost adjustment mechanism will be applied to the entire equity financed portion of the rate base. Finally, Arzac and Marcus recommend a flotation cost adjustment formula, Equation (3), that implicitly excludes recovery of financing costs associated with financing in previous periods and includes only an allowance for the fraction of equity financing obtained from external sources.

**Patterson.** The Arzac-Marcus flotation cost adjustment formula is significantly different from the conventional approach (found in many introductory textbooks) which recommends the adjustment equation:

**Equation 4**

$$r = \frac{D_t}{P_{t-1}(1-f)} + g$$

where  $P_{t-1}$  is the stock price in the previous period and  $g$  is the expected dividend growth rate. Patterson [18] compares the Arzac-Marcus adjustment formula to the conventional approach and reaches the conclusion that the Arzac-Marcus formula effectively expenses issuance costs as they are incurred, while the conventional approach effectively amortizes them over an assumed infinite life of the equity issue. Thus, the conventional formula is similar to the formula for the recovery of debt flotation costs: it is not meant to compensate investors for the flotation costs of future issues, but instead is meant to compensate investors for the flotation costs of previous issues. Patterson argues that the conventional approach is more appropriate for rate making purposes because the plant purchased with external equity funds will yield benefits over many future periods.

**Illustration.** To illustrate the Patterson approach to flotation cost recovery, assume that a newly organized utility sells an initial issue of stock for \$100 per share, and that the utility plans to finance all new investments with retained earnings. Assume also that: (1) the initial dividend per share is six dollars; (2) the expected long-run dividend growth rate is six percent; (3) the flotation cost is five percent of the amount of the proceeds; and (4) the payout ratio is 51.28 percent. Then, the investor's required rate of return on equity is  $[k = (D/P) + g = 6 \text{ percent} + 6 \text{ percent} = 12 \text{ percent}]$ ; and the flotation-cost-adjusted cost of equity is  $[6 \text{ percent} (1/.95) + 6 \text{ percent} = 12.316 \text{ percent}]$ .

The effects of the Patterson adjustment formula on the utility's rate base, dividends, earnings, and stock price are shown in Table 3. We see that the Patterson formula allows earnings and dividends to grow at the expected six percent rate. We also see that the present value of expected future dividends, \$100, is just sufficient to induce investors to part with their money. If the present value of expected future dividends were less than \$100, investors would not have been willing to invest \$100 in the firm. Furthermore, the present value of future dividends will only equal \$100 if the firm is allowed to earn the 12.316 percent flotation-cost-adjusted cost of equity on its entire rate base.

**Summary.** Patterson's opinions on the three issues raised in this section are in stark contrast to those of Arzac and Marcus. He believes that: (1) a flotation cost adjustment should be applied in every year, regardless of whether a firm issues any new equity in each year; (2) a flotation cost adjustment should be applied to the entire equity-financed portion of the rate base, including that portion financed by retained earnings; and (3) the rate of return adjustment formula should allow a firm to recover an appropriate fraction of all previous flotation expenses.

**VII. Conclusion**

Having reviewed the literature and analyzed flotation cost issues, I conclude that:

**Definition of Flotation Cost:** A regulated firm should be allowed to recover both the total underwriting and issuance expenses associated with issuing securities and the cost of market pressure.

**Time Pattern of Flotation Cost Recovery.** Shareholders are indifferent between the alternatives of immediate recovery of flotation costs and recovery over time, as long as they are fairly compensated for the opportunity cost of their money. This opportunity cost must include both the time value of money and a risk premium for equity investments of this nature.

**Regulatory Recovery of Flotation Costs.** The Patterson approach to recovering flotation costs is the only rate-of-return-adjustment approach that meets the *Hope* case criterion that a regulated company's revenues must be sufficient to allow the company an opportunity to recover all prudently incurred expenses, including the cost of capital. The Patterson approach is also the only rate-of-return-adjustment approach that provides an incentive for investors to invest in the regulated company.

**Implementation of a Flotation Cost Adjustment.** As noted earlier, prevailing regulatory practice seems to be to allow the recovery of flotation costs through an adjustment to the required rate of return. My review of the literature on this subject indicates that there are at least two recommended methods of making this adjustment: the Patterson approach and the Arzac-Marcus approach. The Patterson approach assumes that a firm's flotation expenses on new equity issues are treated in the same manner as flotation expenses on new bond issues, i. e., they are amortized over future time periods. If this assumption is true (and I believe it is), then the flotation cost adjustment should be applied to a firm's entire equity base, including retained earnings. In practical terms, the Patterson approach produces an increase in a firm's cost of equity of approximately twenty to thirty basis points. The Arzac-Marcus approach assumes that flotation costs on new equity issues are recovered entirely in the year in which the securities are sold. Under the Arzac-Marcus assumption, a firm should not be allowed any adjustments for flotation costs associated with previous flotations. Instead, a firm should be allowed only an adjustment on future security sales as they occur. Under reasonable assumptions about the rate of new equity sales, this method produces an increase in the cost of equity of approximately six basis points. Since the Arzac-Marcus approach does not allow the company to recover the entire amount of its flotation cost, I recommend that this approach be rejected and the Patterson approach be accepted.

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**Table 1**  
**Direct Costs as a Percentage of Gross Proceeds**  
**for Equity (IPOs and SEOs) and Straight and Convertible Bonds**  
**Offered by Domestic Operating Companies 1990—1994<sup>2</sup>**

**Equities**

Line No.	Proceeds (\$ in millions)	IPOs				SEOs			
		No. of Issues	Gross Spreads	Other Direct Expenses	Total Direct Costs	No. of Issues	Gross Spreads	Other Direct Expenses	Total Direct Costs
1	2-9.99	337	9.05%	7.91%	16.96%	167	7.72%	5.56%	13.28%
2	10-19.99	389	7.24%	4.39%	11.63%	310	6.23%	2.49%	8.72%
3	20-39.99	533	7.01%	2.69%	9.70%	425	5.60%	1.33%	6.93%
4	40-59.99	215	6.96%	1.76%	8.72%	261	5.05%	0.82%	5.87%
5	60-79.99	79	6.74%	1.46%	8.20%	143	4.57%	0.61%	5.18%
6	80-99.99	51	6.47%	1.44%	7.91%	71	4.25%	0.48%	4.73%
7	100-199.99	106	6.03%	1.03%	7.06%	152	3.85%	0.37%	4.22%
8	200-499.99	47	5.67%	0.86%	6.53%	55	3.26%	0.21%	3.47%
9	500 and up	10	5.21%	0.51%	5.72%	9	3.03%	0.12%	3.15%
10	<b>Total/Average</b>	<b>1,767</b>	<b>7.31%</b>	<b>3.69%</b>	<b>11.00%</b>	<b>1,593</b>	<b>5.44%</b>	<b>1.67%</b>	<b>7.11%</b>

**Bonds**

Line No.	Proceeds (\$ in millions)	Convertible Bonds				Straight Bonds			
		No. of Issues	Gross Spreads	Other Direct Expenses	Total Direct Costs	No. of Issues	Gross Spreads	Other Direct Expenses	Total Direct Costs
1	2-9.99	4	6.07%	2.68%	8.75%	32	2.07%	2.32%	4.39%
2	10-19.99	14	5.48%	3.18%	8.66%	78	1.36%	1.40%	2.76%
3	20-39.99	18	4.16%	1.95%	6.11%	89	1.54%	0.88%	2.42%
4	40-59.99	28	3.26%	1.04%	4.30%	90	0.72%	0.60%	1.32%
5	60-79.99	47	2.64%	0.59%	3.23%	92	1.76%	0.58%	2.34%
6	80-99.99	13	2.43%	0.61%	3.04%	112	1.55%	0.61%	2.16%
7	100-199.99	57	2.34%	0.42%	2.76%	409	1.77%	0.54%	2.31%
8	200-499.99	27	1.99%	0.19%	2.18%	170	1.79%	0.40%	2.19%
9	500 and up	3	2.00%	0.09%	2.09%	20	1.39%	0.25%	1.64%
10	<b>Total/Average</b>	<b>211</b>	<b>2.92%</b>	<b>0.87%</b>	<b>3.79%</b>	<b>1,092</b>	<b>1.62%</b>	<b>0.62%</b>	<b>2.24%</b>

[2] Inmoo Lee, Scott Lochhead, Jay Ritter, and Quanshui Zhao, "The Costs of Raising Capital," *Journal of Financial Research* Vol 19 No 1 (Spring 1996) pp. 59-74.

Notes:

Closed-end funds and unit offerings are excluded from the sample. Rights offerings for SEOs are also excluded. Bond offerings do not include securities backed by mortgages and issues by Federal agencies. Only firm commitment offerings and non-shelf-registered offerings are included.

Gross Spreads as a percentage of total proceeds, including management fee, underwriting fee, and selling concession.

Other Direct Expenses as a percentage of total proceeds, including management fee, underwriting fee, and selling concession.

Total Direct Costs as a percentage of total proceeds (total direct costs are the sum of gross spreads and other direct expenses).

Table 2  
Direct Costs of Raising Capital 1990—1994  
Utility versus Non-Utility Companies<sup>3</sup>

**Equities**

Line No.	Non-Utilities	IPOs			SEOs		
	Proceeds (\$ in millions)	No. of Issues	Gross Spreads	Total Direct Costs	No. Of Issues	Gross Spreads	Total Direct Costs
1	2-9.99	332	9.04%	16.97%	154	7.91%	13.76%
2	10-19.99	388	7.24%	11.64%	278	6.42%	9.01%
3	20-39.99	528	7.01%	9.70%	399	5.70%	7.07%
4	40-59.99	214	6.96%	8.71%	240	5.17%	6.02%
5	60-79.99	78	6.74%	8.21%	131	4.68%	5.31%
6	80-99.99	47	6.46%	7.88%	60	4.35%	4.84%
7	100-199.99	101	6.01%	7.01%	137	3.97%	4.36%
8	200-499.99	44	5.65%	6.49%	50	3.27%	3.48%
9	500 and up	10	5.21%	5.72%	8	3.12%	3.25%
10	<b>Total/Average</b>	1,742	7.31%	11.01%	1,457	5.57%	7.32%
11	<b>Utilities Only</b>						
12	2-9.99	5	9.40%	16.54%	13	5.41%	7.68%
13	10-19.99	1	7.00%	8.77%	32	4.59%	6.21%
14	20-39.99	5	7.00%	9.86%	26	4.17%	4.96%
15	40-59.99	1	6.98%	11.55%	21	3.69%	4.12%
16	60-79.99	1	6.50%	7.55%	12	3.39%	3.72%
17	80-99.99	4	6.57%	8.24%	11	3.68%	4.11%
18	100-199.99	5	6.45%	7.96%	15	2.83%	2.98%
19	200-499.99	3	5.88%	7.00%	5	3.19%	3.48%
20	500 and up	0			1	2.25%	2.31%
21	<b>Total/Average</b>	25	7.15%	10.14%	136	4.01%	4.92%

[3] Lee et al, *op. cit.*

Table 2 (continued)  
Direct Costs of Raising Capital 1990—1994  
Utility versus Non-Utility Companies<sup>4</sup>

<b>Bonds</b>							
	<b>Non- Utilities</b>	<b>Convertible Bonds</b>			<b>Straight Bonds</b>		
<b>Line No.</b>	<b>Proceeds (\$ in millions)</b>	<b>No. of Issues</b>	<b>Gross Spreads</b>	<b>Total Direct Costs</b>	<b>No. of Issues</b>	<b>Gross Spreads</b>	<b>Total Direct Costs</b>
1	2-9.99	4	6.07%	8.75%	29	2.07%	4.53%
2	10-19.99	12	5.54%	8.65%	47	1.70%	3.28%
3	20-39.99	16	4.20%	6.23%	63	1.59%	2.52%
4	40-59.99	28	3.26%	4.30%	76	0.73%	1.37%
5	60-79.99	47	2.64%	3.23%	84	1.84%	2.44%
6	80-99.99	12	2.54%	3.19%	104	1.61%	2.25%
7	100-199.99	55	2.34%	2.77%	381	1.83%	2.38%
8	200-499.99	26	1.97%	2.16%	154	1.87%	2.27%
9	500 and up	3	2.00%	2.09%	19	1.28%	1.53%
10	<b>Total/Average</b>	203	2.90%	3.75%	957	1.70%	2.34%
11	<b>Utilities Only</b>						
12	2-9.99	0			3	2.00%	3.28%
13	10-19.99	2	5.13%	8.72%	31	0.86%	1.35%
14	20-39.99	2	3.88%	5.18%	26	1.40%	2.06%
15	40-59.99	0			14	0.63%	1.10%
16	60-79.99	0			8	0.87%	1.13%
17	80-99.99	1	1.13%	1.34%	8	0.71%	0.98%
18	100-199.99	2	2.50%	2.74%	28	1.06%	1.42%
19	200-499.99	1	2.50%	2.65%	16	1.00%	1.40%
20	500 and up	0			1	3.50%	na <sup>5</sup>
21	<b>Total/Average</b>	8	3.33%	4.66%	135	1.04%	1.47%

## Notes:

Total proceeds raised in the United States, excluding proceeds from the exercise of over allotment options.

Gross spreads as a percentage of total proceeds (including management fee, underwriting fee, and selling concession).

Other direct expenses as a percentage of total proceeds (including registration fee and printing, legal, and auditing costs).

[4] Lee *et al.*, *op. cit.*

[5] Not available because of missing data on other direct expenses.

**Table 3**  
Illustration of Patterson Approach to Flotation Cost Recovery

LINE NO.	TIME PERIOD	RATE BASE	EARNINGS @ 12.32%	EARNINGS @ 12.00%	DIVIDENDS	AMORTIZATION INITIAL FC
1	0	95.00				
2	1	100.70	11.70	11.40	6.00	0.3000
3	2	106.74	12.40	12.08	6.36	0.3180
4	3	113.15	13.15	12.81	6.74	0.3371
5	4	119.94	13.93	13.58	7.15	0.3573
6	5	127.13	14.77	14.39	7.57	0.3787
7	6	134.76	15.66	15.26	8.03	0.4015
8	7	142.84	16.60	16.17	8.51	0.4256
9	8	151.42	17.59	17.14	9.02	0.4511
10	9	160.50	18.65	18.17	9.56	0.4782
11	10	170.13	19.77	19.26	10.14	0.5068
12	11	180.34	20.95	20.42	10.75	0.5373
13	12	191.16	22.21	21.64	11.39	0.5695
14	13	202.63	23.54	22.94	12.07	0.6037
15	14	214.79	24.96	24.32	12.80	0.6399
16	15	227.67	26.45	25.77	13.57	0.6783
17	16	241.33	28.04	27.32	14.38	0.7190
18	17	255.81	29.72	28.96	15.24	0.7621
19	18	271.16	31.51	30.70	16.16	0.8078
20	19	287.43	33.40	32.54	17.13	0.8563
21	20	304.68	35.40	34.49	18.15	0.9077
22	21	322.96	37.52	36.56	19.24	0.9621
23	22	342.34	39.77	38.76	20.40	1.0199
24	23	362.88	42.16	41.08	21.62	1.0811
25	24	384.65	44.69	43.55	22.92	1.1459
26	25	407.73	47.37	46.16	24.29	1.2147
27	26	432.19	50.21	48.93	25.75	1.2876
28	27	458.12	53.23	51.86	27.30	1.3648
29	28	485.61	56.42	54.97	28.93	1.4467
30	29	514.75	59.81	58.27	30.67	1.5335
31	30	545.63	63.40	61.77	32.51	1.6255
32	Present Value@12%		195.00	190.00	100.00	5.00

**APPENDIX 4**  
**EX ANTE RISK PREMIUM APPROACH**

My ex ante risk premium method is based on studies of the DCF expected return on proxy companies compared to the interest rate on Moody's A-rated utility bonds. Specifically, for each month in my study period, I calculate the risk premium using the equation,

$$RP_{\text{PROXY}} = DCF_{\text{PROXY}} - I_A$$

where:

- $RP_{\text{PROXY}}$  = the required risk premium on an equity investment in the proxy group of companies,
- $DCF_{\text{PROXY}}$  = average DCF estimated cost of equity on a portfolio of proxy companies; and
- $I_A$  = the yield to maturity on an investment in A-rated utility bonds.

For my ex ante risk premium analysis, I begin with my comparable group of natural gas companies. Previous studies have shown that the ex ante risk premium tends to vary inversely with the level of interest rates, that is, the risk premium tends to increase when interest rates decline, and decrease when interest rates go up. To test whether my studies also indicate that the ex ante risk premium varies inversely with the level of interest rates, I perform a regression analysis of the relationship between the ex ante risk premium and the yield to maturity on A-rated utility bonds, using the equation,

$$RP_{\text{PROXY}} = a + (b \times I_A) + e$$

where:

- $RP_{\text{PROXY}}$  = risk premium on proxy company group;
- $I_A$  = yield to maturity on A-rated utility bonds;
- $e$  = a random residual; and
- $a, b$  = coefficients estimated by the regression procedure.

Regression analysis assumes that the statistical residuals from the regression equation are random. My examination of the residuals reveals that there is a significant probability that the residuals are serially correlated (non-zero serial correlation indicates that the residual in one time period tends to be correlated with the residual in the previous time period). Therefore, I make adjustments to my data to correct for the possibility of serial correlation in the residuals.

The common procedure for dealing with serial correlation in the residuals is to estimate the regression coefficients in two steps. First, a multiple regression analysis is used to estimate the serial correlation coefficient,  $r$ . Second, the estimated serial correlation coefficient is used to transform the original variables into new variables whose serial correlation is approximately zero. The regression coefficients are then re-estimated using the transformed variables as inputs in the regression equation. Based on my knowledge of the statistical relationship between the yield to maturity on A-rated utility bonds and the required risk premium, my estimate of the ex ante risk premium on an investment in my proxy natural gas company group as compared to an investment in A-rated utility bonds is given by the equation:

$$\begin{array}{rcl}
 RP_{\text{PROXY}} & = & 8.52 & -0.580 \times I_A \\
 & & (15.50) & (-6.38) \text{ [6]}
 \end{array}$$

Using a 5.8 percent forecasted yield to maturity on A-rated utility bonds at June 2017,<sup>7</sup> the regression equation produces an ex ante risk premium based on the natural gas proxy group equal to 5.2 percent ( $8.52 - .580 \times 5.8 = 5.2$ ).

To estimate the cost of equity using the ex ante risk premium method, one may add the estimated risk premium over the yield on A-rated utility bonds to the forecasted yield to maturity on A-rated utility bonds. As described above, my analyses produce an estimated risk premium over the yield on A-rated utility bonds equal to 5.2 percent. Adding an estimated risk premium of 5.2 percent to the 5.8 percent forecasted yield to maturity on A-rated utility bonds produces a cost of equity estimate of 11.0 percent using the ex ante risk premium method.

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[6] The t-statistics are shown in parentheses.

[7] As described in my testimony, I obtain the expected yield to maturity on A-rated utility bonds, 5.8 percent, by averaging forecast data from Value Line and the U.S. Energy Information Administration (EIA). Value Line Selection & Opinion (June 2, 2017) projects a Aaa-rated Corporate bond yield equal to 5.5 percent. The June 2017 average spread between A-rated utility bonds and Aaa-rated Corporate bonds is 26 basis points (A-rated utility, 3.94 percent, less Aaa-rated Corporate, 3.68 percent, equals 26 basis points). Adding 26 basis points to the 5.5 percent Value Line Aaa Corporate bond forecast equals a forecast yield of 5.76 percent for the A-rated utility bonds. The EIA forecasts a AA-rated utility bond yield equal to 5.71 percent. The average spread between AA-rated utility and A-rated utility bonds at June 2, 2017 is 12 basis points (3.82 percent less 3.94 percent). Adding 12 basis points to EIA's 5.71 percent AA-utility bond yield forecast equals a forecast yield for A-rated utility bonds equal to 5.83 percent. The average of the forecasts (5.76 percent using Value Line data and 5.83 percent using EIA data) is 5.8 percent.

**APPENDIX 5  
EX POST RISK PREMIUM APPROACH**

**Source**

Stock price and yield information is obtained from Standard & Poor's Security Price publication. Standard & Poor's derives the stock dividend yield by dividing the aggregate cash dividends (based on the latest known annual rate) by the aggregate market value of the stocks in the group. The bond price information is obtained by calculating the present value of a bond due in thirty years with a \$4.00 coupon and a yield to maturity of a particular year's indicated Moody's A-rated utility bond yield. The values shown in the schedules are the January values of the respective indices.

**Calculation of Stock and Bond Returns**

Sample calculation of "Stock Return" column:

$$\text{Stock Return (2016)} = \left[ \frac{\text{Stock Price (2017)} - \text{Stock Price (2016)} + \text{Dividend (2016)}}{\text{Stock Price (2016)}} \right]$$

where Dividend (2016) = Stock Price (2016) x Stock Div. Yield (2016)

Sample calculation of "Bond Return" column:

$$\text{Bond Return (2016)} = \left[ \frac{\text{Bond Price (2017)} - \text{Bond Price (2016)} + \text{Interest (2016)}}{\text{Bond Price (2016)}} \right]$$

where Interest = \$4.00.



BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY )  
 )  
CORPORATION FOR AN ADJUSTMENT ) Case No. 2017-00349  
 )  
OF RATES AND TARIFF MODIFICATIONS )

TESTIMONY OF LAURA K. GILLHAM

1 I. POSITION AND QUALIFICATIONS

2 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

3 A. My name is Laura K. Gillham. My business address is 5430 LBJ Freeway, Suite  
4 600, Dallas, Texas 75240.

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

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

8 Q. WHAT ARE YOUR JOB RESPONSIBILITIES?

9 A. I am primarily responsible for directing various accounting activities and policies  
10 within the Company. My main duties include the oversight of general accounting,  
11 fixed assets accounting, accounts payable, payroll, and cost allocations. I also serve  
12 on an internal committee which is responsible for the oversight and monitoring of  
13 Sarbanes-Oxley (SOX) compliance. In addition, I work with both our internal and  
14 external auditors on implementing, testing, maintaining and modifying the

1 Company's accounting controls, as well as interfacing between the auditors and the  
2 Company.

3 I am also responsible for ensuring effective financial and internal controls  
4 for the Company's accounting processes, system and procedures. I have knowledge  
5 of the Company's accounting activities, which include compiling, processing,  
6 reporting and analyzing financial information to satisfy the requirements of internal  
7 management, internal independent auditors, external independent auditors and  
8 regulatory agencies.

9 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**  
10 **PROFESSIONAL EXPERIENCE.**

11 A. I earned a Bachelor of Business Administration degree in Accounting and Finance  
12 from Texas Christian University in 2007. I also earned a Master of Accounting  
13 degree from Texas Christian University in 2008.

14 Before joining Atmos Energy, I worked in public accounting for  
15 approximately nine years, serving clients across multiple industries. I joined Atmos  
16 Energy in May 2017 as the Manager of Financial Reporting and assumed the role  
17 of Director of Accounting Services in August 2017. Since assuming the role of the  
18 Director of Accounting Services, I have worked to maintain the Company's Cost  
19 Allocation Manual ("CAM") to ensure it was aligned with Atmos Energy's  
20 recordkeeping practices.

21 **Q. ARE YOU A MEMBER OF ANY PROFESSIONAL ORGANIZATIONS?**

22 A. Yes. I am licensed by the State of Texas as a Certified Public Accountant ("CPA").

1 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KENTUCKY  
2 PUBLIC SERVICE COMMISSION OR OTHER REGULATORY  
3 ENTITIES?

4 A. No.

5 II. PURPOSE OF TESTIMONY

6 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

7 A. The purpose of my testimony is to authenticate the historical books and records of  
8 the Company and demonstrate the integrity of the financial information that has  
9 been filed in this case. I am also providing testimony concerning the CAM which  
10 describes the methodology for shared services cost allocations.

11 Q. ARE YOU SPONSORING ANY OF THE FILING REQUIREMENT IN  
12 THIS CASE, AND, IF SO WHICH REQUIREMENTS?

13 A. Yes, I am sponsoring the following specific filing requirements of Section 16 of  
14 807

15 K.A.R. 5:001<sup>1</sup>:

16 FR 16(7)(k) Most recent FERC Form 1 (electric), FERC Form 2, or the  
17 Automated Reporting Management Information System  
18 Report (telephone) and PSC Form T (telephone);

19 FR 16(7)(l) The annual report to shareholders or members and the  
20 statistical supplements covering the most recent two (2)  
21 years from the application filing date;

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<sup>1</sup> This regulation prescribes numerous filing requirements (FRs). The FR abbreviations used are to the applicable subparts of Section 10 of 807 K.A.R. 5:001.

1 FR 16(7)(m) Current chart of accounts if more detailed than Uniform  
2 System of Accounts chart;

3 FR 16(7)(p) SEC's annual report for most recent 2 years, Form 10-Ks and  
4 any Form 8-Ks issued during prior 2 years and any Form  
5 10-Qs issued during past 6 quarters;

6 FR 16(7)(q) Independent auditors annual opinion report, with any written  
7 communication which indicates the existence of a material  
8 weakness in internal controls; and

9 FR 16(7)(r) Quarterly reports to stockholders for the most recent five  
10 quarters.<sup>2</sup>

11 FR 16(7)(u) Detailed description of method of calculation and amounts  
12 allocated or charged to utility by affiliate or general or home  
13 office for each allocation or payment;

14 Method and amounts allocated during base period and  
15 method and estimated amounts to be allocated during  
16 forecasted test period;

17 Explain how allocator for both base and forecasted test  
18 period was determined; and

19 All facts relied upon, including other regulatory approval, to  
20 demonstrate that each amount charged, allocated or paid  
21 during base period is reasonable;

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<sup>2</sup> Other than its quarterly report on Form 10-Q filed with the Securities and Exchange Commission, the Company does not publish quarterly reports to shareholders. Accordingly, no information is actually provided pursuant to FR 16(7)(r) because the Forms 10-Q are provided pursuant to FR 16(7)(p).

1 FR 16(8)(i) Comparative income statements, revenue and sales statistics  
2 most recent five years, base period, forecast period and two  
3 (2) years beyond

4 FR 16(8)(k) Comparative financial data and earnings

5 **Q. DO YOU ADOPT THESE FILING REQUIREMENTS AND MAKE THEM**  
6 **PART OF YOUR TESTIMONY?**

7 A. Yes.

8 **III. AUTHENTICATION OF BOOKS AND RECORDS**

9 **Q. ARE THE BOOKS AND RECORDS OF THE COMPANY PREPARED**  
10 **UNDER YOUR DIRECTION?**

11 A. Yes, for the areas under my direction (which do not include gas accounting or  
12 taxation).

13 **Q. WHAT IS YOUR UNDERSTANDING OF HOW THE BOOKS AND**  
14 **RECORDS OF THE COMPANY WERE PREPARED AND MAINTAINED**  
15 **PRIOR TO YOUR BEGINNING EMPLOYMENT AT THE COMPANY?**

16 A. When I began in my current role, I conducted a thorough review of the Company's  
17 policies, procedures, and protocols for accounting and records. I also worked  
18 closely with the prior Director of Accounting Services who further informed me as  
19 to the Company's practices relating to books and records.

20 **Q. HOW DOES ATMOS ENERGY MAINTAIN AND UTILIZE ITS BOOKS**  
21 **AND RECORDS IN THE REGULAR COURSE OF BUSINESS?**

22 A. Atmos Energy maintains its books and records in accordance with the Federal  
23 Energy Regulatory Commission's (FERC) Uniform System of Accounts (USOA)

1 and Generally Accepted Accounting Principles (GAAP). The USOA is the  
2 prescribed methodology for maintaining utility records in all of the state  
3 jurisdictions which regulate the Company's natural gas utility operations, which  
4 currently include Colorado, Kansas, Kentucky, Louisiana, Mississippi, Tennessee,  
5 Texas and Virginia.

6 Atmos Energy's accounting organization utilizes integrated computerized business  
7 systems to efficiently process, record and maintain transactions generated in the  
8 regular course of business. Financial transactions are created and entered into the  
9 system at or near the time of the transaction by the responsible personnel in various  
10 divisions having personal knowledge, or acting in reliance on information  
11 transmitted by persons having personal knowledge of the transactions, as well as of  
12 the applicable accounting procedures and requirements. Reports are generated by  
13 the system in the regular course of business to assist in management's review of the  
14 results of operations and to assist in the analysis of the cost data of gas operations.

15 **Q. AS THE DIRECTOR OF ACCOUNTING SERVICES, HOW DO YOU**  
16 **ASSURE YOURSELF THAT TRANSACTIONS ARE RECORDED**  
17 **PROPERLY?**

18 A. As the Director of Accounting Services, I have personal knowledge of the  
19 organizational business processes and staffing in the Controllershship function. The  
20 Controller's organization is staffed with highly qualified accounting managers and  
21 staff, with many accounting positions filled by CPAs. The managers in the  
22 organization are charged with the responsibility to inspect, review and revise, if  
23 appropriate, the work of the accountants they supervise. To fill certain management

1 positions, an individual is required to have an accounting degree as well as  
2 significant accounting experience. We have established and maintained controls  
3 that ensure the accuracy of our books and records. These controls help identify any  
4 necessary adjustments to accounting entries which are then recorded to the original  
5 books and records in a timely manner. Additionally, Atmos Energy contracts with  
6 KPMG LLP (“KPMG”) for internal audit services. This group periodically  
7 performs reviews of those controls.

8 **Q. WHAT TYPES OF REGULAR AUDITS ARE CONDUCTED TO**  
9 **AUTHENTICATE ATMOS ENERGY’S BOOKS AND RECORDS?**

10 A. Atmos Energy’s books and records are audited annually by the independent public  
11 accounting firm of Ernst & Young LLP (“EY”). In addition, EY also performs  
12 reviews of Atmos Energy’s quarterly financial statements. These audits and  
13 reviews are conducted in accordance with the standards of the Public Company  
14 Accounting Oversight Board (United States).

15 **Q. ARE THE COSTS RECORDED ON THE COMPANY’S BOOKS AND**  
16 **RECORDS SUPPORTED BY UNDERLYING INVOICES OR OTHER**  
17 **RECORDS?**

18 A. Yes. In order for an item to be recorded in the Company’s general ledger, there  
19 must be an invoice or other underlying supporting documentation. The former, for  
20 example, may be in the form of a billing invoice received from a vendor. The latter,  
21 for example, may be in the form of an employee’s timesheet. The manager of a  
22 specific cost center or project is responsible for reviewing, coding and approving

1 invoices or other underlying supporting documentation that are charged to that  
2 particular manager's cost center or project.

3 **Q. WHAT DO YOU MEAN BY COST CENTERS?**

4 A. As described in the Company's CAM, a cost center is a designation generally  
5 utilized for the assignment of departmental cost responsibility and internal  
6 management reporting. Employees with responsibility for these functional areas  
7 are delegated a certain level of authority to conduct the business of the Company.

8 **Q. HOW ARE THESE AUTHORITY LEVELS DETERMINED OR**  
9 **DELEGATED WITHIN THE COMPANY?**

10 A. The Board of Directors initially delegates authority to the chief executive officer of  
11 the Company who then authorizes the controller to further delegate authority to  
12 others throughout the Company as necessary. The Controller's approval of  
13 authority limits is generally based on a review of the needs and recommendations  
14 from those requesting authority limit changes. Approved authority limits are  
15 maintained in a secure table within the Company's accounting system.

16 **Q. DOES THE COMPANY HAVE IN PLACE ANY PROCESS OR SYSTEM**  
17 **FOR THE REVIEW AND VALIDATION OF INVOICES?**

18 A. Yes. Most invoices are scanned into an accounts payable processing system called  
19 "Markview" when they are received by the Company. Once scanned, an image of  
20 the invoice is routed electronically to the appropriate cost center owner. The cost  
21 center owner reviews and electronically codes and approves the invoice within the  
22 established approval hierarchy. As a part of this process, the cost center owner is  
23 responsible for ensuring the cost is valid, just, and reasonable. If the amount of the

1 invoice exceeds the authority limit of the initial approver, it is automatically  
2 escalated through the approval hierarchy to a person with the appropriate level of  
3 authority. A similar review process is performed at each level within the approval  
4 hierarchy. Once final approval has been obtained, the invoice is submitted to the  
5 accounts payable department for final payment.

6 **Q. DOES THE COMPANY HAVE IN PLACE ANY PROCESS OR SYSTEM**  
7 **FOR THE REVIEW AND VALIDATION OF COSTS THAT ARE NOT**  
8 **PROCESSED THROUGH MARKVIEW?**

9 A. Yes. Certain invoices and other requests for payment that are not presented as an  
10 invoice are processed outside of Markview. Examples of these types of documents  
11 include, but are not limited to, tax returns, contracts for certain outside services, or  
12 certain wire transfer requests. The process for the review, coding and approval of  
13 these costs is the same, except that the process may be manual in nature rather than  
14 electronic. The Company employee in charge of this documentation is responsible  
15 for ensuring the cost is valid, just, and reasonable. Coding and approvals are  
16 performed within the approval hierarchy. Once final approval has been obtained,  
17 the documentation is submitted to the accounts payable department for final  
18 payment.

19 **Q. ARE THERE ANY OTHER ACCOUNTING CONTROLS OR PROCESSES**  
20 **IN PLACE TO ENSURE THE ACCURACY OF THE COMPANY'S BOOKS**  
21 **AND RECORDS?**

22 A. Yes. The Company executes a series of detective monitoring controls designed to  
23 identify and explain material and/or unusual costs that have been recorded in the

1 general ledger. Occasionally, errors are found and they are typically corrected in  
2 the following month's reporting period, unless they are material. If material, these  
3 errors are corrected in the current month.

4 Additionally, the Chief Executive Officer and Chief Financial Officer must  
5 certify the Company's annual and quarterly financial statements and must attest to  
6 and report on the Company's system of internal control. To facilitate this effort,  
7 the Company outsources its internal audit function to KPMG to conduct tests of the  
8 Company's system of internal control. These tests are developed to ensure the  
9 system of internal control has been designed effectively and that the controls are  
10 functioning as designed as of the end of the Company's fiscal year.

11 **Q. PLEASE DESCRIBE THE PROCESS USED TO TEST INTERNAL**  
12 **CONTROLS.**

13 A. The Company maintains a SOX steering committee, which is responsible for the  
14 oversight and monitoring of Sarbanes-Oxley compliance. This committee is  
15 comprised of myself, the Vice President and Controller, the Director of Financial  
16 Reporting, the Director of Gas Accounting and Rate Administration, and the  
17 Director of Information Security.

18 During the first quarter of the fiscal year, the Company meets with the  
19 internal auditors to review our listing of key controls to assess whether changes to  
20 that list should be made based upon changes in the risk profile or organization of  
21 the company. A key control is defined as a control necessary to mitigate the risks  
22 and ensure financial reporting is reasonable and materially correct.

1 The internal audit group will develop a testing plan based upon these key controls  
2 that is reviewed and approved by the SOX steering committee. The key controls  
3 are tested throughout the year. If issues arise, they are individually addressed by a  
4 steering committee member who has knowledge of the affected areas. The SOX  
5 steering committee meets regularly to assess the progress and review the results of  
6 the testing. During this process, all findings are discussed and the steering  
7 committee will determine whether the finding should be considered a control  
8 deficiency, a significant deficiency or a material weakness. A control deficiency  
9 exists when the design or operation of a control does not allow management or  
10 employees, in the normal course of performing their assigned functions, to prevent  
11 or detect misstatements on a timely basis. A significant deficiency is a deficiency,  
12 or a combination of deficiencies, in internal control over financial reporting that is  
13 less severe than a material weakness, yet important enough to merit attention by  
14 those responsible for oversight of the company's financial reporting. A material  
15 weakness is a deficiency, or a combination of deficiencies, in internal control over  
16 financial reporting, such that there is a reasonable possibility that a material  
17 misstatement of the company's annual or interim financial statements will not be  
18 prevented or detected on a timely basis.

19 At the end of the fiscal year, the steering committee makes  
20 recommendations regarding the effectiveness of the Company's internal control  
21 structure to be included in the internal auditor's final report to the audit committee.

1 **Q. PLEASE SUMMARIZE THE RESULTS OF TESTING FOR THE MOST**  
2 **RECENTLY COMPLETED FISCAL YEAR.**

3 A. The most recent fiscal year for which results are available is fiscal 2016. A total of  
4 223 key controls related to the Company's natural gas distribution operations were  
5 tested. Five control deficiencies were identified. No significant deficiencies or  
6 material weaknesses were identified. Subject to the closing of the fiscal year, the  
7 five deficiencies were remediated in fiscal 2017.

8 **Q. ARE THESE CONTROL DEFICIENCIES THE SAME DEFICIENCIES**  
9 **THAT WERE IDENTIFIED BEFORE THE KENTUCKY PUBLIC**  
10 **SERVICE COMMISSION IN CASE NO. 2015-00343?**

11 A. No. The deficiencies identified in fiscal 2016 are not the same deficiencies  
12 identified before the Kentucky Public Service Commission in Case No. 2015-  
13 00343.

14 **Q. ARE THE COMPANY'S TESTS OF INTERNAL CONTROL SUBJECT TO**  
15 **EXAMINATION BY AN INDEPENDENT REGISTERED PUBLIC**  
16 **ACCOUNTING FIRM?**

17 A. Yes. As a publicly traded company, Atmos Energy is required to have an  
18 independent registered public accounting firm audit management's public  
19 assertions regarding the Company's system of internal control. EY serves as the  
20 Company's independent registered public accounting firm.

1 **Q. CAN YOU SUMMARIZE THE PROCESS USED BY EY TO PERFORM ITS**  
2 **ATTEST FUNCTION?**

3 A. Yes. EY will perform independent tests regarding the design of the Company's  
4 internal control function and the effectiveness of the controls as of the end of the  
5 fiscal year. They will rely, in part, on the work performed by the internal auditors  
6 in completing their audit procedures. Upon completion of their work, EY will issue  
7 an audit report summarizing their findings, which is included in the Company's  
8 annual report on Form 10-K.

9 **Q. DID EY'S MOST RECENT REPORT DIFFER FROM THE FINDINGS OF**  
10 **MANAGEMENT?**

11 A. No. EY issued an unqualified audit report for fiscal 2016 which means that they  
12 agreed with management's assertions.

13 **Q. ARE THERE OTHER TYPES OF REGULAR AUDITS AND REVIEWS**  
14 **THAT ARE CONDUCTED OF ATMOS ENERGY'S BOOKS AND**  
15 **RECORDS?**

16 A. Yes. In addition to the audit of internal control, EY also conducts an annual audit  
17 of Atmos Energy's books and records. In addition, EY performs reviews of Atmos  
18 Energy's quarterly financial statements. These audits and reviews are conducted in  
19 accordance with the standards of the Public Company Accounting Oversight Board  
20 (United States).

1 **Q. HOW DOES THE ACCOUNTING SYSTEM ALLOW FOR THE**  
2 **SEPARATE RECORDING AND TRACKING OF COSTS FOR ATMOS**  
3 **ENERGY'S UTILITY DIVISIONS?**

4 A. Direct costs are charged directly to the natural gas distribution division which has  
5 incurred the costs. In addition, technical and support services are provided to the  
6 distribution divisions by centralized shared services departments primarily located  
7 at the Atmos Energy headquarters in Dallas. These centralized functions include,  
8 but are not limited to, accounting, human resources, legal, treasury, risk  
9 management, etc. The costs for these shared services are allocated to the operating  
10 divisions.

11 **Q. WERE THE BOOKS AND RECORDS OF THE COMPANY PROVIDED TO**  
12 **COMPANY WITNESSES FOR UTILIZATION IN THEIR ANALYSIS FOR**  
13 **RATEMAKING PURPOSES?**

14 A. Yes.

15 **IV. COST ALLOCATION MANUAL**

16 **Q. WHAT IS THE COST ALLOCATION MANUAL?**

17 A. The Cost Allocation Manual (CAM), contained in Exhibit LKG-1, describes and  
18 documents the process whereby allocations are made within the books and records  
19 of the Company. These include allocations of various common expenses which are  
20 incurred for the benefit of two or more of the Company's rate divisions and are  
21 therefore allocable to those rate divisions. Additionally, the CAM also describes  
22 and documents the processes whereby allocations are made between Atmos Energy  
23 and its affiliates and between affiliates.

1 **Q. PLEASE DESCRIBE THE HISTORY OF THE CAM.**

2 A. Although the Company had been utilizing the allocation methodology described in  
3 the CAM for many years prior, the CAM was formally documented in response to  
4 807 K.A.R. 5:080, and was first filed with the Commission in April of 2001. Atmos  
5 Energy is required to update the CAM each year. The Company has used the CAM  
6 to document its allocation processes in the regular course of business since it was  
7 first filed.

8 **Q. ARE THE ALLOCATIONS DESCRIBED IN THE CAM USED IN EVERY**  
9 **JURISDICTION IN WHICH ATMOS ENERGY OPERATES?**

10 A. Yes. The CAM is uniformly applied in all eight states in which Atmos Energy has  
11 regulated utility operations for the allocation of common costs among Atmos  
12 Energy's various operating divisions, including Kentucky.

13 **Q. DOES THE CAM DESCRIBE HOW TO ALLOCATE BALANCE SHEET**  
14 **AMOUNTS?**

15 A. No. The CAM describes how to allocate expense items from Atmos Energy's  
16 income statement. Investment or balance sheet items are not allocated within  
17 Atmos Energy's books and records. Investment amounts are allocated only for  
18 ratemaking purposes in the context of a rate filing or certain regulatory reports.

19 **Q. IN YOUR OPINION, DOES THE COMPANY'S ALLOCATION PROCESS**  
20 **UNIFORMLY AND CONSISTENTLY ALLOCATE COMMON OR**  
21 **SHARED SERVICES COSTS?**

22 A. Yes, the allocation process described in the CAM operates fairly and reasonably in  
23 allocating those costs on a uniform basis, both as between Atmos Energy's various

1 operating divisions and affiliates and between the various regulatory jurisdictions  
2 in which the Company operates.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 **A. Yes.**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF )  
RATE APPLICATION OF ) Case No. 2017-00349  
ATMOS ENERGY CORPORATION )

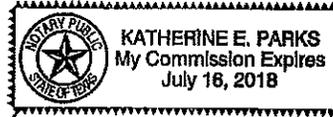
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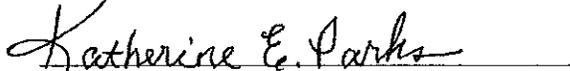
The Affiant, Laura K. Gillham, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared direct testimony of this affiant in Case No. 2017-00349, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared direct pre-filed testimony.

  
\_\_\_\_\_  
Laura K. Gillham

STATE OF Texas  
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Laura K. Gillham on this the 15 day of September, 2017.



  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 7/16/2018

ATMOS ENERGY CORPORATION  
COST ALLOCATION MANUAL  
April 1, 2017

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30	Intra-company labor allocation – other than operating division general office labor
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33	Gas cost between state jurisdictions for contiguous systems
34	Gas storage services between an operating division and an affiliate
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## 1. Introduction:

### a. Corporate Structure

Atmos Energy Corporation (Atmos or the Company) operates its Regulated Operations through seven operating divisions in 8 states. The seven operating divisions and their service areas are:

<u>Division</u>	<u>Service Area</u>
Atmos Energy Colorado-Kansas Division	Colorado, Kansas
Atmos Energy Kentucky/Mid-States Division	Kentucky, Tennessee, Virginia
Atmos Energy Louisiana Division	Louisiana
Atmos Energy Mid-Tex Division	Texas, including the Dallas/Fort Worth metropolitan area
Atmos Energy Mississippi Division	Mississippi
Atmos Energy West Texas Division	West Texas
Atmos Pipeline – Texas Division	Intrastate pipeline business in Texas

These operating divisions are not subsidiaries or separate legal entities. Therefore, by definition, they cannot be considered affiliates of Atmos.

Technical and support services are provided to the operating divisions by centralized shared services departments primarily located at the Atmos headquarters in Dallas. These centralized functions currently include, but are not limited to, accounting, gas supply, human resources, information technology, legal, rates and customer support. The costs for these shared services are allocated to the operating divisions. In addition, for operating divisions that operate in more than one rate jurisdiction, costs from an operating division's general office are allocated to separate rate divisions within the operating division.

Atmos Energy Holdings, Inc. is a wholly owned subsidiary of Atmos. Atmos Energy Holdings and its various wholly owned subsidiaries are separate legal entities and are considered affiliates of Atmos.

The Company's current legal entity organization chart is contained in Appendix A.

Note that the descriptions contained herein do not address tariffed services.

### b. Accounting:

Atmos' account coding structure enables it to capture the costs for allocable activities. Expenses, assets, and liabilities for Atmos' shared services and other operating division general office divisions are coded to applicable location codes and cost centers as necessary, and are then allocated to the appropriate rate divisions based upon the methodologies described herein. Allocations recorded in the books and records of the Company are primarily for management control purposes and may not reflect the allocation methodology used for rate making purposes.

Atmos' account coding structure is as follows:

XXX.	XXXX.	XXXX.	XXXXX.	XXXXXX.	XXXX	
Company	Cost Center	FERC Account	Sub-Account	Service Area	Future Use	
3 digit	4 digit	4 digits	5 digits	6 digits	4 digits	

Within the above coding structure, "Company" and "Cost Center" are primarily utilized for internal management responsibility reporting purposes for Atmos' operating divisions. The terms "Company" and "Cost Center" are defined in the glossary beginning below. Utilization of the "Company" or "Cost Center" fields is not suitable for meaningful financial or regulatory reporting purposes.

The FERC account field contains the three-digit FERC USOA account plus one extension digit which in some cases is utilized by the FERC USOA.

The first three digits of the Service Area field are the primary coding utilized for cost allocations within Atmos and is generally referred to as "rate division number". This portion of the field denotes Atmos' various rate divisions as well as the Company's various shared services and operating division general office divisions. These codes are the primary source of information for regulatory reporting and rate activity. The remaining three digits represent "town" location which is utilized only for some accounts. Atmos Pipeline-Texas uses the final three digits of the service area to represent the actual storage or compressor facility; however, this is used for O&M expenses only.

**c. Glossary of Terms:**

The following terms are defined for purposes of this document only:

**Affiliate** - One or more of Atmos' subsidiaries.

**Below the Line** - Amounts which are generally not included in an analysis of costs from which gas service rates are derived.

**Company** - In general terms, it refers to Atmos Energy Corporation. Within the context of the account coding string, this term represents an operating division, wholly-owned subsidiary or other legal entity controlled by Atmos.

**Composite Factor** - The Company's general allocation factor which is derived for each applicable area based upon the simple average of gross plant in service, average number of customers and direct operation and maintenance expenses for each applicable area.

**Corporate Headquarters** - The headquarters of Atmos Energy Corporation located in Dallas, Texas.

**Cost Centers** - Account coding which denotes an area of cost responsibility. This coding is used primarily for management purposes.

**Customer Factor** - The Company's general allocation factor which is derived based on the average number of customers of the Operating Divisions that receive allocable costs for the services provided.

**Direct Charges** - Those charges which may originate in a shared services department or operating division general office division or a rate division which are booked directly to the applicable rate division.

**FERC USOA** - The Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission.

**Municipal Jurisdiction** - For Atmos' utility operations in Texas, each municipality which it serves has original jurisdiction over rates.

**Operating Division** - An unincorporated division of Atmos Energy Corporation that contains at least one rate division that is responsible for the management of the Company's Regulated Operations. Operating divisions are not subsidiaries or separate legal entities. As such, they do not have separate equity or debt structures. Additionally, the divisions do not keep separate books and records. Operating divisions with multiple rate divisions have one operating division general office rate division in addition to rate divisions corresponding to regulatory jurisdictional areas.

**Operating Division General Office** - Administrative offices that are located outside of shared service offices which serve as the base of operations and central office for each "operating division."

**Rate Division** - Often referred to as an operating rate division, it denotes Atmos' regulatory jurisdictions that are defined by state and geographic boundaries. The term also denotes Atmos' various shared services and operating division general office divisions. These divisions are the primary source for regulatory reporting and rate activity for an area in which rates have been set by a regulatory authority such as the Colorado Public Utilities Commission. Rate divisions are identifiable in the Company's account coding string. As such, costs are accumulated within the general ledger and represent the sum of direct costs plus costs allocated to the rate division.

**Regulated Operations** - Represents the Company's six regulated natural gas distribution operating divisions operating in 8 states and the Company's regulated intrastate pipeline operations in the State of Texas.

**Service Area** - The portion of the Company's account coding structure of which the first three digits denote rate division. The last three digits of this code denote "town" which is used only in certain instances. Atmos Pipeline-Texas uses the final three digits of the service area to represent the actual storage or compressor facility; however, this is used for O&M expenses only.

**Shared Services** - The Company's functions that serve multiple rate divisions. These services include departments such as legal, billing, call center, accounting, information technology, human resources, gas supply, rates administration among others. Shared

Services is comprised of Shared Services – General Office and Shared Services – Customer Support

**Shared Services – Customer Support** – Shared Services functions that include billing, customer call center functions and customer support related services.

**Shared Services – General Office** – Shared Services functions that include all other functions not encompassed by Shared Services – Customer Support.

The following are divisions of Atmos Energy Corporation:

**Atmos Energy Colorado-Kansas Division** is a regulated operating division that serves approximately 170 communities throughout Colorado and Kansas, including the cities of Olathe, Kansas, a suburb of Kansas City and Greeley, Colorado, located near Denver.

**Atmos Energy Kentucky/Mid-States Division** is a regulated operating division that operates Kentucky, Tennessee and Virginia. The service areas in these states are primarily rural; however, this division serves Franklin, Tennessee, and other suburban areas of Nashville.

**Atmos Energy Louisiana Division** is a regulated operating division that serves nearly 300 communities, including the suburban areas of New Orleans, the metropolitan area of Monroe and western Louisiana. Direct sales of natural gas to industrial customers in Louisiana, who use gas for fuel or in manufacturing processes, and sales of natural gas for vehicle fuel are exempt from regulation and are recognized in our Atmos Energy Louisiana Industrial Gas segment.

**Atmos Energy Mid-Tex Division** is a regulated operating division that serves approximately 550 incorporated and unincorporated communities in the north-central, eastern and western parts of Texas, including the Dallas/Fort Worth Metroplex. The governing body of each municipality we serve has original jurisdiction over all gas distribution rates, operations and services within its city limits, except with respect to sales of natural gas for vehicle fuel and agricultural use. The Railroad Commission of Texas (RRC) has exclusive appellate jurisdiction over all rate and regulatory orders and ordinances of the municipalities and exclusive original jurisdiction over rates and services to customers not located within the limits of a municipality.

**Atmos Energy Mississippi Division** is a regulated operating division that serves about 110 communities throughout the northern half of the state, including the Jackson metropolitan area.

**Atmos Energy West Texas Division** is a regulated operating division that serves approximately 80 communities in West Texas, including the Amarillo, Lubbock and Midland areas. Like our Mid-Tex Division, each municipality we serve has original jurisdiction over all gas distribution rates, operations and services within its city limits, with the RRC having exclusive appellate jurisdiction over the municipalities and exclusive original jurisdiction over rates and services provided to customers not located within the limits of a municipality.

**Atmos Pipeline – Texas Division** is one of the largest intrastate pipeline operations in Texas with a heavy concentration in the established natural gas producing areas of central, northern and eastern Texas, extending into or near the major producing areas of the Barnett Shale, the Texas Gulf Coast and the Delaware and Val Verde Basins of West Texas. APT provides transportation and storage services to our Mid-Tex Division, other third party local distribution companies, industrial and electric generation customers, as well as marketers and producers. As part of its pipeline operations, APT manages five underground storage reservoirs in Texas.

The following are affiliates of Atmos Energy Corporation:

**Blueflame Insurance Services, LTD** is a wholly-owned subsidiary of Atmos Energy Corporation that was created to provide cost-effective property insurance coverage for Atmos Energy and its subsidiaries. It was chartered in Bermuda effective December 16, 2003, and became operational as of January 1, 2004. It is incorporated under Bermuda's insurance law and regulations and is fully capitalized under the requirements of applicable Bermuda law.

**Atmos Energy Services, LLC** was established on April 1, 2004 to provide natural gas management services to Atmos Energy's natural gas distribution operations, other than the Mid-Tex Division. These services include aggregating and purchasing gas supply, arranging transportation and storage logistics and ultimately delivering the gas to Atmos Energy's natural gas distribution service areas at competitive prices. AES provided these services through December 31, 2006. Effective January 1, 2007, the gas supply department within shared services began providing these services. However, AES continues to provide limited services to the natural gas distribution operations of Atmos Energy.

**Phoenix Gas Gathering Company** is a wholly owned subsidiary of Atmos Gathering Company, LLC, and was created to develop, own and operate a non-regulated natural gas gathering system located in Kentucky.

**Atmos Gathering Company, LLC** is a wholly owned subsidiary of Atmos Pipeline and Storage, LLC and was created to conduct our non-regulated natural gas gathering operations.

**Atmos Energy Holdings, Inc.** is the parent company of Atmos Energy Corporation's non-utility operations.

**Atmos Energy Louisiana Industrial Gas, LLC** serves industrial customers in Louisiana who use gas for fuel, manufacturing and other processes.

**Atmos Exploration and Production, Inc.** holds some insignificant Kentucky production interests which the Company succeeded to when it acquired Western Kentucky Gas Company in 1989. This subsidiary is functionally inactive as the Company does not actively engage in the exploration and production business.

**Atmos Pipeline and Storage, LLC** owns or has an interest in underground storage fields in Kentucky and Louisiana. The utility divisions of Atmos Energy also use these

storage facilities to reduce the need to contract for additional pipeline capacity to meet customer demand during peak periods.

**Atmos Power Systems, Inc.** constructs gas-fired electric peaking power generating plant and associated facilities and may enter into agreements to either lease or sell these plants. Since 2001, 2 sales-type lease transactions have been executed.

**Egasco, LLC** was, several years ago, engaged in the marketing and sale of natural gas to large-volume commercial and agricultural customers in West Texas. Egasco no longer serves any customers.

**Fort Necessity Gas Storage, LLC** is a wholly owned subsidiary of Atmos Pipeline and Storage, LLC, and was created in 2009 to construct and operate a non-regulated salt-cavern gas storage project in Louisiana. In March 2011, we recorded a \$19.3 million charge to substantially write off our investment in Fort Necessity.

**Trans Louisiana Gas Storage, Inc.** owns a minority interest in a salt dome storage facility in Louisiana. This facility is used to serve utility and non-utility customers.

**Trans Louisiana Gas Pipeline, Inc.** owns and operates an intrastate pipeline system in Louisiana. This facility is used to serve utility and non-utility customers.

**UCG Storage, Inc.** owns certain storage field interests in Kentucky which are used to serve utility customers.

**WKG Storage, Inc.** owns certain storage field interests in Kentucky which are used to serve utility customers.

**Service:** Capitalized overhead (general)

**Description:** Overhead related to capital expenditures

**Current Provider of Service**  
 Shared Services  
 Atmos Pipeline – Texas Division  
 Louisiana Division operating division general office  
 Kentucky/Mid-States Division operating division general office  
 Colorado-Kansas Division operating division general office  
 Mid-Tex Division  
 Mississippi Division  
 West Texas Division operating division general office

**Current Use of Service**  
 Rate divisions

**Basis for allocation**  
 Capitalized overhead costs are accumulated by operating division (and state level for multiple state divisions). Each operating division (and state) sets an application rate at the beginning of the year based on projected expenditures. As expenditures for CWIP and RWIP are recorded overhead is applied at the application rate. Periodically, the application rate is reviewed. Shared services overhead is allocated to operating divisions based on operating division capital expenditures. At the end of each quarter, the amount that has accumulated in the OH project is cleared to all eligible projects that incurred charges during that quarter, on a pro rata basis

General Ledger Entries: Example Only

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Cash</td></tr> <tr><td style="text-align: center;">Acct. 131</td></tr> <tr><td style="text-align: right;">\$1,000 (1)</td></tr> </table>	SSU BU 010	Cash	Acct. 131	\$1,000 (1)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Accounts Payable</td></tr> <tr><td style="text-align: center;">Acct. 232</td></tr> <tr><td style="text-align: left;">(1) \$1,000</td></tr> <tr><td style="text-align: right;">\$1,000 (1)</td></tr> </table>	SSU BU 010	Accounts Payable	Acct. 232	(1) \$1,000	\$1,000 (1)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Office Supply and Expenses</td></tr> <tr><td style="text-align: center;">Acct. 921</td></tr> <tr><td style="text-align: center;">Cost Center XXXX *</td></tr> <tr><td style="text-align: left;">(1) \$1,000</td></tr> </table>	SSU BU 010	Office Supply and Expenses	Acct. 921	Cost Center XXXX *	(1) \$1,000	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Administrative Expenses Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="text-align: center;">Cost Center XXXX</td></tr> <tr><td style="text-align: right;">\$600 (3)</td></tr> <tr><td style="text-align: right;">\$400 (3a)</td></tr> </table>	SSU BU 010	Administrative Expenses Transferred	Acct. 922	Cost Center XXXX	\$600 (3)	\$400 (3a)			
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\* Cap rate = 20%

\*\* Many rate division offices exist within Mid-States in addition to Div 009.

Flow of Activity

- (1) Purchase Office Supplies
- (2) Capitalize Overhead is calculated based on cost center capitalization percentage
- (3) Allocating Shared Services Expenses to General Offices - 60% Allocation rate for illustration purposes only
  - (3a) Allocation to remaining general offices
  - (3b) Allocate capitalization credits to business units
- (4) Allocating Shared Services Expenses to Rate Division Office - 25% Allocation rate for illustration purposes only
  - (4a) Allocation to remaining division offices
  - (4b) Allocation to remaining general offices
- (5) Allocating Shared Services Capitalization Credit to Rate Division Office - 50% Allocation rate for illustration purposes only

Note: Please see the allocation of expenses from General Office to State Regional Office to Rate Division on the following pages:  
 West Texas - 17, Colorado/Kansas - 19, Louisiana - 23

**Service:** Stores overhead

**Description:** Overhead related to inventory warehousing is allocated to materials as issued.

**Current Provider of Service:** Shared Services  
Operating division general office

**Current Use of Service:** Atmos Pipeline – Texas Division  
West Texas Division rate divisions  
Louisiana Division rate divisions  
Kentucky/Mid-States Division rate divisions  
Mid-Tex Division rate division  
Colorado-Kansas Division rate divisions  
Mississippi Division rate division

**Basis for allocation:** Overhead costs associated with inventory items, including rent, labor and supervision are accumulated by operating division. Each operating division sets an application rate at the beginning of the year based on projected overhead and materials activity. As materials are issued from the warehouse, the overhead assigned is also allocated to the same account. Periodically, the balance in the undistributed stores overhead account is compared to the materials on hand balance and a new rate is determined. Shared Services stores overhead is allocated monthly to the operating divisions based on number of meters.

**General Ledger Entries: Example Only**

<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;"><b>SSU BU 010</b></td></tr> <tr><td style="text-align: center;">Cash</td></tr> <tr><td style="text-align: center;">Acct. 131</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: right;">\$100 (1)</td></tr> <tr><td style="text-align: right;">\$2 (3a)</td></tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;"><b>SSU BU 010</b></td></tr> <tr><td style="text-align: center;">Stores Expense</td></tr> <tr><td style="text-align: center;">Undistributed</td></tr> <tr><td style="text-align: center;">Acct. 163</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(3a) \$2</td></tr> <tr><td style="text-align: right;">\$2 (3b)</td></tr> </table>	<b>SSU BU 010</b>	Cash	Acct. 131		\$100 (1)	\$2 (3a)	<b>SSU BU 010</b>	Stores Expense	Undistributed	Acct. 163		(3a) \$2	\$2 (3b)	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;"><b>SSU BU 010</b></td></tr> <tr><td style="text-align: center;">Inventory</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(1) \$100</td></tr> <tr><td style="text-align: right;">\$100 (2)</td></tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;"><b>SSU BU 010</b></td></tr> <tr><td style="text-align: center;">Accounts Payable</td></tr> <tr><td style="text-align: center;">Acct. 232</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(3a) \$2</td></tr> <tr><td style="text-align: right;">\$2 (3a)</td></tr> </table>	<b>SSU BU 010</b>	Inventory		(1) \$100	\$100 (2)	<b>SSU BU 010</b>	Accounts Payable	Acct. 232		(3a) \$2	\$2 (3a)	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;"><b>Rate Div Office</b></td></tr> <tr><td style="text-align: center;"><b>Mid States Div 009 **</b></td></tr> <tr><td style="text-align: center;">Construction Work</td></tr> <tr><td style="text-align: center;">in Progress</td></tr> <tr><td style="text-align: center;">Acct. 107</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(2) \$100</td></tr> <tr><td style="text-align: left;">(3b) \$2</td></tr> </table>	<b>Rate Div Office</b>	<b>Mid States Div 009 **</b>	Construction Work	in Progress	Acct. 107		(2) \$100	(3b) \$2
<b>SSU BU 010</b>																																		
Cash																																		
Acct. 131																																		
\$100 (1)																																		
\$2 (3a)																																		
<b>SSU BU 010</b>																																		
Stores Expense																																		
Undistributed																																		
Acct. 163																																		
(3a) \$2																																		
\$2 (3b)																																		
<b>SSU BU 010</b>																																		
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Accounts Payable																																		
Acct. 232																																		
(3a) \$2																																		
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<b>Mid States Div 009 **</b>																																		
Construction Work																																		
in Progress																																		
Acct. 107																																		
(2) \$100																																		
(3b) \$2																																		

\*\* Many rate division offices exist within Mid-States in addition to Div 009.

**Flow of Activity**

- 1 Purchase Inventory - Material
- 2 Issue Inventory to Capital Project
- 3a Incurring Inventory Expense
- 3b Apply Inventory Storage Rate
- Assume 2%

**Service: O&M Expenses in Shared Services – Customer Support cost centers**

**Description:** Includes all expenses for Customer Support. (Division 012)

**Current Provider Of Service:** Shared Services

**Current Use of Service:** West Texas Rate Divisions  
Mid-Tex Division  
Louisiana Rate Divisions  
Kentucky/Mid-States Rate Divisions  
Colorado-Kansas Rate Divisions  
Mississippi Division

**Basis for allocation:** Costs are allocated to the applicable operating division general office in total 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. From the operating division general office Divisions Customer Support charges are allocated to rate divisions using the average number of customers in each rate division.

General Ledger Entries: Example Only

<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Cash</td></tr> <tr><td style="text-align: center;">Acct. 131</td></tr> <tr><td style="text-align: right;">\$1,000 (1)</td></tr> </table>	SSU BU 010	Cash	Acct. 131	\$1,000 (1)	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Accounts Payable</td></tr> <tr><td style="text-align: center;">Acct. 232</td></tr> <tr><td style="text-align: left;">(1) \$1,000</td></tr> <tr><td style="text-align: right;">\$1,000 (1)</td></tr> </table>	SSU BU 010	Accounts Payable	Acct. 232	(1) \$1,000	\$1,000 (1)	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Office Supply and Expenses *</td></tr> <tr><td style="text-align: center;">Acct. 921</td></tr> <tr><td style="text-align: center;">Cost Center XXXX</td></tr> <tr><td style="text-align: left;">(1) \$1,000</td></tr> </table>	SSU BU 010	Office Supply and Expenses *	Acct. 921	Cost Center XXXX	(1) \$1,000	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Administrative Expenses Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="text-align: right;">\$ 400 (2)</td></tr> <tr><td style="text-align: right;">\$ 600 (2a)</td></tr> </table>	SSU BU 010	Administrative Expenses Transferred	Acct. 922	\$ 400 (2)	\$ 600 (2a)
SSU BU 010																						
Cash																						
Acct. 131																						
\$1,000 (1)																						
SSU BU 010																						
Accounts Payable																						
Acct. 232																						
(1) \$1,000																						
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Office Supply and Expenses *																						
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Cost Center XXXX																						
(1) \$1,000																						
SSU BU 010																						
Administrative Expenses Transferred																						
Acct. 922																						
\$ 400 (2)																						
\$ 600 (2a)																						
<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">General Office Remaining</td></tr> <tr><td style="text-align: center;">Administrative Expenses Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="text-align: left;">(2a) \$ 600</td></tr> </table>	General Office Remaining	Administrative Expenses Transferred	Acct. 922	(2a) \$ 600	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">General Office Mid States - Div 091</td></tr> <tr><td style="text-align: center;">Administrative Expenses Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="text-align: left;">(2) \$400</td></tr> <tr><td style="text-align: right;">\$100 (3)</td></tr> <tr><td style="text-align: right;">\$300 (3a)</td></tr> </table>	General Office Mid States - Div 091	Administrative Expenses Transferred	Acct. 922	(2) \$400	\$100 (3)	\$300 (3a)	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">Rate Div Office Mid States Div 009 **</td></tr> <tr><td style="text-align: center;">Administrative Expenses Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="text-align: left;">(3) \$100</td></tr> </table>	Rate Div Office Mid States Div 009 **	Administrative Expenses Transferred	Acct. 922	(3) \$100	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">Rate Div Office Mid States -Remaining</td></tr> <tr><td style="text-align: center;">Administrative Expenses Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="text-align: left;">(3a) \$300</td></tr> </table>	Rate Div Office Mid States -Remaining	Administrative Expenses Transferred	Acct. 922	(3a) \$300	
General Office Remaining																						
Administrative Expenses Transferred																						
Acct. 922																						
(2a) \$ 600																						
General Office Mid States - Div 091																						
Administrative Expenses Transferred																						
Acct. 922																						
(2) \$400																						
\$100 (3)																						
\$300 (3a)																						
Rate Div Office Mid States Div 009 **																						
Administrative Expenses Transferred																						
Acct. 922																						
(3) \$100																						
Rate Div Office Mid States -Remaining																						
Administrative Expenses Transferred																						
Acct. 922																						
(3a) \$300																						

\* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

\*\* Many rate division offices exist within Mid-States in addition to Div 009.

Flow of Activity

- (1) Purchase Office Supplies - Shared Services
- (2) Allocating Shared Services Expenses to General Offices - 40% Allocation rate for illustration purposes only
- (2a) Allocation to remaining general offices
- (3) Allocating Shared Services Expenses to Rate Division Office - 25% Allocation rate for illustration purposes only
- (3a) Allocation to remaining division offices

Note: Please see the allocation of expenses from General Office to State Regional Office to Rate Division on the following pages:  
West Texas - 17, Colorado/Kansas - 19, Louisiana - 23

<b>Service:</b>	<b>O&amp;M Expenses in Shared Services – General Office cost centers</b>
Description:	Includes O&M expenses in Shared Services – General Office. (Division 002)
Current Provider Of Service	Shared Services
Current Use of Service	Atmos Energy Louisiana Industrial Gas, LLC Trans Louisiana Gas Pipeline WKG Storage, Inc. West Texas Division Mid-Tex Division Atmos Pipeline – Texas Division Louisiana Division Kentucky/Mid-States Division Colorado-Kansas Division Mississippi Division Trans Louisiana Gas Storage Atmos Power Systems, Inc UCG Storage, Inc. Atmos Energy Holdings, Inc.
Basis for allocation	<p>Costs are allocated to affiliates and operating divisions based on a composite factor applied to the Shared Services departments. Shared Services departments which provide services to the Company's affiliates utilize a composite factor which includes the affiliates.</p> <p>Shared Service departments that do not provide services to the Company's affiliates utilize a composite factor which does not include the Company's affiliates.</p> <p>Other allocation methods used as appropriate include, but are not limited to, composite not including affiliates or Atmos Pipeline –Texas and an Overhead rate.</p> <p>From each operating division general office charges are allocated to rate divisions using the composite rate for each rate division.</p>

See page 12 for General Ledger Entries: Example Only.

General Ledger Entries: Example Only

SSU BU 010 Cash Acct. 131	SSU BU 010 Accounts Payable Acct. 232	SSU BU 010 Office Supply and Expenses * Acct. 921 Cost Center XXXX	SSU BU 010 Administrative Expenses Transferred Acct. 922
\$1,000 (1)	(1) \$1,000      \$1,000 (1)	(1) \$1,000	\$ 300 (2) \$ 700 (2a)
General Office Remaining Administrative Expenses Transferred Acct. 922	General Office Mid States - Div 091 Administrative Expenses Transferred Acct. 922	Rate Div Office Mid States Div 009 ** Administrative Expenses Transferred Acct. 922	Rate Div Office Mid States -Remaining Administrative Expenses Transferred Acct. 922
(2a) \$ 700	(2) \$300      \$150 (3) \$150 (3a)	(3) \$150	(3a) \$150

\* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

\*\* Many rate division offices exist within Mid-States in addition to Div 009.

Flow of Activity

- ✓ (1) Purchase Office Supplies - Shared Services
- ✓ (2) Allocating Shared Services Expenses to General Offices - 30% Allocation rate for illustration purposes only
  - (2a) Allocation to remaining general offices
- ✓ (3) Allocating Shared Services Expenses to Rate Division Office - 50% Allocation rate for illustration purposes only
  - (3a) Allocation to remaining division offices

Note: Operating Divisions Mississippi, Mid-Tex and Atmos Pipeline – Texas have 1 rate division. There is no allocation to remaining division offices (3a).

Note: Please see the allocation of expenses from General Office to State Regional Office to Rate Division on the following pages:  
West Texas - 17, Colorado/Kansas - 19, Louisiana - 23

**Service:** SSU – Customer Support taxes other than income taxes

**Description:** Includes all taxes other than income tax charged in Shared Services – Customer Support.

**Current Provider Of Services** Shared Services

**Current Use of Service**  
West Texas Rate Divisions  
Louisiana Rate Divisions  
Kentucky/Mid-States Rate Divisions  
Mid-Tex Division  
Colorado-Kansas Rate Divisions  
Mississippi Division

**Basis for allocation** Costs are allocated to the applicable rate division level in total 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.  
If needed number of customers in the rate divisions is used to allocate from the operating division general office to the rate divisions.

General Ledger Entries: Example Only

<b>SSU BU 010</b> Cash Acct. 131 ----- \$1,000 (1)	<b>SSU BU 010</b> Accounts Payable Acct. 232 ----- \$1,000 (1)    \$1,000 (1)	<b>SSU BU 010</b> Taxes Other than Income Taxes Acct. 408.1 ----- \$1,000 (1)    \$400 (2)    \$600 (2a)	<b>General Office Remaining</b> Taxes Other than Income Taxes Acct. 408.1 ----- \$600 (2a)
<b>General Office Mid States -Div 091</b> Taxes Other than Income Taxes Acct. 408.1 ----- \$400 (2)    \$100 (3)    \$300 (3a)	<b>Rate Div Office Mid States -Div 009**</b> Taxes Other than Income Taxes Acct. 408.1 ----- \$100 (3)	<b>Rate Div Office Mid States - Remaining</b> Taxes Other than Income Taxes Acct. 408.1 ----- \$300 (3a)	

\*\* Many rate division offices exist in addition to Div 009.

Flow of Activity

- ✓ (1) Taxes Other than Income Taxes incurred
- ✓ (2) Allocating Shared Services Expenses to General Offices - 40% to Mid States BU - for illustration purposes  
(2a) Allocating to remaining division offices
- ✓ (3) Allocating Shared Services Expenses to Rate Division Office - 25% for Kentucky Rate Division Office - for illustration purposes only  
(3a) Allocating Shared Services Expenses to remaining Rate Division Offices

Note: Please see the allocation of expenses from General Office to State Regional Office to Rate Division on the following pages:  
West Texas - 17, Colorado/Kansas - 19, Louisiana - 23

<b>Service:</b>	<b>SSU – General Office taxes other than income taxes</b>
Description:	Includes all taxes other than income tax charged in Shared Services – General Office.
Current Provider Of Services	Shared Services
Current Use of Service	Atmos Energy Louisiana Industrial Gas, LLC Atmos Power Systems, Inc. WKG Storage, Inc. Trans Louisiana Gas Pipeline, Inc. West Texas Division Mid-Tex Division Atmos Pipeline – Texas Division Louisiana Division Kentucky/Mid-States Division Colorado-Kansas Division Mississippi Division UCG Storage, Inc. Atmos Energy Holdings, Inc.
Basis for allocation	Costs are allocated to the applicable operating divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages:  The 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.  The number of customers in each operating division as a percentage of the total number of customers in all of the operating divisions.  The total direct O&M expense in each operating division as a percentage of the total direct O&M expense in all operating divisions.  If needed, allocation from operating division general offices to rate division uses the composite rate.

See page 13 for General Ledger Entry – Example Only.

**Service:** SSU – Customer Support depreciation

**Description:** Includes all depreciation charged in Shared Services – Customer Support.

**Current Provider Of Services** Shared Services

**Current Use of Service** West Texas Rate Divisions  
Louisiana Rate Divisions  
Kentucky/Mid-States Rate Divisions  
Mid-Tex Division  
Colorado-Kansas Rate Divisions  
Mississippi Division

**Basis for allocation** Costs are generally allocated to the applicable rate division level in total 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.  
If needed number of customers in the rate divisions is used to allocated from the operating division general office to the rate divisions.

**General Ledger Entries: Example Only**

<b>SSU BU 010</b> Depreciation Exp Acct. 403	<b>SSU BU 010</b> Depreciation Exp Acct. 108	<b>Rate Div Office</b> <b>Mid States -Div 009**</b> Depreciation Exp Acct. 403
(1)     \$5,000                     \$200     (2) <span style="margin-left: 150px;">\$4,800     (2a)</span>	<span style="margin-left: 150px;">\$5,000</span> (1)	(2)             \$200 (2a)            \$4,800

\*\* Many rate division offices exist in addition to Div 009.

**Flow of Activity**

- ✓ (1) Monthly Depreciation Expense is booked through Powerplant and interfaces with the Oracle general ledger.
- ✓ (2) Current Month Depreciation Expense is allocated to the various utility rate divisions using the following allocation factors:
  - i. For SSU division 002 - General - Allocated using the composite factor
  - ii. For SSU division 012 - Call Center - Allocated using the customer factor.
- (2a) Allocation to remaining Rate Divisions

Note: Please see the allocation of expenses from General Office to State Regional Office to Rate Division on the following pages:  
West Texas - 17, Colorado/Kansas - 19, Louisiana - 23

**Service:** SSU – General Office depreciation

Description: Includes all depreciation charged in Shared Services – General Office.

Current Provider  
Of Services Shared Services

Current Use of  
Service Atmos Energy Louisiana Industrial Gas, LLC  
WKG Storage, Inc.  
Trans Louisiana Gas Pipeline, Inc.  
West Texas Division  
Mid-Tex Division  
Atmos Pipeline – Texas Division  
Louisiana Division  
Kentucky/Mid-States Division  
Colorado-Kansas Division  
Mississippi Division  
UCG Storage, Inc.  
Atmos Energy Holdings, Inc.

Basis for  
allocation Costs are generally allocated to the applicable operating divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages:

- (1) The 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 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.

If needed, allocation from operating division general offices to rate division uses the composite rate.

See page 15 for General Ledger Entry – Example Only.

<b>Service:</b>	<b>West Texas Division operating division general office O&amp;M, depreciation and taxes other than income taxes, to rate division level</b>
Description:	Allocation of operating division general office expenses to rate division levels
Current Provider of Service	West Texas Division operating division general office
Current Use of Service	West Texas Division rate divisions
Basis for allocation	Costs are allocated to the applicable operating divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages: <ol style="list-style-type: none"><li>(1) The percentage of Gross Direct Property Plant and Equipment in each division as a percentage of the total Direct Property Plant and Equipment in the West Texas Division rate divisions.</li><li>(2) The number of customers in each rate division as a percentage of the total number of customers in the West Texas Division rate divisions.</li><li>(3) The total direct O&amp;M expense in each municipal rate division as a percentage of the total direct O&amp;M expense in the West Texas Division rate divisions.</li></ol>

See Page 18 for General Ledger Entries: Example Only.

General Ledger Entries: Example Only

<b>General Office SSU – Div 002</b>	
Cash Acct. 131	
	\$500 (1)
	\$400 (5)

<b>General Office SSU – Div 002</b>	
Accounts Payable Acct. 232	
(1) \$500	\$500 (1)
(5) \$400	\$400 (5)

<b>General Office West Texas - Div 010</b>	
Office Supply and Expenses *	
Acct. 921	
(1) \$500	

<b>General Office West Texas - Div 010</b>	
Administrative Expenses Transferred Acct. 922	
	\$200 (2)
	\$300 (2a)

<b>Rate Div Office West Texas Div 020**</b>	
Administrative Expenses Transferred Acct. 922	
(2) \$200	

<b>Rate Div Office West Texas -Remaining</b>	
Administrative Expenses Transferred Acct. 922	
(2a) \$300	

<b>General Office West Texas - Div 010</b>	
Depreciation Exp Acct. 403	
(3) \$100	\$15 (4)
	\$85 (4a)

<b>West Texas - Div 010</b>	
Accumulated Depreciation Acct. 108	
	\$100 (3)

<b>Rate Div Office West Texas Div 020**</b>	
Depreciation Exp Acct. 403	
(4) \$15	

<b>General Office West Texas - Div 010</b>	
Taxes Other than Income Taxes Acct. 408.1	
(5) \$400	\$100 (6)
	\$300 (6a)

<b>Rate Div Office West Texas Div 020**</b>	
Taxes Other than Income Taxes Acct. 408.1	
(6) \$ 100	

<b>Rate Div Office West Texas -Remaining</b>	
Taxes Other than Depreciation Acct. 408.1 and 403	
(4a) \$85	
(6a) \$300	

\* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

\*\* Many rate division offices exist in addition to Div 020.

Flow of Activity

- (1) Purchase Office Supplies - West Texas Division General Office
- (2) Allocating General Office Expenses to Rate Division Office - 40% Allocation rate for illustration purposes only
- (2a) Allocation to remaining division offices
- (3) Monthly Depreciation Expense is booked through Powerplant and interfaces with the Oracle general ledger.
- (4) Allocation from Division 010 - West Texas General Office to West Texas Rate Divisions
- (4a) Allocation to remaining division offices
- (5) Taxes Other than Income Taxes incurred
- (6) Allocating General Office Expenses to Rate Division Office - 25% to West Texas Rate Division Office - for illustration purposes only
- (6a) Allocation to remaining division offices

**Service:** Colorado-Kansas Division operating division general office expenses to state regional office division level.

**Description:** Allocation of division general office expenses to state regional office division levels.

**Current Provider of Service:** Colorado-Kansas Division operating division general office

**Current Use of Service:** Colorado-Kansas Operating Division state office divisions.

**Basis for allocation:** Costs are allocated to the applicable state regional office divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages:

- (1) The percentage of Gross Direct Property Plant and Equipment in each state as a percentage of the total Direct Property Plant and Equipment in Colorado-Kansas Division.
- (2) The number of customers in each state as a percentage of the total number of customers in Colorado-Kansas Division.
- (3) The total direct O&M expense in each state as a percentage of the total direct O&M expense in Colorado-Kansas Division.

**General Ledger Entries: Example Only**

<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">General Office SSU – Div 002</td></tr> <tr><td style="padding: 5px;">Cash</td></tr> <tr><td style="padding: 5px;">Acct. 131</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$500(1)</td></tr> </table>	General Office SSU – Div 002	Cash	Acct. 131	\$500(1)	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">General Office SSU – Div 002</td></tr> <tr><td style="padding: 5px;">Accounts Payable</td></tr> <tr><td style="padding: 5px;">Acct. 232</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$500</td></tr> </table>	General Office SSU – Div 002	Accounts Payable	Acct. 232	\$500	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">General Office CO/KS BU 060</td></tr> <tr><td style="padding: 5px;">Office Supply and Expenses *</td></tr> <tr><td style="padding: 5px;">Acct. 921</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$500</td></tr> </table>	General Office CO/KS BU 060	Office Supply and Expenses *	Acct. 921	\$500
General Office SSU – Div 002														
Cash														
Acct. 131														
\$500(1)														
General Office SSU – Div 002														
Accounts Payable														
Acct. 232														
\$500														
General Office CO/KS BU 060														
Office Supply and Expenses *														
Acct. 921														
\$500														
<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">General Office CO/KS BU 060</td></tr> <tr><td style="padding: 5px;">Administrative Expenses Transferred</td></tr> <tr><td style="padding: 5px;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$250(2) \$250(2a)</td></tr> </table>	General Office CO/KS BU 060	Administrative Expenses Transferred	Acct. 922	\$250(2) \$250(2a)	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">State Div Office CO/KS Div 031</td></tr> <tr><td style="padding: 5px;">Administrative Expenses Transferred</td></tr> <tr><td style="padding: 5px;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$250</td></tr> </table>	State Div Office CO/KS Div 031	Administrative Expenses Transferred	Acct. 922	\$250	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">Rate Div Office CO/KS Div 080</td></tr> <tr><td style="padding: 5px;">Administrative Expenses Transferred</td></tr> <tr><td style="padding: 5px;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$250</td></tr> </table>	Rate Div Office CO/KS Div 080	Administrative Expenses Transferred	Acct. 922	\$250
General Office CO/KS BU 060														
Administrative Expenses Transferred														
Acct. 922														
\$250(2) \$250(2a)														
State Div Office CO/KS Div 031														
Administrative Expenses Transferred														
Acct. 922														
\$250														
Rate Div Office CO/KS Div 080														
Administrative Expenses Transferred														
Acct. 922														
\$250														

\* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

**Flow of Activity**

- ✓ (1) Purchase Office Supplies - Colorado/Kansas Division General Office
- ✓ (2) Allocating General Office Expenses to State Division Office - 50% Allocation rate for illustration purposes only
- (2a) Allocation to remaining state office

**Service:** Colorado-Kansas Division state regional office division level expenses to rate division level

**Description:** Allocation of state regional office division level expenses to rate division levels.

**Current Provider of Service:** Colorado-Kansas Division regional division office

**Current Use of Service:** Colorado-Kansas Division rate divisions

**Basis for allocation:** Costs are allocated to the applicable rate divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages:

- (1) The percentage of Gross Direct Property Plant and Equipment in each state rate division as a percentage of the total Direct Property Plant and Equipment in each state.
- (2) The number of customers in each state rate division as a percentage of the total number of customers in each state.
- (3) The total direct O&M expense in each state rate division as a percentage of the total direct O&M expense in each state.

**General Ledger Entries: Example Only**

<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">General Office SSU – Div 002</td></tr> <tr><td style="padding: 5px;">Cash</td></tr> <tr><td style="padding: 5px;">Acct. 131</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$500 (1)</td></tr> </table>	General Office SSU – Div 002	Cash	Acct. 131	\$500 (1)	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">General Office SSU – Div 002</td></tr> <tr><td style="padding: 5px;">Accounts Payable</td></tr> <tr><td style="padding: 5px;">Acct. 232</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$500 (1)      \$500 (1)</td></tr> </table>	General Office SSU – Div 002	Accounts Payable	Acct. 232	\$500 (1)      \$500 (1)	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">State Div Office CO/KS BU 060</td></tr> <tr><td style="padding: 5px;">Office Supply and Expenses *</td></tr> <tr><td style="padding: 5px;">Acct. 921</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$500 (1)</td></tr> </table>	State Div Office CO/KS BU 060	Office Supply and Expenses *	Acct. 921	\$500 (1)
General Office SSU – Div 002														
Cash														
Acct. 131														
\$500 (1)														
General Office SSU – Div 002														
Accounts Payable														
Acct. 232														
\$500 (1)      \$500 (1)														
State Div Office CO/KS BU 060														
Office Supply and Expenses *														
Acct. 921														
\$500 (1)														
<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">State Div Office CO/KS BU 060</td></tr> <tr><td style="padding: 5px;">Administrative Expenses Transferred</td></tr> <tr><td style="padding: 5px;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$200 (2) \$300 (2a)</td></tr> </table>	State Div Office CO/KS BU 060	Administrative Expenses Transferred	Acct. 922	\$200 (2) \$300 (2a)	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">Rate Div Office CO/KS Div 033 **</td></tr> <tr><td style="padding: 5px;">Administrative Expenses Transferred</td></tr> <tr><td style="padding: 5px;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$200 (2)</td></tr> </table>	Rate Div Office CO/KS Div 033 **	Administrative Expenses Transferred	Acct. 922	\$200 (2)	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">Rate Div Office CO/KS - Remaining</td></tr> <tr><td style="padding: 5px;">Administrative Expenses Transferred</td></tr> <tr><td style="padding: 5px;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$300 (2a)</td></tr> </table>	Rate Div Office CO/KS - Remaining	Administrative Expenses Transferred	Acct. 922	\$300 (2a)
State Div Office CO/KS BU 060														
Administrative Expenses Transferred														
Acct. 922														
\$200 (2) \$300 (2a)														
Rate Div Office CO/KS Div 033 **														
Administrative Expenses Transferred														
Acct. 922														
\$200 (2)														
Rate Div Office CO/KS - Remaining														
Administrative Expenses Transferred														
Acct. 922														
\$300 (2a)														

\* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

\*\* Many rate division offices exist within the state in addition to Div 033.

**Flow of Activity**

- ✓ (1) Purchase Office Supplies - Colorado/Kansas State Division Office
- ✓ (2) Allocating State Division Office Expenses to Rate Division Office - 40% Allocation rate for illustration purposes only
- (2a) Allocation to remaining division offices

<b>Service:</b>	<b>Kentucky/Mid-States Division operating division general office O&amp;M, depreciation and taxes other than income taxes, to rate division level</b>
Description:	Allocation of operating division general office expenses to rate division levels
Current Provider Of Service	Kentucky/Mid-States Division operating division general office
Current Use of Service	Kentucky/Mid-States Division rate divisions
Basis for allocation	Costs are allocated to the applicable rate divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages: <ol style="list-style-type: none"><li>(1) The percentage of Gross Direct Property Plant and Equipment in each rate division as a percentage of the total Direct Property Plant and Equipment in Kentucky/Mid-States Division.</li><li>(2) The number of customers in each rate division as a percentage of the total number of customers in Kentucky/Mid-States Division.</li><li>(3) The total direct O&amp;M expense in each rate division as a percentage of the total direct O&amp;M expense in Kentucky/Mid-States Division.</li></ol>

See Page 22 for General Ledger Entries: Example Only.

**General Ledger Entries: Example Only**

<b>General Office SSU – Div 002</b>	
Cash Acct. 131	
	\$500 (1) \$400 (5)

<b>General Office SSU – Div 002</b>	
Accounts Payable Acct. 232	
(1) \$500 (5) \$400	\$500 (1) \$400 (5)

<b>General Office Mid States - Div 091 Office Supply and Expenses *</b>	
Acct. 921	
(1) \$500	

<b>General Office Mid States - Div 091 Administrative Expenses Transferred Acct. 922</b>	
	\$200 (2) \$300 (2a)

<b>Rate Div Office Mid States Div 009 ** Administrative Expenses Transferred Acct. 922</b>	
(2) \$200	

<b>Rate Div Office Mid States -Remaining Administrative Expenses Transferred Acct. 922</b>	
(2a) \$300	

<b>General Office Mid States - Div 091 Depreciation Exp Acct. 403</b>	
(3) \$100	\$15 (4) \$85 (4a)

<b>Mid States - Div 091 Accumulated Depreciation Acct. 108</b>	
	\$100 (3)

<b>Rate Div Office Mid States Div 009 ** Depreciation Exp Acct. 403</b>	
(4) \$15	

<b>General Office Mid States - Div 091 Taxes Other than Income Taxes Acct. 408.1</b>	
(5) \$400	\$100 (6) \$300 (6a)

<b>Rate Div Office Mid States Div 009 ** Taxes Other than Income Taxes Acct. 408.1</b>	
(6) \$ 100	

<b>Rate Div Office Mid States -Remaining Taxes Other and Depreciation Acct. 408.1 and 403</b>	
(4a) \$85 (6a) \$300	

\* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

\*\* Many rate division offices exist in addition to Div 009.

**Flow of Activity**

- ✓ (1) Purchase Office Supplies - Mid States Division General Office
- ✓ (2) Allocating General Office Expenses to Rate Division Office - 40% Allocation rate for illustration purposes only
  - (2a) Allocation to remaining division offices
- ✓ (3) Monthly Depreciation Expense is booked through Powerplant and interfaces with the Oracle general ledger.
- ✓ (4) Allocation from Division 091 - Mid States General Office to Mid States Rate Divisions - Allocated using the composite factor.
  - (4a) Allocation to remaining division offices
- ✓ (5) Taxes Other than Income Taxes incurred
- ✓ (6) Allocating General Office Expenses to Rate Division Office - 25% to Mid States Rate Division Office - for illustration purposes only
  - (6a) Allocation to remaining division offices

<b>Service:</b>	<b>Louisiana Division operating division general office O&amp;M, depreciation and taxes other than income taxes, to rate division level</b>
Description:	Allocation of operating division general office expenses to rate division levels
Current Provider of Service	Louisiana Division operating division general office
Current Use of Service	Louisiana Division rate divisions
Basis for allocation	Costs are allocated to the applicable rate divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages: <ol style="list-style-type: none"><li>(1) The percentage of Gross Direct Property Plant and Equipment in each rate division as a percentage of the total Direct Property Plant and Equipment in Louisiana Division.</li><li>(2) The number of customers in each rate division as a percentage of the total number of customers in Louisiana Division.</li><li>(3) The total direct O&amp;M expense in each rate division as a percentage of the total direct O&amp;M expense in Louisiana Division.</li></ol>

See Page 24 for General Ledger Entries: Example Only.

General Ledger Entries: Example Only

<b>General Office</b> <b>SSU – Div 002</b> <b>Cash</b> <b>Acct. 131</b>	<b>General Office</b> <b>SSU – Div 002</b> <b>Accounts Payable</b> <b>Acct. 232</b>	<b>General Office</b> <b>LA - Div 107</b> <b>Office Supply</b> <b>and Expenses *</b> <b>Acct. 921</b>
\$500 (1) \$400 (5)	(1) \$500 (5) \$400	(1) \$500
<b>General Office</b> <b>LA - Div 107</b> <b>Administrative</b> <b>Expenses</b> <b>Transferred</b> <b>Acct. 922</b>	<b>Rate Div Office</b> <b>LA Div 007</b> <b>Administrative</b> <b>Expenses</b> <b>Transferred</b> <b>Acct. 922</b>	<b>Rate Div Office</b> <b>LA Div 007</b> <b>Administrative</b> <b>Expenses</b> <b>Transferred</b> <b>Acct. 922</b>
\$200 (2) \$300 (2a)	(2) \$200	(2a) \$300
<b>General Office</b> <b>LA - Div 107</b> <b>Depreciation Exp</b> <b>Acct. 403</b>	<b>LA - Div 107</b> <b>Accumulated Depreciation</b> <b>Acct. 108</b>	<b>Rate Div Office</b> <b>LA Div 007</b> <b>Depreciation Exp</b> <b>Acct. 403</b>
(3) \$100 \$15 (4) \$85 (4a)	\$100 (3)	(4) \$15 (4a) \$85
<b>General Office</b> <b>LA - Div 107</b> <b>Taxes Other than</b> <b>Income Taxes</b> <b>Acct. 408.1</b>	<b>Rate Div Office</b> <b>LA Div 007</b> <b>Taxes Other than</b> <b>Income Taxes</b> <b>Acct. 408.1</b>	<b>Rate Div Office</b> <b>LA Div 007</b> <b>Taxes Other and</b> <b>Depreciation</b> <b>Acct. 408.1 and 403</b>
(5) \$400.00 \$100 (6) \$300 (6a)	(6) \$ 100	(4a) \$85 (6a) \$300

\* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

Flow of Activity

- (1) Purchase Office Supplies - LA Division General Office
- (2) Allocating General Office Expenses to Rate Division Office - 40% Allocation rate for illustration purposes only
  - (2a) Allocation to remaining division offices
- (3) Monthly Depreciation Expense is booked through Powerplant and interfaces with the Oracle general ledger.
- (4) Allocation from Division 107 - LA General Office to LA Rate Divisions - Allocated using the composite factor.
  - (4a) Allocation to remaining division offices
- (5) Taxes Other than Income Taxes incurred
- (6) Allocating General Office Expenses to Rate Division Office - 25% to LA Rate Division Office - for illustration purposes only
  - (6a) Allocation to remaining division offices

**Description of Relationship between Mid-Tex and Atmos Pipeline – Texas:**

Mid-Tex performs operations and maintenance and capital services for the Atmos Pipeline – Texas ("APT") Division.

Services are provided on an ongoing basis throughout the Mid-Tex and APT service areas. The field operations include, but are not limited to, services related to pipeline integrity, measurement, compliance work, painting, right of way mowing and reclamation, leak surveys, patrolling, regulator maintenance, fence replacements, line repairs and line replacements. Additionally, Technical and Support Services are provided to APT by centralized departments primarily located at the Mid-Tex headquarters in Dallas. These centralized functions include, but are not limited to, compliance monitoring and reporting, gas measurement, finance and human resources.

APT employs outside contractor labor services and purchases materials and supplies for field operations and construction in addition to the services provided by Mid-Tex. These services and materials are direct charged to APT and are not allocated from Mid-Tex.

APT employs some pipeline only personnel. This labor and the related benefit cost is primarily charged directly to APT and not allocated from Mid-Tex.

**Service: Mid-Tex/Atmos Pipeline – Texas Division - Intracompany Labor**

Description: Mid-Tex employees' labor supporting APT operations

Current Provider Of Service Mid-Tex

Current Use of Service Atmos Pipeline – Texas

Basis for allocation The Operational Split is calculated each fiscal year based upon budgeted non-supervisory employee labor and contract labor for the Mid-Tex and APT divisions.

Mid-Tex supervisory and support employees (finance, human resources, etc) who charge time to APT generally use the operational split.

Mid-Tex non-supervisory employees who charge time to APT generally record their time through the time reporting system.

**General Ledger Entry: Supervisory employee (Example Only)**

SSU – Div 002		
Cash		
Acct. 131		
<hr/>		
	\$1,000	(1)

SSU – Div 002		
Accounts Payable		
Acct. 232		
<hr/>		
(1)	\$1,000	
	\$1,000	(2)

Mid-Tex BU 080		
O&M Labor		
Acct. 853		
Cost Center 4XXX		
<hr/>		
(2)	\$200	

Mid-Tex BU 080		
Construction work		
In Progress		
Acct. 107		
Cost Center 4XXX		
<hr/>		
(2)	\$400	

APT BU 180		
Construction work		
In Progress		
Acct. 107		
Cost Center 9XXX		
<hr/>		
(2)	\$250	

APT BU 180		
O&M Labor		
Acct. 853		
Cost Center 9XXX		
<hr/>		
(2)	\$150	

**Flow of Activity:**

- (1) Pay Mid-Tex Supervisory employee
- (2) Allocate labor to Mid-Tex and APT – for illustration purposes, this employee's time is charged 60% to Mid-Tex and 40% to APT. The APT portion is 63% capital.

**General Ledger Entry: Non Supervisory employee (Example Only)**

SSU – Div 002		
Cash		
Acct. 131		
<hr/>		
	\$800	(1)

SSU – Div 002		
Accounts Payable		
Acct. 232		
<hr/>		
(1)	\$800	
	\$800	(2)

Mid-Tex BU 080		
O&M Labor		
Acct. 853		
Cost Center 4XXX		
<hr/>		
(2)	\$400	

APT BU 180		
Construction work		
In Progress		
Acct. 107		
Cost Center 9XXX		
<hr/>		
(2)	\$100	

APT BU 180		
O&M Labor		
Acct. 853		
Cost Center 9XXX		
<hr/>		
(2)	\$300	

**Flow of Activity:**

- (1) Pay Mid-Tex employee labor
- (2) Direct charge labor to Mid-Tex and APT – for illustration purposes, this employee's time for this payroll cycle was 50% Mid-Tex and 50% APT. The APT portion was 25% capital and 75% expense.

**Service:** Mid-Tex/Atmos Pipeline – Texas Division - Non Labor Expenses

**Description:** Allocation includes but is not limited to rents, heavy equipment, utilities, telecom, transportation (vehicles), uniforms, insurance, printing and postage.

**Current Provider Of Service:** Mid-Tex

**Current Use of Service:** Atmos Pipeline – Texas Division

**Basis for allocation:** Factors are primarily based on direct employee labor and contractor labor. The vehicle allocation is based on Company labor only. Allocations vary based on the cost center and sub account.

General Ledger Entries: Transportation Expense (Example Only)

<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">SSU – Div 002</td></tr> <tr><td style="text-align: center;">Cash</td></tr> <tr><td style="text-align: center;">Acct. 131</td></tr> <tr><td style="text-align: center;"> </td></tr> <tr><td style="text-align: right;">\$1,000 (1)</td></tr> </table>	SSU – Div 002	Cash	Acct. 131		\$1,000 (1)	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">SSU – Div 002</td></tr> <tr><td style="text-align: center;">Accounts Payable</td></tr> <tr><td style="text-align: center;">Acct. 232</td></tr> <tr><td style="text-align: center;"> </td></tr> <tr><td style="text-align: left;">(1) \$1,000</td></tr> <tr><td style="text-align: right;">\$1,000 (1)</td></tr> </table>	SSU – Div 002	Accounts Payable	Acct. 232		(1) \$1,000	\$1,000 (1)	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">Mid Tex BU 080</td></tr> <tr><td style="text-align: center;">O&amp;M Transportation</td></tr> <tr><td style="text-align: center;">Acct. 853</td></tr> <tr><td style="text-align: center;"> </td></tr> <tr><td style="text-align: left;">(1) \$1,000</td></tr> <tr><td style="text-align: right;">\$780 (2)</td></tr> </table>	Mid Tex BU 080	O&M Transportation	Acct. 853		(1) \$1,000	\$780 (2)
SSU – Div 002																			
Cash																			
Acct. 131																			
\$1,000 (1)																			
SSU – Div 002																			
Accounts Payable																			
Acct. 232																			
(1) \$1,000																			
\$1,000 (1)																			
Mid Tex BU 080																			
O&M Transportation																			
Acct. 853																			
(1) \$1,000																			
\$780 (2)																			
<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">APT BU 180</td></tr> <tr><td style="text-align: center;">CWIP</td></tr> <tr><td style="text-align: center;">Acct. 107</td></tr> <tr><td style="text-align: center;"> </td></tr> <tr><td style="text-align: left;">(3) \$220</td></tr> </table>	APT BU 180	CWIP	Acct. 107		(3) \$220	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">APT BU 180</td></tr> <tr><td style="text-align: center;">O&amp;M Transportation</td></tr> <tr><td style="text-align: center;">Acct. 853</td></tr> <tr><td style="text-align: center;"> </td></tr> <tr><td style="text-align: left;">(2) \$780</td></tr> <tr><td style="text-align: right;">\$220 (3)</td></tr> </table>	APT BU 180	O&M Transportation	Acct. 853		(2) \$780	\$220 (3)							
APT BU 180																			
CWIP																			
Acct. 107																			
(3) \$220																			
APT BU 180																			
O&M Transportation																			
Acct. 853																			
(2) \$780																			
\$220 (3)																			

Flow of Activity

- (1) \$1000 in transportation expense
- (2) \$780 is allocated from Mid-Tex O&M to APT O&M
- (3) A portion of the cost is capitalized, for illustration purposes only (22%)

**Service: Intercompany labor**

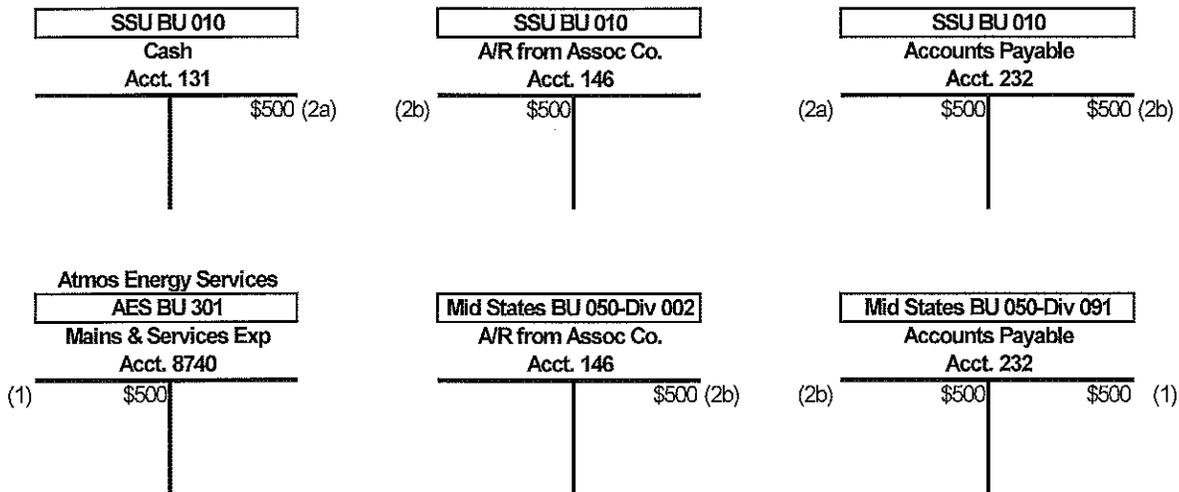
**Description:** To the extent operating division employees provide labor services to an affiliate, the labor costs for the services will be charged to the appropriate affiliate.

**Current Provider of Service** Louisiana Division  
Colorado-Kansas Division  
Kentucky/Mid-States Division  
Mississippi Division  
West Texas Division

**Current Use of Service** UCG Storage, Inc.  
Atmos Energy Louisiana Industrial Gas, LLC  
WKG Storage, Inc.  
Trans Louisiana Gas Pipeline, Inc.  
Trans Louisiana Gas Storage, Inc.

**Basis for allocation** Labor charges are captured through direct time sheet entries and transferred to the appropriate subsidiary receiving the labor services.

**General Ledger Entries: Example Only**



**Flow of Activity**

- (1) Employee X is a Kentucky Employee. He worked on a special project in March for Atmos subsidiary, AES (Atmos Energy Services). Time is captured through a direct time sheet entry.
- (2a) Salary is paid to employee x
- (2b) JE is made to relieve payable in operating division.  
Intercompany Entry generated by Oracle to keep Operating Divisions in sync.

**Service: Adjustments to Uncollectible Accounts Expense**

Description: Allocation of additional expense amounts booked to adjust the Provision for Uncollectibles (Account 144)

Current Provider of Service West Texas Division rate divisions  
Louisiana Division rate divisions  
Kentucky/Mid-States Division rate divisions  
Colorado-Kansas Division rate divisions  
Mid-Tex Division rate division  
Mississippi Division rate division

Current Use of Service West Texas Division rate divisions  
Louisiana Division rate divisions  
Kentucky/Mid-States Division rate divisions  
Colorado-Kansas Division rate divisions  
Mid-Tex Division rate division  
Mississippi Division rate division

Basis of Intra-company Allocations Costs are allocated to the rate divisions in total based on Sales Revenue or Margin.

**General Ledger Entries: Example Only**

Rate Division *	Rate Division	Rate Division
Accumulated Provision for Uncollectible Accounts Acct. 144 sub xxxxx	Customer Accounts - Uncollectible Accounts Acct. 904	Customer Accounts Receivable Acct. 142 sub xxxxx
(2) \$ 250   \$ 1,000 (1)	(1) \$ 1,000	\$ 250 (2)

\* Each rate division has a different allocation rate.

**Flow of Activity**

- (1) Monthly allocated costs.
- (2) Write off of uncollectible accounts as needed.

**Service:** Intra-company labor allocation – other than operating division general office labor

**Description:** Certain employee activities cross multiple rate divisions within an operating division. The costs associated with such activities include labor, benefits and associated taxes.

**Current Provider of Service**  
 Atmos Pipeline – Texas Division  
 West Texas Division  
 Louisiana Division  
 Kentucky/Mid-States Division  
 Mid-Tex Division  
 Colorado-Kansas Division  
 Mississippi Division

**Current Use of Service**  
 Atmos Pipeline – Texas Division  
 West Texas Division  
 Louisiana Division  
 Kentucky/Mid-States Division  
 Mid-Tex Division  
 Colorado-Kansas Division  
 Mississippi Division

**Basis of Intra-company Allocations** Labor associated with cross-jurisdictional activities is charged to each jurisdiction based on the level of employee activity. The costs are captured either through direct time sheet entries or fixed labor distribution percentages.

**General Ledger Entries: Example Only**

SSU BU 010 Cash Acct. 131	\$500 (2a)	(2b)	SSU BU 010 A/R from Assoc Co. Acct. 146	\$500	(2a)	SSU BU 010 Accounts Payable Acct. 232	\$500	\$500 (2b)			
Kentucky Division Mid-States BU 050-Div 009 Mains & Services Exp Acct. 8740	(1)	\$250	Tennessee Division Mid-States BU 050-Div 093 Mains & Services Exp Acct. 8740	(1)	\$250	Mid-States BU 050-Div 002 A/R from Assoc Co. Acct. 146	\$500 (2b)	Mid-States BU 050-Div 091 Accounts Payable Acct. 232	(2b)	\$500	\$500 (1)

**Flow of Activity**

- (1) Employee x lives in Kentucky and works 50% in Kentucky and 50% in Tennessee every month. Time is captured through fixed labor distribution
- (2a) Salary is paid to employee x
- (2b) JE is made to relieve payable in operating division.  
Intercompany Entry generated by Oracle to keep Operating Divisions in sync

<b>Service:</b>	<b>Other income and interest expense (All below the line accounts)</b>
Description:	Allocation of Shared Services' other income and interest expense (All below the line accounts)
Current Provider of Service	Shared Services
Current Use of Service	West Texas Division Louisiana Division Kentucky/Mid-States Division Mid-Tex Division Colorado-Kansas Division Mississippi Division Atmos Pipeline – Texas Division
Basis for allocation	Interest Expense, Interest Income and Other Non-Operating Income in shared services are allocated to each utility division based on the budget allocation percentages. The budget allocation is based on projected average net investment by rate division for the budget year. For this purpose, 'net investment' is defined as regulatory rate base + goodwill. These allocation factors are the same throughout the fiscal year. The allocation stays in the account the charge was originally booked in. Headquarter allocation of below the line accounts to rate divisions follows the same process as described above.

See page 33 for General Ledger Entries: Example Only.

General Ledger Entries: Example Only

<b>SSU BU 010</b> Cash Acct. 131 \$1,000	<b>SSU BU 010</b> Accounts Receivable Acct. 143 (1) \$1,000 \$1,000 (1)	<b>SSU BU 010</b> Interest and Dividend Income Acct. 419 (2) \$20 \$1,000 (1)	<b>Div 033</b> Interest and Dividend Income Acct. 419 \$20
<b>SSU BU 010</b> Cash Acct. 131 \$2,000 (3)	<b>SSU BU 010</b> Accounts Receivable Acct. 143 (3) \$2,000 \$2,000 (3)	<b>SSU BU 010</b> Other Deductions * Acct. 426.5 (3) \$2,000 \$40 (4)	<b>Div 033</b> Other Deductions Acct. 426.5 (4) \$40
<b>SSU BU 010</b> Cash Acct. 131 \$3,000 (5)	<b>SSU BU 010</b> Accounts Receivable Acct. 143 (5) \$3,000 \$3,000 (5)	<b>SSU BU 010</b> Interest Expense Acct. 431 (Short Term) (5) \$600 \$12 (6)	<b>Div 033</b> Interest Expense Acct. 431 (Short Term) (6) \$ 12
		<b>SSU BU 010</b> Interest Expense Acct. 431 (Long Term) (5) \$2,400 \$48 (6)	<b>Div 033</b> Interest Expense Acct. 431 (Long Term) (6) \$ 48

\* Includes various accounts but cleared out of account 426.5

Flow of Activity

- (1) Interest and Dividend Income generated
- (2) Allocating Shared Services Income and Dividend Income to Div 33 only - Assume 2% allocation rate
- (3) Other Income and Expenses generated
- (4) Allocating Shared Services Other Deductions to Div 33 only - Assume 2% allocation rate
- (5) Interest Expense generated
- (6) Allocating Shared Services Interest Expense to Div 33 only - Assume 2% allocation rate

**Service:** Gas cost between state jurisdictions for contiguous systems

**Description:** Gas costs that apply to contiguous systems that cross state jurisdictional boundaries are allocated between those rate jurisdictions.

**Current Provider of Service:** West Texas Division  
Colorado-Kansas Division  
Kentucky/Mid-States Division

**Current Use of Service:** West Texas Division  
Colorado-Kansas Division  
Kentucky/Mid-States Division

**Basis of Allocations:** Allocations are based upon throughput for the West Texas Division and the Colorado-Kansas Division's Southeast Colorado/Southwest Kansas operations. For the Colorado-Kansas Division's Kansas system and for the Kentucky/Mid-States Division, demand costs are allocated based on peak-day requirements. Commodity costs are allocated based upon throughput.

**Atmos Energy Corporation**  
**General Ledger Entries: Gas Costs between state jurisdictions for contiguous systems (Example Only)**

<p>SSU BU 010 Cash Acct. 131</p> <hr style="border: 0.5px solid black;"/> <p style="text-align: right;">\$1,000 (1)</p>	<p>SSU BU 010 Accounts Payable Acct. 232</p> <hr style="border: 0.5px solid black;"/> <p style="text-align: left;">(1) \$1,000</p> <p style="text-align: right;">\$1,000 (2)</p>	
<p>Various BU's &amp; Svc Areas Natural Gas City Gate Purchase Acct. 804</p> <hr style="border: 0.5px solid black;"/> <p>(2) \$1,000</p>		

- (1) Gas cost incurred
- (2) Gas cost paid

**Service:** Gas storage services between an operating division and an affiliate

**Description:** To the extent an operating division stores gas in a storage field owned by an affiliate, a rental fee for the use of the storage field shall be charged by the affiliate.

**Current Provider of Service:** UCG Storage, Inc.  
WKG Storage, Inc.

**Current Use of Service:** Kentucky/Mid-States Division

**Basis for allocation:** The annual demand charge between UCG Storage, Inc. and Atmos Energy Corporation (Tennessee operations only) is calculated based on fiscal year plant in service, gas inventory, actual operational costs incurred, and application of revenue and cost of capital conversion factors based on prior regulatory approval. In the calculation of the demand charge, costs not specifically related to a designated area are allocated to each affiliate based on the percentage of total plant servicing that affiliate.  
The annual demand charge between WKG Storage, Inc. and Atmos Energy Corporation (Kentucky operation only) is based on services provided at actual cost, market rate or as otherwise provided under tariff or contract.

**General Ledger Entries: Example Only**

<b>WKG Storage BU 233</b> <b>Other Gas Revenues</b> <b>Acct. 495</b>		<b>KY/Mid-State BU 050, Div 009</b> <b>Transportation to City Gate</b> <b>Acct. 8580</b>	
\$100	(1)	\$100	(1)
<b>WKG Storage BU 233, Div 002</b> <b>A/R from Assoc Co.</b> <b>Acct. 146</b>		<b>KY/Mid-State BU 050, Div 002</b> <b>A/R from Assoc Co.</b> <b>Acct. 146</b>	
\$100	(2)	\$100	(2)

**Flow of Activity - East Diamond Storage Facility**

- 1 Monthly demand charge for the East Diamond Storage Facility
- 2 Intercompany Entry generated by Oracle to keep Operating Divisions in sync

<b>UCG Storage BU 232</b> <b>Other Gas Revenues</b> <b>Acct. 495</b>		<b>KY/Mid-State BU 050, Div 009</b> <b>Other gas supply expenses</b> <b>Acct. 813</b>	
\$100	(1)	\$100	(1)
<b>WKG Storage BU 232, Div 002</b> <b>A/R from Assoc Co.</b> <b>Acct. 146</b>		<b>KY/Mid-State BU 050, Div 002</b> <b>A/R from Assoc Co.</b> <b>Acct. 146</b>	
\$100	(2)	\$100	(2)

**Flow of Activity - Barnsley Storage Facility**

- 1 Monthly demand charge for the Barnsley Storage Facility
- 2 Intercompany Entry generated by Oracle to keep Operating Divisions in sync

**Service:** Working capital funds management (Intercompany account)

**Description:** Funds are invested on behalf of or provided to affiliates based on operations.

Current Provider of Service:	Atmos Energy Corporation	Atmos Energy Holdings, Inc.
Current Use of Service:	Atmos Energy Holdings, Inc.	Atmos Energy Corporation
Interest Income/Expense Calculation (See Below)	A	B

**Basis for allocation** Interest income or expense is recognized each month at the subsidiaries' level based on the total average outstanding balance of all intercompany receivable/payable balances using the following rates:

A (AEH is the borrower)  
Expense – One month LIBOR (last day of the month) plus 300 basis points  
Income – One month LIBOR (last day of the month)

B (AEC is the borrower)  
Expense – The lowest outstanding CP rate or the Eurodollar rate under the AEC Credit Facility (Credit Ag), which is LIBOR plus 100  
Income – One month LIBOR (last day of the month)

**Atmos Energy Corporation**

**General Ledger Entries: Working Capital Funds Management (Example Only)**

<p><b>SSU BU 010</b> <b>Interest and Dividend Income</b> <b>Acct. 419</b></p> <hr style="border: 0.5px solid black;"/>	<p>\$1,000 (1)</p>
<p><b>AEH BU 312</b> <b>Other Interest Expense</b> <b>Acct. 431</b></p> <hr style="border: 0.5px solid black;"/>	<p>(1) \$1,000</p>

(1) Interest Income and/or expense is recognized each month at the subsidiaries' level

**Service:** Gas storage services provided between affiliates

**Description:** To the extent an affiliate stores gas in a storage field owned by another affiliate, a fee for the use of the storage field shall be charged.

**Current Provider of Service:** Trans Louisiana Gas Storage, Inc.

**Current Use of Service:** Trans Louisiana Gas Pipeline, Inc.

**Basis for allocation:** The fee to the affiliate utilizing the storage service is based on services provided at actual cost, market rate or as otherwise provided under tariff.

**General Ledger Entries: Example Only**

<b>BU 234</b>
Accounts Receivable from Associated Company Acct. 146
\$100

<b>BU 234</b>
Revenue Transportation - Industrial Acct. 4896
\$100

<b>BU 303</b>
Accounts Receivable from Associated Company Acct. 146
\$100

<b>BU 303</b>
Other Gas Supply Expense Acct. 813
\$100

**Service:** **Property Insurance**

**Description:** Blueflame Insurance Services, LTD provides a direct property insurance policy. The policy covers the property against all risks of direct physical loss or damage.

**Current Provider of Service:** Blueflame Insurance Services, LTD

**Current Use of Service:** Kentucky/Mid-States Division  
Colorado-Kansas Division  
Shared Services  
Louisiana Division  
Mississippi Division  
Mid-Tex Division  
West Texas Division  
Atmos Pipeline – Texas Division  
Atmos Energy Louisiana Industrial Gas, LLC  
Atmos Exploration & Production, Inc.  
Atmos Energy Services, LLC  
Atmos Power Systems, Inc.  
Trans Louisiana Gas Pipeline, Inc.  
Trans Louisiana Gas Storage, Inc.  
UCG Storage, Inc.  
WKG Storage, Inc.  
Atmos Gathering Company, LLC

**Basis for allocation:** Atmos Energy Corporation is invoiced by Blueflame Insurance Services. Costs are allocated based on the gross property, plant and equipment and gas stored underground balances of each affiliate at a rate division level.

General Ledger Entries: Example Only

SSU BU 010 Cash Acct. 131	SSU BU 010 Accounts Payable Acct. 232	SSU BU 010 Prepayments Acct. 165		
\$1,200 (1)	\$1,200 (1)	\$1,200 (1)      \$100 (2)		
<table border="0" style="width: 100%;"> <tr> <td style="border: 1px solid black; padding: 2px;">                             General Office COKS BU 090 Property Insurance Acct. 924                         </td> <td style="text-align: right; padding-right: 10px;">(2) (3)      \$100</td> </tr> </table>			General Office COKS BU 090 Property Insurance Acct. 924	(2) (3)      \$100
General Office COKS BU 090 Property Insurance Acct. 924	(2) (3)      \$100			

- Flow of Activity**
- (1) Purchase of property insurance
  - (2) Monthly amortization to rate divisions
  - (3) Amounts remaining in SSU cost centers are allocated to the divisions using the method described on pages 11 and 12.

**Service:** Intercompany Interest on Notes Payable

Description: Intercompany Interest on Notes Payable

Current Provider Of Services Shared Services

Current Use of Service Atmos Energy Holdings, Inc.

Current Provider of Service:	Atmos Energy Corporation	Atmos Energy Holdings, Inc.
Current Use of Service:	Atmos Energy Holdings, Inc.	Atmos Energy Corporation
Interest Income/Expense Calculation (See Below)	A	B

Basis for allocation Interest income and expense is recognized each month at the subsidiaries' level using the following rates:

A (AEH is the borrower)  
Expense – One month LIBOR (last day of the month) plus 300 basis points  
Income – One month LIBOR (last day of the month)

B (AEC is the borrower)  
Expense – The lowest outstanding CP rate or the Eurodollar rate under the AEC Credit Facility (Credit Ag), which is LIBOR plus 100  
Income – One month LIBOR (last day of the month)

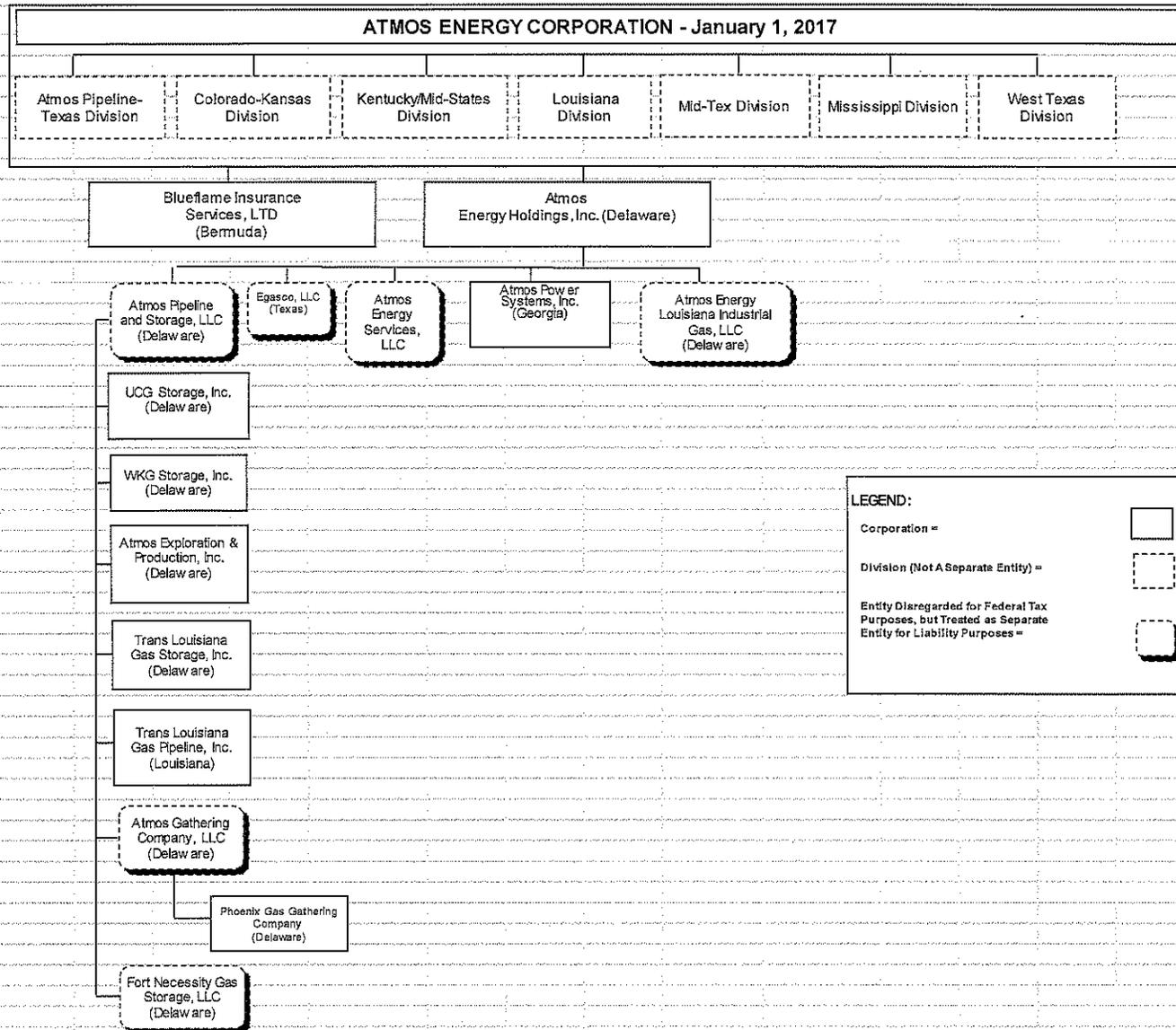
**General Ledger Entries: Example Only**

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><b>Shared Services</b></td> </tr> <tr> <td style="text-align: center;">Accounts Receivable from Associated Company Acct. 146</td> </tr> <tr> <td style="border-top: 1px solid black; text-align: right;">\$1,000 (1)</td> </tr> </table>	<b>Shared Services</b>	Accounts Receivable from Associated Company Acct. 146	\$1,000 (1)	(1)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><b>Shared Services</b></td> </tr> <tr> <td style="text-align: center;">Interest on Debt to Associated Companies Acct. 431</td> </tr> <tr> <td style="border-top: 1px solid black; text-align: right;">\$1,000</td> </tr> </table>	<b>Shared Services</b>	Interest on Debt to Associated Companies Acct. 431	\$1,000
<b>Shared Services</b>								
Accounts Receivable from Associated Company Acct. 146								
\$1,000 (1)								
<b>Shared Services</b>								
Interest on Debt to Associated Companies Acct. 431								
\$1,000								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><b>Atmos Energy Holdings, Inc.</b></td> </tr> <tr> <td style="text-align: center;">Accounts Receivable from Associated Company Acct. 146</td> </tr> <tr> <td style="border-top: 1px solid black; text-align: right;">\$1,000 (1)</td> </tr> </table>	<b>Atmos Energy Holdings, Inc.</b>	Accounts Receivable from Associated Company Acct. 146	\$1,000 (1)	(1)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><b>Atmos Energy Holdings, Inc.</b></td> </tr> <tr> <td style="text-align: center;">Interest and Dividend Income Acct. 419</td> </tr> <tr> <td style="border-top: 1px solid black; text-align: right;">\$1,000 (1)</td> </tr> </table>	<b>Atmos Energy Holdings, Inc.</b>	Interest and Dividend Income Acct. 419	\$1,000 (1)
<b>Atmos Energy Holdings, Inc.</b>								
Accounts Receivable from Associated Company Acct. 146								
\$1,000 (1)								
<b>Atmos Energy Holdings, Inc.</b>								
Interest and Dividend Income Acct. 419								
\$1,000 (1)								

**Flow of Activity**

(1) Intercompany Interest on Notes Payable is recognized each month at the subsidiary level.

## Appendix A





BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY )  
 )  
CORPORATION FOR AN ADJUSTMENT ) Case No. 2017-00349  
 )  
OF RATES AND TARIFF MODIFICATIONS )

DIRECT TESTIMONY OF PAUL H. RAAB

1 Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS  
2 ADDRESS.

3 A. My name is Paul H. Raab and my business address is 5313 Portsmouth Road,  
4 Bethesda, MD 20816. I am an independent economic consultant.

5 Q. ON WHOSE BEHALF ARE YOU APPEARING TODAY?

6 A. I am appearing on behalf of Atmos Energy Corporation, Kentucky/Mid-States  
7 Division ("Atmos Energy" or "Company").

8 I. QUALIFICATIONS

9 Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

10 A. I have a B.A. in Economics from Rutgers University and an M.A. from the State  
11 University of New York at Binghamton with a concentration in Econometrics.  
12 While attending Rutgers, I studied as a Henry Rutgers Scholar.

13 Q. PLEASE DESCRIBE YOUR BUSINESS EXPERIENCE.

14 A. I have been providing consulting services to the utility industry for over forty years,  
15 having assisted electric, gas, telephone, and water utilities; Commissions; and



1 required revenue increase to the various customer classes and in designing rates.

2 **Q. WHY HAVE YOU PREPARED MULTIPLE COSS STUDIES IN THIS**  
3 **CASE?**

4 A. The development of multiple COSS studies in this case is in direct response to  
5 Commission directives in its order in Case No. 2013-00148. The primary directive  
6 from that order is that, “the Commission strongly encourages Atmos-Ky. to file  
7 multiple-methodology COSSes in future rate cases in order to give the Commission  
8 a range of reasonable results for use in determining revenue allocation and rate  
9 design.” Order at 34. In addition, the Commission also stated that, “With this  
10 Order, the Commission puts all parties to future rate proceedings on notice that we  
11 cannot give full consideration to a COSS that does not show separately each of the  
12 typical individual COSS steps of functionalization, classification, and allocation.”  
13 Order at 35.

14 **Q. HOW DO THESE STUDIES RESPOND TO THE COMMISSION’S**  
15 **DIRECTIVES?**

16 A. The Company’s COSS study classifies investments and costs in almost 400  
17 separate accounts and subaccounts and allocates the investments and costs in those  
18 accounts in nearly 1,000 different ways. However, it has been my experience that  
19 because of this level of granularity, alternative classifications and allocations of the  
20 amounts recorded in most of the accounts that comprise the Company’s COSS  
21 study do not have a significant impact on the class results. What does have a  
22 significant impact on the class results is the treatment of distribution mains and this  
23 is consistent with the Commission’s Order in Case No. 2013-00148: “Although

1 certain minor differences exist between the two COSSes, Atmos-Ky. and the AG  
2 agree that the primary difference lies in the treatment of distribution mains.” Order  
3 at 32. As a result, I have developed three COSS studies for this case that differ  
4 based on the treatment of distribution mains. This is consistent with the Company’s  
5 presentation in its last base rate proceeding, Case No. 2015-00343.

6 **Q. PLEASE DESCRIBE THESE STUDIES.**

7 A. The first study, termed the “customer/demand” study, classifies investments in  
8 distribution mains as both customer- and demand-related using the “minimum  
9 system” approach. Such a classification reflects the fact that the Company’s level  
10 of investment in distribution mains is driven by the maximum demand that  
11 customers place on the system, but that there is also a minimum level of investments  
12 in distribution mains that would be necessary regardless of the level of such  
13 demands. As indicated in the National Association of Regulatory Utility  
14 Commissioners (NARUC) publication entitled Gas Rate Design, “[t]he argument  
15 for inclusion of [customer] cost[s] relating to a service line and/or a ‘minimum size  
16 or zero inch’ distribution main is that these facilities are necessary to connect the  
17 customer to the system and thus afford him the opportunity to take service if he so  
18 desires.” Gas Rate Design at 29, 30. I find this rationale compelling, and generally  
19 favor a customer/demand classification of distribution mains in my work in other  
20 jurisdictions.

21 However, Gas Rate Design also notes that “[t]he contra argument is that  
22 mains and services are installed to serve demands of the customers and should be  
23 allocated [exclusively] to that function.” Accordingly, I have prepared a second

1 COSS study, termed the “demand-only” study, which classifies investments in  
2 distribution mains as only demand-related, consistent with this discussion from Gas  
3 Rate Design.

4 Finally, I have prepared a third study, entitled the “demand/commodity”  
5 study, which reflects the Commission’s 1987 guidance that, “cost-of-service  
6 methodologies should give some consideration to volume of use.” Administrative  
7 Case No. 297, *An Investigation of the Impact of Federal Policy on Natural Gas to*  
8 *Kentucky Consumers and Suppliers* (“Admin. 297”) (Ky. PSC May 29, 1987),  
9 Order at 47. While I do not believe that such an approach reflects distribution mains  
10 investment cost incurrence, and therefore is a results-driven choice of classification  
11 methodologies, I have nevertheless provided such a study for the Commission’s  
12 consideration.

13 **Q. HOW DID YOU RESPOND TO THE COMMISSION’S DIRECTIVE THAT**  
14 **THE STUDIES SHOW SEPARATELY EACH OF THE TYPICAL**  
15 **INDIVIDUAL COSS STEPS OF FUNCTIONALIZATION,**  
16 **CLASSIFICATION AND ALLOCATION?**

17 A. This has always been a feature of the cost of service studies that I have presented  
18 in other jurisdictions, has been a feature of the Company’s COSS presentation that  
19 I have prepared in its prior base rate proceedings and is a feature of the three studies  
20 submitted in this case.

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**III. IDENTIFICATION OF EXHIBITS**

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

A. Yes, I sponsor five exhibits. Exhibit PHR-1 is a summary of my qualifications and experience. Exhibits PHR-2, PHR-3 and PHR-4 are the results of the Company's class cost of service studies based on a customer/demand allocation of distribution mains, a demand-only allocation of distribution mains and a demand/commodity allocation of distribution mains, respectively. Finally, Exhibit PHR-5 is a summary exhibit that highlights the two most important differences among the three studies: (1) the suggested allocation of the proposed revenue increase and (2) the level of fixed costs indicated for each study.

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

**IV. ORGANIZATION OF TESTIMONY**

**Q. HOW IS YOUR TESTIMONY ORGANIZED?**

A. My testimony is organized into one additional section, Section V, which describes the class cost of service studies.

**V. CLASS COST OF SERVICE**

**a. Background**

**Q. WHAT IS A CLASS COST OF SERVICE ANALYSIS?**

A. A class cost of service analysis is the process by which the costs that a utility incurs to serve particular classes of customers are linked to the classes of customers that caused those costs to be incurred.

1 **Q. WHY IS IT NECESSARY TO ALLOCATE COSTS TO THE DIFFERENT**  
2 **CUSTOMER CLASSES?**

3 A. It is a generally accepted utility ratemaking principle that rates should be based on  
4 costs. This statement applies not only to the overall level of costs incurred by the  
5 utility, but also to the costs that the utility incurs to serve individual services, classes  
6 of customers, and segments of the utility's business. Adherence to this principle is  
7 complicated by the fact that many of the costs incurred to provide different types  
8 of service are "joint" costs and many are "common" costs, neither of which has a  
9 theoretically precise method by which they can be assigned to the different products  
10 produced as a result of the incurrence of these costs.

11 Joint costs occur when the provision of one service is an automatic by-  
12 product of another (e.g., the delivery of natural gas at different times of the year).  
13 Common costs are incurred when several outputs are produced using the same  
14 facilities or inputs (e.g., administrative and general expenses).

15 Thus, cost of service studies are the primary method used to allocate the  
16 common and joint costs incurred by the utility in serving different customer classes.  
17 They are used for five purposes:

- 18 1. To attribute costs to different categories of customers based on how those  
19 customers cause costs to be incurred;
- 20 2. To determine how costs will be recovered from customers within each  
21 customer class;
- 22 3. To calculate the costs of individual types of service based on the costs each  
23 service requires the utility to expend;

- 1 4. To determine the revenue requirement for the monopoly services offered by  
2 a utility operating in both monopoly and competitive markets; and  
3 5. To separate costs between different regulatory jurisdictions.

4 **Q. HOW ARE THE COSTS INCURRED BY THE UTILITY ALLOCATED TO**  
5 **THE DIFFERENT CUSTOMER CLASSES?**

6 A. These costs are allocated to the different customer classes in three steps:  
7 functionalization, classification, and allocation.

8 **Q. PLEASE DESCRIBE THE FUNCTIONALIZATION PROCESS.**

9 A. Functionalization is the process whereby the capital and operating costs incurred  
10 by the utility to provide service are categorized by function. The typical functions  
11 of a natural gas utility are transmission, distribution, customer service and facilities,  
12 and administrative and general. The transmission function includes those assets  
13 and expenses associated with the delivery of natural gas from the field to the  
14 distribution system. The assets and expenses involved in the delivery of natural gas  
15 to ultimate customers, except those that can be directly assigned to a particular  
16 customer, are included in the distribution function. Those distribution costs that  
17 can be directly assigned to a particular customer (e.g., service drops and meters)  
18 plus the meter reading and other customer service functions such as billing and  
19 collections are included in the customer service and facilities function. The  
20 administrative and general function includes management costs that cannot be  
21 directly assigned to the other major cost functions.

22 **Q. WHY DOES ONE FUNCTIONALIZE COSTS?**

23 A. Costs are functionalized so that they can be more easily classified, which is the next

1 step in the cost of service analysis.

2 **Q. HOW WAS THE FUNCTIONALIZATION PROCESS PERFORMED FOR**  
3 **ATMOS ENERGY?**

4 A. The Company's accounting processes follow the FERC Uniform System of  
5 Accounts. In large measure, this system of accounts records costs by the function  
6 for which they were incurred. Thus, the costs that I work with in the cost of service  
7 analysis are already grouped by function.

8 **Q. PLEASE DESCRIBE THE CLASSIFICATION PROCESS.**

9 A. The classification process recognizes that the utility's costs are incurred for a  
10 number of purposes: to meet customers' peak demands (demand-related costs), to  
11 provide energy (energy- or commodity-related costs), and because there are  
12 customers on the system (customer-related costs). The classification process  
13 groups the utility's costs by the purpose for which they were incurred. The cost of  
14 odorant is the best example of a cost that is incurred in direct proportion to the  
15 amount of natural gas that flows through the system and is therefore classified as  
16 an energy-related cost. On the other hand, metering costs are primarily driven by  
17 the number of customers on the system and would be classified as customer-related  
18 costs.

19 **Q. HOW WERE THE COMPANY'S COSTS CLASSIFIED IN THIS STUDY?**

20 A. All of the studies discussed above rely on the same classification scheme for all  
21 costs and investments other than investments in distribution mains. The  
22 classification of distribution mains investment costs differs among the three studies  
23 as follows. For the customer/demand study, distribution mains investment costs

1 are classified as both customer-related and demand-related based on the results of  
2 a minimum system study, consistent with Company studies in prior cases. The  
3 demand-only study classifies distribution mains investment costs as only demand-  
4 related. The demand/commodity study classifies distribution mains investment  
5 costs as both demand-related and commodity-related, based on the average and  
6 excess demand approach, consistent with the methodology endorsed by the  
7 Attorney General in Docket No. 2013-00148. The first two approaches are  
8 consistent with the suggested classification of the NARUC. The third approach is  
9 consistent with prior Commission guidance related to cost-of-service  
10 methodologies. My testimony below explains the specific classification factors  
11 employed.

12 **Q. PLEASE DESCRIBE THE ALLOCATION PROCESS.**

13 A. The allocation process is one in which the functionalized and classified costs from  
14 above are assigned to specific customer classes. It is assumed that the load  
15 characteristics of the customers within each of the major customer classes are  
16 relatively homogeneous with respect to their usage characteristics. Thus, costs can  
17 be allocated to customer classes based on these characteristics. Those costs that  
18 have been classified as demand-related costs in the classification process above are  
19 allocated among the customer classes on the basis of demands imposed on the  
20 system during the peak day. Commodity- or energy-related costs are allocated on  
21 the basis of the energy that the system must supply to meet the needs of these  
22 customers. Customer-related costs are allocated to the different customer classes  
23 based on the number of customers.

1 **Q. HOW ARE THESE COSTS ALLOCATED TO THE COMPANY'S**  
2 **DIFFERENT CUSTOMER CLASSES?**

3 A. First, customers are divided into groups or classes. These classes are populated with  
4 customers having similar natural gas demand characteristics. The customers within  
5 each class can therefore be billed pursuant to a single rate schedule containing a  
6 customer charge and an energy charge since their load profiles are sufficiently  
7 similar. Next, costs are examined to determine why the utility incurred them and  
8 how customers' usage characteristics impact the utility's cost incurrence decisions.  
9 Finally, a demand characteristic is associated with each cost incurred; each  
10 customer class' contribution to that cost provides the basis for the allocation of the  
11 associated cost.

12 **Q. WHAT ARE THESE "USAGE CHARACTERISTICS" THAT**  
13 **CUSTOMERS PLACE ON THE SYSTEM?**

14 A. The customer's request for service is a cost causative demand characteristic that  
15 necessarily results in an immediate investment in a regulator, a service line and  
16 metering facilities and establishes a commitment on the part of the company to  
17 provide, among other things, answers to questions and a monthly billing. Hence,  
18 the very existence of this customer-utility relationship causes the incurrence of cost.  
19 The amount of natural gas taken from the utility system, usually expressed  
20 volumetrically (Mcf) or in terms of the energy content of the natural gas itself  
21 (therms or Dth) and referred to as the customer's energy use or usage, is an  
22 important cost causative characteristic as well. Additionally, as my testimony will  
23 describe in more detail, the magnitude of costs incurred to serve a customer is also

1 driven by the customer's potential rate of energy use, usually expressed in design  
2 day usage and referred to as the customer's demand.

3 **Q. HOW DO SUCH DEMANDS AFFECT COST INCURRENCE?**

4 A. Cost incurrence is strongly driven by two primary factors, the physical connection  
5 to the system and the rate at which energy is used. As described above, the physical  
6 connection to the system involves investments (a regulator, a service line and  
7 metering facilities) and establishes a commitment on the part of the company to  
8 provide monthly billing, even if no customer usage occurs. Likewise, the rate at  
9 which energy is used serves as the link to the incurrence and magnitude of demand  
10 related utility costs.

11 **Q. WHY HAVE YOU EMPHASIZED THE PHYSICAL CONNECTION TO**  
12 **THE SYSTEM AND THE RATE AT WHICH ENERGY IS USED WHEN**  
13 **DESCRIBING COST CAUSATIVE CUSTOMER UTILIZATION**  
14 **FACTORS?**

15 A. There are two very important factors that drive a natural gas utility's cost  
16 incurrence. First, it is a capital-intensive enterprise. Second, the system must be  
17 sized so that it has the capability to deliver natural gas to customers during  
18 extremely cold conditions (the "design day"), even though this intensity of usage  
19 only occurs a few days out of the year, if at all. This combination of capital intensity  
20 and sizing to meet peak day demands dictates the prominence of the physical  
21 connection and the "rate of use" customer demand characteristic when discussing  
22 the cause of cost incurrence.

1 **Q. WHAT IS THE SIGNIFICANCE OF THE DESIGN DAY DEMAND?**

2 A. It is necessary first and foremost to safely and reliably meet the simultaneous loads  
3 of all customers. Furthermore, transmission plant is built to meet the highest  
4 simultaneous peak established by customers. Therefore, the class contribution to  
5 the coincident design day demand is the appropriate cost causative factor to be used  
6 in the allocation of capital cost carrying charges of facilities to customer classes.

7 **Q. WHAT ARE THE GENERAL PRINCIPLES THAT SHOULD GUIDE AN**  
8 **ANALYST IN PREPARING A CLASS COST OF SERVICE STUDY?**

9 A. Allocation of costs among customer classes establishes the basis to measure  
10 existing revenue levels from such classes against the costs incurred by the Company  
11 to serve them. It also provides a basis for establishing actual tariff prices that will  
12 equitably recover the costs associated with providing service while minimizing  
13 inter-class subsidies that may otherwise occur. In brief, using the class cost of  
14 service analysis, the analyst allocates costs to cost causers. The costs that a utility  
15 incurs to serve customers are the transmission facilities to transmit the natural gas  
16 to town border stations, distribution facilities to distribute the natural gas to homes  
17 and businesses, general facilities that provide support to the first two functional  
18 groups and the related costs of operation.

19 Some analysts utilize energy use in a class cost of service to distribute  
20 capital costs to classes. These analysts rationalize this allocation methodology by  
21 pointing out that these facilities serve year-round load. This methodology gives no  
22 weight to the critical point that these facilities were sized and built to meet the  
23 highest demand that occurs during the winter period for Atmos Energy.



1 classifications developed. Exhibit PHR-3 (the demand-only study) and Exhibit  
2 PHR-4 (the demand/commodity study) are organized in the same way.

3 **Q. PLEASE DESCRIBE YOUR CLASSIFICATION OF GROSS PLANT IN**  
4 **SERVICE.**

5 A. As shown on pages 6-8 of Exhibit PHR-2, a majority of gross plant in service  
6 accounts (general plant) are classified through the use of an internally-generated  
7 composite factor, developed from the classification of all production, storage,  
8 transmission and distribution plant. Investments in transmission plant are classified  
9 as 100% demand-related and investments in storage facilities are classified as 50%  
10 demand and 50% commodity. Both classifications are consistent with those used  
11 in the Company's last base rate proceeding. In this study, investments in  
12 distribution mains and related facilities are classified as approximately 33%  
13 customer and 67% demand, in accordance with the results of a minimum system  
14 study.

15 The demand-only study (Exhibit PHR-3) changes the distribution mains and  
16 related facilities classification to 100% demand and the demand/commodity study  
17 (Exhibit PHR-4) changes the classification of investments in distribution mains as  
18 approximately 58% demand and 42% commodity, based on the calculated load  
19 factor of the system. Of course, as these alternative classification schemes are  
20 applied, the internally-generated composite factors also change to reflect more  
21 heavily the classification chosen for distribution mains and related facilities.

1 **Q. PLEASE DESCRIBE YOUR CLASSIFICATION OF RESERVE FOR**  
2 **DEPRECIATION AND AMORTIZATION.**

3 A. As shown on pages 9-11 of the class cost of service study, the classifications of the  
4 Reserves for Depreciation and Amortization follow the same classifications as  
5 employed for Gross Plant in Service, by study, since the same factors that influence  
6 Gross Plant in Service also affect the Reserves for Depreciation of those plant  
7 categories.

8 **Q. PLEASE DESCRIBE YOUR CLASSIFICATION OF OTHER RATE BASE**  
9 **ITEMS.**

10 A. Other Rate Base items include materials and supplies, gas storage inventory,  
11 prepayments, cash working capital, customer advances and accumulated deferred  
12 income taxes and these amounts are classified in the same way across all studies.  
13 Materials and supplies, prepayments and cash working capital are classified in the  
14 same way as operations and maintenance expenditures. Gas storage inventories are  
15 classified as 100% commodity-related. Customer advances are classified as a  
16 customer-related cost and accumulated deferred income taxes are classified  
17 according to net plant, since they would appear to be largely driven by these  
18 investments.

19 **Q. PLEASE DESCRIBE YOUR CLASSIFICATION OF OPERATIONS AND**  
20 **MAINTENANCE (O&M) EXPENSES.**

21 A. As can be seen on pages 13-14 of the studies, I have generally classified O&M  
22 expenses in accordance with the NARUC classification models and the same across  
23 all three studies. For example, other gas supply expenses have been classified as

1 100% commodity-related. Underground storage O&M expenses are classified in  
2 the same way as investments in storage plant, i.e., 50% demand-related and 50%  
3 commodity-related.

4 Transmission O&M expense is classified as entirely demand-related.  
5 Distribution O&M expense classifications rely on customers for those expenses  
6 related to services, regulators and meters and composite classification factors for  
7 many of the other accounts that make up distribution O&M expenses. These  
8 composite factors are generated within the class cost of service model. A&G  
9 expenses are also classified based on composite classification factors. Customer  
10 accounts expenses, customer service and information expenses and sales expenses  
11 are all classified as customer-related.

12 **Q. PLEASE DESCRIBE YOUR CLASSIFICATION OF DEPRECIATION**  
13 **AND AMORTIZATION EXPENSE.**

14 A. Functionalized depreciation and amortization expense is shown on pages 15-17 of  
15 the class cost of service study. Functionalized depreciation expense is classified  
16 the same as gross plant. Of course, this changes the classification of distribution  
17 mains and related facilities depreciation expense across the studies to be consistent  
18 with the way that each study classifies investments in these facilities.

19 **Q. PLEASE DESCRIBE YOUR CLASSIFICATION OF TAXES, OTHER**  
20 **THAN INCOME TAXES.**

21 A. Taxes other than income taxes fall into two categories, ad valorem and payroll-  
22 related. Ad valorem taxes are classified on the basis of plant while the various  
23 payroll-related taxes, most notably FICA taxes, are classified on the basis of total

1 O&M expenses. Total O&M expenses are also used to classify the DOT  
2 transmission user tax and other taxes. The Public Service Commission Assessment  
3 is classified as commodity-related. Finally, while not a tax, the taxes other than  
4 income taxes schedule includes a classification of interest expense, a deduction to  
5 income taxes. Income taxes are computed elsewhere in the program. These  
6 classifications are shown on Page 18 of the class cost of service studies, and utilize  
7 the same classification factors across all studies.

8 **c. The Allocation Study**

9 **Q. PLEASE DESCRIBE THE ALLOCATION STUDY.**

10 A. The allocation schedules of the cost of service study begin on page 20 of the class  
11 cost of service studies. Each allocation section consists of 4 subsections. The first  
12 subsection shows the allocation of the functionalized cost item's customer  
13 component, the second subsection shows the allocation of the item's demand  
14 component, the third the commodity component, and the fourth the total allocated  
15 costs. Thus, for example, pages 20-22 contain the allocation of gross plant  
16 customer-related costs, pages 23-25 gross plant demand-related costs, pages 26-28  
17 gross plant commodity-related costs and pages 29-31 total allocated gross plant.

18 Each line lists the functionalized cost item, the allocation factor used, the  
19 total company classified costs for that item, and the amount allocated of that cost  
20 item to each of the rate classes. These pages continue through page 71 of the  
21 exhibit. The allocation of revenue follows on page 72. Page 73 shows the  
22 classification factors used in the study, while pages 74 and 75 show the allocation  
23 factors used.

1 **Q. PLEASE DESCRIBE THE PRIMARY ALLOCATION FACTORS THAT**  
2 **YOU HAVE USED IN YOUR STUDY.**

3 A. There are three types of allocation factors used in this study. As is the case with  
4 the classification studies discussed above, these allocation factors are related to  
5 customers on the system, demands placed on the system, and energy demanded  
6 from the system.

7 **Q. PLEASE DESCRIBE THE ALLOCATORS OF CUSTOMER-RELATED**  
8 **COSTS THAT YOU USE.**

9 A. Three primary allocators are used to assign customer-related costs to customer  
10 classes: the number of bills, customer-weighted meter investments, and direct  
11 assignment to the five individual customer classes. I used these different allocators  
12 because different customer-related costs are more appropriately allocated with  
13 each.

14 **Q. CAN YOU PROVIDE AN EXAMPLE?**

15 A. Certainly. The number of customers by class is used to allocate such expense items  
16 as sales and customer service and information costs. Meter investments are the best  
17 allocator for investment in meters. Industrial measuring and regulating station  
18 expenses are most appropriately assigned directly to non-residential sales and  
19 transport customers.

20 **Q. PLEASE DESCRIBE THE ALLOCATORS OF DEMAND-RELATED**  
21 **COSTS THAT YOU USE.**

22 A. The two demand allocators used are a class' design day peak, since design day  
23 forms the basis for planning decisions made by the Company and winter volumes,

1 used to allocate storage expenses.

2 **Q. PLEASE DESCRIBE THE ALLOCATORS OF COMMODITY-RELATED**  
3 **COSTS THAT YOU USE.**

4 A. The primary allocator for commodity-related costs is total throughput.

5 **Q. PLEASE SUMMARIZE YOUR ALLOCATION STUDIES.**

6 A. The results are provided on lines 34 and 35 of the first page of each class cost of  
7 service study and summarized on Exhibit PHR-5. Page 1 of Exhibit PHR-5 shows  
8 actual and relative returns at present rates, the increases needed for an equalized  
9 proposed return by class and the estimated customer-related costs for the Company  
10 and for each of the cost of service classes for each of the studies developed. This  
11 information is provided for the customer/demand study on lines 1-6, for the  
12 demand-only study on lines 7-12, and the demand/commodity study on lines 13-  
13 18. Page 2 of the exhibit summarizes these results to show the minimum, maximum  
14 and average revenue increases required by class to produce an equalized rate of  
15 return from the three studies on lines 1-6. Similar information related to the  
16 customer component of costs identified in each of the studies is provided on lines  
17 7-12.

18 While this exhibit shows that all classes are making positive contributions  
19 to rate of return, the residential class is generally providing less than the system  
20 average rate of return. All other classes are generally providing a return greater  
21 than the system average return, as indicated by at least one of the alternative  
22 allocation schemes.

1 **Q. WHY ARE THESE AMOUNTS OF INTEREST TO THE COMMISSION?**

2 A. One of the primary purposes of a class cost of service analysis is to identify  
3 interclass subsidies that may exist between the different classes of a natural gas  
4 distribution system so that steps can be taken to eliminate them. This exhibit  
5 identifies for the Commission the extent to which rates need to be adjusted so that  
6 all identified subsidies can be eliminated under a range of reasonable allocation  
7 assumptions.

8 **Q. DOES THE REVENUE INCREASE ALLOCATION ADVOCATED BY**  
9 **COMPANY WITNESS MARK MARTIN MOVE THE CLASSES CLOSER**  
10 **TO AN EQUALIZED RATE OF RETURN?**

11 A. Yes. This can be seen by comparing the class relative rates of return at proposed  
12 rates (line 56 of page 1 of Exhibits PHR-2, PHR-3 and PHR-4) to the class relative  
13 rates of return at existing rates (line 35 of page 1 of those same exhibits). If the  
14 class relative rates of return at proposed rates move closer to 1.0, the proposed  
15 revenue increase is a movement toward parity of class returns and a reduction of  
16 interclass subsidies. As this condition prevails across all classes and studies, I  
17 would conclude that the Company's proposed revenue distribution is a reasonable  
18 movement toward reducing interclass subsidies.

19 In addition, the Company's proposed revenue increases by class are  
20 generally within the range of increases suggested by all of the studies, as shown on  
21 lines 1-6 in the last column of page 2 of Exhibit PHR-5. While alternative revenue  
22 distributions could also be supported, the Company's proposals appear to be  
23 reasonable and reflect gradualism in the assignment of the revenue increase.

1 **Q. DOES THE EXHIBIT PROVIDE ANY OTHER SUPPORT FOR MR.**  
2 **MARTIN'S RATE DESIGNS?**

3 A. Yes. Mr. Martin proposes customer charges for Residential Sales Customers of  
4 \$20.50/month and \$52.50/month for Non-Residential Sales Customers. The levels  
5 of these charges are generally within the bounds established by the different studies,  
6 as shown on lines 8 and 9 of Page 2 of Exhibit PHR-5.

7 **Q. DOES THAT COMPLETE YOUR DIRECT TESTIMONY AT THIS TIME?**

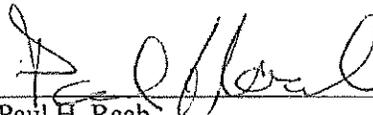
8 A. Yes, it does.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF )  
RATE APPLICATION OF ) Case No. 2017-00349  
ATMOS ENERGY CORPORATION )

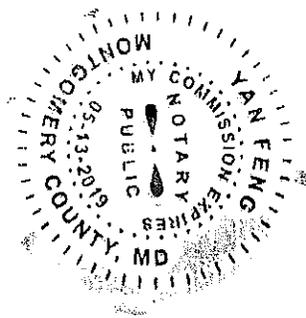
CERTIFICATE AND AFFIDAVIT

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 direct testimony of this affiant in Case No. 2017-00349, 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 direct pre-filed testimony.

  
\_\_\_\_\_  
Paul H. Raab

STATE OF Maryland  
COUNTY OF Montgomery

SUBSCRIBED AND SWORN to before me by Paul H. Raab on this the 14<sup>th</sup> day of  
September, 2017.



  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 05/13/2019

## PAUL H. RAAB

Mr. Raab's consulting focus is on the regulated public utility industry. His experience includes mathematical and economic analyses and system development and his areas of expertise include regulatory change management, load forecasting, supply-side and demand-side planning, management audits, mergers and acquisitions, costing and rate design, and depreciation and life analysis.

### PROFESSIONAL EXPERIENCE

Mr. Raab has directed or has had a key role in numerous engagements in the areas listed above. Representative clients are provided for each of these areas in the subsections below.

**Regulatory Change Management.** Mr. Raab has recently been assisting both electric and natural gas utilities as they prepare to operate in an environment that is significantly different from the one they operate in today. This work has involved the development of unbundled cost of service studies; the development of strategies that will allow companies to prosper in a restructured industry; retail access program development, implementation, and evaluation; and the development of innovative ratemaking approaches to accompany changes in the regulatory structure. Representative clients for whom he has performed such work include:

- Texas Gas Service
- Virginia Natural Gas
- UGI Utilities, Inc. – Gas Division, UGI Penn Natural Gas, Inc., and UGI Central Penn Gas, Inc.
- The Peoples Natural Gas Company d/b/a Dominion Peoples
- National Fuel Gas Distribution Corporation
- Columbia Gas of Pennsylvania, Inc.
- Aquila
- Kansas Corporation Commission
- Atmos Energy Corporation
- Electric Cooperatives' Association
- Cleco
- Washington Gas
- Western Resources
- Kansas Gas Service
- Mid Continent Market Center.

**Load Forecasting.** Mr. Raab has broad experience in the review and development of forecasts of sales forecasts for electric and natural gas utilities. This work has also included the development of elasticity of demand measures that have been used for attrition adjustments and revenue requirement reconciliations. Representative clients for whom he has performed such work include:

- Washington Gas Energy Services
- Central Louisiana Electric Company
- Washington Gas
- Saskatchewan Public Utilities Review Commission

- Union Gas Limited
- Nova Scotia Power Corporation
- Cajun Electric Power Cooperative
- Cincinnati Gas & Electric
- Commonwealth Edison Company
- Cleveland Electric Illuminating
- Public Service of Indiana
- Atlantic City Electric Company
- Detroit Edison Company
- Sierra Pacific Power
- Connecticut Natural Gas Corporation
- Appalachian Power Company
- Missouri Public Service Company
- Empire District Electric Company
- Public Service Company of Oklahoma
- Wisconsin Electric Power Company
- Northern States Power Company
- Iowa State Commerce Commission
- Missouri Public Service Commission.

**Supply Side Planning.** Mr. Raab has assisted clients to determine the most appropriate supply-side resources to meet future demands. This assistance has included the determination of optimal sizes and types of capacity to install, determination of production costs including and excluding the resource, and an assessment of system reliability changes as a result of different resource additions. Much of this work for the following clients has been done in conjunction with litigation:

- Enstar Natural Gas
- AGL Resources
- Washington Gas
- Soyland Electric Cooperative
- Houston Lighting and Power
- City of Farmington, New Mexico
- Big Rivers Electric Cooperative
- City of Redding, California
- Brown & Root
- Kentucky Joint Committee on Electric Power Planning Coordination
- Sierra Pacific Power.

**Demand Side Planning.** Demand Side Planning involves the forecasting of future demands; the design, development, implementation, and evaluation of demand side management programs; the determination of future supply side costs; and the integration of cost effective demand side management programs into an Integrated Least Cost Resource Plan. Mr. Raab has performed such work for the following clients:

- UGI Utilities
- Dominion Peoples Gas
- National Fuel Gas Distribution Corporation
- Columbia Gas of Pennsylvania
- Kansas Gas Service

- Atmos Energy Corporation
- Black Hills Gas Company
- Oklahoma Natural Gas Company
- Washington Gas Light Company
- Piedmont Natural Gas Company
- Chesapeake Utilities
- Pennsylvania & Southern Gas
- Montana-Dakota Utilities.

**Management Audits.** Mr. Raab has been involved in a number of management audits. Consistent with his other experience, the focus of his efforts has been in the areas of load forecasting, demand- and supply-side planning, integrated resource planning, sales and marketing, and rates. Representative commission/utility clients are as follows:

- Public Utilities Commission of Ohio/East Ohio Gas
- Kentucky Public Service Commission/Louisville Gas & Electric
- New Hampshire Public Service Commission/Public Service Company of New Hampshire
- New Mexico Public Service Commission/Public Service of New Mexico
- New York Public Service Commission/New York State Electric & Gas
- Missouri Public Service Commission/Laclede Gas Company
- New Jersey Board of Public Utilities/Jersey Central Power & Light
- New Jersey Board of Public Utilities/New Jersey Natural Gas
- Pennsylvania Public Utilities Commission/ Pennsylvania Power & Light
- California Public Utilities Commission/San Diego Gas & Electric Company.

**Mergers and Acquisitions.** Mr. Raab has been involved in a number of merger and acquisition studies throughout his career. Many of these were conducted as confidential studies and cannot be listed. Those in which his involvement was publicly known are:

- ONEOK, Inc./Southwest Gas Corporation
- Western Resources
- Constellation.

**Costing and Rate Design Analysis.** Mr. Raab has prepared generic rate design studies for the National Governor's Conference, the Electricity Consumer's Resource Council, the Tennessee Valley Industrial Committee, the State Electricity Commission of Western Australia, and the State Electricity Commission of Victoria. These generic studies addressed advantages and disadvantages of alternative costing approaches in the electric utility industry; the strengths and weaknesses of commonly encountered costing methodologies; future tariff policies to promote equity, efficiency, and fairness criteria; and the advisability of changing tariff policies. Mr. Raab has performed specific costing and rate design studies for the following companies:

- New Mexico Gas
- SEMCO Gas
- Enstar Natural Gas
- Atmos Energy Corporation
- Southern Maryland Electric Cooperative, Inc.

- Comcast Cable Communications, Inc.
- Cable Television Association of Georgia
- Devon Energy
- Aquila
- Oklahoma Natural Gas
- Semco Energy Gas Company
- Laclede Gas
- Western Resources
- Kansas Gas Service Company
- Central Louisiana Electric Company
- Washington Gas Light Company
- Piedmont Natural Gas Company
- Chesapeake Utilities
- Pennsylvania & Southern Gas
- KPL Gas Service Company
- Allegheny Power Systems
- Northern States Power
- Interstate Power Company
- Iowa-Illinois Gas & Electric Company
- Arkansas Power and Light
- Iowa Power & Light
- Iowa Public Service Company
- Southern California Edison
- Pacific Gas & Electric
- New York State Electric & Gas
- Middle South Utilities
- Missouri Public Service Company
- Empire District Electric Company
- Sierra Pacific Power
- Commonwealth Edison Company
- South Carolina Electric & Gas
- State Electricity Commission of Western Australia
- State Electricity Commission of Victoria, Australia
- Public Service Company of New Mexico
- Tennessee Valley Authority.

**Depreciation and Life Analysis.** Mr. Raab has extensive experience in depreciation and life analysis studies for the electric, gas, rail, and telephone industries and has taught a course on depreciation at George Washington University, Washington, DC. Representative clients in this area include:

- Champaign Telephone Company
- Plains Generation & Transmission Cooperative
- CSX Corporation (Includes work for Seaboard Coast Line, Louisville & Nashville, Baltimore & Ohio, Chesapeake & Ohio, and Western Maryland Railroads)
- Lea County Electric Cooperative, Inc.
- North Carolina Electric Membership Cooperative
- Alberta Gas Trunk Lines (NOVA)
- Federal Communications Commission.

**TESTIMONY**

The following table summarizes Mr. Raab's testimony experience.

<b>Jurisdiction</b>	<b>Docket Number</b>	<b>Subject</b>
Alaska	U-09-069, U-09-070	Rate Design
	U-14-010	Rate Design
Colorado	14AL-0300G	Costing/Rate Design
District of Columbia	834	Demand Side Planning
	905	Costing/Rate Design
	917	Costing/Rate Design
	921	Demand Side Planning
	922	Rate Design
	934	Rate Design
	989	Rate Design
	1016	Rate Design
	1053	Costing/Rate Design
	1079	Rate Design
District of Columbia	1093	Costing/Rate Design
	1137	Costing/Rate Design
Georgia	18300-U	Costing/Rate Design
Indiana	36818	Capacity Planning
Iowa	RPU-05-2	Costing/Rate Design
Kansas	174,155-U	Retail Competition
	176,716-U	Costing/Rate Design
	98-KGSG-822-TAR	Rate Design
	99-KGSG-705-GIG	Restructuring
	01-KGSG-229-TAR	Rate Design
	02-KGSG-018-TAR	Rate Design
	02-WSRE-301-RTS	Cost of Service
	03-KGSG-602-RTS	Cost of Service/Rate Design
	03-AQLG-1076-TAR	Rate Design
	05-AQLG-367-RTS	Cost of Service/Rate Design
	06-KGSG-1209-RTS	Cost of Service/Rate Design
	07-AQLG-431-RTS	Rate Design
	08-WSEE-1041-RTS	Cost of Service
	10-KCPE-415-RTS	Cost of Service/Rate Design
	10-KGSG-421-TAR	Demand Side Planning
10-KCPE-795-TAR	Demand Side Planning	
12-WSEE-112-RTS	Cost of Service/Rate Design	
12-KGSG-835-RTS	Cost of Service/Rate Design	
12-GIMX-337-GIV	Demand Side Planning	
12-KG&E-718-CON	Cost of Service	

Jurisdiction	Docket Number	Subject
Kansas	13-KG&E-451-CON	Cost of Service
	13-WSEE-629-RTS	Cost of Service/Rate Design
	14-ATMG-320-RTS	Cost of Service/Rate Design
	15-WSEE-181-TAR	Demand Side Planning
	15-KCPE-116-RTS	Cost of Service/Rate Design
	16-ATMG-079-RTS	Cost of Service/Rate Design
	16-KGSG-491-RTS 16-KCPE-446-TAR	Cost of Service/Rate Design Demand Side Planning
Kentucky	9613	Capacity Planning
	97-083	Management Audit
	2009-00354	Cost of Service
	2013-00148	Cost of Service
	2015-00343	Cost of Service
Louisiana	U-21453	Restructuring/Market Power
Maryland	8251	Costing/Rate Design
	8259	Demand Side Planning
	8315	Costing/Rate Design
	8720	Demand Side Planning
	8791	Costing/Rate Design
	8920	Costing/Rate Design
	8959	Costing/Rate Design
	9092	Costing/Rate Design
	9104	Costing/Rate Design
	9106	Costing/Rate Design
	9180	Capacity Planning
9267	Costing/Rate Design	
9433	Capacity Planning	
Michigan	U-6949	Load Forecasting
	U-13575	Costing/Rate Design
	U-16169	Costing/Rate Design
Missouri	GR-2002-356	Rate Design
Montana	D2005.4.48	Costing/Rate Design
Nebraska	NG-0001, NG-0002, NG-0003	Rate Design
	NG-0041	Rate Design
Nevada	81-660	Load Forecasting
New Jersey	OAL# PUC 1876-82 BPU# 822-0116	Load Forecasting



Jurisdiction	Docket Number	Subject
Virginia	PUE900013	Demand Side Planning
	PUE920041	Costing/Rate Design
	PUE940030	Costing/Rate Design
	PUE940031	Costing/Rate Design
	PUE950131	Capacity Planning
	PUE980813	Costing/Rate Design
	PUE-2002-00364	Costing/Rate Design
	PUE-2003-00603	Costing/Rate Design
	PUE-2006-00059	Costing/Rate Design
	PUE-2008-00060	Demand Side Planning
	PUE-2009-00064	Demand Side Planning
	PUE-2012-00118	Demand Side Planning
	PUE-2015-00132	Demand Side Planning
PUE-2015-00138	Demand Side Planning	
PUE-2016-00001	Capacity Planning	
West Virginia	79-140-E-42T	Capacity Planning
	90-046-E-PC	Demand Side Planning
Wisconsin	05-EP-2	Capacity Planning

In addition, Mr. Raab has presented expert testimony before the Federal Energy Regulatory Commission, the Pennsylvania House Consumer Affairs Committee, the Michigan House Economic Development and Energy Committee and the Province of Saskatchewan. He is a member of the Advisory Board of the Expert Evidence Report, published by The Bureau of National Affairs, Inc.

#### EDUCATION

Mr. Raab holds a B.A. (with high distinction) in Economics from Rutgers University and an M.A. from SUNY at Binghamton with a concentration in Econometrics. While attending Rutgers, he studied as a Henry Rutgers Scholar.

#### PUBLICATIONS AND PRESENTATIONS

Mr. Raab has published in a number of professional journals and spoken at a number of industry conferences. His publications/ presentations include:

- o "Natural Gas as an Electric DSM Tool," American Gas Association Membership Services Committee Meeting, Williamsburg, VA, September 15, 2009.

- "Electric-to-Gas Fuel Switching," NARUC Summer Meeting, Seattle, WA, July 20, 2009.
- "The Future of Fuel in Virginia: Natural Gas," The Twenty-Seventh National Regulatory Conference, Williamsburg, VA, May 19, 2009.
- "Revenue Decoupling for Natural Gas Utilities," Energy Bar Association Midwest Energy Conference, Chicago, IL, March 6, 2008.
- "Responses to Arrearage Problems from High Natural Gas Bills," American Gas Association Rate and Regulatory Issues Seminar, Phoenix, AZ, April 8, 2004.
- "Factors Influencing Cooperative Power Supply," National Rural Utilities Cooperative Finance Corporation Independent Borrower's Conference, Boston, MA, July 3, 1997.
- "Current Status of LDC Unbundling," American Gas Association Unbundling Conference: Regulatory and Competitive Issues, Arlington, VA, June 19, 1997.
- "Balancing, Capacity Assignment, and Stranded Costs," American Gas Association Rate and Strategic Planning Committee Spring Meeting, Phoenix, AZ, March 26, 1997.
- "Gas Industry Restructuring and Changes: The Relationship of Economics and Marketing" (with Jed Smith), National Association of Business Economists, 38th Annual Meeting, Boston, MA September 10, 1996.
- "Improving Corporate Performance By Better Forecasting," 1996 Peak Day Demand and Supply Planning Seminar, San Francisco, CA, April 11, 1996.
- "Natural Gas Price Elasticity Estimation," AGA Forecasting Review, Vol. 6, No. 1, November 1995.
- "Assessing Price Competitiveness," Competitive Analysis & Benchmarking for Power Companies, Washington, DC, November 13, 1995.
- "Avoided Cost Concepts and Management Considerations," Workshop on Avoided Costs in a Post 636 Gas Industry: Is It Time to Unbundle Avoided Cost? Sponsored by the Gas Research Institute and Wisconsin Center for Demand-Side Research, Milwaukee, WI, June 29, 1994.
- "Estimating Implied Long- and Short-Run Price Elasticities of Natural Gas Consumption," Atlantic Economic Conference, Philadelphia, PA, October 10, 1993.
- "Program Evaluation and Marginal Cost," The Natural Gas Least Cost Planning Conference, Washington, DC, April 7, 1992.

- "The New Environmentalism & Least Cost Planning," Institute for Environmental Negotiation, University of Virginia, May 15, 1991.
- "Development of Conditional Demand Estimates of Gas Appliances," AGA Forecasting Review, Vol. 1, No. 1, October 1988.
- "The Feasibility Study: Forecasting and Sensitivities," Municipal Wastewater Treatment Facilities, The Energy Bureau, Inc., November 18, 1985.
- "The Development of a Gas Sales End-Use Forecasting Model," Third International Forecasting Symposium, The International Institute of Forecasting, July 1984.
- "New Forecasting Guidelines for REC's - A Seminar," (Chairman), Kansas City, Missouri, June 1984.
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Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
SUMMARY OF RESULTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1							
2							
3							
4							
5							
6							
7							
8	Operating Revenues	170,729,276	100,954,201	52,092,481	1,893,776	8,245,200	7,543,618
9							
10	Operating Expenses:						
11							
12	Operating & Maintenance	104,873,146	65,120,780	35,578,050	1,486,943	1,374,834	1,312,539
13	Depreciation & Amortization	21,561,512	14,802,649	4,895,874	33,627	948,587	880,775
14	Taxes Other Than Income	6,566,445	4,250,939	1,522,465	27,077	384,863	381,101
15							
16	Total Operating Expenses	133,001,104	84,174,369	41,996,389	1,547,647	2,708,283	2,574,415
17							
18	Income Before Taxes	37,728,172	16,779,832	10,096,092	346,129	5,536,917	4,969,202
19							
20	Interest Expense	9,960,341	6,691,108	2,079,948	21,333	593,110	574,842
21							
22	Income Taxes:						
23							
24	State Income Taxes 6.00%	1,666,070	605,323	480,969	19,488	296,628	263,662
25	Federal Income Taxes 35.00%	9,135,616	3,319,190	2,637,311	106,858	1,626,512	1,445,745
26	Total Deferred Income Taxes	0	0	0	0	0	0
27	Amortization of ITC	0	0	0	0	0	0
28	Total Income Taxes	10,801,686	3,924,514	3,118,280	126,346	1,923,141	1,709,406
29							
30	Net Income	26,926,486	12,855,319	6,977,812	219,783	3,613,776	3,259,796
31							
32	Total Rate Base	430,095,330	288,927,290	89,813,783	921,175	25,610,957	24,822,125
33							
34	Rate of Return	6.2606%	4.4493%	7.7692%	23.8590%	14.1103%	13.1326%
35	Relative Rate of Return	1.00	0.71	1.24	3.81	2.25	2.10
36							
37	Equalized ROR:						
38							
39	Net Income Increase	6,319,883	9,478,761	(35,206)	(148,576)	(1,634,049)	(1,341,046)
40	Uncollectibles/PSC Fees Increase 0.6996%	72,873	109,297	(406)	(1,713)	(18,842)	(15,463)
41	Income Taxes	4,023,625	6,034,759	(22,414)	(94,593)	(1,040,336)	(653,792)
42	Gross Revenue After Increase	181,145,657	116,577,019	52,034,454	1,848,893	5,551,974	5,333,317
43	Revenue Increase	10,416,381	15,622,817	(58,027)	(244,882)	(2,693,227)	(2,210,301)
44	Rate of Return	7.7300%	7.7300%	7.7300%	7.7300%	7.7300%	7.7300%
45	Relative Rate of Return	1.00	1.00	1.00	1.00	1.00	1.00
46	Percent Increase	6.1011%	15.4752%	-0.1114%	-12.9309%	-32.6642%	-29.3003%
47							
48	Proposed Rate Levels:						
49							
50	Net Income Increase	6,319,667	3,443,628	1,496,343	33,301	733,140	613,255
51	Uncollectibles/PSC Fees Increase	72,871	39,708	17,254	384	8,454	7,071
52	Income Taxes	4,023,487	2,192,424	952,664	21,201	466,782	390,436
53	Gross Revenue After Increase	181,145,300	106,629,981	54,558,742	1,948,662	9,453,556	8,554,379
54	Revenue Increase	10,416,024	5,675,759	2,466,261	54,886	1,208,356	1,010,762
55	Rate of Return	7.7299%	5.6412%	9.4352%	27.4741%	16.9729%	15.6032%
56	Relative Rate of Return	1.00	0.73	1.22	3.55	2.20	2.02
57	Percent Increase	6.1009%	5.6221%	4.7344%	2.8982%	14.6553%	13.3989%

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
SUMMARY OF CUSTOMER COSTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	240,405,192	196,559,749	42,071,377	101,416	1,065,708	606,941
2							
3	Return @ Realized ROR	15,050,773	9,380,641	3,391,271	96,963	1,190,437	991,460
4	O&M Expenses	15,918,211	13,027,725	2,777,913	11,100	64,645	36,827
5	Depreciation Expense	14,968,603	11,552,974	3,239,805	10,027	105,636	60,162
6	Taxes, Other	3,246,379	2,604,873	613,844	1,619	16,593	9,450
7							
8	Interest Expense	5,567,412	4,552,019	974,308	2,349	24,680	14,056
9							
10	Income Taxes:						
11							
12	State Income Taxes	931,263	474,169	237,345	9,291	114,477	95,981
13	Federal Income Taxes	5,106,425	2,600,027	1,301,442	50,946	627,715	526,285
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	6,037,688	3,074,196	1,538,786	60,237	742,192	622,276
18							
19	Total Customer-Related Costs @ Realized ROR	55,221,653	39,640,408	11,561,619	179,947	2,119,504	1,720,175
20	Total Customers	176,572	157,197	19,167	12	125	71
21	Customer Costs (\$/customer/month)		\$ 21.01	\$ 50.27	\$ 1,267.23	\$ 1,416.78	\$ 2,018.98
22							
23							
24	Incremental Return @ Equalized ROR	3,532,549	5,813,428	(139,153)	(89,124)	(1,108,058)	(944,544)
25	Incremental Income Taxes	2,249,037	3,701,184	(88,583)	(56,742)	(705,458)	(601,354)
26	Incremental Uncollectibles/PSC Fees Increase	40,733	67,033	(1,605)	(1,028)	(12,777)	(10,891)
27							
28	Total Customer-Related Costs @ Equalized ROR	61,043,972	49,222,054	11,332,267	33,054	293,211	163,385
29	Customers	176,572	157,197	19,167	12	125	71
30	Dollars/Customer/Month	\$ 28.81	\$ 26.09	\$ 49.27	\$ 232.77	\$ 196.00	\$ 191.77
31							
32							
33	Incremental Return @ Proposed Rates	3,532,428	2,440,025	716,923	12,538	215,108	147,835
34	Incremental Income Taxes	2,248,980	1,553,469	456,437	7,983	136,951	94,121
35	Incremental Uncollectibles/PSC Fees Increase	40,732	28,135	8,267	145	2,480	1,705
36							
37	Total Customer-Related Costs @ Proposed Rates	61,043,773	43,662,038	12,743,245	200,612	2,474,043	1,963,835
38	Customers	176,572	157,197	19,167	12	125	71
39	Dollars/Customer/Month	\$ 28.81	\$ 23.15	\$ 55.40	\$ 1,412.76	\$ 1,653.77	\$ 2,304.97

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
SUMMARY OF DEMAND COSTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	172,994,623	85,653,546	43,565,330	588,290	21,909,290	21,278,167
2							
3	Return @ Realized ROR	10,830,476	3,257,487	3,272,435	102,036	2,180,273	2,018,246
4	O&M Expenses	10,030,013	4,966,086	2,525,864	34,108	1,270,273	1,293,682
5	Depreciation Expense	6,449,960	3,193,521	1,624,297	21,934	816,870	793,339
6	Taxes, Other	2,214,914	1,096,654	557,783	7,532	280,513	272,432
7							
8	Interest Expense	4,006,287	1,983,603	1,008,906	13,624	507,385	492,769
9							
10	Income Taxes:						
11							
12	State Income Taxes	670,133	125,095	222,278	8,682	164,277	149,801
13	Federal Income Taxes	3,674,563	685,937	1,218,824	47,606	900,786	821,410
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	4,344,696	811,032	1,441,102	56,288	1,065,063	971,212
18							
19	Total Demand-Related Costs @ Realized ROR	33,870,061	13,324,780	9,421,481	221,899	5,612,991	5,288,910
20							
21							
22	Incremental Return @ Equalized ROR	2,542,008	3,363,532	95,165	(56,561)	(486,685)	(373,443)
23	Incremental Income Taxes	1,618,398	2,141,431	60,588	(36,010)	(309,853)	(237,757)
24	Incremental Uncollectibles/PSC Fees Increase	29,311	38,784	1,097	(652)	(5,612)	(4,306)
25							
26	Total Demand-Related Costs @ Equalized ROR	38,059,778	18,868,527	9,578,330	128,675	4,810,842	4,673,404
27							
28							
29	Incremental Return @ Proposed Rates	2,541,921	936,073	711,187	16,594	465,450	412,617
30	Incremental Income Taxes	1,618,343	595,961	452,785	10,565	296,334	262,698
31	Incremental Uncollectibles/PSC Fees Increase	29,310	10,794	8,201	191	5,367	4,758
32							
33	Total Demand-Related Costs @ Proposed Rates	38,059,635	14,887,808	10,593,653	249,249	6,380,142	5,968,983

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
SUMMARY OF COMMODITY COSTS							
	Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
1 Rate Base	16,695,515	8,713,995	4,177,076	231,469	2,635,958	2,937,017	
2							
3 Return @ Realized ROR	1,045,237	420,335	261,509	14,491	185,026	183,674	
4 O&M Expenses	78,924,923	47,126,969	30,274,273	1,441,734	39,915	42,030	
5 Depreciation Expense	142,949	56,155	31,772	1,666	26,081	27,275	
6 Taxes, Other	1,105,152	549,412	350,838	17,926	87,757	99,219	
7							
8 Interest Expense	386,642	155,486	98,735	5,360	61,045	68,017	
9							
10 Income Taxes:							
11							
12 State Income Taxes	64,674	26,008	16,181	897	10,211	11,377	
13 Federal Income Taxes	354,628	142,611	88,725	4,917	55,990	62,385	
14 Deferred Income Taxes	0	0	0	0	0	0	
15 Amortization of ITC	0	0	0	0	0	0	
16							
17 Total Income Taxes	419,302	168,620	104,906	5,813	66,201	73,762	
18							
19 Total Commodity-Related Costs	81,637,562	48,321,491	31,023,299	1,481,631	384,981	426,161	
20 Total Throughput	32,376,914	10,026,386	6,416,580	415,032	7,240,217	8,278,699	
21 Commodity Costs (\$/Mcf)		\$ 4.81943	\$ 4.83486	\$ 3.56992	\$ 0.05317	\$ 0.05	
22							
23							
24 Incremental Return @ Equalized ROR	245,326	98,656	61,379	3,401	38,733	43,157	
25 Incremental Income Taxes	156,190	62,811	39,077	2,165	24,660	27,476	
26 Incremental Uncollectibles/PGC Fees Increase	2,829	1,138	706	39	447	498	
27							
28 Total Commodity-Related Costs @ Equalized ROR	82,041,907	48,484,096	31,124,463	1,487,237	448,821	497,291	
29 Total Throughput	32,376,914	10,026,386	6,416,580	415,032	7,240,217	8,278,699	
30 Commodity Costs (\$/Mcf)	\$ 2.53	\$ 4.84	\$ 4.85	\$ 3.58	\$ 0.06	\$ 0.06	
31							
32							
33 Incremental Return @ Proposed Rates	245,318	(135,614)	120,830	10,461	130,622	119,018	
34 Incremental Income Taxes	156,184	(86,340)	76,928	6,660	83,162	75,774	
35 Incremental Uncollectibles/PGC Fees Increase	2,829	(1,564)	1,393	121	1,506	1,372	
36							
37 Total Commodity-Related Costs @ Proposed Rates	82,041,893	48,097,973	31,222,450	1,498,873	600,272	622,326	
38 Total Throughput	32,376,914	10,026,386	6,416,580	415,032	7,240,217	8,278,699	
39 Commodity Costs (\$/Mcf)	\$ 2.53	\$ 4.80	\$ 4.87	\$ 3.61	\$ 0.08	\$ 0.08	

Almos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
TOTAL COST OF SERVICE							
		Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
		\$					
1	Rate Base	430,095,330	288,927,290	89,813,783	921,175	25,610,957	24,822,125
2							
3	Return @ Realized ROR	26,926,486	13,058,463	6,925,215	213,490	3,535,737	3,193,581
4	O&M Expenses	104,873,146	65,120,790	35,578,050	1,486,943	1,374,834	1,312,539
5	Depreciation Expense	21,561,512	14,802,649	4,895,874	33,627	948,587	880,775
6	Taxes, Other	6,566,445	4,250,939	1,522,465	27,077	384,863	381,101
7							
8	Interest Expense	9,960,341	6,691,108	2,079,948	21,333	583,110	574,842
9							
10	Income Taxes:						
11							
12	State Income Taxes	1,666,070	625,272	475,804	16,870	288,965	257,159
13	Federal Income Taxes	9,135,616	3,428,576	2,608,990	103,469	1,584,491	1,410,090
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of JTC	0	0	0	0	0	0
16							
17	Total Income Taxes	10,801,686	4,053,848	3,084,794	122,339	1,873,456	1,667,249
18							
19	Total Cost of Service @ Realized ROR	170,729,276	101,288,880	52,006,398	1,883,478	8,117,476	7,435,245
20							
21							
22	Incremental Return @ Equalized ROR	6,319,883	9,275,617	17,390	(142,284)	(1,556,010)	(1,274,830)
23	Incremental Income Taxes	4,023,625	5,905,425	11,072	(90,586)	(990,651)	(811,635)
24	Incremental Uncollectibles/PSC Fees Increase	72,873	106,955	201	(1,641)	(17,942)	(14,700)
25							
26	Total Cost of Service @ Equalized ROR	181,145,657	116,574,879	52,035,061	1,648,966	5,552,874	5,334,080
27							
28							
29	Incremental Return @ Proposed Rates	6,319,667	3,240,464	1,548,940	39,594	811,180	679,470
30	Incremental Income Taxes	4,023,487	2,063,090	986,150	25,208	516,447	432,582
31	Incremental Uncollectibles/PSC Fees Increase	72,871	37,365	17,860	457	9,354	7,835
32							
33	Total Cost of Service @ Proposed Rates	181,145,300	106,827,618	54,559,348	1,948,734	9,454,456	8,555,143





Atrios Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
CLASSIFICATION OF GROSS PLANT IN SERVICE								
Line No.	Acc'l. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
177		Shared Services General Office:						
178								
179		General:						
180								
181	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
182	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
183	36602	Structures & Improvements	215,041	5.4	P, S, T & D Plant	126,167	86,381	2,484
184	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
185	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
186	39009	Improvement to leased Premises	508,913	5.4	P, S, T & D Plant	299,584	204,427	5,902
187	39100	Office Furniture & Equipment	284,581	5.4	P, S, T & D Plant	166,972	114,318	3,300
188	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
189	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
190	39200	Transportation Equipment	371	5.4	P, S, T & D Plant	217	149	4
191	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
192	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
193	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
194	39400	Tools, Shop & Garage Equipment	31,583	5.4	P, S, T & D Plant	18,530	12,687	386
195	39500	Laboratory Equipment	-	5.4	P, S, T & D Plant	-	-	-
196	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
197	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
198	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
199	39700	Communication Equipment	93,579	5.4	P, S, T & D Plant	54,903	37,690	1,085
200	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
201	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
202	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
203	39800	Miscellaneous Equipment	7,575	5.4	P, S, T & D Plant	4,445	3,043	88
204	39900	Other Tangible Property	8,440	5.4	P, S, T & D Plant	4,952	3,390	98
205	39901	Other Tangible Property - Servers - HW	1,973,689	5.4	P, S, T & D Plant	1,157,961	762,818	22,889
206	39902	Other Tangible Property - Servers - SAW	1,050,361	5.4	P, S, T & D Plant	616,256	421,923	12,181
207	39903	Other Tangible Property - Network - HW	186,455	5.4	P, S, T & D Plant	110,668	75,701	2,189
208	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
209	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
210	39906	Other Tang. Property - PC Hardware	123,260	5.4	P, S, T & D Plant	72,318	49,513	1,429
211	39907	Other Tang. Property - PC Software	76,518	5.4	P, S, T & D Plant	44,894	30,737	887
212	39908	Other Tang. Property - Mainframe SAW	3,832,236	5.4	P, S, T & D Plant	2,248,408	1,536,384	44,444
213	39909	Other Tang. Property - Application Software	1,250,825	5.4	P, S, T & D Plant	733,753	502,368	14,504
214	39931	Other Tang. Property - ALGN	-	5.4	P, S, T & D Plant	-	-	-
215								
216		Total General Plant	9,645,237			5,668,949	3,874,429	111,859
217								
218		CWIP w/o AFUDC	461,165	5.4	P, S, T & D Plant	270,564	185,243	5,346
219								
220		Shared Services Customer Support:						
221								
222		General:						
223								
224	37400	Land & Land Rights	207,011	5.4	P, S, T & D Plant	121,455	83,155	2,401
225	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
226	36602	Structures & Improvements	1,202,250	5.4	P, S, T & D Plant	705,371	482,938	13,943
227	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
228	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
229	39009	Improvement to leased Premises	159,954	5.4	P, S, T & D Plant	93,847	64,259	1,855
230	39100	Office Furniture & Equipment	185,087	5.4	P, S, T & D Plant	108,592	74,348	2,147
231	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
232	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
233	39200	Transportation Equipment	2,246	5.4	P, S, T & D Plant	1,318	902	26
234	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
235	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
236	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
237	39400	Tools, Shop & Garage Equipment	8,112	5.4	P, S, T & D Plant	4,759	3,258	84
238	39510	Laboratory Equip	551	5.4	P, S, T & D Plant	323	221	6
239	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
240	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
241	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
242	39700	Communication Equipment	115,356	5.4	P, S, T & D Plant	67,680	46,338	1,338
243	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
244	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
245	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
246	39800	Miscellaneous Equipment	15,846	5.4	P, S, T & D Plant	9,208	6,357	184
247	39900	Other Tangible Property	41,751	5.4	P, S, T & D Plant	24,495	16,771	484
248	39901	Other Tangible Property - Servers - HW	528,077	5.4	P, S, T & D Plant	309,829	212,125	6,124
249	39902	Other Tangible Property - Servers - SAW	107,245	5.4	P, S, T & D Plant	62,822	43,080	1,244
250	39903	Other Tangible Property - Network - HW	35,883	5.4	P, S, T & D Plant	20,935	14,334	414
251	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
252	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
253	39906	Other Tang. Property - PC Hardware	58,304	5.4	P, S, T & D Plant	34,794	23,822	688
254	39907	Other Tang. Property - PC Software	13,847	5.4	P, S, T & D Plant	8,007	5,482	158
255	39908	Other Tang. Property - Mainframe SAW	5,104,992	5.4	P, S, T & D Plant	2,885,146	2,050,642	59,204
256	39909	Other Tang. Property - Application Software	480	5.4	P, S, T & D Plant	281	193	6
257	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
258								
259		Total General Plant	7,787,594			4,669,953	3,128,226	90,315
260								
261		CWIP w/o AFUDC	191,822	5.4	P, S, T & D Plant	112,543	77,053	2,225
262								
263		TOTAL PLANT IN SERVICE	657,447,129			385,730,260	264,092,250	7,624,619
264								
265		TOTAL CWIP W/O AFUDC	27,493,263			16,130,515	11,043,842	318,847





Atmos Energy Corporation, KentuckyMid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
CLASSIFICATION OF RESERVE FOR DEPRECIATION AND AMORTIZATION								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
175		Shared Services General Office:						
176		General:						
177								
178								
179	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
180	39000	Structures & Improvements	52,437	5.4	P, S, T & D Plant	48,367	33,114	950
181	36602	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
182	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
183	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
184	39009	Improvement to leased Premises	498,674	5.4	P, S, T & D Plant	292,577	200,314	5,783
185	39100	Office Furniture & Equipment	-	5.4	P, S, T & D Plant	-	-	-
186	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
187	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
188	39200	Transportation Equipment	-	5.4	P, S, T & D Plant	-	-	-
189	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
190	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
191	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
192	39400	Tools, Shop & Garage Equipment	-	5.4	P, S, T & D Plant	-	-	-
193	39500	Laboratory Equipment	-	5.4	P, S, T & D Plant	-	-	-
194	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
195	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
196	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
197	39700	Communication Equipment	-	5.4	P, S, T & D Plant	-	-	-
198	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
199	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
200	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
201	39800	Miscellaneous Equipment	-	5.4	P, S, T & D Plant	-	-	-
202	39900	Other Tangible Property	8,570	5.4	P, S, T & D Plant	5,028	3,443	99
203	39901	Other Tangible Property - Servers - HW	1,141,237	5.4	P, S, T & D Plant	669,574	458,427	13,235
204	39902	Other Tangible Property - Servers - SAN	867,341	5.4	P, S, T & D Plant	508,877	348,405	10,059
205	39903	Other Tangible Property - Network - HW	119,633	5.4	P, S, T & D Plant	70,190	48,056	1,387
206	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
207	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
208	39906	Other Tang. Property - PC Hardware	84,315	5.4	P, S, T & D Plant	49,468	33,869	978
209	39907	Other Tang. Property - PC Software	129,297	5.4	P, S, T & D Plant	75,860	51,938	1,498
210	39908	Other Tang. Property - Mainframe SAN	2,191	5.4	P, S, T & D Plant	1,285	880	25
211	39909	Other Tang. Property - Application Software	2,244,879	5.4	P, S, T & D Plant	1,317,091	901,783	26,035
212	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
213		Retirement Work in Progress	-	5.4	P, S, T & D Plant	-	-	-
214								
215		Total General Plant	5,178,574			3,038,317	2,080,200	60,058
216								
217		Shared Services Customer Support:						
218		General:						
219								
220								
221	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
222	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
223	36602	Structures & Improvements	177,012	5.4	P, S, T & D Plant	103,855	71,105	2,053
224	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
225	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
226	39009	Improvement to leased Premises	94,137	5.4	P, S, T & D Plant	55,231	37,814	1,052
227	39100	Office Furniture & Equipment	50,007	5.4	P, S, T & D Plant	29,339	20,087	580
228	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
229	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
230	39200	Transportation Equipment	2,257	5.4	P, S, T & D Plant	1,324	907	26
231	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
232	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
233	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
234	39400	Tools, Shop & Garage Equipment	2,848	5.4	P, S, T & D Plant	1,671	1,144	33
235	39500	Laboratory Equipment	395	5.4	P, S, T & D Plant	232	159	5
236	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
237	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
238	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
239	39700	Communication Equipment	64,086	5.4	P, S, T & D Plant	37,600	25,743	743
240	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
241	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
242	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
243	39800	Miscellaneous Equipment	4,515	5.4	P, S, T & D Plant	2,618	1,814	52
244	39900	Other Tangible Property	27,190	5.4	P, S, T & D Plant	15,900	10,886	314
245	39901	Other Tangible Property - Servers - HW	284,895	5.4	P, S, T & D Plant	167,145	114,436	3,304
246	39902	Other Tangible Property - Servers - SAN	87,380	5.4	P, S, T & D Plant	39,521	27,058	781
247	39903	Other Tangible Property - Network - HW	20,161	5.4	P, S, T & D Plant	11,829	8,099	234
248	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
249	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
250	39906	Other Tang. Property - PC Hardware	37,545	5.4	P, S, T & D Plant	22,029	15,082	435
251	39907	Other Tang. Property - PC Software	9,367	5.4	P, S, T & D Plant	5,498	3,783	109
252	39908	Other Tang. Property - Mainframe SAN	1,721,805	5.4	P, S, T & D Plant	1,010,199	681,638	19,958
253	39909	Other Tang. Property - Application Software	3,064	5.4	P, S, T & D Plant	1,798	1,231	36
254	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
255		Retirement Work in Progress	-	5.4	P, S, T & D Plant	-	-	-
256								
257		Total General Plant	2,568,545			1,505,816	1,030,965	29,765
258								
259		TOTAL RESERVE FOR DEPRECIATION	181,846,139			117,411,807	71,580,784	2,853,549

Almos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
CLASSIFICATION OF OTHER RATE BASE							
	Test Year	Classif.	Classif.	Customer	Demand	Commodity	
	\$	Factor	Basis	\$	\$	\$	
1:	Rate Base Additions:						
2:							
3:	Materials and Supplies - KY Direct	(270,522)	9.1	Allocated O&M Expenses	(41,061)	(25,873)	(203,588)
4:	Materials and Supplies - KY Mid-States GO	513,544	9.1	Allocated O&M Expenses	77,949	49,115	386,481
5:	Materials and Supplies - Shared Services GO	0	9.1	Allocated O&M Expenses	-	-	-
6:	Materials and Supplies - Shared Services CS	0	9.1	Allocated O&M Expenses	-	-	-
7:	Gas Storage Inventory	8,259,601	3.0	Commodity	-	-	8,259,601
8:	Prepayments - KY Direct	68,933	9.1	Allocated O&M Expenses	10,463	6,593	51,877
9:	Prepayments - KY Mid-States GO	2,356	9.1	Allocated O&M Expenses	358	225	1,773
10:	Prepayments - Shared Services GO	1,567,335	9.1	Allocated O&M Expenses	237,899	149,889	1,179,538
11:	Prepayments - Shared Services CS	91,320	9.1	Allocated O&M Expenses	13,861	8,734	68,725
12:	Cash Working Capital	3,270,504	9.1	Allocated O&M Expenses	496,415	312,789	2,481,300
13:	Regulatory Assets	235,413	9.1	Allocated O&M Expenses	35,732	22,515	177,166
14:							
15:	Total Rate Base Additions	13,738,485			831,614	523,998	12,382,873
16:							
17:	Rate Base Deductions:						
18:							
19:	Customer Advances - KY Direct	(1,437,537)	1.0	Customer	(1,437,537)	-	-
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:							
24:	ADIT - KY Direct	(121,808,885)	5.7	Net Plant	(70,151,955)	(50,201,633)	(1,255,296)
25:	ADIT - KY Mid-States GO	42,842,627	5.7	Net Plant	24,714,428	17,685,960	442,239
26:	ADIT - Shared Services GO	(1,442,921)	5.7	Net Plant	(832,371)	(595,656)	(14,894)
27:	ADIT - Shared Services CS	5,231,965	5.7	Net Plant	3,018,140	2,159,819	54,006
28:	Change in Net Operating Loss Carryforward	(322,598)	5.7	Net Plant	(186,098)	(133,172)	(3,330)
29:							
30:	Total Rate Base Deductions	(76,737,348)			(44,875,391)	(31,084,682)	(777,275)
31:							
32:							
33:	TOTAL OTHER RB	(62,998,864)			(44,043,776)	(30,560,685)	11,605,597
34:							
35:	Interest on Customer Deposits	0	1.0	Customer	-	-	-

Altos Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Customer/Demand Study  
Forecasted Test Period: Twelve Months Ended March 31, 2019

CLASSIFICATION OF O&M EXPENSE

Line No.	Acct. No.	Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
1							
2							
3	7500	0	99.0				
4	7510	0	99.0				
5	7530	0	99.0				
6	7560	0	99.0				
7	7550	0	99.0				
8	7680	0	99.0				
9	7570	0	99.0				
10	7690	0	99.0				
11							
12	7610	0	99.0				
13	7620	0	99.0				
14	7640	0	99.0				
15	7650	0	99.0				
16	7660	0	99.0				
17	7670	0	99.0				
18	7680	0	99.0				
19	7690	0	99.0				
20							
21		0			0	0	0
22							
23							
24	8001	81,272	3.0	Commodity			81,272
25	8040	56,991,998	3.0	Commodity			56,991,998
26	8045	0	3.0	Commodity			
27	8050	(17,652)	3.0	Commodity			(17,652)
28	8051	45,436,442	3.0	Commodity			45,436,442
29	8052	23,451,445	3.0	Commodity			23,451,445
30	8053	8,473,398	3.0	Commodity			8,473,398
31	8054	4,552,018	3.0	Commodity			4,552,018
32	8057	0	3.0	Commodity			
33	8058	(1,182,255)	3.0	Commodity			(1,182,255)
34	8059	(92,651,831)	3.0	Commodity			(92,651,831)
35	8060	6,250,360	3.0	Commodity			6,250,360
36	8061	15,070,639	3.0	Commodity			15,070,639
37	8062	(17,549,751)	3.0	Commodity			(17,549,751)
38	8120	(21,530)	3.0	Commodity			(21,530)
39	8590	31,821,875	3.0	Commodity			31,821,875
40							
41	8350	0	3.0	Commodity			
42					0	0	78,709,117
43		78,709,117					
44							
45							
46							
47	8140	0	3.5	Storage (50/50)			
48	8150	0	3.5	Storage (50/50)			
49	8160	135,950	3.5	Storage (50/50)		67,975	67,975
50	8170	35,014	3.5	Storage (50/50)		17,507	17,507
51	8180	35,633	3.5	Storage (50/50)		17,816	17,816
52	8190	1,003	3.5	Storage (50/50)		502	502
53	8200	3,465	3.5	Storage (50/50)		1,743	1,743
54	8210	26,974	3.5	Storage (50/50)		13,587	13,587
55	8220	0	3.5	Storage (50/50)			
56	8230	0	3.5	Storage (50/50)			
57	8240	0	3.5	Storage (50/50)			
58	8250	9,398	3.5	Storage (50/50)		4,694	4,694
59	8260	0	3.5	Storage (50/50)			
60							
61	8300	0	3.5	Storage (50/50)			
62	8310	16,248	3.5	Storage (50/50)		8,124	8,124
63	8320	0	3.5	Storage (50/50)			
64	8330	0	3.5	Storage (50/50)			
65	8340	11,899	3.5	Storage (50/50)		5,945	5,945
66	8350	0	3.5	Storage (50/50)			
67	8360	0	3.5	Storage (50/50)			
68	8370	130,897	3.5	Storage (50/50)		65,198	65,198
69					0	202,491	202,491
70		404,951					
71							
72							
73	8500	0	2.0	Demand			
74	8510	0	2.0	Demand			
75	8520	0	2.0	Demand			
76	8530	0	2.0	Demand			
77	8540	0	2.0	Demand			
78	8550	297	2.0	Demand		297	
79	8560	255,790	2.0	Demand		255,790	
80	8570	11,082	2.0	Demand		11,082	
81	8580	0	2.0	Demand			
82	8590	0	2.0	Demand			
83	8600	0	2.0	Demand			
84							
85	8610	0	2.0	Demand			
86	8620	0	2.0	Demand			
87	8630	3,091	2.0	Demand		3,091	
88	8640	0	2.0	Demand			
89	8650	412	2.0	Demand		412	
90	8660	0	2.0	Demand			
91	8670	0	2.0	Demand			
92		270,673			0	270,673	0
93							

Alamos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2018								
CLASSIFICATION OF O&M EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
84		Distribution:						
85		Operation						
86	8700	Supervision and Engineering	1,207,940	10.0	Composite of Accts. 871-879 & 886-893	574,384	632,664	872
87	8710	Distribution Load Dispatching	986	3.0	Commodity	-	-	896
88	8711	Oderization	2,670	3.0	Commodity	-	-	2,670
89	8720	Compressor Station Labor & Expenses	0	3.0	Commodity	-	-	-
89	8740	Mains & Services	3,444,978	12.0	Composite of Accts. 374-379	1,152,202	2,292,776	-
100	8750	Measuring and Regulating Station Exp. - Gan	484,484	12.0	Composite of Accts. 374-379	162,043	322,451	-
101	8760	Measuring and Regulating Station Exp. - Ind.	30,793	1.0	Customer	30,793	-	-
102	8770	Measuring and Regulating Site, Exp. - City Gate	22,313	12.0	Composite of Accts. 374-379	7,493	14,850	-
103	8780	Meters and House Regulator Expense	940,678	1.0	Customer	940,678	-	-
104	8790	Customer Installations Expense	4,184	1.0	Customer	4,184	-	-
105	8800	Other Expense	145,791	10.0	Composite of Accts. 871-879 & 886-893	69,324	76,361	105
106	8810	Rents	344,255	10.0	Composite of Accts. 871-879 & 886-893	153,695	160,311	248
107		Maintenance						
108	8850	Maintenance Supervision and Engineering	1,389	10.0	Composite of Accts. 871-879 & 886-893	665	733	1
109	8860	Maintenance of Structures and Improvements	309	12.0	Composite of Accts. 374-379	103	206	-
110	8870	Maintenance of Mains	30,023	12.0	Composite of Accts. 374-379	10,041	19,982	-
111	8880	Maintenance of compressor station equipment	0	3.0	Commodity	-	-	-
112	8890	Maint. of Measuring and Regulating Station Equip. - General	38	12.0	Composite of Accts. 374-379	13	25	-
112	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	9,170	1.0	Customer	9,170	-	-
114	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	4,225	12.0	Composite of Accts. 374-379	1,413	2,812	-
115	8930	Maintenance of Services	106	1.0	Customer	106	-	-
116	8940	Maintenance of Meters and House Regulators	90,413	1.0	Customer	90,413	-	-
117	8950	Maintenance of Other Equipment	10,779	10.0	Composite of Accts. 871-879 & 886-893	5,126	5,646	8
118		Total Distribution	6,775,644			3,221,819	3,546,835	4,890
119		Customer Accounts:						
120		Supervision						
121	9010	Supervision	421	1.0	Customer	421	-	-
122	9020	Meter Reading Expense	1,251,833	1.0	Customer	1,251,833	-	-
123	9030	Customer Records and Collection Expenses	1,762,369	1.0	Customer	1,762,369	-	-
124	9040	Uncollectible Accounts	362,112	1.0	Customer	362,112	-	-
125	9050	Miscellaneous Customer Accounts Expenses	0	1.0	Customer	-	-	-
126		Total Customer Accounts	3,376,766			3,376,766	0	0
127		Customer Service and Information:						
128	9070	Supervision	0	1.0	Customer	-	-	-
130	9080	Customer Assistance Expenses	0	1.0	Customer	-	-	-
131	9090	Informational and Instructional Advertising Expenses	133,614	1.0	Customer	133,614	-	-
132	9100	Miscellaneous Customer Service and Informational Expenses	0	1.0	Customer	-	-	-
133		Total Customer Service and Information	133,614			133,614	0	0
134		Sales:						
135		Supervision						
136	9110	Supervision	266,962	1.0	Customer	266,962	-	-
137	9120	Demonstrating and Selling Expenses	131,290	1.0	Customer	131,290	-	-
138	9130	Advertising Expenses	45,483	1.0	Customer	45,483	-	-
139	9160	Miscellaneous Sales Expenses	(66,955)	1.0	Customer	(66,955)	-	-
140		Total Sales	357,069			357,069	0	0
141		Administrative & General:						
142		Operation						
143	9200	Administrative and General Salaries	(1,265,195)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(746,915)	(517,546)	(721)
145	9210	Office Supplies and Expenses	3,249	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	1,816	1,329	2
146	9220	Administrative Expenses Transferred - Customer Support	-	1.0	Customer	-	-	-
147	9220	Administrative Expenses Transferred - General	14,012,401	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	8,272,362	5,732,053	7,986
148	9230	Outside Services Employed	69,699	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	41,236	28,573	40
149	9240	Property Insurance	5,590	5.7	Net Plant	3,207	2,385	57
150	9250	Injuries and Damages	17,941	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	10,859	7,339	10
151	9260	Employee Pensions and Benefits	1,843,199	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	1,088,151	755,998	1,050
152	9270	Franchise Requirements	1,483	1.0	Customer	1,483	-	-
153	9280	Regulatory Commission Expenses	156,942	1.0	Customer	156,942	-	-
154	930.1	General Advertising Expenses	-	1.0	Customer	-	-	-
155	930.2	Miscellaneous General Expense	(12,827)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(7,573)	(5,247)	(7)
156	9310	Rents	12,771	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	7,530	5,224	7
157		Maintenance						
158	9320	Maintenance of General Plant	0	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	-	-	-
159		Total A&G	14,845,393			8,628,943	6,008,015	8,425
160								
161		TOTAL O&M EXPENSE	104,873,146			15,818,211	10,030,013	78,924,923



Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
CLASSIFICATION OF DEPRECIATION EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif Factor	Classif Basis	Customer \$	Demand \$	Commodity \$
82		General:						
83								
84	38900	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
85	39000	Structures & Improvements	268,781	5.4	P, S, T & D Plant	157,696	107,968	3,117
86	39001	Structures - Brick	6,509	5.4	P, S, T & D Plant	3,819	2,615	75
87	39002	Improvements	26,686	5.4	P, S, T & D Plant	15,645	10,712	309
88	39003	Air Conditioning Equipment	487	5.4	P, S, T & D Plant	286	196	6
89	39004	Improvement to leased Premises	97,151	5.4	P, S, T & D Plant	57,000	39,025	1,127
90	39009	Office Furniture & Equipment	116,701	5.4	P, S, T & D Plant	70,230	48,083	1,388
91	39100	Renitance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
92	39102	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
93	39200	Transportation Equipment	33,457	5.4	P, S, T & D Plant	19,630	13,440	388
94	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
95	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
96	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
97	39400	Tools, Shop & Garage Equipment	345,695	5.4	P, S, T & D Plant	202,824	138,864	4,009
98	39600	Power Operated Equipment	-	5.4	P, S, T & D Plant	-	-	-
99	39603	Ditchers	3,213	5.4	P, S, T & D Plant	1,885	1,291	37
100	39604	Backhoes	2,327	5.4	P, S, T & D Plant	1,365	935	27
101	39605	Welders	1,441	5.4	P, S, T & D Plant	845	579	17
102	39700	Communication Equipment	10,934	5.4	P, S, T & D Plant	6,415	4,392	127
103	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
104	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
105	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
106	39800	Miscellaneous Equipment	189,434	5.4	P, S, T & D Plant	111,143	76,094	2,197
107	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
108	39901	Other Tangible Property - Servers - HW	1,439	5.4	P, S, T & D Plant	844	578	17
109	39902	Other Tangible Property - Servers - SW	-	5.4	P, S, T & D Plant	-	-	-
110	39903	Other Tangible Property - Network - HW	13,460	5.4	P, S, T & D Plant	7,897	5,407	156
111	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
112	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
113	39906	Other Tang. Property - PC Hardware	357,344	5.4	P, S, T & D Plant	209,657	143,543	4,144
114	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant	-	-	-
115	39908	Other Tang. Property - Mainframe SW	-	5.4	P, S, T & D Plant	-	-	-
116	39908	Other Tang. Property - Application Software	2,060	5.4	P, S, T & D Plant	1,268	827	24
117	40600	Amortization of gas plant acquisition adjustments	49,581	5.4	P, S, T & D Plant	28,090	19,816	575
118								
119								
120		Total General Plant	1,529,683			897,479	614,464	17,740
121								
122		TOTAL DIRECT DEPRECIATION EXPENSE	28,916,788			14,590,338	6,190,879	135,472
123								
124		Kentucky Mid-States General Office:						
125								
126		Intangible Plant:						
127								
128	30100	Organization	-	5.4	P, S, T & D Plant	-	-	-
129	30200	Franchises & Consents	-	5.4	P, S, T & D Plant	-	-	-
130	30300	Misc Intangible Plant	-	5.4	P, S, T & D Plant	-	-	-
131								
132		Total Intangible Plant:	0			0	0	0
133								
134		General:						
135								
136	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
137	39001	Structures Frame	2,415	5.4	P, S, T & D Plant	1,417	970	28
138	39602	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
139	39900	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
140	39004	Air Conditioning Equipment	567	5.4	P, S, T & D Plant	332	228	7
141	39009	Improvement to leased Premises	-	5.4	P, S, T & D Plant	-	-	-
142	39100	Office Furniture & Equipment	-	5.4	P, S, T & D Plant	-	-	-
143	39102	Renitance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
144	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
145	39200	Transportation Equipment	418	5.4	P, S, T & D Plant	245	168	5
146	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
147	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
148	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
149	39400	Tools, Shop & Garage Equipment	1,419	5.4	P, S, T & D Plant	833	570	16
150	39600	Power Operated Equipment	9	5.4	P, S, T & D Plant	5	4	0
151	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
152	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
153	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
154	39700	Communication Equipment	856	5.4	P, S, T & D Plant	502	344	10
155	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
156	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
157	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
158	39800	Miscellaneous Equipment	14,197	5.4	P, S, T & D Plant	8,328	5,703	165
159	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
160	39901	Other Tangible Property - Servers - HW	-	5.4	P, S, T & D Plant	-	-	-
161	39902	Other Tangible Property - Servers - SW	-	5.4	P, S, T & D Plant	-	-	-
162	39903	Other Tangible Property - Network - HW	-	5.4	P, S, T & D Plant	-	-	-
163	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
164	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
165	39906	Other Tang. Property - PC Hardware	-	5.4	P, S, T & D Plant	-	-	-
166	39907	Other Tang. Property - PC Software	1,958	5.4	P, S, T & D Plant	1,149	786	23
167	39908	Other Tang. Property - Mainframe SW	-	5.4	P, S, T & D Plant	-	-	-
168	39908	Other Tang. Property - Application Software	-	5.4	P, S, T & D Plant	-	-	-
169	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
170								
171								
172		Total General Plant	21,838			12,813	8,772	253

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
CLASSIFICATION OF DEPRECIATION EXPENSE								
Line No.	Acct. No.	Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$	
173								
174								
175								
176								
177								
178	37400		5.4	P, S, T & D Plant				
179	39000	6,473	5.4	P, S, T & D Plant	3,798	2,600	75	
180	36602		5.4	P, S, T & D Plant				
181	37503		5.4	P, S, T & D Plant				
182	39004		5.4	P, S, T & D Plant				
183	39009	16,567	5.4	P, S, T & D Plant	9,720	6,855	192	
184	39100	10,743	5.4	P, S, T & D Plant	6,303	4,315	125	
185	39102		5.4	P, S, T & D Plant				
186	39103		5.4	P, S, T & D Plant				
187	39200		5.4	P, S, T & D Plant				
188	39201		5.4	P, S, T & D Plant				
189	39202		5.4	P, S, T & D Plant				
190	39300		5.4	P, S, T & D Plant				
191	39400	1,761	5.4	P, S, T & D Plant	1,033	707	20	
192	39500		5.4	P, S, T & D Plant				
193	39603		5.4	P, S, T & D Plant				
194	39604		5.4	P, S, T & D Plant				
195	39605		5.4	P, S, T & D Plant				
196	39700	27	5.4	P, S, T & D Plant	16	11	0	
197	39701		5.4	P, S, T & D Plant				
198	39702		5.4	P, S, T & D Plant				
199	39705		5.4	P, S, T & D Plant				
200	39800	66	5.4	P, S, T & D Plant	39	27	1	
201	39900		5.4	P, S, T & D Plant				
202	39901	39,033	5.4	P, S, T & D Plant	57,517	39,379	1,137	
203	39902	17,099	5.4	P, S, T & D Plant	10,032	6,868	198	
204	39903		5.4	P, S, T & D Plant				
205	39904		5.4	P, S, T & D Plant				
206	39905		5.4	P, S, T & D Plant				
207	39906	4,989	5.4	P, S, T & D Plant	2,927	2,004	58	
208	39907		5.4	P, S, T & D Plant				
209	39908		5.4	P, S, T & D Plant				
210	39909	1,937	5.4	P, S, T & D Plant	1,136	778	22	
211	39924		5.4	P, S, T & D Plant				
212								
213								
214		157,695			92,521	63,345	1,629	
215								
216								
217								
218								
219								
220	37400		5.4	P, S, T & D Plant				
221	39001		5.4	P, S, T & D Plant				
222	36602	36,407	5.4	P, S, T & D Plant	21,361	14,625	422	
223	37503		5.4	P, S, T & D Plant				
224	39004		5.4	P, S, T & D Plant				
225	39009	5,199	5.4	P, S, T & D Plant	3,050	2,088	60	
226	39100	7,392	5.4	P, S, T & D Plant	4,337	2,969	86	
227	39102		5.4	P, S, T & D Plant				
228	39103		5.4	P, S, T & D Plant				
229	39200		5.4	P, S, T & D Plant				
230	39201	31	5.4	P, S, T & D Plant	18	13	0	
231	39202		5.4	P, S, T & D Plant				
232	39300		5.4	P, S, T & D Plant				
233	39500	679	5.4	P, S, T & D Plant	398	273	8	
234	39600	55	5.4	P, S, T & D Plant	33	22	1	
235	39603		5.4	P, S, T & D Plant				
236	39604		5.4	P, S, T & D Plant				
237	39605		5.4	P, S, T & D Plant				
238	39700	6,748	5.4	P, S, T & D Plant	3,959	2,711	78	
239	39701		5.4	P, S, T & D Plant				
240	39702		5.4	P, S, T & D Plant				
241	39705		5.4	P, S, T & D Plant				
242	39800	839	5.4	P, S, T & D Plant	492	337	10	
243	39900	5,468	5.4	P, S, T & D Plant	3,206	2,196	63	
244	39901	50,062	5.4	P, S, T & D Plant	29,372	20,110	581	
245	39902	9,577	5.4	P, S, T & D Plant	5,619	3,847	111	
246	39903	2,484	5.4	P, S, T & D Plant	1,463	1,002	29	
247	39904		5.4	P, S, T & D Plant				
248	39905		5.4	P, S, T & D Plant				
249	39906	6,239	5.4	P, S, T & D Plant	3,661	2,506	72	
250	39907	909	5.4	P, S, T & D Plant	531	364	11	
251	39908		5.4	P, S, T & D Plant				
252	39909	333,063	5.4	P, S, T & D Plant	195,411	133,769	3,863	
253	39924	31	5.4	P, S, T & D Plant	18	13	0	
254								
255								
256		465,191			272,932	186,864	5,395	
257								
258		21,561,512			14,968,603	6,449,960	142,949	



Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
SUMMARY OF CLASSIFICATION							
		Test Year	Classif.	Classif.	Customer	Demand	Commodity
		\$	Factor	Basis	\$	\$	\$
1							
2							
3							
4							
5							
6							
7	Operating Revenues	170,729,276			55,221,653	33,870,061	81,637,562
8							
9	Operating Expenses:						
10							
11	Operating & Maintenance	104,873,146			15,918,211	10,030,013	78,924,923
12	Depreciation & Amortization	21,561,512			14,968,603	6,449,960	142,949
13	Taxes Other Than Income	6,566,445			3,246,379	2,214,914	1,105,152
14							
15	Total Operating Expenses	133,001,104			34,133,193	18,694,888	80,173,023
16							
17	Income Before Taxes	37,728,172			21,088,461	15,175,173	1,464,539
18							
19	Interest Expense	9,960,341			5,567,412	4,006,287	386,642
20							
21	Income Taxes:						
22							
23	State Income Taxes	1,666,070	6.00%		931,263	670,133	64,674
24	Federal Income Taxes	9,135,616	35.00%		5,106,425	3,674,563	354,628
25	Total Deferred Income Taxes	0			0	0	0
26	Amortization of ITC	0			0	0	0
27							
28	Total Income Taxes	10,801,686			6,037,688	4,344,696	419,302
29							
30	Net Income	26,926,486			15,050,773	10,830,476	1,045,237
31							
32	Total Rate Base	430,095,330			240,405,192	172,994,623	16,695,515
33							
34	Rate of Return	6.2606%			6.2606%	6.2606%	6.2606%

Alamos Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Customer/Demand Study  
Forecasted Test Period: Twelve Months Ended March 31, 2019

ALLOCATION OF PLANT IN SERVICE

Line No.	Acct. No.	Customer	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1		Intangible Plant:								
2										
3	30100	Organization	6.2	F, S, T & D Plant - Customer	4,887	3,818	927	2	25	14
4	30200	Franchises & Consents	6.2	F, S, T & D Plant - Customer	70,319	86,372	13,343	34	363	207
5	30300	Misc Intangible Plant	99.0		0					
6										
7		Total Intangible Plant:			75,206	80,290	14,270	37	388	221
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	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	Compressor 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	35303	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	0
42										
43		Transmission:								
44										
45	36810	Land & Land Rights	99.0		0					
46	36820	Rights of Way	99.0		0					
47	36802	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	36800	Meas. & Reg. Equipment	99.0		0					
52	36801	Meas. & Reg. Equipment	99.0		0					
53										
54		Total Transmission Plant			0	0	0	0	0	0
55										
56		Distribution:								
57										
58	37400	Land & Land Rights	2.0	Bills	177,653	158,160	18,284	12	125	71
59	37401	Land	2.0	Bills	12,484	11,114	1,355	1	9	5
60	37402	Land Rights	2.0	Bills	1,080,894	962,282	117,331	72	763	435
61	37403	Land Other	2.0	Bills	891	829	101	0	1	0
62	37500	Structures & Improvements	2.0	Bills	112,434	100,087	12,205	8	79	45
63	37501	Structures & Improvements T.B.	2.0	Bills	33,385	29,722	3,624	2	24	13
64	37502	Land Rights	2.0	Bills	15,473	13,776	1,680	1	11	6
65	37503	Improvements	2.0	Bills	1,340	1,183	145	0	1	1
66	37600	Mains Cathodic Protection	2.0	Bills	5,927,492	6,187,370	751,982	494	4,881	2,795
67	37601	Mains - Steel	2.0	Bills	46,967,644	41,631,900	5,100,525	3,149	35,175	16,894
68	37602	Mains - Plastic	2.0	Bills	41,600,719	37,331,818	4,539,854	2,803	29,527	16,816
69	37800	Meas. & Reg. Sta. Equip - General	2.0	Bills	4,554,212	4,654,499	494,361	305	3,215	1,631
70	37800	Meas. & Reg. Sta. Equip - City Gate	2.0	Bills	1,878,364	1,494,205	182,187	112	1,185	675
71	37900	Meas. & Reg. Sta. Equipment T.B.	2.0	Bills	940,225	837,058	102,062	63	664	378
72	38000	Services	2.0	Bills	139,858,620	124,531,454	15,182,788	9,374	98,753	55,242
73	38100	Meters	4.0	Meter Investment	41,724,685	26,973,625	13,814,767	59,110	622,734	354,889
74	38200	Meter Installations	4.0	Meter Investment	56,980,787	36,689,441	18,865,867	80,722	850,425	494,333
75	38300	House Regulators	4.0	Meter Investment	11,717,794	7,847,044	3,879,865	16,600	174,885	99,600
76	38400	House Reg. Installations	4.0	Meter Investment	246,552	166,728	82,625	354	3,725	2,121
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2	Non-Residential Bills	5,237,633		5,181,538	3,199	33,702	19,164
78	38600	Other Prop. On Cust. Prem	99.0		0					
79										
80		Total Distribution Plant			960,122,530	288,696,434	68,333,746	176,351	1,857,894	1,058,105

Alamos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF PLANT IN SERVICE										
General:										
81										
82										
83										
84	39600	Land & Land Rights	6.2	P, S, T & D Plant - Customer	710,914	569,012	134,897	348	3,668	2,089
85	39600	Structures & Improvements	6.2	P, S, T & D Plant - Customer	4,193,918	3,362,102	795,801	2,054	21,537	12,322
86	39601	Structures Frame	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
87	39602	Structures-Brick	6.2	P, S, T & D Plant - Customer	101,569	81,423	19,273	50	524	296
88	39603	Improvements	6.2	P, S, T & D Plant - Customer	416,094	333,568	76,054	204	2,147	1,223
89	39604	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	7,601	6,093	1,442	4	30	22
90	39609	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	731,154	586,138	139,737	359	3,772	2,146
91	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	1,052,919	844,085	199,793	516	5,432	3,094
92	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
93	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
94	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	126,655	103,939	24,602	63	669	381
95	39201	Trucks	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
96	39202	Trailers	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
97	39203	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
98	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	3,201,061	2,566,184	807,410	1,568	16,519	9,465
99	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
100	39603	Ditchers	6.2	P, S, T & D Plant - Customer	23,240	16,630	4,410	11	120	68
101	39604	Backhoes	6.2	P, S, T & D Plant - Customer	36,614	29,513	6,999	18	190	108
102	39605	Welders	6.2	P, S, T & D Plant - Customer	11,369	9,137	2,163	6	59	33
103	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	210,669	168,656	39,963	103	1,047	619
104	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
105	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
106	39703	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
107	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	2,224,308	1,783,141	422,065	1,089	11,475	6,535
108	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
109	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
110	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
111	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	76,970	63,308	14,985	39	407	232
112	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
113	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
114	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	1,636,774	832,745	197,109	509	5,359	3,052
115	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
116	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	72,467	58,094	13,751	35	374	213
117	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
118	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
119										
120		Total General Plant			14,241,478	11,416,848	2,702,340	6,974	73,473	41,844
121										
122		TOTAL DIRECT PLANT			374,433,215	300,173,572	71,050,358	163,362	1,691,795	1,100,170
123										
124		CWIP w/o AFUDC	6.2	P, S, T & D Plant - Customer	15,750,504	12,628,579	2,888,680	7,713	81,258	46,278
125										
126		Kentucky Mid-States General Office:								
127										
128		Intangible Plant:								
129										
130	30100	Organization	6.2	P, S, T & D Plant - Customer	54,635	43,798	10,367	27	282	161
131	30200	Franchises & Consortia	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
132	30300	Misc Intangible Plant	6.2	P, S, T & D Plant - Customer	327,128	262,246	62,073	160	1,688	961
133										
134		Total Intangible Plant			381,763	306,044	72,440	187	1,970	1,122
135										
136		General:								
137										
138	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
139	39601	Structures Frame	6.2	P, S, T & D Plant - Customer	52,874	42,387	10,033	26	273	155
140	39602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
141	38800	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
142	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	4,539	3,656	861	2	23	13
143	39603	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	11,448	9,179	2,173	6	59	34
144	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	12,295	9,704	2,316	6	63	36
145	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
146	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
147	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	8,044	6,449	1,526	4	42	24
148	39201	Trucks	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
149	39202	Trailers	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
150	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
151	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	53,604	42,972	10,171	26	277	157
152	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	6,049	4,849	1,148	3	31	19
153	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
154	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
155	39605	Welders	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
156	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	15,890	12,828	3,036	8	83	47
157	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
158	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
159	39703	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
160	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	240,400	192,431	45,548	118	1,238	705
161	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
162	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
163	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
164	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
165	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
166	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
167	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	21,873	17,535	4,180	11	113	64
168	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	10,338	8,287	1,862	5	53	30
169	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	244,269	195,621	46,350	120	1,260	718
170	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
171	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
172										
173		Total General Plant			681,281	546,157	128,274	334	3,515	2,002
174										
175		CWIP w/o AFUDC	6.2	P, S, T & D Plant - Customer	(6,086)	(2,482)	(686)	(2)	(16)	(9)

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2016									
ALLOCATION OF PLANT IN SERVICE									
176	Shared Services General Office								
177	General								
178	General								
180	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
181	38001	Structures Frame	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
183	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	126,167	101,143	23,940	62	651
184	37503	Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
185	38004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
186	39005	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	256,944	239,363	56,657	146	1,540
187	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	166,972	133,868	31,063	62	961
188	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
189	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
190	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	217	174	41	0	1
191	39201	Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
192	39202	Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
193	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
194	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	16,530	14,855	3,516	8	96
195	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
196	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
197	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
198	39605	Welders	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
199	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	54,903	44,014	10,418	27	283
200	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
201	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
202	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
203	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	4,445	3,563	843	2	23
204	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	4,852	3,969	940	2	26
205	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	1,157,981	928,308	219,729	567	5,974
206	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	916,256	494,029	116,935	302	3,179
207	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	110,998	88,638	20,950	54	670
208	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
209	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
210	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	72,318	57,974	13,722	35	373
211	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	44,694	35,990	6,519	22	232
212	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	2,248,408	1,802,483	426,639	1,101	11,800
213	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	735,763	586,222	139,331	389	3,795
214	39931	Other Tang. Property - ALGN	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
215		Total General Plant			5,656,949	4,536,563	1,073,793	2,771	29,195
216									
217									
218		CWP w/o AFUDC	6.2	P, S, T & D Plant - Customer	270,564	216,901	51,340	132	1,395
219									
220	Shared Services Customer Support								
221	General								
222	General								
223	General								
224	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	121,455	87,366	23,046	59	627
225	39001	Structures Frame	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
226	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	705,371	565,469	133,845	345	3,639
227	37503	Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
228	38004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
229	39005	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	83,847	75,233	17,208	46	464
230	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	106,992	87,054	20,605	53	560
231	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
232	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
233	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	1,318	1,056	250	1	7
234	39201	Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
235	39202	Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
236	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
237	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	4,759	3,816	803	2	25
238	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	323	259	61	0	2
239	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
240	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
241	39605	Welders	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
242	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	67,680	54,257	12,842	33	349
243	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
244	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
245	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
246	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	9,296	7,455	1,764	5	48
247	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	24,495	19,637	4,848	12	126
248	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	309,628	248,377	58,790	152	1,598
249	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	62,522	30,442	11,938	31	325
250	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	20,635	16,793	3,973	10	108
251	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
252	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
253	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	34,794	27,893	6,602	17	180
254	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	8,007	6,418	1,319	4	41
255	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	2,865,146	2,401,093	568,333	1,467	15,452
256	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	281	228	53	0	1
257	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
258		Total General Plant			4,869,053	3,862,634	866,884	2,237	23,572
259									
260									
261		CWP w/o AFUDC	6.2	P, S, T & D Plant - Customer	112,543	90,223	21,355	55	581
262									
263	TOTAL PLANT IN SERVICE - CUSTOMER				385,730,260	305,225,170	75,192,848	189,891	1,890,006
264									
265	TOTAL CWP W/O AFUDC - CUSTOMER				18,130,515	12,931,215	3,060,767	7,869	83,218

Almos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2018										
ALLOCATION OF PLANT IN SERVICE										
Line No.	Acct. No.	Demand	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
268		Intangible Plant:								
267										
268	30100	Organization	6.4	P, S, T & D Plant - Demand	3,346	1,857	843	11	424	412
269	30200	Franchises & Consents	6.4	P, S, T & D Plant - Demand	48,144	23,837	12,124	164	6,097	5,022
270	30300	Misc Intangible Plant	99.0	-	0	0	0	0	0	0
271										
272		Total Intangible Plant:			51,490	25,494	12,967	175	6,521	6,333
273										
274		Production Plant:								
275										
276	32520	Producing Leaseholds	3.0	Peak Day	0	0	0	0	0	0
277	32540	Rights of Ways	3.0	Peak Day	0	0	0	0	0	0
278	33100	Production Gas Wells Equipment	3.0	Peak Day	0	0	0	0	0	0
279	33201	Field Lines	3.0	Peak Day	0	0	0	0	0	0
280	33202	Tributary Lines	3.0	Peak Day	0	0	0	0	0	0
281	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0	0	0	0	0	0
282	33600	Purification Equipment	3.0	Peak Day	0	0	0	0	0	0
283										
284		Total Production Plant			0	0	0	0	0	0
285										
286		Storage Plant:								
287										
288	35010	Land	3.0	Peak Day	130,563	64,648	32,880	444	16,535	16,056
289	35020	Rights of Way	3.0	Peak Day	2,341	1,150	589	8	296	288
290	35100	Structures and Improvements	3.0	Peak Day	8,959	4,438	2,258	30	1,135	1,102
291	35102	Compression Station Equipment	3.0	Peak Day	76,631	37,942	19,299	261	9,705	9,425
292	35103	Meas. & Reg. Sts. Structures	3.0	Peak Day	11,569	5,728	2,913	39	1,465	1,423
293	35104	Other Structures	3.0	Peak Day	68,721	34,025	17,306	234	8,703	8,453
294	35200	Wells & Rights of Way	3.0	Peak Day	3,715,167	1,839,463	935,993	12,634	470,516	458,962
295	35201	Well Construction	3.0	Peak Day	849,999	420,854	214,056	2,891	107,850	104,549
296	35202	Well Equipment	3.0	Peak Day	207,959	102,841	52,358	707	26,331	25,673
297	35203	Cushion Gas	3.0	Peak Day	847,416	419,575	213,405	2,862	107,323	104,231
298	35210	Leaseholds	3.0	Peak Day	80,265	44,187	22,490	304	11,305	10,990
299	35211	Storage Rights	3.0	Peak Day	27,307	13,620	6,877	93	3,458	3,359
300	35301	Field Lines	3.0	Peak Day	89,248	44,188	22,475	304	11,303	10,977
301	35302	Tributary Lines	3.0	Peak Day	104,729	51,884	26,374	356	13,291	12,962
302	35400	Compression Station Equipment	3.0	Peak Day	461,733	228,605	116,376	1,570	58,476	56,791
303	35500	Meas. & Reg. Equipment	3.0	Peak Day	219,558	108,798	55,262	747	27,806	27,065
304	35600	Purification Equipment	3.0	Peak Day	207,332	102,655	52,212	705	26,250	25,502
305										
306		Total Storage Plant			7,116,439	3,524,500	1,782,640	24,207	901,531	875,561
307										
308		Transmission:								
309										
310	36510	Land & Land Rights	3.0	Peak Day	26,070	13,354	6,792	92	3,416	3,317
311	36520	Rights of Way	3.0	Peak Day	867,772	429,654	218,531	2,851	109,301	106,735
312	36502	Structures & Improvements	3.0	Peak Day	49,932	24,262	12,340	167	6,206	6,027
313	36603	Other Structures	3.0	Peak Day	60,826	30,115	15,318	207	7,703	7,462
314	36700	Mains Cathodic Protection	3.0	Peak Day	158,925	78,688	40,022	540	20,127	19,548
315	36701	Mains - Steel	3.0	Peak Day	27,643,442	13,688,802	6,961,463	94,005	3,500,965	3,400,116
316	36900	Meas. & Reg. Equipment	3.0	Peak Day	731,467	362,168	184,206	2,487	92,838	89,970
317	36901	Meas. & Reg. Equipment	3.0	Peak Day	2,269,559	1,123,708	571,643	7,718	287,433	278,153
318										
319		Total Transmission Plant			31,607,660	15,746,840	8,010,216	108,167	4,028,390	3,912,348
320										
321		Distribution:								
322										
323	37400	Land & Land Rights	3.0	Peak Day	353,514	175,033	88,026	1,202	44,772	43,482
324	37401	Land	3.0	Peak Day	24,842	12,300	6,258	84	3,146	3,056
325	37402	Land Rights	3.0	Peak Day	2,150,878	1,064,948	541,657	7,314	272,403	264,556
326	37403	Land Other	3.0	Peak Day	1,853	917	467	6	235	228
327	37500	Structures & Improvements	3.0	Peak Day	223,733	110,779	55,343	761	28,335	27,519
328	37501	Structures & Improvements T.B.	3.0	Peak Day	66,433	32,893	16,739	226	8,414	8,171
329	37502	Land Rights	3.0	Peak Day	30,781	15,245	7,754	105	3,900	3,767
330	37503	Improvements	3.0	Peak Day	2,656	1,320	671	9	338	328
331	37600	Mains Cathodic Protection	3.0	Peak Day	13,785,067	6,825,286	3,471,501	46,874	1,745,841	1,695,550
332	37601	Mains - Steel	3.0	Peak Day	93,501,051	46,294,492	23,646,420	317,962	11,841,049	11,500,537
333	37602	Mains - Plastic	3.0	Peak Day	83,219,350	41,293,760	20,857,174	262,996	10,339,500	10,233,898
334	37900	Meas. & Reg. Sta. Equip - General	3.0	Peak Day	9,082,460	4,487,020	2,282,204	30,818	1,147,736	1,114,674
335	37900	Meas. & Reg. Sta. Equip - City Gate	3.0	Peak Day	3,339,788	1,635,805	841,061	11,357	422,975	410,781
336	37905	Meas. & Reg. Sta. Equipment T.B.	3.0	Peak Day	1,870,980	926,354	471,165	6,362	236,952	230,126
337	38000	Services	99.0	-	0	0	0	0	0	0
338	38100	Meters	99.0	-	0	0	0	0	0	0
339	38200	Meter Installations	99.0	-	0	0	0	0	0	0
340	38300	House Regulators	99.0	-	0	0	0	0	0	0
341	38400	House Reg. Installations	99.0	-	0	0	0	0	0	0
342	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	0	0	0	0	0
343	38600	Other Prop. On Cust. Prem	99.0	-	0	0	0	0	0	0
344										
345		Total Distribution Plant			207,633,385	102,803,979	52,288,428	706,083	26,286,194	25,538,701

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF PLANT IN SERVICE									
346	General								
347									
348									
349	38000 Land & Land Rights	6.4	P, S, T & D Plant - Demand	466,731	240,991	722,574	1,655	61,643	59,667
350	39000 Structures & Improvements	6.4	P, S, T & D Plant - Demand	2,871,386	1,421,668	723,103	9,765	363,553	353,178
351	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
352	39002 Structures-Rock	6.4	P, S, T & D Plant - Demand	63,539	34,430	17,512	236	8,807	8,553
353	39003 Improvements	6.4	P, S, T & D Plant - Demand	284,881	141,051	71,742	959	36,079	36,040
354	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	5,204	2,577	1,310	18	659	640
355	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	500,588	247,852	126,063	1,702	63,396	61,572
356	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	720,887	356,927	181,841	2,451	91,298	88,668
357	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
358	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
359	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	86,769	43,952	22,355	302	11,242	10,918
360	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
361	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
362	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
363	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	2,161,637	1,085,129	551,621	7,453	277,565	269,569
364	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
365	39603 Ditchers	6.4	P, S, T & D Plant - Demand	15,911	7,676	4,007	54	2,015	1,957
366	39604 Backhoes	6.4	P, S, T & D Plant - Demand	25,205	12,480	6,347	86	3,192	3,100
367	39605 Welders	6.4	P, S, T & D Plant - Demand	7,604	3,684	1,965	27	396	369
368	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	144,184	71,304	36,312	490	18,262	17,796
369	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
370	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
371	39705 Communication Equip. - Telemetry	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
372	39803 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	1,522,662	754,014	383,508	5,179	192,899	187,313
373	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
374	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
375	39902 Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
376	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	54,067	26,770	13,616	164	6,047	5,850
377	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
378	39905 Other Tang. Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
379	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	711,202	352,132	176,102	2,419	90,072	87,477
380	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
381	39908 Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	49,615	24,566	12,495	169	6,284	6,103
382	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
383	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
384									
385	Total General Plant			8,750,903	4,822,694	2,455,474	33,168	1,234,874	1,199,302
386									
387	TOTAL DIRECT PLANT			256,361,778	126,930,906	64,569,725	871,799	32,467,510	31,632,245
388									
389	CWIP via AFUDC	6.4	P, S, T & D Plant - Demand	10,783,665	5,339,236	2,715,655	36,671	1,365,721	1,326,320
390									
391	Kentucky Mid-States General Office:								
392									
393	Intangible Plant:								
394									
395	30100 Organization	6.4	P, S, T & D Plant - Demand	37,406	18,520	9,420	127	4,737	4,601
396	30200 Franchises & Consents	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
397	30300 Misc Intangible Plant	6.4	P, S, T & D Plant - Demand	223,970	110,893	56,403	762	28,365	27,548
398									
399	Total Intangible Plant:			261,376	129,413	65,822	889	33,103	32,149
400									
401	General:								
402									
403	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
404	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	36,201	17,924	9,116	123	4,555	4,453
405	39002 Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
406	38000 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
407	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	3,105	1,536	782	11	393	382
408	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	7,939	3,881	1,974	27	993	964
409	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	8,359	4,137	2,104	28	1,058	1,028
410	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
411	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
412	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	5,508	2,727	1,387	19	698	677
413	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
414	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
415	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
416	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	36,700	18,171	9,242	125	4,648	4,514
417	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	4,141	2,050	1,043	14	524	509
418	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
419	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
420	39605 Welders	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
421	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	10,954	5,424	2,759	37	1,387	1,347
422	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
423	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
424	39705 Communication Equip. - Telemetry	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
425	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	164,345	81,371	41,367	559	20,814	20,214
426	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
427	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
428	39902 Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
429	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
430	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
431	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
432	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	14,976	7,415	3,771	51	1,897	1,842
433	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	7,078	3,604	1,782	24	896	871
434	39908 Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	167,240	82,824	42,118	569	21,180	20,570
435	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
436	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
437									
438	Total General Plant			485,443	230,948	117,465	1,586	58,074	57,372
439									
440	CWIP via AFUDC	6.4	P, S, T & D Plant - Demand	(2,120)	(1,050)	(534)	(7)	(260)	(261)

Alamos Energy Corporation, Kentucky/MS-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2018									
ALLOCATION OF PLANT IN SERVICE									
441	Shared Services General Office								
442	General								
443	General								
444	General								
445	General								
446	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0				
447	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	0				
448	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	86,381	42,769	21,753	254	10,940
449	37503	Improvements	6.4	P, S, T & D Plant - Demand	0				
450	38004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0				
451	38009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	204,427	101,216	51,481	495	25,890
452	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	114,318	56,602	28,703	383	14,470
453	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0				
454	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0				
455	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	149	74	37	1	19
456	39201	Trucks	6.4	P, S, T & D Plant - Demand	0				
457	39202	Trailers	6.4	P, S, T & D Plant - Demand	0				
458	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0				
459	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	12,687	6,262	3,195	43	1,607
460	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0				
461	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0				
462	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0				
463	39605	Welders	6.4	P, S, T & D Plant - Demand	0				
464	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	37,500	18,612	9,466	128	4,761
465	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0				
466	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0				
467	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0				
468	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	3,043	1,507	756	10	365
469	39800	Other Tangible Property	6.4	P, S, T & D Plant - Demand	3,390	1,679	854	12	429
470	39901	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	702,818	392,542	199,658	2,699	100,408
471	39902	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	421,923	208,904	106,253	1,435	53,435
472	39903	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	75,701	37,481	18,064	257	9,587
473	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0				
474	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0				
475	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	46,513	24,516	12,469	168	6,271
476	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	30,737	15,219	7,741	105	3,893
477	39908	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	1,539,384	762,184	387,894	5,235	194,899
478	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	502,368	248,734	126,512	1,708	63,624
479	39931	Other Tang. Property - ALGN	6.4	P, S, T & D Plant - Demand	0				
480	Total General Plant								
481					3,874,420	1,918,317	975,700	13,175	490,686
482	CWP w/o AFUDC								
483			6.4	P, S, T & D Plant - Demand	185,243	91,719	46,850	630	23,460
484	Shared Services Customer Support								
485	General								
486	General								
487	General								
488	General								
489	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	83,155	41,172	20,341	263	10,531
490	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	0				
491	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	482,936	239,113	121,618	1,642	61,163
492	37503	Improvements	6.4	P, S, T & D Plant - Demand	0				
493	38004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0				
494	38009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	64,253	31,813	16,101	218	3,157
495	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	74,343	36,811	18,723	253	9,416
496	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0				
497	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0				
498	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	402	201	101	3	114
499	39201	Trucks	6.4	P, S, T & D Plant - Demand	0				
500	39202	Trailers	6.4	P, S, T & D Plant - Demand	0				
501	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0				
502	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	3,258	1,613	821	11	413
503	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	221	110	58	1	28
504	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0				
505	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0				
506	39605	Welders	6.4	P, S, T & D Plant - Demand	0				
507	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	48,338	22,943	11,889	158	5,869
508	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0				
509	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0				
510	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0				
511	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	6,367	3,152	1,603	22	806
512	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	16,771	8,304	4,223	57	2,124
513	39901	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	212,125	105,028	53,420	721	26,865
514	39902	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	43,050	21,330	10,646	146	5,456
515	39903	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	14,334	7,087	3,610	48	1,815
516	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0				
517	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0				
518	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	23,622	11,785	5,869	81	3,017
519	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	6,402	2,714	1,361	15	594
520	39908	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	2,050,542	1,015,319	516,414	6,973	258,708
521	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	193	95	49	1	24
522	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0				
523	Total General Plant								
524					3,129,226	1,548,855	787,783	10,638	396,181
525	CWP w/o AFUDC								
526			6.4	P, S, T & D Plant - Demand	77,053	38,161	19,404	262	9,759
527	TOTAL PLANT IN SERVICE - DEMAND								
528					264,082,250	130,758,038	66,506,495	895,078	33,446,583
529	TOTAL CWP W/O AFUDC - DEMAND								
530					11,043,642	5,488,055	2,781,177	37,558	1,388,672

Almos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF PLANT IN SERVICE										
Commodity										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
531		Intangible Plant:								
532										
533	30100	Organization	6.6	P, S, T & D Plant - Commodity	87	38	21	1	18	18
534	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	1,390	546	309	16	254	265
535	30300	Misc Intangible Plant	99.0		0	0	0	0	0	0
536										
537		Total Intangible Plant:			1,487	584	330	17	271	284
538										
539		Production Plant:								
540										
541	32520	Producing Leaseholds	99.0		0	0	0	0	0	0
542	32540	Rights of Ways	99.0		0	0	0	0	0	0
543	33100	Production Gas Wells Equipment	99.0		0	0	0	0	0	0
544	33201	Field Lines	99.0		0	0	0	0	0	0
545	33202	Tributary Lines	99.0		0	0	0	0	0	0
546	33400	Field Meas. & Reg. Sta. Equip	99.0		0	0	0	0	0	0
547	33600	Purification Equipment	99.0		0	0	0	0	0	0
548										
549		Total Production Plant			0	0	0	0	0	0
550										
551		Storage Plant:								
552										
553	35010	Land	1.5	Winter Volumes	130,563	51,289	29,019	1,522	23,821	24,912
554	35020	Rights of Way	1.5	Winter Volumes	2,341	920	520	27	427	447
555	35100	Structures and Improvements	1.5	Winter Volumes	8,958	3,619	1,991	104	1,634	1,709
556	35102	Compression Station Equipment	1.5	Winter Volumes	76,631	30,103	17,032	893	13,991	14,621
557	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	11,569	4,545	2,571	135	2,111	2,207
558	35104	Other Structures	1.5	Winter Volumes	68,721	26,996	15,274	901	12,838	13,112
559	35200	Wells & Rights of Way	1.5	Winter Volumes	3,715,167	1,459,428	825,743	43,306	677,829	708,061
560	35201	Well Construction	1.5	Winter Volumes	849,989	333,905	188,923	9,908	155,082	162,182
561	35202	Well Equipment	1.5	Winter Volumes	207,999	81,673	46,211	2,423	37,533	39,670
562	35203	Cushion Gas	1.5	Winter Volumes	947,416	332,890	188,349	9,878	154,910	161,686
563	35210	Leaseholds	1.5	Winter Volumes	89,265	35,066	19,840	1,041	16,296	17,032
564	35211	Storage Rights	1.5	Winter Volumes	27,307	10,727	6,069	318	4,982	5,210
565	35301	Field Lines	1.5	Winter Volumes	89,248	35,059	19,837	1,040	16,283	17,029
566	35302	Tributary Lines	1.5	Winter Volumes	104,729	41,141	23,277	1,221	19,109	19,983
567	35400	Compressor Station Equipment	1.5	Winter Volumes	461,733	181,979	102,624	5,362	84,241	88,098
568	35500	Meas. & Reg. Equipment	1.5	Winter Volumes	219,559	86,249	48,800	2,559	40,059	41,892
569	35600	Purification Equipment	1.5	Winter Volumes	207,332	81,446	46,062	2,417	37,027	39,559
570										
571		Total Storage Plant			7,116,439	2,796,334	1,682,169	82,976	1,298,793	1,358,212
572										
573		Transmission:								
574										
575	36510	Land & Land Rights	99.0		0	0	0	0	0	0
576	36520	Rights of Way	99.0		0	0	0	0	0	0
577	36602	Structures & Improvements	99.0		0	0	0	0	0	0
578	36603	Other Structures	99.0		0	0	0	0	0	0
579	36700	Main Cathodic Protection	99.0		0	0	0	0	0	0
580	36701	Main - Steel	99.0		0	0	0	0	0	0
581	36900	Meas. & Reg. Equipment	99.0		0	0	0	0	0	0
582	36901	Meas. & Reg. Equipment	99.0		0	0	0	0	0	0
583										
584		Total Transmission Plant			0	0	0	0	0	0
585										
586		Distribution:								
587										
588	37400	Land & Land Rights	1.0	Mcf	0	0	0	0	0	0
589	37401	Land	1.0	Mcf	0	0	0	0	0	0
590	37402	Land Rights	1.0	Mcf	0	0	0	0	0	0
591	37403	Land Other	1.0	Mcf	0	0	0	0	0	0
592	37600	Structures & Improvements	1.0	Mcf	0	0	0	0	0	0
593	37601	Structures & Improvements T.B.	1.0	Mcf	0	0	0	0	0	0
594	37602	Land Rights	1.0	Mcf	0	0	0	0	0	0
595	37603	Improvements	1.0	Mcf	0	0	0	0	0	0
596	37600	Main Cathodic Protection	1.0	Mcf	0	0	0	0	0	0
597	37801	Main - Steel	1.0	Mcf	0	0	0	0	0	0
598	37802	Main - Plastic	1.0	Mcf	0	0	0	0	0	0
599	37900	Meas. & Reg. Sta. Equip - General	1.0	Mcf	0	0	0	0	0	0
600	37900	Meas. & Reg. Sta. Equip - City Gate	1.0	Mcf	0	0	0	0	0	0
601	37905	Meas. & Reg. Sta. Equipment T.B.	1.0	Mcf	0	0	0	0	0	0
602	38000	Services	99.0		0	0	0	0	0	0
603	38100	Meters	99.0		0	0	0	0	0	0
604	38200	Meter Installations	99.0		0	0	0	0	0	0
605	38300	House Regulators	99.0		0	0	0	0	0	0
606	38400	House Reg. Installations	99.0		0	0	0	0	0	0
607	38900	Ind. Meas. & Reg. Sta. Equipment	99.0		0	0	0	0	0	0
608	38600	Other Prop. On Cust. Prem	99.0		0	0	0	0	0	0
609										
610		Total Distribution Plant			0	0	0	0	0	0

Almas Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF PLANT IN SERVICE									
611	General:								
613									
614	39000 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	14,052	5,520	3,123	164	2,564	2,681
615	39001 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	82,900	32,588	18,426	966	15,125	15,617
616	39001 Structures Frame	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
617	39002 Structures-Brief	6.6	P, S, T & D Plant - Commodity	2,009	789	446	23	366	383
618	39003 Improvements	6.6	P, S, T & D Plant - Commodity	6,225	3,281	1,828	96	1,501	1,589
619	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	150	59	33	2	27	29
620	39009 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	14,453	5,677	3,212	168	2,637	2,758
621	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	20,813	8,176	4,628	243	3,797	3,971
622	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
623	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
624	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	2,563	1,007	570	30	458	489
625	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
626	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
627	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
628	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	63,275	24,856	14,054	739	11,544	12,073
629	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
630	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	459	180	102	5	84	88
631	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	728	286	162	8	133	139
632	39605 Welders	6.6	P, S, T & D Plant - Commodity	225	89	50	3	41	43
633	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	4,163	1,638	925	48	760	794
634	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
635	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
636	39705 Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
637	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	49,867	17,272	9,772	513	8,022	8,389
638	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
639	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
640	39902 Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
641	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	1,561	613	347	18	285	298
642	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
643	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
644	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	20,533	8,056	4,564	239	3,746	3,918
645	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
646	39908 Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	1,432	563	318	17	261	273
647	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
648	39924 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
650	Total General Plant			281,507	110,584	62,569	3,281	51,361	53,712
651									
652	TOTAL DIRECT PLANT			7,401,432	2,907,502	1,645,062	86,275	1,350,364	1,412,208
653									
654	CWIP via AFUDC	6.6	P, S, T & D Plant - Commodity	311,336	122,302	69,198	3,629	56,803	59,403
655									
656	Kentucky Mid-States General Office:								
657									
658	Intangible Plant:								
659									
660	30100 Organization	6.6	P, S, T & D Plant - Commodity	1,080	424	240	13	197	206
661	30200 Franchises & Consents	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
662	30300 Misc Intangible Plant	6.6	P, S, T & D Plant - Commodity	6,486	2,540	1,437	75	1,160	1,234
663									
664	Total Intangible Plant:			7,566	2,964	1,677	88	1,377	1,440
665									
666	General:								
667									
668	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
669	39001 Structures Frame	6.6	P, S, T & D Plant - Commodity	1,645	411	232	12	191	199
670	39002 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
671	39000 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
672	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	90	35	20	1	16	17
673	39009 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	228	89	50	3	41	43
674	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	241	95	54	3	44	46
675	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
676	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
677	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	159	62	35	2	29	30
678	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
679	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
680	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
681	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	1,080	418	236	12	193	202
682	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	120	47	27	1	22	23
683	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
684	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
685	39605 Welders	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
686	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	316	124	70	4	58	60
687	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
688	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
689	39705 Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
690	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	4,745	1,854	1,055	55	866	905
691	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
692	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
693	39902 Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
694	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
695	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
696	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
697	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	432	170	96	5	79	82
698	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	204	80	45	2	37	39
699	39908 Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	4,628	1,897	1,073	56	891	921
700	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
701	39924 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
702									
703	Total General Plant			13,467	5,290	2,993	157	2,467	2,569
704									
705	CWIP via AFUDC	6.6	P, S, T & D Plant - Commodity	(61)	(24)	(14)	(1)	(11)	(12)

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF PLANT IN SERVICE									
706									
707		Shared Services General Office							
708		General							
709		General							
710									
711	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0				
712	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	0				
713	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	2,494	980	554	29	455
714	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0				
715	39504	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0				
716	38009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	5,902	2,318	1,312	69	1,077
717	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	3,300	1,297	734	38	602
718	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0				
719	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0				
720	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	4	2	1	0	1
721	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0				
722	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0				
723	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0				
724	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	366	144	81	4	67
725	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0				
726	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0				
727	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0				
728	39605	Welders	6.6	P, S, T & D Plant - Commodity	0				
729	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	1,055	426	241	13	198
730	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0				
731	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0				
732	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0				
733	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	88	35	20	1	16
734	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	59	38	22	1	19
735	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	22,659	8,992	5,067	267	4,178
736	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	12,191	4,765	2,797	142	2,222
737	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	2,165	859	468	25	300
738	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0				
739	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0				
740	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	1,429	562	316	17	261
741	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	187	346	197	10	162
742	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	44,444	17,459	9,676	618	8,168
743	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	14,504	5,698	3,224	169	2,646
744	39931	Other Tang. Property - ALGN	6.6	P, S, T & D Plant - Commodity	0				
745									
746		Total General Plant			111,859	43,941	24,862	1,304	20,400
747									
748		CWMP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	5,346	2,101	1,189	62	976
749									
750		Shared Services Customer Support							
751		General							
752		General							
753									
754	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	2,401	843	534	28	438
755	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	0				
756	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	13,943	5,477	3,099	163	2,544
757	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0				
758	39504	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0				
759	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	1,855	729	412	22	338
760	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	2,147	843	477	25	392
761	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0				
762	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0				
763	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	26	10	6	0	5
764	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0				
765	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0				
766	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0				
767	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	94	37	21	1	17
768	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	6	3	1	0	1
769	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0				
770	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0				
771	39605	Welders	6.6	P, S, T & D Plant - Commodity	0				
772	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	1,338	526	297	16	244
773	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0				
774	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0				
775	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0				
776	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	164	72	41	2	34
777	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	484	190	106	9	80
778	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	6,124	2,406	1,361	71	1,117
779	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	1,244	495	276	14	227
780	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	414	163	92	5	76
781	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0				
782	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0				
783	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	898	270	153	8	125
784	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	159	62	35	2	29
785	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	59,204	23,257	13,159	690	10,802
786	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	6	2	1	0	1
787	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0				
788									
789		Total General Plant			90,315	35,478	20,074	1,053	16,478
790									
791		CWMP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	2,225	874	494	26	406
792									
793		TOTAL PLANT IN SERVICE - COMMODITY			7,624,619	2,995,177	1,694,668	88,876	1,391,105
794									
795		TOTAL CWMP W/O AFUDC - COMMODITY			318,847	125,253	70,868	3,717	56,173

Almos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2018										
ALLOCATION OF PLANT IN SERVICE										
Total Plant In Service										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
796		Intangible Plant:								
797										
798	30100	Organization			8,330	5,612	1,791	15	487	444
799	30200	Franchises & Consents			119,653	80,758	25,776	214	6,714	6,393
800	30300	Misc Intangible Plant			0					
801										
802		Total Intangible Plant:			128,182	86,367	27,568	229	7,180	6,838
803										
804		Production Plant:								
805										
806	32520	Producing Leaseholds			0					
807	32540	Rights of Ways			0					
808	33100	Production Gas Wells Equipment			0					
809	33201	Field Lines			0					
810	33202	Tributary Lines			0					
811	33400	Field Meas. & Reg. Sta. Equip			0					
812	33600	Purification Equipment			0					
813										
814		Total Production Plant			0	0	0	0	0	0
815										
816		Storage Plant:								
817										
818	35010	Land			261,127	115,934	61,899	1,966	40,357	40,971
819	35020	Rights of Way			4,692	2,079	1,110	35	724	735
820	35100	Structures and Improvements			17,519	7,954	4,247	135	2,769	2,811
821	35102	Compressor Station Equipment			153,261	65,044	38,350	1,154	23,866	24,047
822	35103	Meas. & Reg. Sta. Structures			23,138	10,273	5,485	174	3,576	3,630
823	35104	Other Structures			137,443	61,021	32,990	1,035	21,241	21,565
824	35200	Wells & Rights of Way			7,430,334	3,289,691	1,761,335	55,940	1,148,344	1,165,623
825	35201	Well Completion			1,689,899	754,759	402,979	12,799	262,732	266,731
826	35202	Well Equipment			416,819	184,614	98,568	3,131	64,284	65,242
827	35203	Cushion Gas			1,694,833	752,465	401,754	12,760	261,933	265,620
828	35210	Leaseholds			178,530	79,263	42,920	1,344	27,591	28,011
829	35211	Storage Rights			54,614	24,247	12,946	411	8,441	8,569
830	35301	Field Lines			178,497	78,246	42,312	1,344	27,596	28,006
831	35302	Tributary Lines			239,458	92,994	49,051	1,577	32,371	32,864
832	35400	Compressor Station Equipment			923,446	406,898	218,600	6,952	142,717	144,869
833	35500	Meas & Reg. Equipment			439,117	194,957	104,091	3,306	67,865	68,896
834	35600	Purification Equipment			414,653	184,101	98,295	3,122	64,065	65,061
835										
836		Total Storage Plant			14,236,877	6,320,934	3,374,803	107,193	2,203,283	2,233,773
837										
838		Transmission:								
839										
840	36510	Land & Land Rights			26,970	13,354	6,792	92	3,416	3,317
841	36520	Rights of Way			857,772	429,954	219,531	2,951	108,991	108,735
842	36602	Structures & Improvements			40,023	24,262	12,340	167	3,206	3,027
843	36603	Other Structures			60,626	30,116	15,318	297	7,703	7,482
844	36700	Main Cathodic Protection			158,625	78,688	40,022	540	20,127	19,548
845	36701	Main - Steel			27,643,442	13,699,892	6,961,463	94,005	3,800,995	3,400,116
846	36800	Meas. & Reg. Equipment			731,467	352,168	184,296	2,467	52,636	53,970
847	36901	Meas. & Reg. Equipment			2,269,536	1,123,709	571,543	7,718	267,433	279,153
848										
849		Total Transmission Plant			31,807,960	15,748,840	8,010,216	108,187	4,028,300	3,912,346
850										
851		Distribution:								
852										
853	37400	Land & Land Rights			531,167	333,193	109,310	1,214	44,697	43,553
854	37401	Land			37,328	23,414	7,611	85	3,155	3,061
855	37402	Land Rights			3,231,772	2,027,241	858,988	7,387	273,166	264,991
856	37403	Land Other			2,784	1,746	958	6	235	226
857	37500	Structures & Improvements			336,169	210,879	68,548	769	28,416	27,964
858	37501	Structures & Improvements T.B.			99,818	62,614	20,354	228	8,437	8,185
859	37502	Land Rights			46,264	29,021	9,434	106	3,910	3,793
860	37503	Improvements			4,095	2,512	817	8	339	328
861	37600	Main Cathodic Protection			20,712,559	12,892,898	4,223,493	47,342	1,750,732	1,698,335
862	37601	Main - Steel			149,899,094	88,126,283	29,846,946	321,111	11,874,824	11,519,431
863	37602	Main - Plastic			128,040,068	78,435,699	25,656,838	285,801	10,588,027	10,252,714
864	37603	Meas & Reg. Sta. Equip - General			13,616,673	8,841,528	2,776,566	31,123	1,150,951	1,116,505
865	37604	Meas & Reg. Sta. Equip - City Gate			5,018,152	3,147,809	1,023,248	11,470	424,160	411,466
866	37605	Meas & Reg. Sta. Equipment T.B.			2,811,184	1,793,412	573,226	6,425	237,616	230,564
867	38000	Services			139,856,620	124,521,454	15,182,788	9,374	58,753	55,242
868	38100	Meters			41,724,895	26,873,625	13,814,767	69,110	622,734	354,659
869	38200	Meter Installations			56,880,787	36,699,441	18,865,867	60,722	850,425	484,333
870	38300	House Regulators			11,717,794	7,547,044	3,879,665	16,600	174,885	99,600
871	38400	House Reg Installations			248,552	160,728	82,625	354	3,725	2,121
872	38500	Ind. Meas. & Reg. Sta. Equipment			5,237,633		5,181,538	3,199	33,702	19,194
873	38600	Other Prop. On Cust. Firm			0					
874										
875		Total Distribution Plant			567,755,915	381,500,413	120,622,174	882,434	28,154,088	26,996,806

Almos Energy Corporation, Kentucky/Mid-States Division													
Class Cost of Service - Customer/Demand Study													
Forecasted Test Period: Twelve Months Ended March 31, 2019													
ALLOCATION OF PLANT IN SERVICE													
876	General:												
878													
879	39900	Land & Land Rights	1,211,697	816,424	260,594	2,167	67,875	64,637					
880	39000	Structures & Improvements	7,148,202	4,816,355	1,537,330	12,785	490,415	381,316					
881	39001	Structures Frame	0	0	0	0	0	0					
882	39002	Structures-Brick	173,115	116,642	37,231	310	9,697	9,235					
883	39003	Improvements	709,199	477,848	152,524	1,268	39,727	37,832					
884	39004	Air Conditioning Equipment	12,955	8,729	2,786	23	726	691					
885	39009	Improvement to leased Premises	1,246,194	639,859	209,013	2,229	69,807	66,478					
886	39100	Office Furniture & Equipment	1,784,619	1,209,189	385,950	3,210	100,528	95,733					
887	39102	Remittance Processing Equip	0	0	0	0	0	0					
888	39103	Office Machines	0	0	0	0	0	0					
889	39200	Transportation Equipment	220,987	148,958	47,927	395	12,379	11,708					
890	39201	Trucks	0	0	0	0	0	0					
891	39202	Trailers	0	0	0	0	0	0					
892	39300	Stores Equipment	0	0	0	0	0	0					
893	39400	Tools, Shop & Garage Equipment	5,455,993	3,676,170	1,173,394	8,758	305,624	291,048					
894	39600	Power Operated Equipment	0	0	0	0	0	0					
895	39603	Ditchers	39,610	26,699	8,519	71	2,219	2,113					
896	39604	Backhoes	62,747	42,278	13,495	112	3,515	3,347					
897	39605	Welders	19,427	13,995	4,178	35	1,088	1,038					
898	39700	Communication Equipment	363,965	241,855	77,201	642	20,108	19,149					
899	39701	Communication Equipment - Mobile Radios	0	0	0	0	0	0					
900	39702	Communication Equipment - Fixed Radios	0	0	0	0	0	0					
901	39705	Communication Equip. - Telemetering	0	0	0	0	0	0					
902	39800	Miscellaneous Equipment	3,791,153	2,854,428	815,348	6,780	212,368	202,237					
903	39900	Other Tangible Property	0	0	0	0	0	0					
904	39901	Other Tangible Property - Servers - HW	0	0	0	0	0	0					
905	39902	Other Tangible Property - Servers - SW	0	0	0	0	0	0					
906	39903	Other Tangible Property - Network - HW	134,598	80,691	28,948	241	7,540	7,180					
907	39904	Other Tang. Property - CPU	0	0	0	0	0	0					
908	39905	Other Tangible Property - MF - Hardware	0	0	0	0	0	0					
909	39906	Other Tang. Property - PC Hardware	1,770,809	1,192,943	390,775	3,167	99,177	94,447					
910	39907	Other Tang. Property - PC Software	0	0	0	0	0	0					
911	39908	Other Tang. Property - Mainframe SW	123,515	83,223	26,594	221	6,919	6,599					
912	39909	Other Tang. Property - Application Software	0	0	0	0	0	0					
913	39924	Other Tang. Property - General Startup Costs	0	0	0	0	0	0					
914	Total General Plant							24,273,489	16,355,126	5,220,383	43,413	1,359,708	1,284,858
916	TOTAL DIRECT PLANT							638,262,423	430,011,580	137,255,144	1,141,427	35,749,849	34,044,625
918	CWP w/o AFUDC							26,845,505	18,088,113	5,773,534	46,013	1,503,782	1,432,061
920	Kentucky Mid-States General Office:												
921	Intangible Plant:												
922													
923													
924													
925	30100	Organization	93,120	62,743	20,027	167	5,216	4,867					
926	30200	Franchises & Consents	0	0	0	0	0	0					
927	30300	Misc Intangible Plant	557,565	375,679	119,913	997	31,233	29,743					
928	Total Intangible Plant:							650,685	438,422	139,940	1,164	36,449	34,711
930	General:												
931													
932													
933	37400	Land & Land Rights	0	0	0	0	0	0					
934	39001	Structures Frame	90,120	60,722	19,382	161	5,046	4,807					
935	39602	Structures & Improvements	0	0	0	0	0	0					
936	39800	Land & Land Rights	0	0	0	0	0	0					
937	39004	Air Conditioning Equipment	7,791	5,209	1,663	14	433	412					
938	39005	Improvement to leased Premises	19,515	13,149	4,197	35	1,083	1,041					
939	39103	Office Furniture & Equipment	20,903	14,017	4,474	37	1,168	1,110					
940	39102	Remittance Processing Equip	0	0	0	0	0	0					
941	39103	Office Machines	0	0	0	0	0	0					
942	39200	Transportation Equipment	13,711	9,238	2,949	25	788	731					
943	39201	Trucks	0	0	0	0	0	0					
944	39202	Trailers	0	0	0	0	0	0					
945	39300	Stores Equipment	0	0	0	0	0	0					
946	39400	Tools, Shop & Garage Equipment	91,364	61,950	19,649	163	5,118	4,874					
947	39600	Power Operated Equipment	10,369	6,948	2,217	18	577	550					
948	39603	Ditchers	0	0	0	0	0	0					
949	39604	Backhoes	0	0	0	0	0	0					
950	39605	Welders	0	0	0	0	0	0					
951	39700	Communication Equipment	27,270	18,374	5,865	49	1,528	1,455					
952	39701	Communication Equipment - Mobile Radios	0	0	0	0	0	0					
953	39702	Communication Equipment - Fixed Radios	0	0	0	0	0	0					
954	39705	Communication Equip. - Telemetering	0	0	0	0	0	0					
955	39800	Miscellaneous Equipment	409,130	275,666	87,990	732	22,919	21,825					
956	39900	Other Tangible Property	0	0	0	0	0	0					
957	39901	Other Tangible Property - Servers - HW	0	0	0	0	0	0					
958	39902	Other Tangible Property - Servers - SW	0	0	0	0	0	0					
959	39903	Other Tangible Property - Network - HW	0	0	0	0	0	0					
960	39904	Other Tang. Property - CPU	0	0	0	0	0	0					
961	39905	Other Tangible Property - MF - Hardware	0	0	0	0	0	0					
962	39906	Other Tang. Property - PC Hardware	37,281	25,120	8,018	67	2,088	1,989					
963	39907	Other Tang. Property - PC Software	17,620	11,872	3,789	32	987	940					
964	39908	Other Tang. Property - Mainframe SW	416,537	280,522	89,540	745	23,322	22,209					
965	39909	Other Tang. Property - Application Software	0	0	0	0	0	0					
966	39924	Other Tang. Property - General Startup Costs	0	0	0	0	0	0					
967	Total General Plant							1,161,191	782,353	249,732	2,077	65,045	61,943
969	CWP w/o AFUDC							(5,277)	(3,556)	(1,195)	(6)	(295)	(282)

Alamos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
ALLOCATION OF PLANT IN SERVICE							
971							
972	Shared Services General Office						
973							
974	General						
975							
976	37400 Land & Land Rights	0					
977	39001 Structures Frame	0					
978	38602 Structures & Improvements	216,041	144,892	46,248	365	12,046	11,471
979	37503 Improvements	0					
980	39004 Air Conditioning Equipment	0					
981	39009 Improvement to Leased Premises	508,913	342,889	109,450	910	28,507	27,148
982	39100 Office Furniture & Equipment	264,891	181,753	61,206	859	15,942	15,181
983	39102 Remittance Processing Equip	0					
984	39103 Office Machines	0					
985	39200 Transportation Equipment	371	250	80	1	21	20
986	39201 Trucks	0					
987	39202 Trailers	0					
988	39300 Stores Equipment	0					
989	39400 Tools, Shop & Garage Equipment	31,583	21,280	6,792	58	1,769	1,685
990	39600 Power Operated Equipment	0					
991	39603 Ditchers	0					
992	39604 Backhoes	0					
993	39605 Welders	0					
994	39700 Communication Equipment	83,578	63,052	20,126	187	5,242	4,962
995	39701 Communication Equipment - Mobile Radios	0					
996	39702 Communication Equipment - Fixed Radios	0					
997	39705 Communication Equip. - Telemetering	0					
998	39800 Miscellaneous Equipment	7,575	5,104	1,629	14	424	404
999	39800 Other Tangible Property	6,440	5,886	1,815	15	473	450
1000	39901 Other Tangible Property - Servers - HW	1,973,689	1,329,843	424,472	3,530	110,556	105,286
1001	39902 Other Tangible Property - Servers - SW	1,050,361	707,718	225,895	1,879	58,837	56,031
1002	39903 Other Tangible Property - Network - HW	188,455	126,578	40,531	337	10,557	10,063
1003	39904 Other Tang. Property - CPU	0					
1004	39905 Other Tangible Property - MF - Hardware	0					
1005	39906 Other Tang. Property - PC Hardware	123,260	83,051	29,509	220	6,905	6,575
1006	39907 Other Tang. Property - PC Software	76,519	51,957	16,457	137	4,286	4,082
1007	39908 Other Tang. Property - Mainframe SW	3,632,236	2,592,105	824,181	6,854	214,697	204,429
1008	39909 Other Tang. Property - Application Software	1,250,625	842,653	288,866	2,237	70,055	68,714
1009	39931 Other Tang. Property - ALGN	0					
1010							
1011	Total General Plant	9,645,237	6,488,822	2,074,355	17,251	540,289	514,521
1012							
1013	CWP w/o AFUDC	461,155	310,719	88,178	825	25,832	24,600
1014							
1015	Shared Services Customer Support						
1016	General						
1017							
1018							
1019	37400 Land & Land Rights	207,011	139,481	44,521	370	11,596	11,043
1020	39001 Structures Frame	0					
1021	38602 Structures & Improvements	1,202,280	810,059	258,562	2,150	67,345	64,134
1022	37503 Improvements	0					
1023	39004 Air Conditioning Equipment	0					
1024	39009 Improvement to Leased Premises	159,254	107,775	34,401	255	8,860	8,533
1025	39100 Office Furniture & Equipment	185,087	124,709	39,808	331	10,368	9,873
1026	39102 Remittance Processing Equip	0					
1027	39103 Office Machines	0					
1028	39200 Transportation Equipment	2,249	1,513	483	4	126	120
1029	39201 Trucks	0					
1030	39202 Trailers	0					
1031	39300 Stores Equipment	0					
1032	39400 Tools, Shop & Garage Equipment	8,112	5,465	1,745	15	464	438
1033	39600 Power Operated Equipment	351	271	119	1	31	29
1034	39603 Ditchers	0					
1035	39604 Backhoes	0					
1036	39605 Welders	0					
1037	39700 Communication Equipment	115,356	77,725	24,809	208	6,462	6,154
1038	39701 Communication Equipment - Mobile Radios	0					
1039	39702 Communication Equipment - Fixed Radios	0					
1040	39705 Communication Equip. - Telemetering	0					
1041	39800 Miscellaneous Equipment	15,849	10,679	3,409	28	888	845
1042	39800 Other Tangible Property	41,751	28,131	8,979	75	2,338	2,227
1043	39901 Other Tangible Property - Servers - HW	528,071	355,811	113,571	844	28,591	28,170
1044	39902 Other Tangible Property - Servers - SW	107,245	72,260	23,065	192	6,007	5,721
1045	39903 Other Tangible Property - Network - HW	35,893	24,043	7,674	64	1,999	1,903
1046	39904 Other Tang. Property - CPU	0					
1047	39905 Other Tangible Property - MF - Hardware	0					
1048	39906 Other Tang. Property - PC Hardware	83,304	59,858	12,754	106	3,222	3,164
1049	39907 Other Tang. Property - PC Software	13,647	9,155	2,895	24	764	728
1050	39908 Other Tang. Property - Mainframe SW	5,104,892	3,439,570	1,097,906	9,130	285,962	272,324
1051	39909 Other Tang. Property - Application Software	480	323	103	1	27	26
1052	39924 Other Tang. Property - General Startup Costs	0					
1053							
1054	Total General Plant	7,787,594	5,247,168	1,674,841	13,926	436,231	415,426
1055							
1056	CWP w/o AFUDC	181,822	129,247	41,264	343	10,745	10,233
1057							
1058	TOTAL PLANT IN SERVICE	687,447,129	442,978,366	141,394,011	1,175,846	36,827,663	35,071,224
1059							
1060	TOTAL CWP W/O AFUDC	27,493,203	18,524,524	5,912,832	49,172	1,640,064	1,466,613

Atmos Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Customer/Demand Study  
Forecasted Test Period: Twelve Months Ended March 31, 2019

ALLOCATION OF RESERVE FOR DEPRECIATION

		Customer								
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
1			Intangible Plant:							
2										
3	30100	6.2	P, S, T & D Plant - Customer	4,887	3,918	927	2	25	14	
4	30200	6.2	Franchises & Concessions	70,319	56,372	13,343	34	363	207	
5	30300	99.0	Misc Intangible Plant	0	0	0	0	0	0	
7			Total Intangible Plant:	75,206	60,290	14,270	37	388	221	
8			Production Plant:							
10	32520	99.0	Producing Leaseholds	0	0	0	0	0	0	
12	32540	99.0	Rights of Way	0	0	0	0	0	0	
13	33100	99.0	Production Gas Wells Equipment	0	0	0	0	0	0	
14	33201	99.0	Field Lines	0	0	0	0	0	0	
15	33202	99.0	Tributary Lines	0	0	0	0	0	0	
16	33400	99.0	Field Meas. & Reg. Sta. Equip	0	0	0	0	0	0	
17	33500	99.0	Purification Equipment	0	0	0	0	0	0	
19			Total Production Plant:	0	0	0	0	0	0	
20			Storage Plant:							
22										
23	35010	99.0	Land	0	0	0	0	0	0	
24	35020	99.0	Rights of Way	0	0	0	0	0	0	
25	35100	99.0	Structures and Improvements	0	0	0	0	0	0	
26	35102	99.0	Compressor Station Equipment	0	0	0	0	0	0	
27	35103	99.0	Meas. & Reg. Sta. Structures	0	0	0	0	0	0	
28	35104	99.0	Other Structures	0	0	0	0	0	0	
29	35200	99.0	Wells & Rights of Way	0	0	0	0	0	0	
30	35201	99.0	Well Construction	0	0	0	0	0	0	
31	35202	99.0	Well Equipment	0	0	0	0	0	0	
32	35203	99.0	Custion Gas	0	0	0	0	0	0	
33	35210	99.0	Leaseholds	0	0	0	0	0	0	
34	35211	99.0	Storage Rights	0	0	0	0	0	0	
35	35301	99.0	Field Lines	0	0	0	0	0	0	
36	35302	99.0	Tributary Lines	0	0	0	0	0	0	
37	35400	99.0	Compressor Station Equipment	0	0	0	0	0	0	
38	35500	99.0	Meas. & Reg. Equipment	0	0	0	0	0	0	
39	35600	99.0	Purification Equipment	0	0	0	0	0	0	
40			Total Storage Plant:	0	0	0	0	0	0	
42			Transmission:							
43										
44										
45	36510	99.0	Land & Land Rights	0	0	0	0	0	0	
46	36520	99.0	Rights of Way	0	0	0	0	0	0	
47	36602	99.0	Structures & Improvements	0	0	0	0	0	0	
48	36603	99.0	Other Structures	0	0	0	0	0	0	
49	36700	99.0	Mains Cathodic Protection	0	0	0	0	0	0	
50	36701	99.0	Mains - Steel	0	0	0	0	0	0	
51	36800	99.0	Meas. & Reg. Equipment	0	0	0	0	0	0	
52	36901	99.0	Meas. & Reg. Equipment	0	0	0	0	0	0	
53			Total Transmission Plant:	0	0	0	0	0	0	
54			Distribution:							
55										
56										
57	37400	2.0	Land & Land Rights	0	0	0	0	0	0	
58	37401	2.0	Land	0	0	0	0	0	0	
59	37402	2.0	Land Rights	64,250	57,201	6,974	4	45	26	
61	37403	2.0	Land Other	0	0	0	0	0	0	
62	37500	2.0	Structures & Improvements	35,862	31,827	3,953	2	25	14	
63	37501	2.0	Structures & Improvements T.B.	23,264	20,702	2,524	2	16	9	
64	37502	2.0	Land Rights	11,542	10,275	1,253	1	6	5	
65	37503	2.0	Improvements	616	549	67	0	0	0	
66	37600	2.0	Mains Cathodic Protection	4,212,694	3,750,365	457,279	282	2,974	1,694	
67	37601	2.0	Mains - Steel	9,799,759	8,696,186	1,099,099	654	6,889	3,823	
68	37602	2.0	Mains - Plastic	5,642,793	4,934,607	691,672	371	3,913	2,229	
69	37600	2.0	Meas. & Reg. Sta. Equip - General	854,250	760,617	92,729	57	603	343	
70	37600	2.0	Meas. & Reg. Sta. Equip - City Gate	314,239	279,759	34,111	21	222	126	
71	37600	2.0	Meas. & Reg. Sta. Equipment T.B.	340,561	303,192	36,968	23	240	137	
72	38000	2.0	Services	37,374,099	33,274,207	4,056,972	2,805	26,368	15,028	
73	38100	4.0	Meter Investment	19,024,468	12,233,946	6,296,850	26,951	283,336	161,707	
74	38200	4.0	Meter Installations	24,923,491	16,037,461	8,275,139	36,407	373,022	212,443	
75	38300	4.0	House Regulators	3,972,596	2,858,610	1,315,294	5,628	50,290	33,767	
76	38400	4.0	House Reg. Installations	67,939	66,638	29,116	125	1,312	747	
77	38500	2.2	Ind. Meas. & Reg. Sta. Equipment	2,832,946	2,802,605	1,730	18,229	10,382		
78	38600	99.0	Other Prop. On Cust. Prem	0	0	0	0	0	0	
79			Total Distribution Plant:	109,442,270	83,074,267	25,074,543	73,764	777,114	442,581	

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
81	General								
82									
83									
84	38900	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0				
85	39000	Structures & Improvements	6.2	P, S, T & D Plant - Customer	589,385	865,273	110,129	284	2,994
86	39002	Structures - Bldg	6.2	P, S, T & D Plant - Customer	59,575	47,759	11,304	29	307
87	39003	Improvements	6.2	P, S, T & D Plant - Customer	157,226	126,042	29,834	77	811
88	39003	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	2,605	2,069	494	1	13
89	39004	Improvement to Leased Premises	6.2	P, S, T & D Plant - Customer	719,124	576,494	139,456	352	3,710
90	39005	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	680,209	465,131	110,095	284	2,983
91	39100	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0				
92	39102	Office Machines	6.2	P, S, T & D Plant - Customer	0				
93	39103	Transportation Equipment	6.2	P, S, T & D Plant - Customer	53,273	42,707	10,169	26	275
94	39200	Trucks	6.2	P, S, T & D Plant - Customer	0				
95	39201	Trailers	6.2	P, S, T & D Plant - Customer	(1,496)	(1,169)	(284)	(1)	(8)
96	39202	Stores Equipment	6.2	P, S, T & D Plant - Customer	0				
97	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	693,073	555,610	131,512	339	3,576
98	39500	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0				
99	39503	Ditchers	6.2	P, S, T & D Plant - Customer	22,893	18,352	4,344	11	118
100	39604	Backhoes	6.2	P, S, T & D Plant - Customer	36,207	29,026	6,670	18	187
101	39605	Welders	6.2	P, S, T & D Plant - Customer	10,633	8,524	2,018	5	56
102	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	116,059	94,543	22,402	58	609
103	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0				
104	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0				
105	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0				
106	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	993,652	796,673	186,547	487	5,126
107	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0				
108	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	2,749	2,203	522	1	14
109	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	0				
110	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	26,511	22,856	5,410	14	147
111	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0				
112	39908	Other Tangible Property - I/F - Hardware	6.2	P, S, T & D Plant - Customer	0				
113	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	627,770	603,259	119,120	307	3,239
114	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0				
115	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	0				
116	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	72,267	58,014	13,732	35	373
117	39909	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0				
118		Retirement Work In Progress	6.2	P, S, T & D Plant - Customer	(1,643,330)	(1,557,803)	(368,750)	(852)	(10,026)
119		AR 15 general plant amortization	6.2	P, S, T & D Plant - Customer	0				
120									
121		Total General Plant			2,813,483	2,285,461	533,862	1,379	14,515
122		TOTAL DIRECT RESERVE FOR DEPRECIATION			112,330,959	85,390,019	26,622,676	75,176	792,017
123									
124									
125		Kentucky Mid-States General Office							
126									
127		Intangible Plant:							
128									
129	30100	Organization	99.0		0				
130	30200	Franchise & Consents	99.0		0				
131	30300	Misc Intangible Plant	99.0		0				
132									
133		Total Intangible Plant:							
134									
135		General:							
136									
137	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0				
138	39001	Structures Frame	6.2	P, S, T & D Plant - Customer	29,768	23,664	5,649	15	154
139	39002	Structures & Improvements	6.2	P, S, T & D Plant - Customer	0				
140	39000	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0				
141	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	2,682	2,150	509	1	14
142	39005	Improvement to Leased Premises	6.2	P, S, T & D Plant - Customer	11,449	9,179	2,173	6	59
143	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	12,295	9,784	2,316	6	69
144	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0				
145	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0				
146	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	0				
147	39201	Trucks	6.2	P, S, T & D Plant - Customer	0				
148	39202	Trailers	6.2	P, S, T & D Plant - Customer	0				
149	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0				
150	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	0				
151	39500	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0				
152	39503	Ditchers	6.2	P, S, T & D Plant - Customer	0				
153	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0				
154	39605	Welders	6.2	P, S, T & D Plant - Customer	0				
155	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	(2,325)	(1,864)	(441)	(1)	(12)
156	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0				
157	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0				
158	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0				
159	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	205,095	164,369	38,906	100	1,058
160	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0				
161	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	(10,261)	(8,228)	(1,947)	(5)	(59)
162	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	0				
163	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	0				
164	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0				
165	39905	Other Tangible Property - I/F - Hardware	6.2	P, S, T & D Plant - Customer	0				
166	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	21,679	17,539	4,152	11	113
167	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	6,531	5,236	1,239	3	34
168	39908	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	244,269	195,821	46,350	120	1,280
169	39909	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0				
170	39924	Other Tang. Property - Retirement Work In Progress	6.2	P, S, T & D Plant - Customer	15,484	12,413	2,938	9	80
171									
172									
173		Total General Plant			536,716	430,265	101,843	263	2,769

Alamos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF RESERVE FOR DEPRECIATION										
174		Shared Services General Office								
176		General								
177		General								
178		General								
179	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0					
180	38006	Structures & Improvements	6.2	P, S, T & D Plant - Customer	48,367	38,774	9,178	24	250	142
181	38602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	0					
182	37503	Improvements	6.2	P, S, T & D Plant - Customer	0					
183	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0					
184	39009	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	292,577	234,548	55,517	143	1,509	890
185	38100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	0					
186	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0					
187	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0					
188	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	0					
189	39201	Trucks	6.2	P, S, T & D Plant - Customer	0					
190	39202	Trailers	6.2	P, S, T & D Plant - Customer	0					
191	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0					
192	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	0					
193	39500	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0					
194	39503	Ditchers	6.2	P, S, T & D Plant - Customer	0					
195	39504	Backhoes	6.2	P, S, T & D Plant - Customer	0					
196	39505	Welders	6.2	P, S, T & D Plant - Customer	0					
197	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	0					
198	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0					
199	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0					
200	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0					
201	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	0					
202	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	5,028	4,031	954	2	26	15
203	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	669,574	536,772	127,053	328	3,454	1,967
204	39902	Other Tangible Property - Servers - SAN	6.2	P, S, T & D Plant - Customer	308,877	407,947	96,560	249	2,625	1,495
205	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	70,190	56,268	13,319	34	362	208
206	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0					
207	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0					
208	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	40,468	39,857	9,387	24	255	145
209	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	75,860	60,814	14,384	37	391	223
210	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	1,285	1,030	244		7	4
211	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	1,317,091	1,055,861	249,920	645	6,795	3,870
212	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0					
213		Retirement Work In Progress	6.2	P, S, T & D Plant - Customer	0					
214										
215		Total General Plant			3,038,317	2,438,702	676,525	1,486	16,675	8,827
216					798,791	641,162	151,762	392	4,128	2,350
217		Shared Services Customer Support								
218		General								
219		General								
220		General								
221	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0					
222	38006	Structures Frame	6.2	P, S, T & D Plant - Customer	0					
223	38602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	103,855	83,258	19,707	51	538	305
224	37503	Improvements	6.2	P, S, T & D Plant - Customer	0					
225	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0					
226	39009	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	55,281	44,277	10,489	27	285	162
227	38100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	29,335	23,520	5,557	14	151	88
228	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0					
229	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0					
230	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	1,324	1,062	251		7	4
231	39201	Trucks	6.2	P, S, T & D Plant - Customer	0					
232	39202	Trailers	6.2	P, S, T & D Plant - Customer	0					
233	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0					
234	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	1,671	1,340	317	1	9	5
235	39500	Laboratory Equipment	6.2	P, S, T & D Plant - Customer	232	186	44	0	1	1
236	39503	Ditchers	6.2	P, S, T & D Plant - Customer	0					
237	39504	Backhoes	6.2	P, S, T & D Plant - Customer	0					
238	39505	Welders	6.2	P, S, T & D Plant - Customer	0					
239	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	37,600	30,142	7,135	18	194	110
240	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0					
241	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0					
242	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0					
243	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	2,843	2,124	503	1	14	8
244	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	15,900	12,746	3,017	8	82	47
245	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	167,145	133,893	31,716	82	862	491
246	39902	Other Tangible Property - Servers - SAN	6.2	P, S, T & D Plant - Customer	39,521	31,682	7,499	19	204	116
247	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	11,828	9,483	2,245	6	61	35
248	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0					
249	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0					
250	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	22,028	17,589	4,180	11	114	65
251	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	5,495	4,406	1,043	3	28	16
252	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	1,010,199	809,838	191,687	495	5,212	2,968
253	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	1,789	1,441	341	1	9	5
254	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0					
255		Retirement Work In Progress	6.2	P, S, T & D Plant - Customer	0					
256										
257		Total General Plant			1,905,816	1,207,195	285,731	737	7,769	4,424
258										
259		TOTAL RESERVE FOR DEPRECIATION - CUSTOMER			117,411,807	86,463,140	26,586,774	77,686	818,230	485,997

Almore Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF RESERVE FOR DEPRECIATION										
Demand										
Line No.	Acct. No.	Allocation Factor	Allocation Base	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
250			Intangible Plant:							
261										
262	30100	6.4	P, S, T & D Plant - Demand	3,346	1,657	643	11	424	412	
263	30200	6.4	Franchises & Consents	48,144	23,837	12,124	164	6,067	5,922	
264	30300	99.0	Misc Intangible Plant	0	0	0	0	0	0	
265										
266			Total Intangible Plant:	51,490	25,494	12,967	175	6,521	6,333	
267										
268			Production Plant:							
269										
270	32500	3.0	Producing Leaseholds	0	0	0	0	0	0	
271	32540	3.0	Rights of Ways	0	0	0	0	0	0	
272	33100	3.0	Production Gas Wells Equipment	0	0	0	0	0	0	
273	33201	3.0	Field Lines	0	0	0	0	0	0	
274	33202	3.0	Tributary Lines	0	0	0	0	0	0	
275	33400	3.0	Field Meas. & Reg. Sta. Equip	0	0	0	0	0	0	
276	33600	3.0	Purification Equipment	0	0	0	0	0	0	
277										
278			Total Production Plant:	0	0	0	0	0	0	
279										
280			Storage Plant:							
281										
282	35010	3.0	Land	0	0	0	0	0	0	
283	35020	3.0	Rights of Way	2,218	1,098	559	8	281	273	
284	35100	3.0	Structures and Improvements	2,955	1,483	754	10	379	368	
285	35102	3.0	Compression Station Equipment	55,610	27,693	14,080	190	7,081	6,877	
286	35105	3.0	Meas. & Reg. Sta. Structures	16,195	5,019	2,553	34	1,284	1,247	
287	35104	3.0	Other Structures	46,152	24,851	12,386	167	6,228	6,046	
288	35200	3.0	Wells / Rights of Way	583,745	289,025	147,005	1,985	73,930	71,806	
289	35201	3.0	Well Construction	688,878	345,040	175,495	2,370	88,258	85,716	
290	35202	3.0	Well Equipment	229,073	113,419	57,688	779	28,011	26,176	
291	35203	3.0	Curtain Gas	355,623	181,127	92,125	1,244	46,330	44,956	
292	35210	3.0	Leaseholds	83,786	41,480	21,067	285	10,608	10,296	
293	35211	3.0	Storage Rights	21,738	10,763	5,474	74	2,753	2,674	
294	35301	3.0	Field Lines	70,110	34,713	17,856	238	8,878	8,623	
295	35302	3.0	Tributary Lines	97,693	48,370	24,602	332	12,373	12,016	
296	35400	3.0	Compressor Station Equipment	240,846	119,248	60,852	819	30,563	29,624	
297	35500	3.0	Meas. & Reg. Equipment	94,212	46,646	23,735	320	11,932	11,588	
298	35500	3.0	Purification Equipment	91,721	45,413	23,098	312	11,616	11,282	
299										
300			Total Storage Plant:	2,698,017	1,394,959	678,939	9,168	341,443	331,607	
301										
302			Transmission:							
303										
304	36510	3.0	Land & Land Rights	0	0	0	0	0	0	
305	36520	3.0	Rights of Way	417,769	206,847	105,207	1,421	52,909	51,385	
306	36602	3.0	Structures & Improvements	16,088	7,970	4,054	55	2,039	1,980	
307	36903	3.0	Other Structures	52,147	26,818	13,132	177	6,654	6,417	
308	36700	3.0	Mains Cathodic Protection	112,879	55,899	28,426	384	14,296	13,884	
309	36701	3.0	Mains - Steel	18,657,095	9,237,548	4,698,426	63,446	2,362,899	2,294,804	
310	36900	3.0	Meas. & Reg. Equipment	340,010	168,347	85,625	1,156	43,061	41,821	
311	36901	3.0	Meas. & Reg. Equipment	1,732,491	887,795	438,294	5,892	216,415	213,095	
312										
313			Total Transmission Plant:	21,328,468	10,860,217	5,371,165	72,530	2,701,194	2,623,383	
314										
315			Distribution:							
316										
317	37400	3.0	Land & Land Rights	0	0	0	0	0	0	
318	37401	3.0	Land	0	0	0	0	0	0	
319	37402	3.0	Land Rights	127,852	63,303	32,197	435	16,182	15,726	
320	37403	3.0	Land Other	0	0	0	0	0	0	
321	37500	3.0	Structures & Improvements	71,362	35,333	17,971	243	9,038	8,777	
322	37501	3.0	Structures & Improvements T.B.	46,273	22,811	11,093	157	5,860	5,662	
323	37502	3.0	Land Rights	22,967	11,371	5,784	78	2,969	2,825	
324	37503	3.0	Improvements	1,227	607	309	4	155	151	
325	37600	3.0	Mains Cathodic Protection	8,382,671	4,150,450	2,111,013	28,506	1,061,642	1,031,060	
326	37601	3.0	Mains - Steel	19,415,027	9,812,818	4,899,207	66,023	2,458,859	2,389,029	
327	37602	3.0	Mains - Plastic	11,028,644	5,461,026	2,777,601	37,598	1,396,874	1,359,635	
328	37800	3.0	Meas & Reg. Sta. Equip - General	1,089,879	541,946	270,981	3,781	145,205	141,424	
329	37900	3.0	Meas & Reg. Sta. Equip - City/Gala	625,306	309,603	157,471	2,128	79,183	76,912	
330	37905	3.0	Meas & Reg. Sta. Equipment T.b.	677,684	335,537	170,662	2,305	85,827	83,354	
331	38000	99.0	Services	0	0	0	0	0	0	
332	38100	99.0	Meters	0	0	0	0	0	0	
333	38200	99.0	Meter Installations	0	0	0	0	0	0	
334	38300	99.0	House Regulators	0	0	0	0	0	0	
335	38400	99.0	House Reg. Installations	0	0	0	0	0	0	
336	38500	99.0	Ind. Meas. & Reg. Sta. Equipment	0	0	0	0	0	0	
337	38600	99.0	Other Prop. On Cust. Prem	0	0	0	0	0	0	
338										
339			Total Distribution Plant:	42,099,892	20,844,608	10,602,039	143,166	5,331,635	5,178,246	

Alcoa Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
341	General								
342									
343	38900 Land & Land Rights	6.4 P, S, T & D Plant - Demand	0						
344	39000 Structures & Improvements	6.4 P, S, T & D Plant - Demand	397,364	198,744	100,069	1,381	50,325	49,875	
345	39002 Structures - Brick	6.4 P, S, T & D Plant - Demand	40,765	20,195	10,272	139	5,156	5,017	
346	39003 Improvements	6.4 P, S, T & D Plant - Demand	107,645	53,299	27,106	365	13,533	13,249	
347	39004 Air Conditioning Equipment	6.4 P, S, T & D Plant - Demand	1,784	883	446	6	226	219	
348	39004 Improvement to Leased Premises	6.4 P, S, T & D Plant - Demand	492,352	243,775	123,989	1,674	62,395	60,559	
349	39009 Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	397,243	196,684	100,038	1,351	50,310	48,861	
350	39100 Remittance Processing Equip	6.4 P, S, T & D Plant - Demand	0						
351	39102 Office Machines	6.4 P, S, T & D Plant - Demand	0						
352	39103 Transportation Equipment	6.4 P, S, T & D Plant - Demand	36,474	18,059	9,185	124	4,619	4,486	
353	39200 Trucks	6.4 P, S, T & D Plant - Demand	0						
354	39201 Trailers	6.4 P, S, T & D Plant - Demand	(1,024)	(507)	(259)	(3)	(130)	(126)	
355	39202 Stores Equipment	6.4 P, S, T & D Plant - Demand	0						
356	39400 Tools, Shop & Garage Equipment	6.4 P, S, T & D Plant - Demand	474,516	234,844	119,499	1,614	60,986	58,265	
357	39500 Power Operated Equipment	6.4 P, S, T & D Plant - Demand	0						
358	39503 Ditchers	6.4 P, S, T & D Plant - Demand	15,674	7,760	3,647	53	1,985	1,926	
359	39504 Backhoes	6.4 P, S, T & D Plant - Demand	24,789	12,274	6,243	84	3,140	3,049	
360	39505 Welders	6.4 P, S, T & D Plant - Demand	7,260	3,604	1,833	25	922	895	
361	39700 Communication Equipment	6.4 P, S, T & D Plant - Demand	80,629	40,020	20,355	276	10,237	9,942	
362	39701 Communication Equipment - Mobile Radios	6.4 P, S, T & D Plant - Demand	0						
363	39702 Communication Equipment - Fixed Radios	6.4 P, S, T & D Plant - Demand	0						
364	39705 Communication Equip. - Telemetry	6.4 P, S, T & D Plant - Demand	0						
365	39800 Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	680,309	336,035	171,323	2,313	86,159	83,677	
366	39900 Other Tangible Property	6.4 P, S, T & D Plant - Demand	0						
367	39901 Other Tangible Property - Servers - HW	6.4 P, S, T & D Plant - Demand	1,802	932	474	6	238	231	
368	39902 Other Tangible Property - Servers - SW	6.4 P, S, T & D Plant - Demand	0						
369	39903 Other Tangible Property - Network - HW	6.4 P, S, T & D Plant - Demand	19,520	9,665	4,916	66	2,472	2,401	
370	39904 Other Tang. Property - CPU	6.4 P, S, T & D Plant - Demand	0						
371	39905 Other Tangible Property - MF - Hardware	6.4 P, S, T & D Plant - Demand	0						
372	39906 Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	429,805	212,807	109,238	1,462	54,434	52,866	
373	39907 Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	0						
374	39908 Other Tang. Property - Mainframe SW	6.4 P, S, T & D Plant - Demand	0						
375	39909 Other Tang. Property - Application Software	6.4 P, S, T & D Plant - Demand	49,546	24,531	12,477	168	6,275	6,094	
376	Other Tang. Property - General Startup Costs	6.4 P, S, T & D Plant - Demand	0						
377	Retirement Work in Progress	6.4 P, S, T & D Plant - Demand	(1,330,611)	(658,768)	(335,063)	(4,525)	(168,506)	(163,482)	
378	AR 15 general plant amortization	6.4 P, S, T & D Plant - Demand	0						
379									
380	Total General Plant		1,926,266	953,738	485,093	6,551	243,956	236,829	
381									
382	TOTAL DIRECT RESERVE FOR DEPRECIATION		68,102,154	33,718,915	17,150,202	231,593	8,624,949	8,376,499	
383									
384	Kentucky Mid-States General Office:								
385									
386	Intangible Plant:								
387									
388	30100 Organization	99.0 -	0						
389	30200 Franchises & Consents	99.0 -	0						
390	30300 Misc Intangible Plant	99.0 -	0						
391									
392	Total Intangible Plant:		0						
393									
394	General:								
395									
396	37400 Land & Land Rights	6.4 P, S, T & D Plant - Demand	0						
397	39001 Structures Frame	6.4 P, S, T & D Plant - Demand	20,381	10,091	5,133	69	2,581	2,507	
398	39002 Structures & Improvements	6.4 P, S, T & D Plant - Demand	0						
399	39000 Land & Land Rights	6.4 P, S, T & D Plant - Demand	0						
400	39004 Air Conditioning Equipment	6.4 P, S, T & D Plant - Demand	1,838	909	462	6	233	226	
401	39004 Improvement to leased Premises	6.4 P, S, T & D Plant - Demand	7,839	3,881	1,974	27	993	964	
402	39100 Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	0						
403	39102 Remittance Processing Equip	6.4 P, S, T & D Plant - Demand	6,356	4,137	2,104	29	1,058	1,028	
404	39103 Office Machines	6.4 P, S, T & D Plant - Demand	0						
405	39200 Transportation Equipment	6.4 P, S, T & D Plant - Demand	0						
406	39201 Trucks	6.4 P, S, T & D Plant - Demand	0						
407	39202 Trailers	6.4 P, S, T & D Plant - Demand	0						
408	39300 Stores Equipment	6.4 P, S, T & D Plant - Demand	0						
409	39400 Tools, Shop & Garage Equipment	6.4 P, S, T & D Plant - Demand	0						
410	39500 Power Operated Equipment	6.4 P, S, T & D Plant - Demand	0						
411	39503 Ditchers	6.4 P, S, T & D Plant - Demand	0						
412	39504 Backhoes	6.4 P, S, T & D Plant - Demand	0						
413	39505 Welders	6.4 P, S, T & D Plant - Demand	0						
414	39700 Communication Equipment	6.4 P, S, T & D Plant - Demand	(1,892)	(768)	(401)	(6)	(202)	(195)	
415	39701 Communication Equipment - Mobile Radios	6.4 P, S, T & D Plant - Demand	0						
416	39702 Communication Equipment - Fixed Radios	6.4 P, S, T & D Plant - Demand	0						
417	39705 Communication Equip. - Telemetry	6.4 P, S, T & D Plant - Demand	0						
418	39800 Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	140,379	69,505	35,352	477	17,779	17,266	
419	39900 Other Tangible Property	6.4 P, S, T & D Plant - Demand	0						
420	39901 Other Tangible Property - Servers - HW	6.4 P, S, T & D Plant - Demand	(7,029)	(3,478)	(1,759)	(24)	(890)	(864)	
421	39902 Other Tangible Property - Servers - SW	6.4 P, S, T & D Plant - Demand	0						
422	39903 Other Tangible Property - Network - HW	6.4 P, S, T & D Plant - Demand	0						
423	39904 Other Tang. Property - CPU	6.4 P, S, T & D Plant - Demand	0						
424	39905 Other Tangible Property - MF - Hardware	6.4 P, S, T & D Plant - Demand	0						
425	39906 Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	14,978	7,417	3,772	51	1,897	1,842	
426	39907 Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	4,471	2,214	1,126	15	569	550	
427	39908 Other Tang. Property - Mainframe SW	6.4 P, S, T & D Plant - Demand	197,240	82,804	42,116	589	21,180	20,570	
428	39909 Other Tang. Property - Application Software	6.4 P, S, T & D Plant - Demand	0						
429	Other Tang. Property - General Startup Costs	6.4 P, S, T & D Plant - Demand	0						
430	Retirement Work in Progress	6.4 P, S, T & D Plant - Demand	10,601	5,249	2,670	36	1,343	1,304	
431									
432	Total General Plant		367,466	181,941	82,539	1,280	46,539	45,198	

Ammes Energy Corporation, Kentucky/MI-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
434									
435	Shared Services General Office								
436	General								
437									
438	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0					
439	39000 Structures & Improvements	6.4	P, S, T & D Plant - Demand	33,114	16,396	8,339	113	4,194	4,073
440	36502 Structures & Improvements	6.4	P, S, T & D Plant - Demand	0					
441	37503 Improvements	6.4	P, S, T & D Plant - Demand	0					
442	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0					
443	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	200,314	99,180	50,445	681	25,369	24,638
444	38100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	0					
445	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0					
446	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0					
447	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	0					
448	39201 Trucks	6.4	P, S, T & D Plant - Demand	0					
449	39202 Trailers	6.4	P, S, T & D Plant - Demand	0					
450	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0					
451	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	0					
452	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0					
453	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0					
454	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0					
455	39605 Welders	6.4	P, S, T & D Plant - Demand	0					
456	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	0					
457	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0					
458	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0					
459	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0					
460	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	0					
461	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	3,443	1,705	867	12	436	423
462	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	458,427	226,978	118,446	1,699	58,059	56,366
463	39902 Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	348,405	172,503	87,739	1,185	44,125	42,954
464	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	48,056	23,793	12,102	183	6,896	6,611
465	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0					
466	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0					
467	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	33,869	16,769	8,529	115	4,289	4,166
468	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	51,938	25,715	13,079	177	6,578	6,389
469	39908 Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	880	436	222	3	111	108
470	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	901,763	446,478	227,089	3,067	114,265	110,915
471	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0					
472	Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	0					
473									
474	Total General Plant			2,080,200	1,029,954	523,858	7,074	283,452	285,862
475									
476	Shared Services Customer Support								
477	General								
478									
479									
480	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0					
481	39000 Structures & Improvements	6.4	P, S, T & D Plant - Demand	0					
482	36502 Structures & Improvements	6.4	P, S, T & D Plant - Demand	71,105	35,206	17,906	242	9,005	8,768
483	37503 Improvements	6.4	P, S, T & D Plant - Demand	0					
484	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0					
485	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	37,814	18,723	9,523	129	4,789	4,651
486	38100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	20,097	9,846	5,059	65	2,544	2,471
487	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0					
488	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0					
489	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	907	449	226	3	115	112
490	39201 Trucks	6.4	P, S, T & D Plant - Demand	0					
491	39202 Trailers	6.4	P, S, T & D Plant - Demand	0					
492	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0					
493	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	1,144	568	288	4	145	141
494	39500 Laboratory Equipment	6.4	P, S, T & D Plant - Demand	199	79	40	1	20	20
495	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0					
496	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0					
497	39605 Welders	6.4	P, S, T & D Plant - Demand	0					
498	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	25,743	12,746	6,483	89	3,260	3,166
499	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0					
500	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0					
501	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0					
502	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	1,814	898	457	6	230	223
503	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	10,886	5,390	2,741	37	1,379	1,339
504	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	114,436	56,650	28,819	389	14,433	14,076
505	39902 Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	27,058	13,397	6,814	92	3,427	3,328
506	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	6,099	3,010	1,539	26	1,026	996
507	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0					
508	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0					
509	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	15,082	7,467	3,788	51	1,910	1,855
510	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	3,763	1,863	948	13	477	463
511	39908 Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	691,638	342,446	174,176	2,352	87,594	85,071
512	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	1,291	639	310	4	166	161
513	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0					
514	Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	0					
515									
516	Total General Plant			1,030,965	510,454	269,628	3,506	130,569	126,808
517									
518	TOTAL RESERVE FOR DEPRECIATION - DEMAND			71,690,764	35,441,263	18,026,228	243,419	9,065,508	8,804,386

Alamos Energy Corporation, Kentucky/64-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
Commodity									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
519									
520									
521	30100	6.6	P, S, T & D Plant - Commodity	97	38	21	1	10	18
522	30200	6.6	Franchise & Consents	1,390	646	309	16	254	265
523	30300	99.0	Misc Intangible Plant	0					
524									
525									
526				1,487	684	330	17	271	284
527									
528									
529	32500	99.0	Producing Leaseholds	0					
530	32540	99.0	Rights of Ways	0					
531	33100	99.0	Production Gas Wells Equipment	0					
532	33201	99.0	Field Lines	0					
533	33202	1.2	Tributary Lines	0					
534	33400	1.2	Field Meas. & Reg. Sta. Equip	0					
535	33600	99.0	Purification Equipment	0					
536									
537				0	0	0	0	0	0
538									
539									
540									
541	35010	1.5	Winter Volumes	0					
542	35020	1.5	Rights of Way	2,218	871	493	26	405	423
543	35100	1.5	Structures and Improvements	2,995	1,177	666	35	546	571
544	35102	1.5	Compression Station Equipment	55,810	21,863	12,427	652	10,201	10,688
545	35103	1.5	Meas. & Reg. Sta. Structures	10,135	3,962	2,253	118	1,549	1,554
546	35104	1.5	Other Structures	48,182	19,320	10,931	573	8,973	9,384
547	35200	1.5	Wells & Rights of Way	583,745	229,312	129,745	6,804	106,504	111,380
548	35201	1.5	Well Construction	686,676	273,754	154,690	8,123	127,145	132,666
549	35202	1.5	Well Equipment	229,673	89,887	50,914	2,670	41,794	43,708
550	35203	1.5	Cueffion Gas	355,625	143,705	81,359	4,254	66,744	69,600
551	35210	1.5	Leaseholds	83,736	32,854	18,611	978	15,278	15,977
552	35211	1.5	Storage Rights	21,738	8,539	4,831	253	3,666	4,148
553	35301	1.5	Field Lines	70,110	27,541	15,583	817	12,791	13,377
554	35302	1.5	Tributary Lines	97,693	38,377	21,714	1,139	17,624	18,640
555	35400	1.5	Compression Station Equipment	240,846	94,613	53,531	2,697	43,942	45,954
556	35500	1.5	Meas. & Reg. Equipment	94,212	37,839	20,840	1,058	17,189	17,976
557	35600	1.5	Purification Equipment	91,721	36,031	20,366	1,069	16,734	17,501
558									
559				2,696,017	1,059,076	699,224	31,428	491,886	514,406
560									
561									
562									
563	36510	99.0	Land & Land Rights	0					
564	36520	99.0	Rights of Way	0					
565	36602	99.0	Structures & Improvements	0					
566	36803	99.0	Other Structures	0					
567	36700	99.0	Mains Cathodic Protection	0					
568	36701	99.0	Mains - Steel	0					
569	36900	99.0	Meas. & Reg. Equipment	0					
570	36901	99.0	Meas. & Reg. Equipment	0					
571									
572				0					
573									
574									
575									
576	37400	99.0	Land & Land Rights	0					
577	37401	99.0	Land	0					
578	37402	1.0	Mcf	0					
579	37403	99.0	Land Other	0					
580	37500	1.0	Structures & Improvements	0					
581	37501	1.0	Structures & Improvements T.B.	0					
582	37502	1.0	Land Rights	0					
583	37503	1.0	Improvements	0					
584	37600	1.0	Mains Cathodic Protection	0					
585	37601	1.0	Mains - Steel	0					
586	37602	1.0	Mains - Plastic	0					
587	37800	1.0	Meas. & Reg. Sta. Equip - General	0					
588	37900	1.0	Meas. & Reg. Sta. Equip - City Gate	0					
589	37905	1.0	Meas. & Reg. Sta. Equipment T.B.	0					
590	38000	99.0	Services	0					
591	38100	99.0	Meters	0					
592	38200	99.0	Meter Installations	0					
593	38300	99.0	House Regulators	0					
594	38400	99.0	House Reg. Installations	0					
595	38500	99.0	Ind. Meas. & Reg. Sta. Equipment	0					
596	38600	99.0	Other Prop. On Cust. Prem	0					
597									
598				0					

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
589		General:							
600									
601									
602	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0				
603	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	11,472	4,597	2,550	134	2,093
604	39002	Structures - Brick	6.6	P, S, T & D Plant - Commodity	1,178	463	262	14	215
605	39003	Improvements	6.6	P, S, T & D Plant - Commodity	3,108	1,221	691	36	567
606	39003	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	51	20	11	1	9
607	39004	Improvement to Leased Premises	6.6	P, S, T & D Plant - Commodity	14,215	5,584	3,159	166	2,593
608	39009	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	11,469	4,505	2,549	134	2,092
609	39100	Restitance Processing Equip	6.6	P, S, T & D Plant - Commodity	0				
610	39102	Office Machines	6.6	P, S, T & D Plant - Commodity	0				
611	39103	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	1,053	414	234	12	192
612	39200	Trucks	6.6	P, S, T & D Plant - Commodity	0				
613	39201	Trailers	6.6	P, S, T & D Plant - Commodity	(30)	(12)	(7)	(0)	(5)
614	39202	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0				
615	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	13,700	5,362	3,045	160	2,500
616	39500	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0				
617	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	453	178	101	5	83
618	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	716	281	159	8	131
619	39605	Welders	6.6	P, S, T & D Plant - Commodity	210	83	47	2	38
620	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	2,334	917	519	27	426
621	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0				
622	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0				
623	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0				
624	39900	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	15,641	7,716	4,366	229	3,594
625	39901	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0				
626	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	54	21	12	1	10
627	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	0				
628	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	664	221	125	7	103
629	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0				
630	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0				
631	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	12,409	4,875	2,758	145	2,264
632	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0				
633	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	0				
634	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	1,430	592	318	17	261
635		Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0				
636		Retirement Work In Progress	6.6	P, S, T & D Plant - Commodity	(38,413)	(15,060)	(8,538)	(448)	(7,606)
637		AR 15 general plant amortization	6.6	P, S, T & D Plant - Commodity	0				
638									
639		Total General Plant			55,613	21,847	12,361	648	10,147
640									
641		TOTAL DIRECT RESERVE FOR DEPRECIATION			2,783,117	1,061,606	611,915	32,092	502,304
642									
643		Kentucky Mid-States General Office:							
644									
645		Intangible Plant:							
646									
647	30100	Organization	99.0		0				
648	30200	Franchises & Consents	99.0		0				
649	30300	Mac Intangible Plant	99.0		0				
650									
651		Total Intangible Plant:			0				
652									
653		General:							
654									
655	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0				
656	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	586	231	131	7	107
657	39002	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0				
658	39500	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0				
659	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	53	21	12	1	10
660	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	226	89	50	3	41
661	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	241	95	54	3	44
662	39102	Restitance Processing Equip	6.6	P, S, T & D Plant - Commodity	0				
663	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0				
664	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	0				
665	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0				
666	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0				
667	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0				
668	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	0				
669	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0				
670	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0				
671	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0				
672	39605	Welders	6.6	P, S, T & D Plant - Commodity	0				
673	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	(46)	(18)	(10)	(1)	(6)
674	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0				
675	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0				
676	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0				
677	39900	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	4,053	1,592	901	47	739
678	39901	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0				
679	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	(203)	(80)	(45)	(2)	(37)
680	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	0				
681	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	0				
682	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0				
683	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0				
684	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	452	170	96	5	78
685	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	129	51	29	2	24
686	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	4,828	1,897	1,073	58	881
687	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0				
688	39904	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0				
689		Retirement Work In Progress	6.6	P, S, T & D Plant - Commodity	306	120	68	4	56
690									
691		Total General Plant			10,609	4,168	2,358	124	1,938

Alamos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF RESERVE FOR DEPRECIATION										
692	Shared Services General Office									
693	General									
694	General									
695	General									
696	General									
697	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0					
698	36500	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	956	376	212	11	174	
699	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0					
700	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0					
701	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0					
702	39005	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	5,783	2,272	1,285	57	1,055	
703	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	0					
704	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0					
705	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0					
706	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	0					
707	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0					
708	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0					
709	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0					
710	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	0					
711	39500	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0					
712	39503	Ditchers	6.6	P, S, T & D Plant - Commodity	0					
713	39504	Buckhoes	6.6	P, S, T & D Plant - Commodity	0					
714	39505	Welders	6.6	P, S, T & D Plant - Commodity	0					
715	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	0					
716	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0					
717	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0					
718	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0					
719	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	0					
720	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	99	39	22	1	18	
721	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	13,235	5,109	2,942	154	2,415	
722	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	10,059	3,951	2,236	117	1,835	
723	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	1,367	543	308	16	253	
724	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0					
725	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0					
726	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	978	384	217	11	178	
727	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	1,499	599	333	17	274	
728	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	25	10	6	0	5	
729	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	26,035	10,227	5,787	303	4,750	
730	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0					
731		Retirement Work In Progress	6.6	P, S, T & D Plant - Commodity	0					
732		Total General Plant			60,058	23,692	13,349	700	10,957	
733					15,805	6,210	3,514	184	2,994	
734	Shared Services Customer Support:									
735	General									
736	General									
737	General									
738	General									
739	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0					
740	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	0					
741	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	2,053	806	458	24	375	
742	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0					
743	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0					
744	39005	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	1,092	429	243	13	190	
745	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	593	228	128	7	106	
746	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0					
747	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0					
748	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	26	10	6	0	5	
749	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0					
750	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0					
751	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0					
752	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	33	13	7	0	6	
753	39500	Laboratory Equipment	6.6	P, S, T & D Plant - Commodity	5	2	1	0	1	
754	39503	Ditchers	6.6	P, S, T & D Plant - Commodity	0					
755	39504	Buckhoes	6.6	P, S, T & D Plant - Commodity	0					
756	39505	Welders	6.6	P, S, T & D Plant - Commodity	0					
757	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	743	292	165	9	136	
758	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0					
759	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0					
760	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0					
761	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	52	21	12	1	10	
762	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	314	123	70	4	57	
763	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	3,304	1,288	734	39	603	
764	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	781	307	174	9	143	
765	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	264	92	52	3	43	
766	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0					
767	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0					
768	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	435	171	97	5	74	
769	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	109	43	24	1	20	
770	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	18,980	7,844	4,438	233	3,643	
771	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	35	14	8	0	6	
772	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0					
773		Retirement Work In Progress	6.6	P, S, T & D Plant - Commodity	0					
774		Total General Plant			29,765	11,893	6,616	347	5,431	
775										
776										
777	TOTAL RESERVE FOR DEPRECIATION - COMMODITY				2,853,549	1,120,969	634,237	33,282	520,627	544,463

Alamos Energy Corporation, Kentucky/Mid States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DÉPRECIATION									
Total Reserve for Depreciation									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
776									
778									
780	30100		Intangible Plant:						
781	30200		Organization	8,330	5,612	1,791	15	467	444
782	30300		Franchises & Consents	119,853	80,755	25,776	214	6,714	6,383
783			Misc Intangible Plant	0					
784			Total Intangible Plant:	128,183	86,367	27,568	229	7,180	6,828
785									
786			Production Plant:						
787									
788	32520		Producing Leaseholds	0					
789	32540		Rights of Ways	0					
790	33100		Production Gas Wells Equipment	0					
791	33201		Field Lines	0					
792	33202		Tributary Lines	0					
793	33400		Field Meas. & Reg. Sta. Equip	0					
794	33500		Purification Equipment	0					
795									
796			Total Production Plant	0	0	0	0	0	0
797									
798			Storage Plant:						
799									
800	35010		Land	0					
801	35020		Rights of Way	4,436	1,970	1,052	39	696	696
802	35100		Structures and Improvements	5,990	2,660	1,420	45	926	940
803	35102		Compressor Station Equipment	111,821	49,646	26,507	842	17,262	17,545
804	35103		Meas. & Reg. Sta. Structures	20,323	9,001	4,806	153	3,133	3,161
805	35104		Other Structures	98,364	43,671	23,317	741	15,202	15,433
806	35200		Wells & Rights of Way	1,167,490	518,338	276,749	8,790	180,433	183,180
807	35201		Well Construction	1,393,759	618,794	330,385	10,493	215,402	216,681
808	35202		Well Equipment	458,146	203,406	108,602	3,449	70,806	71,883
809	35203		Quidion Gas	731,046	334,833	173,434	5,308	113,075	114,796
810	35210		Leaseholds	167,473	74,354	39,659	1,261	25,883	26,277
811	35211		Storage Rights	43,476	18,302	10,306	327	6,719	6,821
812	35301		Field Lines	140,220	62,254	33,239	1,056	21,671	22,001
813	35302		Tributary Lines	195,387	86,747	46,316	1,471	30,197	30,696
814	35400		Compressor Station Equipment	481,892	213,950	114,184	3,636	74,445	75,578
815	35500		Meas. & Reg. Equipment	188,424	83,656	44,665	1,419	29,121	29,564
816	35600		Purification Equipment	183,442	81,444	43,484	1,381	28,351	28,782
817									
818			Total Storage Plant	5,392,034	2,393,935	1,278,163	40,594	833,329	840,013
819									
820			Transmission:						
821									
822	36510		Land & Land Rights	0					
823	36520		Rights of Way	417,769	206,847	105,207	1,421	52,909	51,385
824	36532		Structures & Improvements	16,098	7,970	4,054	59	2,039	1,880
825	36603		Other Structures	52,147	25,819	13,132	177	6,604	6,414
826	36700		Mains Cathodic Protection	112,879	55,869	28,428	364	14,296	13,884
827	36701		Mains - Steel	18,857,095	9,237,549	4,688,426	63,446	2,362,689	2,294,604
828	36900		Meas. & Reg. Equipment	240,010	108,347	55,625	1,159	43,061	41,821
829	36901		Meas. & Reg. Equipment	1,732,491	857,795	436,294	5,862	218,415	213,095
830									
831			Total Transmission Plant	21,328,469	10,560,217	5,371,165	72,530	2,701,194	2,623,383
832									
833			Distribution:						
834									
835	37400		Land & Land Rights	0					
836	37401		Land	0					
837	37402		Land Rights	192,103	128,503	38,172	436	16,238	15,762
838	37403		Land Other	0					
839	37500		Structures & Improvements	107,224	67,260	21,854	243	8,053	8,782
840	37501		Structures & Improvements T.B.	99,527	43,613	14,177	159	5,977	5,701
841	37502		Land Rights	34,509	21,647	7,037	79	2,917	2,830
842	37503		Improvements	1,843	1,150	376	4	156	151
843	37600		Mains Cathodic Protection	12,695,265	7,900,814	2,568,291	28,789	1,064,618	1,032,754
844	37601		Mains - Steel	29,171,777	18,299,004	5,948,396	68,677	2,465,748	2,391,952
845	37602		Mains - Plastic	16,872,437	10,535,633	3,375,273	37,679	1,400,787	1,358,894
846	37604		Meas & Reg. Sta. Equip - General	2,834,130	1,602,166	820,811	5,638	215,688	209,427
847	37600		Meas & Reg. Sta. Equip - City Gate	939,545	589,352	191,582	2,147	79,415	77,038
848	37605		Meas & Reg. Sta. Equipment T.B.	1,018,245	638,729	207,629	2,327	86,067	83,491
849	38000		Services	37,374,099	33,273,207	4,056,972	2,505	26,386	15,028
850	38100		Meters	19,024,488	12,203,043	6,298,850	26,951	283,936	161,707
851	38200		Meter Installations	24,933,401	16,097,481	8,278,138	35,407	373,022	212,443
852	38300		House Regulators	3,972,596	2,556,618	1,315,294	5,628	59,290	33,767
853	38400		House Reg. Installations	87,939	56,638	29,116	125	1,312	747
854	38500		Ind. Meas. & Reg. Sta. Equipment	2,832,946		2,802,605	1,730	18,229	10,382
855	38600		Other Prop. On Cust. Prem	0					
856									
857			Total Distribution Plant	151,542,162	103,918,875	35,876,562	216,625	8,108,949	5,620,626

Airtex Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
858									
859	General								
860									
861	38900	Land & Land Rights	0						
862	39000	Structures & Improvements	989,222	668,523	212,747	1,769	55,412	52,770	
863	39002	Structures - Brick	101,541	68,417	21,838	152	5,688	5,417	
864	39003	Improvements	287,979	188,550	57,633	479	15,011	14,265	
865	39003	Air Conditioning Equipment	4,441	2,992	955	8	249	237	
866	39004	Improvement to Leased Premises	1,225,690	825,852	263,603	2,182	68,559	65,384	
867	39009	Office Furniture & Equipment	988,921	666,321	212,683	1,789	55,395	52,754	
868	39100	Remittance Processing Equip	0						
869	39102	Office Machines	0						
870	39103	Transportation Equipment	90,800	61,160	19,528	162	5,066	4,844	
871	39200	Trucks	0						
872	39201	Trailers	(2,550)	(1,718)	(549)	(5)	(143)	(136)	
873	39202	Stores Equipment	0						
874	39400	Tools, Shop & Garage Equipment	1,161,289	795,935	254,054	2,113	66,171	63,015	
875	39500	Power Operated Equipment	0						
876	39503	Ditchers	39,019	26,291	8,392	70	2,189	2,081	
877	39504	Backhoes	61,712	41,581	13,272	110	3,457	3,282	
878	39505	Walkers	18,123	12,211	3,898	32	1,015	967	
879	39700	Communication Equipment	201,221	135,580	43,278	360	11,272	10,734	
880	39701	Communication Equipment - Mobile Radios	0						
881	39702	Communication Equipment - Fixed Radios	0						
882	39705	Communication Equip. - Telemetry	0						
883	39800	Miscellaneous Equipment	1,693,602	1,141,124	364,235	3,029	94,869	90,344	
884	39900	Other Tangible Property	0						
885	39901	Other Tangible Property - Servers - HW	4,685	3,155	1,008	8	262	250	
886	39902	Other Tangible Property - Servers - SW	0						
887	39903	Other Tangible Property - Network - HW	48,995	32,742	10,451	87	2,722	2,592	
888	39904	Other Tang. Property - CPU	0						
889	39905	Other Tangible Property - MP - Hardware	0						
890	39906	Other Tang. Property - PC Hardware	1,059,884	720,940	230,116	1,614	59,936	57,078	
891	39907	Other Tang. Property - PC Software	0						
892	39908	Other Tang. Property - Mainframe SW	0						
893	39909	Other Tang. Property - Application Software	123,343	83,107	28,527	221	6,909	6,580	
894		Other Tang. Property - General Startup Costs	0						
895		Retirement Work In Progress	(3,312,358)	(2,231,749)	(712,351)	(6,094)	(165,540)	(176,681)	
896		AR 15 general plant amortization	0						
897									
898		Total General Plant	4,765,362	3,231,046	1,031,316	8,577	268,818	255,806	
899									
900		TOTAL DIRECT RESERVE FOR DEPRECIATION	183,166,229	120,190,439	43,364,794	338,689	9,916,270	9,352,866	
901									
902		Kentucky Mid-States General Office:							
903									
904		Intangible Plant:							
905									
906	30100	Organization	0						
907	30200	Franchises & Consents	0						
908	30300	Misc Intangible Plant	0						
909		Total Intangible Plant:							
910									
911		General							
912									
913									
914	37400	Land & Land Rights	0						
915	38001	Structures Frame	50,737	34,185	10,912	91	2,842	2,707	
916	38602	Structures & Improvements	0						
917	38900	Land & Land Rights	0						
918	39004	Air Conditioning Equipment	4,571	3,080	883	8	256	244	
919	39009	Improvement to leased Premises	19,615	13,148	4,197	35	1,093	1,041	
920	39100	Office Furniture & Equipment	20,803	14,017	4,474	37	1,165	1,110	
921	39102	Remittance Processing Equip	0						
922	39103	Office Machines	0						
923	39200	Transportation Equipment	0						
924	39201	Trucks	0						
925	39202	Trailers	0						
926	39300	Stores Equipment	0						
927	39400	Tools, Shop & Garage Equipment	0						
928	39500	Power Operated Equipment	0						
929	39503	Ditchers	0						
930	39504	Backhoes	0						
931	39505	Walkers	0						
932	39700	Communication Equipment	(5,952)	(2,670)	(852)	(7)	(223)	(211)	
933	39701	Communication Equipment - Mobile Radios	0						
934	39702	Communication Equipment - Fixed Radios	0						
935	39705	Communication Equip. - Telemetry	0						
936	39800	Miscellaneous Equipment	349,467	235,466	75,158	625	19,576	18,642	
937	39900	Other Tangible Property	0						
938	39901	Other Tangible Property - Servers - HW	(17,490)	(11,794)	(3,751)	(31)	(980)	(933)	
939	39902	Other Tangible Property - Servers - SW	0						
940	39903	Other Tangible Property - Network - HW	0						
941	39904	Other Tang. Property - CPU	0						
942	39905	Other Tangible Property - MP - Hardware	11,131	7,590	2,394	20	624	594	
943	39906	Other Tang. Property - PC Hardware	37,281	25,125	8,020	67	2,089	1,989	
944	39907	Other Tang. Property - PC Software	0						
945	39908	Other Tang. Property - Mainframe SW	416,337	280,522	89,540	745	23,322	22,209	
946	39909	Other Tang. Property - Application Software	0						
947	39924	Other Tang. Property - General Startup Costs	0						
948		Retirement Work In Progress	28,391	17,782	5,676	47	1,478	1,406	
949									
950		Total General Plant	914,791	616,373	196,740	1,536	51,243	48,799	

Almos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
ALLOCATION OF RESERVE FOR DEPRECIATION							
951	Shared Services General Office:						
952	General:						
953	General:						
954	General:						
955	General:						
956	37400	Land & Land Rights	0	0	0	0	0
957	39000	Structures & Improvements	82,437	55,545	17,729	147	4,616
958	36602	Structures & Improvements	0	0	0	0	0
959	37503	Improvements	0	0	0	0	0
960	39004	Air Conditioning Equipment	0	0	0	0	0
961	39005	Improvement to leased Premises	498,674	336,000	107,248	832	27,934
962	39100	Office Furniture & Equipment	0	0	0	0	0
963	39102	Remittance Processing Equip	0	0	0	0	0
964	39103	Office Machines	0	0	0	0	0
965	39200	Transportation Equipment	0	0	0	0	0
966	39201	Trucks	0	0	0	0	0
967	39202	Trailers	0	0	0	0	0
968	39300	Stores Equipment	0	0	0	0	0
969	39400	Tools, Shop & Garage Equipment	0	0	0	0	0
970	39500	Power Operated Equipment	0	0	0	0	0
971	39503	Ditchers	0	0	0	0	0
972	39504	Backhoes	0	0	0	0	0
973	39505	Welders	0	0	0	0	0
974	39700	Communication Equipment	0	0	0	0	0
975	39701	Communication Equipment - Mobile Radios	0	0	0	0	0
976	39702	Communication Equipment - Fixed Radios	0	0	0	0	0
977	39705	Communication Equip. - Telemetering	0	0	0	0	0
978	39800	Miscellaneous Equipment	0	0	0	0	0
979	39900	Other Tangible Property	8,570	5,775	1,843	15	480
980	39901	Other Tangible Property - Servers - HW	1,141,237	788,849	245,440	2,041	63,926
981	39902	Other Tangible Property - Servers - SW	887,341	584,402	186,635	1,591	48,585
982	39903	Other Tangible Property - Network - HW	119,633	80,607	25,729	214	6,701
983	39904	Other Tang. Property - CPU	0	0	0	0	0
984	39905	Other Tangible Property - MF - Hardware	0	0	0	0	0
985	39906	Other Tang. Property - PC Hardware	84,315	56,910	18,133	151	4,723
986	39907	Other Tang. Property - PC Software	129,297	87,118	27,807	231	7,243
987	39908	Other Tang. Property - Mainframe SW	2,191	1,476	471	4	123
988	39909	Other Tang. Property - Application Software	2,244,879	1,512,597	462,795	4,015	125,749
989	39924	Other Tang. Property - General Startup Costs	0	0	0	0	0
990		Retirement Work In Progress	0	0	0	0	0
991			0	0	0	0	0
992		Total General Plant	5,178,674	3,489,248	1,113,731	9,262	290,084
993			0	0	0	0	0
994	Shared Services Customer Support:						
995	General:						
996	General:						
997	General:						
998	37400	Land & Land Rights	0	0	0	0	0
999	39001	Structures & Improvements	0	0	0	0	0
1000	36602	Structures & Improvements	177,012	119,268	38,069	317	9,916
1001	37503	Improvements	0	0	0	0	0
1002	39004	Air Conditioning Equipment	0	0	0	0	0
1003	39005	Improvement to leased Premises	94,197	63,428	20,246	166	5,273
1004	39100	Office Furniture & Equipment	60,007	33,694	10,755	88	2,691
1005	39102	Remittance Processing Equip	0	0	0	0	0
1006	39103	Office Machines	0	0	0	0	0
1007	39200	Transportation Equipment	2,267	1,821	485	4	126
1008	39201	Trucks	0	0	0	0	0
1009	39202	Trailers	0	0	0	0	0
1010	39300	Stores Equipment	0	0	0	0	0
1011	39400	Tools, Shop & Garage Equipment	2,848	1,919	613	5	160
1012	39500	Laboratory Equipment	395	266	85	1	22
1013	39503	Ditchers	0	0	0	0	0
1014	39504	Backhoes	0	0	0	0	0
1015	39505	Welders	0	0	0	0	0
1016	39700	Communication Equipment	64,086	43,180	13,783	115	3,590
1017	39701	Communication Equipment - Mobile Radios	0	0	0	0	0
1018	39702	Communication Equipment - Fixed Radios	0	0	0	0	0
1019	39705	Communication Equip. - Telemetering	0	0	0	0	0
1020	39800	Miscellaneous Equipment	4,515	3,042	971	8	283
1021	39900	Other Tangible Property	27,100	18,269	5,828	48	1,519
1022	39901	Other Tangible Property - Servers - HW	284,885	191,951	61,269	510	15,858
1023	39902	Other Tangible Property - Servers - SW	87,390	45,396	14,487	120	3,773
1024	39903	Other Tangible Property - Network - HW	20,161	13,584	4,335	36	1,129
1025	39904	Other Tang. Property - CPU	0	0	0	0	0
1026	39905	Other Tangible Property - MF - Hardware	0	0	0	0	0
1027	39906	Other Tang. Property - PC Hardware	37,545	25,297	8,075	67	2,103
1028	39907	Other Tang. Property - PC Software	9,367	6,312	2,015	17	526
1029	39908	Other Tang. Property - Mainframe SW	1,721,805	1,160,126	370,350	3,079	96,449
1030	39909	Other Tang. Property - Application Software	3,054	2,055	659	5	172
1031	39924	Other Tang. Property - General Startup Costs	0	0	0	0	0
1032		Retirement Work In Progress	0	0	0	0	0
1033			0	0	0	0	0
1034		Total General Plant	2,986,545	1,729,301	551,975	4,560	143,768
1035			0	0	0	0	0
1036		TOTAL RESERVE FOR DEPRECIATION	191,646,139	126,025,362	45,247,339	354,348	10,404,385

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF OTHER RATE BASE									
Customer									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base Additions:								
2									
3	Materials and Supplies - KY Direct	7.2	Allocated O&M Expenses - Cust	(41,061)	(33,605)	(7,166)	(29)	(167)	(95)
4	Materials and Supplies - KY Mid-States GO	7.2	Allocated O&M Expenses - Cust	77,949	63,794	13,603	54	317	180
5	Materials and Supplies - Shared Services GO	7.2	Allocated O&M Expenses - Cust	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	10,463	8,563	1,826	7	42	24
9	Prepayments - KY Mid-States GO	7.2	Allocated O&M Expenses - Cust	358	293	62	0	1	1
10	Prepayments - Shared Services GO	7.2	Allocated O&M Expenses - Cust	237,859	194,700	41,516	166	966	550
11	Prepayments - Shared Services CS	7.2	Allocated O&M Expenses - Cust	13,891	11,344	2,419	10	56	32
12	Cash Working Capital	7.2	Allocated O&M Expenses - Cust	498,415	406,274	86,630	346	2,016	1,148
13	Regulatory Assets	7.2	Allocated O&M Expenses - Cust	35,732	29,244	6,236	25	145	83
14									
15	Total Rate Base Additions			831,614	680,607	145,126	580	3,377	1,924
16									
17	Rate Base Deductions:								
18									
19									
20	Customer Advances - KY Direct	2.0	Bills	(1,437,537)	(1,276,802)	(156,045)	(98)	(1,015)	(576)
21	Customer Advances - KY Mid-States GO	2.0	Bills	0	-	-	-	-	-
22	Customer Advances - Shared Services GO	2.0	Bills	0	-	-	-	-	-
23	Customer Advances - Shared Services CS	2.0	Bills	0	-	-	-	-	-
24	ADIT - KY Direct	9.2	Allocated Net Plant - Cust	(70,151,955)	(57,367,750)	(12,249,042)	(29,579)	(309,512)	(176,273)
25	ADIT - KY Mid-States GO	9.2	Allocated Net Plant - Cust	24,714,429	20,217,518	4,316,319	10,350	109,041	62,101
26	ADIT - Shared Services GO	9.2	Allocated Net Plant - Cust	(832,371)	(690,321)	(145,338)	(349)	(3,672)	(2,092)
27	ADIT - Shared Services CS	9.2	Allocated Net Plant - Cust	3,618,140	2,468,867	526,959	1,284	13,316	7,584
28	Change in Net Operating Loss Carryforward	9.2	Allocated Net Plant - Cust	(186,096)	(152,235)	(32,494)	(78)	(821)	(469)
29									
30	Total Rate Base Deductions			(44,675,391)	(38,814,103)	(7,740,611)	(18,288)	(192,664)	(109,726)
31									
32									
33	TOTAL OTHER RB - CUSTOMER			(44,043,776)	(38,133,496)	(7,895,484)	(17,708)	(189,286)	(107,802)
34									
35	Interest on Customer Deposits	2.0	Bills	0	-	-	-	-	-

Altos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2018									
ALLOCATION OF OTHER RATE BASE									
Demand									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
35	Rate Base Additions:								
37	Materials and Supplies - KY Direct	7.4	Allocated O&M Expenses - Demand	(25,873)	(12,816)	(6,516)	(88)	(3,277)	(3,182)
38	Materials and Supplies - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	49,115	24,318	12,369	167	6,220	6,041
39	Materials and Supplies - Shared Services GO	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
40	Materials and Supplies - Shared Services CS	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
41	Gas Storage Inventory	99.0	-	0	-	-	-	-	-
42	Prepayments - KY Direct	7.4	Allocated O&M Expenses - Demand	6,593	3,264	1,660	22	635	611
43	Prepayments - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	225	112	57	1	29	28
44	Prepayments - Shared Services GO	7.4	Allocated O&M Expenses - Demand	149,899	74,218	37,749	510	18,984	18,437
45	Prepayments - Shared Services CS	7.4	Allocated O&M Expenses - Demand	8,734	4,324	2,199	30	1,106	1,074
46	Cash Working Capital	7.4	Allocated O&M Expenses - Demand	312,789	154,869	78,770	1,064	39,614	38,473
47	Regulatory Assets	7.4	Allocated O&M Expenses - Demand	22,515	11,148	5,670	77	2,851	2,769
48	Total Rate Base Additions								
49				623,998	299,443	131,959	1,782	66,363	64,451
50	Rate Base Deductions:								
51									
52	Rate Base Deductions:								
53									
54	Customer Advances - KY Direct	99.0	-	0	-	-	-	-	-
55	Customer Advances - KY Mid-States GO	99.0	-	0	-	-	-	-	-
56	Customer Advances - Shared Services GO	99.0	-	0	-	-	-	-	-
57	Customer Advances - Shared Services CS	99.0	-	0	-	-	-	-	-
58	ADIT - KY Direct	9.4	Allocated Net Plant - Demand	(50,201,623)	(24,855,963)	(12,642,305)	(170,717)	(6,357,898)	(6,174,751)
59	ADIT - KY Mid-States GO	9.4	Allocated Net Plant - Demand	17,685,960	8,758,718	4,453,805	60,143	2,239,878	2,175,356
60	ADIT - Shared Services GO	9.4	Allocated Net Plant - Demand	(695,656)	(294,923)	(150,004)	(2,026)	(75,438)	(73,285)
61	ADIT - Shared Services CS	9.4	Allocated Net Plant - Demand	2,159,819	1,069,375	543,908	7,345	273,535	265,856
62	Change in Net Operating Loss Carryforward	8.4	Allocated Net Plant - Demand	(133,172)	(65,937)	(33,537)	(453)	(18,866)	(18,380)
63	Total Rate Base Deductions								
64				(31,084,682)	(15,390,728)	(7,828,072)	(105,707)	(3,936,789)	(3,823,385)
65									
66									
67	TOTAL OTHER RB - DEMAND								
68				(30,560,685)	(15,131,285)	(7,696,114)	(103,925)	(3,870,426)	(3,758,934)
69	Interest on Customer Deposits	3.0	Peak Day	0	-	-	-	-	-

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF OTHER RATE BASE									
Commodity									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
69	Rate Base Additions:								
71	Materials and Supplies - KY Direct	7.6	Allocated O&M Expenses - Comm	(203,588)	(121,565)	(78,093)	(3,719)	(103)	(108)
72	Materials and Supplies - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	386,481	230,772	148,247	7,060	185	206
73	Materials and Supplies - Shared Services GO	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
74	Materials and Supplies - Shared Services CS	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
75	Gas Storage Inventory	1.0	Mcf	8,239,601	2,557,808	1,636,919	105,678	1,847,035	2,111,860
76	Prepayments - KY Direct	7.6	Allocated O&M Expenses - Comm	51,877	30,976	19,899	948	26	28
77	Prepayments - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	1,773	1,059	680	32	1	1
78	Prepayments - Shared Services GO	7.6	Allocated O&M Expenses - Comm	1,179,538	704,315	452,451	21,547	597	628
79	Prepayments - Shared Services CS	7.6	Allocated O&M Expenses - Comm	68,725	41,037	26,362	1,255	35	37
80	Cash Working Capital	7.6	Allocated O&M Expenses - Comm	2,461,300	1,489,670	944,113	44,961	1,245	1,311
81	Regulatory Assets	7.6	Allocated O&M Expenses - Comm	177,188	105,788	67,958	3,238	80	94
82									
83	Total Rate Base Additions			12,382,873	5,019,861	3,218,537	181,188	1,849,121	2,114,158
84									
85	Rate Base Deductions:								
87									
88	Customer Advances - KY Direct	99.0		0	-	-	-	-	-
89	Customer Advances - KY Mid-States GO	99.0		0	-	-	-	-	-
90	Customer Advances - Shared Services GO	99.0		0	-	-	-	-	-
91	Customer Advances - Shared Services CS	99.0		0	-	-	-	-	-
92	ADIT - KY Direct	9.6	Allocated Net Plant - Comm	(1,255,296)	(493,118)	(279,005)	(14,632)	(229,628)	(239,513)
93	ADIT - KY Mid-States GO	9.6	Allocated Net Plant - Comm	442,233	173,725	98,293	5,155	30,686	84,380
94	ADIT - Shared Services GO	9.6	Allocated Net Plant - Comm	(4,894)	(5,851)	(3,310)	(174)	(2,717)	(2,842)
95	ADIT - Shared Services CS	9.6	Allocated Net Plant - Comm	54,008	21,215	12,004	630	9,853	10,305
96	Change in Net Operating Loss Carryforward	9.6	Allocated Net Plant - Comm	(3,330)	(1,398)	(740)	(39)	(608)	(635)
97									
98	Total Rate Base Deductions			(777,275)	(305,337)	(172,759)	(9,060)	(141,813)	(148,306)
99									
100	TOTAL OTHER RB - COMMODITY			11,605,597	4,714,524	3,045,778	172,128	1,707,308	1,965,850
101									
102									
103	Interest on Customer Deposits	1.0	Mcf	0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
ALLOCATION OF OTHER RATE BASE								
Total Other Rate Base								
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
103	Rate Base Additions:							
104								
105		Materials and Supplies - KY Direct	(270,522)	(167,880)	(91,774)	(3,838)	(3,546)	(3,386)
106		Materials and Supplies - KY Mid-States GO	613,644	318,864	174,219	7,281	6,732	6,427
107		Materials and Supplies - Shared Services GO	0	-	-	-	-	-
108		Materials and Supplies - Shared Services CS	0	-	-	-	-	-
109		Gas Storage Inventory	8,259,801	2,557,808	1,636,919	105,878	1,847,036	2,111,990
110		Prepayments - KY Direct	68,833	42,804	23,385	977	904	863
111		Prepayments - KY Mid-States GO	2,336	1,483	789	33	31	29
112		Prepayments - Shared Services GO	1,857,335	973,234	531,716	22,222	20,547	19,616
113		Prepayments - Shared Services CS	91,320	56,705	30,980	1,295	1,187	1,143
114		Cash Working Capital	3,270,504	2,030,613	1,109,513	48,371	42,875	40,932
115		Regulatory Assets	235,413	146,178	79,884	3,338	3,086	2,946
116								
117		Total Rate Base Additions	13,738,485	5,959,911	3,495,622	183,560	1,918,861	2,180,531
118								
119								
120	Rate Base Deductions:							
121								
122		Customer Advances - KY Direct	(1,437,537)	(1,278,802)	(166,045)	(96)	(1,015)	(576)
123		Customer Advances - KY Mid-States GO	0	-	-	-	-	-
124		Customer Advances - Shared Services GO	0	-	-	-	-	-
125		Customer Advances - Shared Services CS	0	-	-	-	-	-
126		ADIT - KY Direct	(121,808,885)	(82,736,830)	(25,170,362)	(214,726)	(6,896,437)	(6,590,537)
127		ADIT - KY Mid-States GO	42,842,627	29,148,061	8,867,477	75,648	2,429,604	2,321,836
128		ADIT - Shared Services GO	(1,442,821)	(861,894)	(298,653)	(2,549)	(61,826)	(76,199)
129		ADIT - Shared Services CS	5,231,965	3,559,577	1,882,931	8,239	236,705	283,544
130		Change in Net Operating Loss Carryforward	(322,598)	(218,460)	(66,771)	(570)	(18,285)	(17,483)
131								
132		Total Rate Base Deductions	(76,737,348)	(52,510,168)	(15,741,442)	(133,055)	(4,271,266)	(4,081,416)
133								
134								
135		TOTAL OTHER RB	(62,898,864)	(46,550,258)	(12,245,821)	50,505	(2,352,405)	(1,900,885)
136								
137		Interest on Customer Deposits	0	-	-	-	-	-

Amoco Energy Corporation, Kentucky/Risk-States Division  
Class Cost of Service - Customer Demand Study  
Forecasted Test Period: Twelve Months Ended March 31, 2019

ALLOCATION OF O&M EXPENSES

Line No.	Account No.	Description	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Intangible	Transport Firm	Transport Intangible
		Customer								
		Production & Gathering								
2		Operation								
3	7590	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 & Proc.	99.0		0					
8	7590	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	7610	Structures and Improvements	99.0		0					
14	7640	Field Line Maintenance	99.0		0					
15	7650	Compressor Station Equip. Maint.	99.0		0					
16	7659	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	0
21		Other Gas Supply Expenses:								
22		Operation								
23		Other Gas Supply Expenses:								
24	8001	Intercompany Gas Well-head Purchases	99.0		0					
25	8040	Natural Gas City Gate Purchases	99.0		0					
26	8045	Transportation to City Gate	99.0		0					
27	6059	Transactions-Operation supervision and engineering	99.0		0					
28	8051	Other Gas Purchases / Gas Cost Adjustments	99.0		0					
29	8052	PGA for Commercial	99.0		0					
30	8053	PGA for Industrial	99.0		0					
31	8054	PGA for Public Authority	99.0		0					
32	8057	PGA for Transportation Sales	99.0		0					
33	8058	Unbilled PSA Costs	99.0		0					
34	6059	PGA Offset to Unrecovered Gas Cost	99.0		0					
35	8060	Exchange Gas	99.0		0					
36	8061	Gas Withdrawn From Storage - Debit	99.0		0					
37	8082	Gas Delivered to Storage	99.0		0					
38	8120	Gas Used for Other Utility Operations	99.0		0					
39	8130	Other Gas Supply Expenses	99.0		0					
40		Maintenance								
41	8350	Maint. Of Purch. Gas Meas. Sta.	99.0		0					
42		Total Other Gas Supply Expenses			0	0	0	0	0	0
43		Underground Storage:								
44		Operation								
45		Operation								
46	8140	Op., Sup., & Eng.	99.0		0					
47	8150	Maps & Records	99.0		0					
48	8160	Meas. Expense	99.0		0					
49	8170	Leak Expense	99.0		0					
50	8180	Compressor Station Expense	99.0		0					
51	8190	Compressor Station Fuel & Power	99.0		0					
52	8200	Meas. & Regul. Station Expenses	99.0		0					
53	8210	Purification Expenses	99.0		0					
54	8220	Exploration & Development	99.0		0					
55	8230	Gas Losses	99.0		0					
56	8240	Other Expense	99.0		0					
57	8250	Storage Well Royalties	99.0		0					
58	8260	Rents	99.0		0					
59		Maintenance								
60	8300	Maint. Sup., & Eng.	99.0		0					
61	8310	Structures and Improvements	99.0		0					
62	8320	Reservoir & Well 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	0
69		Transmission:								
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	Meas. Expense	99.0		0					
79	8570	Meas. & Regul. Station Expenses	99.0		0					
80	8580	LDC Payment	99.0		0					
81	8590	LDC Payment - A&S	99.0		0					
82	8600	Other Expense	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	Meas.	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	0

Allegheny Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer-Owned Study										
Forecasted Test Period: Twelve Months Ended March 31, 2018										
ALLOCATION OF O&M EXPENSES										
93										
94	Operation									
95	Distribution									
96	8700	Supervision and Engineering	10.2	Composite of Accts. 871-879 & 886-893 - Cust	574,384	442,337	125,462	376	3,958	2,253
97	8710	Distribution Load Dispatching	99.0		0	0	0	0	0	0
98	8711	Outcrops	99.0		0	0	0	0	0	0
98	8720	Compressed Station Labor Expenses	11.2	Composite of Accts. 376 & 380 - Cust	0	0	0	0	0	0
99	8740	Meters & Services	12.2	Composite of Accts. 374-379 - Cust	1,152,202	1,025,776	125,072	77	614	483
100	8750	Measuring and Regulating Station Exp. - Gen	11.2	Composite of Accts. 376 & 380 - Cust	162,043	144,263	17,590	11	114	85
101	8760	Measuring and Regulating Station Exp. - Ind.	2.2	Non-Residential Bldg	33,793	-	30,464	19	198	113
102	8770	Measuring and Regulating Sta. Exp. - City Gate	11.2	Composite of Accts. 376 & 380 - Cust	7,483	6,844	810	1	5	3
103	8780	Meters and House Regulator Expense	13.2	Composite of Accts. 381-383 - Cust	840,679	603,880	311,451	1,333	14,039	7,999
104	8790	Customer Installations Expense	2.0	Bills	4,184	3,725	454	0	3	2
105	8800	Other Expense	10.2	Composite of Accts. 871-879 & 886-893 - Cust	69,324	63,387	15,143	45	477	272
105	8810	Rents	10.2	Composite of Accts. 871-879 & 886-893 - Cust	163,695	126,063	35,756	107	1,126	842
107	Maintenance									
108	8850	Maintenance Supervision and Engineering	10.2	Composite of Accts. 871-879 & 886-893 - Cust	665	612	146	0	5	3
109	8860	Maintenance Structures and Improvements	12.2	Composite of Accts. 374-379 - Cust	103	92	11	0	0	0
110	8870	Maintenance of Motors	12.2	Composite of Accts. 374-379 - Cust	10,041	8,840	1,090	7	4	4
111	8890	Maintenance of compressor station equipment	99.0		0	0	0	0	0	0
112	8900	Maint. of Measuring and Regulating Station Equip. - Genera	12.2	Composite of Accts. 374-379 - Cust	13	11	1	0	0	0
113	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	2.2	Non-Residential Bldg	9,170	8,072	972	5	59	34
114	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	12.2	Composite of Accts. 374-379 - Cust	1,413	1,258	153	0	1	1
115	8930	Maintenance of Services	14.2	Account 380 - Cust	106	95	12	0	0	0
116	8940	Maintenance of Meters and House Regulators	13.2	Composite of Accts. 381-383 - Cust	90,413	68,232	20,905	128	1,343	789
117	8950	Maintenance of Other Equipment	10.2	Composite of Accts. 871-879 & 886-893 - Cust	5,785	3,947	1,120	3	35	20
118		Total Distribution			3,221,819	2,481,142	763,741	2,108	22,192	12,838
119		Customer Accounts								
120										
121	8010	Supervision	2.0	Bills	421	375	46	0	0	0
122	9020	Motor Reading Expense	2.0	Bills	1,251,833	1,114,476	135,857	84	894	603
123	9030	Customer Records and Collection Expenses	2.0	Bills	1,762,339	1,593,019	197,359	110	1,244	759
124	9040	Uncollectible Accounts	3.0	Customer Deposit Balances	363,412	211,055	156,009	4,692	30	27
125	9050	Miscellaneous Customer Accounts Expenses	2.0	Bills	0	0	0	0	0	0
126		Total Customer Accounts			3,378,766	2,904,954	463,245	5,189	2,158	1,240
127		Customer Service and Information								
128										
129	9070	Supervision	2.0	Bills	0	0	0	0	0	0
130	9080	Customer Assistance Expenses	2.0	Bills	0	0	0	0	0	0
131	9090	Informational and Instructional Advertising Expenses	2.0	Bills	133,014	118,953	14,604	9	94	54
132	9100	Miscellaneous Customer Service and Informational Expenses	2.0	Bills	0	0	0	0	0	0
133		Total Customer Service and Information			133,014	118,953	14,604	9	94	54
134		Sales								
135										
136	9110	Supervision	2.0	Bills	266,962	237,869	29,579	18	188	107
137	9120	Demonstrating and Selling Expenses	2.0	Bills	151,290	116,884	14,252	6	63	63
138	9130	Advertising Expenses	2.0	Bills	48,483	40,482	4,937	3	32	18
139	9140	Miscellaneous Sales Expenses	2.0	Bills	(86,666)	(77,156)	(9,498)	(6)	(81)	(35)
140		Total Sales			357,069	317,969	38,760	24	282	144
141		Administrative & General								
142										
143		Operations								
144	9200	Administrative and General Expenses	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Cust	(748,815)	(608,500)	(132,703)	(326)	(3,432)	(1,854)
145	9210	Office Supplies and Expenses	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Cust	1,918	1,662	241	1	9	5
146	9220	Administrative Expenses Transferred - Customer Support	2.0	Bills	0	0	0	0	0	0
147	9230	Administrative Expenses Transferred - General	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Cust	8,272,362	6,739,362	1,469,737	3,608	38,008	21,647
148	8239	Outside Services Employed	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Cust	41,236	33,595	7,326	16	169	108
149	9240	Property Insurance	9.2	Allocated Net Plant - Cust	3,207	2,814	860	1	14	8
150	9250	Fines and Penalties	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Cust	10,592	8,528	1,862	5	40	28
151	9260	Employee Pensions and Benefits	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Cust	1,058,181	866,500	193,330	478	5,000	2,647
152	9270	Franchise Requirements	2.0	Bills	1,483	1,320	161	0	1	1
153	9280	Regulatory Commission Expenses	2.0	Bills	158,967	139,241	12,099	11	111	63
154	930.1	General Advertising Expenses	2.0	Bills	0	0	0	0	0	0
155	930.2	Miscellaneous General Expense	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Cust	(7,573)	(6,169)	(1,345)	(3)	(29)	(20)
156	9310	Rents	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Cust	7,539	6,142	1,340	3	25	20
157		Maintenance								
158	9320	Maintenance of General Plant	17.2	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Cust	0	0	0	0	0	0
159		Total A&G			2,828,843	2,207,767	1,557,664	3,792	39,949	22,762
160										
161		TOTAL O&M EXPENSE - CUSTOMER			15,918,211	13,827,725	2,777,913	11,100	64,645	36,827

Alamos Energy Corporation, Kentucky/Missouri States Division										
Class Cost of Service - Customer Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF O&M EXPENSES										
Demand										
Line No.	Acct. No.	Description	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Intermittible	Transport Firm	Transport Intermittible
162		Production & Gathering								
163		Operation								
164	7500	Op., Sup., & Eng.	99.0		0					
165	7510	Production Maps & Records	99.0		0					
166	7530	Field Line Expenses	99.0		0					
167	7540	Field Compressor Station Expense	99.0		0					
168	7550	Field Compressor Sta. Fuel & Pow.	99.0		0					
169	7590	Field Meas. & Regul. Station Exp.	99.0		0					
170	7570	Purification Expenses	99.0		0					
171	7590	Other Expenses	99.0		0					
172		Maintenance								
173	7610	Maint. Sup., & Eng.	99.0		0					
174	7620	Structures and Improvements	99.0		0					
175	7640	Field Line Maintenance	99.0		0					
176	7650	Compressor Station Equip. Maint.	99.0		0					
177	7660	Meas. & Regul. Station Equip Maint	99.0		0					
178	7670	Purification Equipment Maintenance	99.0		0					
179	7680	Other Equipment Maintenance	99.0		0					
180	7690	Gas Processed By Others	99.0		0					
181		Total Production & Gathering			0	0	0	0	0	0
182		Other Gas Supply Expenses:								
183		Operation								
184		Intercompany Gas Well-head Purchases	99.0		0					
185	8001	Natural Gas City Gate Purchases	99.0		0					
186	8040	Transportation to City Gate	99.0		0					
187	8045	Transmission-Operation expansion and engineering	99.0		0					
188	8050	Other Gas Purchases / Gas Cost Adjustments	99.0		0					
189	8051	Other Gas Purchases / Gas Cost Adjustments	99.0		0					
190	8052	PGA for Commercial	99.0		0					
191	8053	PGA for Industrial	99.0		0					
192	8054	PGA for Public Authority	99.0		0					
193	8057	PGA for Transportation Sales	99.0		0					
194	8058	Unbilled PGA Costs	99.0		0					
195	8059	PGA Offset to Unrecovered Gas Cost	99.0		0					
196	8060	Exchange Gas	99.0		0					
197	8081	Gas Withdrawn From Storage - Debit	99.0		0					
198	8082	Gas Delivered to Storage	99.0		0					
199	8120	Gas Used for Other Utility Operations	99.0		0					
200	8130	Other Gas Supply Expenses	99.0		0					
201		Maintenance								
202	8350	Maint. Of Purch. Gas Meas. Sta.	99.0		0					
203		Total Other Gas Supply Expenses			0	0	0	0	0	0
204		Underground Storage:								
205		Operation								
206		Op., Sup., & Eng.	3.0 Peak Day		0					
207	8140	Maps & Records	3.0 Peak Day		0					
208	8150	Wellbore Expenses	3.0 Peak Day		67,975	33,656	17,118	231	6,809	8,361
209	8160	Compressor Station Fuel & Power	3.0 Peak Day		17,557	8,668	4,465	62	2,177	2,153
210	8170	Meas. & Regul. Station Expenses	3.0 Peak Day		17,816	8,821	4,497	61	2,356	2,191
211	8180	Purification Expenses	3.0 Peak Day		502	248	126	2	84	62
212	8190	Exploration & Development	3.0 Peak Day		1,743	883	458	6	221	214
213	8200	Gas Losses	3.0 Peak Day		12,857	6,428	3,271	44	1,648	1,597
214	8210	Other Expenses	3.0 Peak Day		0	0	0	0	0	0
215	8220	Storage Well Royalties	3.0 Peak Day		0	0	0	0	0	0
216	8230	Rents	3.0 Peak Day		4,694	2,347	1,182	16	594	577
217	8240	Rents	3.0 Peak Day		0	0	0	0	0	0
218	8250	Maintenance								
219	8260	Maint. Sup., & Eng.	3.0 Peak Day		0					
220	8310	Structures and Improvements	3.0 Peak Day		6,124	3,062	1,531	28	1,039	999
221	8320	Reservoirs & Wells Maintenance	3.0 Peak Day		0					
222	8330	Line Maintenance	3.0 Peak Day		0					
223	8340	Compressor Station Equip Maint	3.0 Peak Day		5,945	2,973	1,487	20	763	731
224	8350	Meas. & Regul. Station Equip Maint	3.0 Peak Day		0					
225	8360	Purification Equipment Maintenance	3.0 Peak Day		0					
226	8370	Other Equipment Maintenance	3.0 Peak Day		0					
227		Total Underground Storage Expense			85,198	42,281	16,419	222	6,257	6,018
228		Total Transmission Expense			202,491	100,258	50,563	688	25,849	24,906
229		Transmission:								
230		Operation								
231		Op., Sup., & Eng.	3.0 Peak Day		0					
232	8500	System Control & Load Dispatching	3.0 Peak Day		0					
233	8510	Communication Systems Expense	3.0 Peak Day		0					
234	8520	Compressor Station Labor Expense	3.0 Peak Day		0					
235	8530	Compressor Station Fuel Gas	3.0 Peak Day		0					
236	8540	Compressor Station Fuel & Power	3.0 Peak Day		297	147	75	1	38	37
237	8550	Main Expenses	3.0 Peak Day		285,796	142,898	71,449	870	32,385	31,492
238	8560	Meas. & Regul. Station Expenses	3.0 Peak Day		11,082	5,541	2,771	28	1,404	1,363
239	8570	LDC Payment	3.0 Peak Day		0					
240	8580	LDC Payment - ASG	3.0 Peak Day		0					
241	8590	Other Expenses	3.0 Peak Day		0					
242	8600	Rents	3.0 Peak Day		0					
243		Maintenance								
244	8610	Maint. Sup., & Eng.	3.0 Peak Day		0					
245	8620	Structures and Improvements	3.0 Peak Day		0					
246	8630	Main	3.0 Peak Day		3,091	1,545	772	11	392	380
247	8640	Compressor Station Equip Maint	3.0 Peak Day		0					
248	8650	Meas. & Regul. Station Equip Maint	3.0 Peak Day		412	206	104	1	52	51
249	8660	Communication Equipment Maintenance	3.0 Peak Day		0					
250	8670	Other Equipment Maintenance	3.0 Peak Day		0					
251		Total Transmission Expense			270,873	134,015	68,184	870	34,280	33,293

Allegheny Energy Corporation, Kentucky-Missouri Division										
Class Cost of Service - Customer Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF O&M EXPENSES										
254										
255	Distribution:									
256	Operations:									
257	8700	Supervision and Engineering	10.4	Composite of Accts. 871-879 & 886-893 - Demand	632,684	313,256	159,329	2,152	80,129	77,829
258	8710	Distribution Load Dispatching	99.0		0	0	0	0	0	0
259	8711	Obstruction	99.0		0	0	0	0	0	0
259	8720	Compressor Station Labor & Expenses	11.4	Composite of Accts. 876 & 380 - Demand	0	0	0	0	0	0
260	8740	Mails & Services	12.4	Composite of Accts. 374-379 - Demand	2,282,776	1,135,205	677,391	7,787	280,374	282,058
261	8750	Measuring and Regulating Station Exp. - Gen	12.4	Composite of Accts. 374-379 - Demand	527,451	159,653	81,203	1,081	40,838	39,657
262	8750	Measuring and Regulating Station Exp. - Ind.	99.0		0	0	0	0	0	0
263	8770	Measuring and Regulating Sta. Exp. - City Gate	12.4	Composite of Accts. 374-379 - Demand	14,850	7,353	3,740	50	1,881	1,827
264	8780	Meters and House Regulator Expense	13.4	Composite of Accts. 381-383 - Demand	0	0	0	0	0	0
265	8790	Customer Involvement Expense	99.0		0	0	0	0	0	0
266	8800	Other Expense	10.4	Composite of Accts. 871-879 & 886-893 - Demand	70,341	37,808	19,220	280	9,671	9,202
267	8810	Rents	10.4	Composite of Accts. 871-879 & 886-893 - Demand	180,311	89,276	45,408	613	23,836	22,178
268	Maintenance:									
269	8850	Maintenance Supervision and Engineering	10.4	Composite of Accts. 871-879 & 886-893 - Demand	733	363	184	2	99	90
270	8860	Maintenance of Structures and Improvements	12.4	Composite of Accts. 374-379 - Demand	206	102	52	1	26	25
271	8870	Maintenance of Mains	12.4	Composite of Accts. 374-379 - Demand	19,952	9,893	5,031	68	2,591	2,458
272	8890	Maintenance of compressor station equipment	99.0		0	0	0	0	0	0
273	8900	Maint. of Measuring and Regulating Station Equip. - General	12.4	Composite of Accts. 374-379 - Demand	26	12	6	0	3	3
274	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	99.0		0	0	0	0	0	0
275	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	12.4	Composite of Accts. 374-379 - Demand	2,812	1,392	708	19	339	349
276	8930	Maintenance of Services	14.4	Account 380 - Demand	0	0	0	0	0	0
277	8940	Maintenance of Meters and House Regulators	13.4	Composite of Accts. 381-383 - Demand	0	0	0	0	0	0
278	8950	Maintenance of Other Equipment	10.4	Composite of Accts. 871-879 & 886-893 - Demand	5,646	2,725	1,422	18	715	694
279		Total Distribution			3,546,635	1,757,108	893,705	12,088	449,490	436,603
280	Customer Accounts:									
281	8010	Supervision	99.0		0	0	0	0	0	0
283	8020	Motor Roadway Expense	99.0		0	0	0	0	0	0
284	8030	Customer Records and Collection Expenses	99.0		0	0	0	0	0	0
285	8040	Uncollectible Accounts	99.0		0	0	0	0	0	0
286	8050	Miscellaneous Customer Accounts Expenses	99.0		0	0	0	0	0	0
287		Total Customer Accounts			0	0	0	0	0	0
288	Customer Service and Information:									
290	9070	Supervision	99.0		0	0	0	0	0	0
291	9080	Customer Assistance Expenses	99.0		0	0	0	0	0	0
292	9090	Informational and Instructional Advertising Expenses	99.0		0	0	0	0	0	0
293	9100	Miscellaneous Customer Service and Informational Expenses	99.0		0	0	0	0	0	0
294		Total Customer Service and Information			0	0	0	0	0	0
295										
296	Sales:									
297	0100	Supervision	99.0		0	0	0	0	0	0
298	0120	Demeritizing and Selling Expenses	99.0		0	0	0	0	0	0
299	0130	Advertising Expenses	99.0		0	0	0	0	0	0
300	0100	Miscellaneous Sales Expenses	99.0		0	0	0	0	0	0
301		Total Sales			0	0	0	0	0	0
302										
303	Administrative & General:									
304	Operations:									
305	9200	Administrative and General Salaries	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(617,519)	(268,250)	(130,335)	(1,760)	(65,549)	(63,656)
306	9210	Office Supplies and Expenses	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	1,329	638	325	5	168	163
307	9220	Administrative Expenses Transferred - Customer Support	99.0		0	0	0	0	0	0
308	9230	Administrative Expenses Transferred - General	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	5,732,053	2,836,069	1,443,006	19,493	725,549	705,037
309	9230	Outside Services Employed	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	26,573	14,147	7,198	87	3,819	3,614
310	9240	Property Insurance	9.4	Allocated Nat Plant - Demand	2,295	1,159	578	8	281	263
311	9250	Theft and Damages	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	1,339	3,834	1,848	25	928	903
312	9260	Employee Pensions and Benefits	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	729,398	373,321	189,690	2,664	95,492	92,741
313	9270	Franchise Requirements	99.0		0	0	0	0	0	0
314	9280	Regulatory Commission Expenses	99.0		0	0	0	0	0	0
315	930.1	General Advertising Expenses	99.0		0	0	0	0	0	0
316	930.2	Miscellaneous General Expense	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(5,247)	(2,598)	(1,321)	(18)	(665)	(640)
317	9310	Rents	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	5,224	2,567	1,316	18	662	643
318	Maintenance:									
319	9320	Maintenance of General Plant	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	0	0	0	0	0	0
320		Total A&G			6,008,015	2,974,784	1,513,002	20,431	760,989	738,989
322		TOTAL O&M EXPENSE - DEMAND			10,030,013	4,966,088	2,525,864	34,106	1,270,273	1,233,652

Almon Energy Corporation, Kentucky-Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF O&M EXPENSES										
Community										
Line No.	Account No.	Description	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Ret Sales Firm	Non-Ret Sales Internuptible	Transport Firm	Transport Internuptible
324		Production & Gathering								
325	7500	Op., Sup., & Eng.	99.0		0					
326	7510	Production Meters & Records	99.0		0					
327	7530	Field Lines Expenses	99.0		0					
328	7540	Field Compressor Station Expenses	99.0		0					
329	7550	Field Compressor Sta., Fuel & Pwr.	99.0		0					
330	7560	Field Meas. & Regul. Station Exp.	18.4	Gas Costs	0					
331	7570	Purification Expenses	99.0		0					
332	7590	Other Expenses	99.0		0					
333		Maintenance								
334	7510	Maint. Sup., & Eng.	99.0		0					
335	7520	Structures and Improvements	99.0		0					
336	7540	Field Line Maintenance	99.0		0					
337	7550	Compressor Station Equip. Maint.	99.0		0					
338	7560	Meas. & Regul. Station Equip. Maint.	99.0		0					
339	7570	Purification Equipment Maintenance	99.0		0					
340	7590	Other Equipment Maintenance	99.0		0					
341	7590	Gas Processed by Others	99.0		0					
342		Total Production & Gathering			0	0	0	0	0	0
343		Other Gas Supply Expenses								
344		Operation								
345	8001	Intercompany Gas Well-head Purchases	18.4	Gas Costs	81,272	48,578	31,211	1,486		
347	8040	Natural Gas City Gate Purchases	18.4	Gas Costs	58,991,388	34,063,278	21,885,068	1,242,164		
348	8045	Transportation to City Gate	18.4	Gas Costs	0					
349	8050	Transmission-Operation supervision and engineering	18.4	Gas Costs	(17,552)	(10,491)	(6,740)	(321)		
350	8051	Other Gas Purchases / Gas Cost Adjustments	18.4	Gas Costs	43,429,442	21,190,807	17,148,935	830,610		
351	8052	PGA for Commercial	18.4	Gas Costs	23,451,445	14,016,586	9,066,047	428,815		
352	8053	PGA for Industrial	18.4	Gas Costs	6,473,398	3,869,056	2,485,976	118,367		
353	8054	PGA for Public Authority	18.4	Gas Costs	4,652,010	2,720,674	1,748,109	83,234		
354	8057	PGA for Transportation Sales	18.4	Gas Costs	0					
355	8058	Unblended FGA Costs	18.4	Gas Costs	(1,162,285)	(706,617)	(454,031)	(21,618)		
356	8059	PGA Offset to Unrecovered Gas Cost	18.4	Gas Costs	(92,881,831)	(55,376,645)	(35,581,038)	(1,894,147)		
357	8060	Exchange Gas	18.4	Gas Costs	8,250,340	3,735,749	2,400,223	114,288		
358	8081	Gas Withdrawn From Storage - Debit	18.4	Gas Costs	15,070,639	8,007,501	5,787,570	275,568		
359	8082	Gas Delivered to Storage	18.4	Gas Costs	(17,546,721)	(10,487,437)	(6,738,470)	(330,844)		
360	8120	Gas Used for Other Utility Operations	18.4	Gas Costs	0	0	0	0		
361	8130	Other Gas Supply Expenses	18.4	Gas Costs	21,821,875	10,919,488	12,220,530	581,859		
362		Maintenance								
363	8350	Maint. Of Purch. Gas Meas. Sta.	18.4	Gas Costs	0					
364		Total Other Gas Supply Expenses			78,708,117	47,043,269	30,226,618	1,439,203	0	0
365		Underground Storage								
366		Operation								
367	8140	Op., Sup., & Eng.	1.5	Water Volumes	0					
368	8150	Meters & Records	1.5	Water Volumes	0					
370	8160	Meas. Expense	1.5	Water Volumes	67,976	26,703	16,108	763	12,402	12,970
371	8170	Lines Expense	1.5	Water Volumes	17,507	6,877	3,891	204	3,194	3,390
372	8180	Compressor Station Expenses	1.5	Water Volumes	17,916	6,999	3,990	208	3,291	3,399
373	8180	Compressor Station Fuel & Power	1.5	Water Volumes	82	197	112	6	92	96
374	8200	Meas. & Regul. Station Expenses	1.5	Water Volumes	1,743	685	367	20	318	332
375	8210	Purification Expenses	1.5	Water Volumes	12,987	5,102	2,857	151	2,369	2,478
376	8220	Exploration & Development	1.5	Water Volumes	0					
377	8230	Gas Losses	1.5	Water Volumes	0					
378	8240	Other Expenses	1.5	Water Volumes	0					
379	8250	Storage Well Royalties	1.5	Water Volumes	4,884	1,844	1,043	55	858	898
380	8260	Reserve	1.5	Water Volumes	0					
381		Maintenance								
382	8200	Maint. Sup., & Eng.	1.5	Water Volumes	0					
383	8210	Structures and Improvements	1.5	Water Volumes	8,124	3,191	1,806	85	1,443	1,550
384	8220	Reservoirs & Well Maintenance	1.5	Water Volumes	0					
385	8230	Line Maintenance	1.5	Water Volumes	0					
386	8240	Compressor Station Equip. Maint.	1.5	Water Volumes	5,945	2,265	1,321	69	1,085	1,154
387	8250	Meas. & Regul. Station Equip. Maint.	1.5	Water Volumes	0					
388	8260	Purification Equipment Maintenance	1.5	Water Volumes	0					
389	8270	Other Equipment Maintenance	1.5	Water Volumes	65,198	25,612	14,491	760	11,895	12,440
390		Total Underground Storage Expenses			203,691	75,544	45,095	2,369	36,944	38,658
391		Transmission								
392		Operation								
393	8500	Op., Sup., & Eng.	99.0		0					
395	8510	System Control & Load Dispatching	99.0		0					
396	8520	Communication Systems Expense	99.0		0					
397	8530	Compressor Station Labor Expense	99.0		0					
398	8540	Compressor Station Fuel Gas	99.0		0					
399	8550	Compressor Station Fuel & Power	99.0		0					
400	8560	Main Expenses	99.0		0					
401	8570	Meas. & Regul. Station Expenses	99.0		0					
402	8580	LDC Payment - AGG	99.0		0					
403	8590	Other Expenses	99.0		0					
404	8600	Rents	99.0		0					
405		Maintenance								
406	8610	Maint. Sup., & Eng.	99.0		0					
408	8620	Structures and Improvements	99.0		0					
409	8630	Main	99.0		0					
410	8640	Compressor Station Equip. Maint.	99.0		0					
411	8650	Meas. & Regul. Station Equip. Maint.	99.0		0					
412	8660	Communication Equipment Maintenance	99.0		0					
413	8670	Other Equipment Maintenance	99.0		0					
414		Total Transmission Expense			0	0	0	0	0	0

Alliant Energy Corporation, Kentucky/Mid-States Division										
Class Code of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF O&M EXPENSES										
415										
416	Distribution									
417	Operation									
418	8100	Supervision and Engineering	10.6	Composite of Accts. 871-878 & 886-893 - Comm	872	270	173	11	195	223
418	8710	Distribution Load Dispatching	1.0	Mcf	996	305	195	19	221	255
420	8711	Outlets	1.0	Mcf	2,610	827	529	34	597	683
420	8720	Compressor Station Labor & Expenses	99.0		0	0	0	0	0	0
421	8740	Mains & Services	12.6	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
423	8750	Measuring and Regulating Station Exp. - Gen	12.6	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
423	8760	Measuring and Regulating Station Exp. - Ind.	99.0		0	0	0	0	0	0
424	8770	Measuring and Regulating Sta. Exp. - City Gate	12.6	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
425	8780	Mains and House Regulator Expense	99.0		0	0	0	0	0	0
426	8790	Customer Installations Expense	99.0		0	0	0	0	0	0
427	8800	Other Expense	10.6	Composite of Accts. 871-878 & 886-893 - Comm	105	33	211	1	24	27
428	8810	Reels	10.6	Composite of Accts. 871-878 & 886-893 - Comm	249	77	49	3	58	64
428		Maintenance								
430	8850	Maintenance Supervision and Engineering	10.6	Composite of Accts. 871-878 & 886-893 - Comm	1	0	0	0	0	0
431	8860	Maintenance of Structures and Improvements	12.6	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
432	8870	Maintenance of Mains	12.6	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
433	8890	Maintenance of compressor station equipment	1.0	Mcf	0	0	0	0	0	0
434	8900	Maint. of Measuring and Regulating Station Equip. - Genera	12.6	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
435	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	5.0	Direct to Transport	0	0	0	0	0	0
436	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	12.6	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
437	8930	Maintenance of Services	14.6	Account 350 - Comm	0	0	0	0	0	0
438	8940	Maintenance of Mains and House Regulators	13.6	Composite of Accts. 381-383 - Comm	0	0	0	0	0	0
438	8950	Maintenance of Other Equipment	10.6	Composite of Accts. 871-878 & 886-893 - Comm	8	2	2	0	2	3
440		Total Distribution			4,890	1,614	902	63	1,094	1,250
441		Customer Accounts								
442		Customer Accounts								
443	9010	Supervision	99.0		0	0	0	0	0	0
444	9020	Meter Reading Expense	99.0		0	0	0	0	0	0
445	9030	Customer Records and Collection Expenses	99.0		0	0	0	0	0	0
446	9040	Uncollectible Accounts	99.0		0	0	0	0	0	0
447	9050	Miscellaneous Customer Accounts Expenses	99.0		0	0	0	0	0	0
448		Total Customer Accounts			0	0	0	0	0	0
449		Customer Service and Information								
450		Customer Service and Information								
451	9070	Supervision	99.0		0	0	0	0	0	0
452	9080	Customer Assistance Expenses	99.0		0	0	0	0	0	0
453	9090	Informational and Instructional Advertising Expenses	99.0		0	0	0	0	0	0
454	9100	Miscellaneous Customer Service and Informational Expenses	99.0		0	0	0	0	0	0
455		Total Customer Service and Information			0	0	0	0	0	0
456		Sales								
457		Sales								
458	9110	Supervision	99.0		0	0	0	0	0	0
459	9120	Demonstrating and Selling Expenses	99.0		0	0	0	0	0	0
460	9130	Advertising Expenses	99.0		0	0	0	0	0	0
461	9160	Miscellaneous Sales Expenses	99.0		0	0	0	0	0	0
462		Total Sales			0	0	0	0	0	0
463		Administrative & General								
464		Operation								
466	9200	Administrative and General Salaries	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Comm	(721)	(224)	(143)	(5)	(161)	(194)
467	9210	Office Supplies and Expenses	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Comm	2	1	0	0	0	0
468	9220	Administrative Expenses Transferred - Customer Support	99.0		0	0	0	0	0	0
469	9230	Administrative Expenses Transferred - General	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Comm	7,986	2,481	1,585	102	1,782	2,058
470	9230	Outside Services Employed	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Comm	40	12	8	1	9	10
471	9240	Property Insurance	0.6	Allocated Mill Plant - Comm	37	23	33	1	10	11
472	9250	Injuries and Damages	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Comm	10	3	2	0	2	3
473	9260	Employee Pensions and Benefits	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Comm	1,050	329	208	13	334	364
474	9270	Franchise Requirements	99.0		0	0	0	0	0	0
475	9280	Regulatory Commission Expenses	99.0		0	0	0	0	0	0
476	930,1	General Advertising Expenses	99.0		0	0	0	0	0	0
477	930,2	Miscellaneous General Expense	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Comm	(7)	(0)	(1)	(6)	(0)	(0)
478	9310	Reels	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Comm	7	2	1	0	2	2
479		Maintenance								
480	8320	Maintenance of General Plant	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930,1 - Comm	0	0	0	0	0	0
481		Total A&G			6,425	2,622	1,672	108	1,678	2,144
482										
483		TOTAL O&M EXPENSE - COMMUNITY			78,624,623	47,126,808	30,274,273	1,441,234	39,916	42,030

Midwest Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF O&M EXPENSES									
Total O&M Expenses									
Line No.	Account No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Intermittible	Transport Firm	Transport Intermittible
484		Production & Gathering							
485		Operation							
486	7500	Op. Sup. & Eng.		0	0	0	0	0	0
487	7510	Production Maps & Records		0	0	0	0	0	0
488	7520	Field Lines Expenses		0	0	0	0	0	0
489	7540	Field Compressor Station Expense		0	0	0	0	0	0
490	7550	Field Compressor Sta. Fuel & Pwr.		0	0	0	0	0	0
491	7560	Field Meas. & Regul. Station Exp		0	0	0	0	0	0
492	7570	Purification Expense		0	0	0	0	0	0
493	7590	Other Expenses		0	0	0	0	0	0
494		Maintenance							
495	7670	Mat. Sup. & Eng.		0	0	0	0	0	0
496	7620	Structures and Improvements		0	0	0	0	0	0
497	7640	Field Line Maintenance		0	0	0	0	0	0
498	7650	Compressor Station Equip. Maint.		0	0	0	0	0	0
499	7680	Meas. & Regul. Station Equip. Maint.		0	0	0	0	0	0
500	7670	Purification Equipment Maintenance		0	0	0	0	0	0
501	7680	Other Equipment Maintenance		0	0	0	0	0	0
502	7690	Gas Processed By Others		0	0	0	0	0	0
503		Total Production & Gathering		0	0	0	0	0	0
504		Other Gas Supply Expenses:							
505		Operation							
507	8001	Intercompany Gas Well-Head Purchases		61,372	48,676	31,211	1,486	0	0
508	8050	Natural Gas City-Gate Purchases		56,997,996	34,063,278	27,889,606	1,342,064	0	0
509	8045	Transportation to City Gate		0	0	0	0	0	0
510	8050	Transmission-Operation expansion and engineering		(17,552)	(10,491)	(6,740)	(323)	0	0
511	8061	Other Gas Purchases / Gas Cost Adjustments		48,438,442	27,748,697	17,448,395	830,910	0	0
512	8052	PGA for Commercial		23,451,445	14,916,686	9,026,047	328,812	0	0
513	8053	PGA for Industrial		6,473,358	3,869,056	2,485,976	118,367	0	0
514	8054	PGA for Public Authority		4,552,018	2,720,874	1,748,109	83,234	0	0
515	8057	PGA for Transportation Sales		0	0	0	0	0	0
516	8058	Unbilled PGA Costs		(1,182,285)	(706,817)	(454,021)	(21,818)	0	0
517	8059	PGA Offset to Unrecovered Gas Cost		(92,561,831)	(65,376,645)	(33,591,038)	(1,694,147)	0	0
518	8062	Excavation		2,252,350	3,726,748	2,402,333	114,268	0	0
519	8061	Gas Withdrawn From Storage - Debit		15,076,638	9,007,501	6,787,570	275,565	0	0
520	8063	Gas Delivered to Storage		(17,548,751)	(10,487,437)	(6,738,470)	(320,844)	0	0
521	8120	Gas Used for Other Utility Expenditures		(2,633,000)	(1,613,487)	(8,422)	(461)	0	0
522	8130	Other Gas Supply Expenses		31,621,879	19,919,469	12,220,639	581,866	0	0
523		Maintenance		0	0	0	0	0	0
524	8350	Mat. Of Purch. Gas Meas. Sta.		0	0	0	0	0	0
525		Total Other Gas Supply Expenses		78,709,117	47,043,269	30,226,626	1,439,703	0	0
526		Underground Storage:							
527		Operation							
528		Op. Sup. & Eng.		0	0	0	0	0	0
529	8140	Op. Sup. & Eng.		0	0	0	0	0	0
530	8150	Maps & Records		0	0	0	0	0	0
531	8160	Lease Expense		138,050	63,368	32,296	1,024	21,011	21,331
532	8170	Lease Expense		35,014	15,546	8,300	264	5,411	5,484
533	8180	Compressor Station Expense		38,633	15,620	8,447	268	3,507	3,591
534	8190	Compressor Station Fuel & Power		1,003	495	234	8	155	157
535	8200	Meas. & Regul. Station Expense		8,465	1,517	836	26	639	647
536	8210	Purification Expenses		26,974	11,532	6,157	158	4,014	4,075
537	8220	Exploration & Development		0	0	0	0	0	0
538	8230	Gas Leases		0	0	0	0	0	0
539	8240	Other Expenses		0	0	0	0	0	0
540	8250	Storage Well Royalties		8,388	4,168	2,225	71	1,491	1,474
541	8260	Rents		0	0	0	0	0	0
542		Maintenance							
543	8300	Mat. Sup. & Eng.		0	0	0	0	0	0
544	8310	Structures and Improvements		18,248	7,214	3,802	122	2,811	2,849
545	8320	Reservoir & Wells Maintenance		0	0	0	0	0	0
546	8330	Line Maintenance		0	0	0	0	0	0
547	8340	Compressor Station Equip. Maint.		11,699	5,478	2,818	90	1,837	1,855
548	8350	Meas. & Regul. Station Equip. Maint.		0	0	0	0	0	0
549	8360	Purification Equipment Maintenance		0	0	0	0	0	0
550	8370	Other Equipment Maintenance		130,597	57,893	30,910	862	20,153	20,459
551		Total Underground Storage Expense		494,881	179,902	93,691	3,049	62,599	63,543
552		Transmission:							
553		Operation							
554		Op. Sup. & Eng.		0	0	0	0	0	0
555	8500	Op. Sup. & Eng.		0	0	0	0	0	0
556	8510	System Control & Load Dispatching		0	0	0	0	0	0
557	8520	Communication Systems Expense		0	0	0	0	0	0
558	8530	Compressor Station Labor Expense		0	0	0	0	0	0
559	8540	Compressor Station Fuel Gas		0	0	0	0	0	0
560	8550	Compressor Station Fuel & Power		297	147	75	4	38	37
561	8560	Meas. Expense		253,780	126,648	64,418	670	32,395	31,461
562	8570	Meas. & Regul. Station Expenses		11,052	5,487	2,791	38	1,404	1,363
563	8580	LDC Payment		0	0	0	0	0	0
564	8590	LDC Payment - A&G		0	0	0	0	0	0
565	8590	Other Expenses		0	0	0	0	0	0
566	8600	Rents		0	0	0	0	0	0
567		Maintenance							
568	8610	Mat. Sup. & Eng.		0	0	0	0	0	0
569	8620	Structures and Improvements		0	0	0	0	0	0
570	8630	Meas.		3,091	1,531	778	11	352	360
571	8640	Compressor Station Equip. Maint.		0	0	0	0	0	0
572	8650	Meas. & Regul. Station Equip. Maint.		112	204	104	7	52	51
573	8660	Communication Equipment Maintenance		0	0	0	0	0	0
574	8670	Other Equipment Maintenance		0	0	0	0	0	0
575		Total Transmission Expense		270,673	134,016	68,164	920	34,288	33,292

Alliant Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ending March 31, 2019									
ALLOCATION OF O&M EXPENSES									
576									
577									
578	8700	Supervision and Engineering							
580	8710	Distribution Load Dispatching	1,207,940	755,883	284,864	2,538	84,279	80,296	
591	8711	Oversees	986	305	195	13	221	252	
581	8720	Compressor Station Labor & Expenses	0	0	0	0	0	0	
582	8760	Main & Services	3,444,678	2,165,881	762,463	7,874	291,187	282,472	
583	8750	Measuring and Regulating Station Exp. - Gen	451,854	383,916	28,753	1,107	40,553	38,745	
584	8700	Measuring and Regulating Station Exp. - Ind.	30,783	0	30,464	19	188	113	
585	8770	Measuring and Regulating Sta. Exp. - City Gate	22,313	13,987	4,550	51	1,880	1,830	
586	8780	Meters and House Regulator Expense	940,679	635,805	311,451	1,333	14,000	7,995	
587	8790	Customer Installations Expense	4,184	3,725	454	0	3	3	
588	8800	Other Expense	145,791	81,278	34,293	306	10,172	9,691	
589	8810	Fuels	344,255	216,418	81,213	723	24,019	22,884	
590		Maintenance							
591	8850	Maintenance Supervision and Engineering	1,399	678	330	3	88	93	
592	8860	Maintenance of Structures and Improvements	309	184	83	1	78	75	
593	8870	Maintenance of Mains	30,093	18,533	6,142	69	2,534	2,462	
594	8890	Maintenance of compressor station equipment	0	0	0	0	0	0	
595	8900	Maint. of Measuring and Regulating Station Equip. - Genera	38	24	8	0	3	3	
596	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	8,170	0	8,072	8	89	84	
597	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	4,225	2,890	861	10	357	346	
598	8930	Maintenance of Services	106	65	12	0	0	0	
599	8940	Maintenance of Meters and House Regulators	38,413	28,232	23,205	29	1,349	769	
600	8950	Maintenance of Other Equipment	10,779	6,745	2,543	23	752	717	
601		Total Distribution	8,775,544	4,293,784	1,808,415	14,237	472,739	450,392	
602									
603		Customer Accounts							
604	9010	Supervision	421	375	46	0	0	0	
605	9020	Meter Reading Expense	1,251,833	1,114,476	135,867	84	894	803	
606	9030	Customer Records and Collection Expenses	1,762,389	1,569,518	181,208	118	1,344	709	
607	9040	Uncollectible Accounts	362,112	221,085	136,000	4,867	90	27	
608	9050	Miscellaneous Customer Accounts Expenses	0	0	0	23	0	0	
609		Total Customer Accounts	3,776,765	2,904,954	453,245	5,109	2,188	1,240	
610		Customer Service and Information							
611		Supervision	0	0	0	0	0	0	
612	9070	Customer Assistance Expenses	0	0	0	0	0	0	
613	9080	Informational and Instructional Advertising Expenses	133,814	118,953	14,904	9	94	54	
614	9090	Miscellaneous Customer Service and Informational Expenses	0	0	0	0	0	0	
615	9100	Total Customer Service and Information	133,814	118,953	14,904	9	94	54	
616		Sales							
617		Supervision	266,862	237,669	28,979	16	185	107	
618	9110	Demonstrating and Selling Expenses	131,290	116,884	14,252	9	93	53	
619	9120	Advertising Expenses	45,463	40,492	4,937	3	32	18	
620	9130	Miscellaneous Sales Expenses	65,655	77,155	9,450	6	51	25	
621		Total Sales	509,270	472,200	57,618	34	261	143	
622									
623		Administrative & General							
624		Operation							
625	9200	Administrative and General Salaries	(1,265,185)	(861,074)	(263,181)	(2,095)	(69,139)	(65,756)	
626	9210	Office Supplies and Expenses	3,249	2,221	676	5	178	169	
627	9220	Administrative Expenses Transferred - Customer Support	0	0	0	0	0	0	
628	9230	Administrative Expenses Transferred - General	14,012,401	9,679,912	2,914,628	23,503	785,736	738,219	
629	9240	Outside Services Employed	68,850	47,754	14,330	118	3,817	3,623	
630	9250	Property Insurance	2,800	3,785	1,151	16	315	301	
631	9260	Injury and Damages	17,841	12,666	3,732	30	980	933	
632	9270	Employee Pensions and Benefits	1,843,199	1,260,147	343,418	3,052	100,726	95,856	
633	9280	Franchise Requirements	1,465	1,205	181	0	1	1	
634	9290	Regulatory Commission Expenses	156,942	130,721	17,038	11	111	63	
635	930.1	General Advertising Expenses	0	0	0	0	0	0	
636	930.2	Miscellaneous General Expense	(13,557)	(8,707)	(2,889)	(21)	(70)	(67)	
637	9310	Maintenance	12,711	8,751	2,557	21	89	64	
638	9320	Maintenance of General Plant	0	0	0	0	0	0	
639		Total Adm.	14,646,383	10,182,112	3,072,359	24,331	802,726	763,876	
640									
641		TOTAL O&M EXPENSE	104,873,148	85,120,760	35,575,050	1,486,843	1,374,834	1,312,533	



Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF DEPRECIATION EXPENSE									
81	General:								
82	General:								
83	General:								
84	39500	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0				
85	39000	Structures Frame	6.2	P, S, T & D Plant - Customer	167,696	128,419	29,823	77	814
86	39001	Structures & Improvements	6.2	P, S, T & D Plant - Customer	3,819	3,062	725	2	20
87	39002	Improvements	6.2	P, S, T & D Plant - Customer	15,645	12,542	2,969	8	81
88	39003	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	286	229	54	0	1
89	39004	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	57,000	45,634	10,816	28	294
90	39009	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	70,230	56,300	13,328	34	362
91	39100	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0				
92	39102	Office Machines	6.2	P, S, T & D Plant - Customer	0				
93	39103	Transportation Equipment	6.2	P, S, T & D Plant - Customer	19,630	15,736	3,725	10	101
94	39200	Trucks	6.2	P, S, T & D Plant - Customer	0				
95	39201	Trailers	6.2	P, S, T & D Plant - Customer	0				
96	39202	Stores Equipment	6.2	P, S, T & D Plant - Customer	0				
97	39300	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	202,824	162,596	39,486	99	1,046
98	39400	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0				
99	39600	Ditchers	6.2	P, S, T & D Plant - Customer	1,865	1,511	358	1	10
100	39603	Backhoes	6.2	P, S, T & D Plant - Customer	1,365	1,094	259	1	7
101	39604	Welders	6.2	P, S, T & D Plant - Customer	845	678	160	0	4
102	39605	Communication Equipment	6.2	P, S, T & D Plant - Customer	8,415	5,143	1,217	9	33
103	39700	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0				
104	39701	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0				
105	39702	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0				
106	39705	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	111,143	89,069	21,089	54	573
107	39800	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0				
108	39900	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	844	677	160	0	4
109	39901	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	0				
110	39902	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	7,897	6,331	1,498	4	41
111	39903	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0				
112	39904	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0				
113	39905	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	209,657	168,074	39,783	103	1,082
114	39906	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0				
115	39907	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	0				
116	39908	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	1,208	988	228	1	8
117	40600	Amortization of gas plant acquisition adjustments	6.2	P, S, T & D Plant - Customer	29,090	23,320	5,520	14	150
118									
119									
120	Total General Plant				897,479	719,475	170,296	439	4,630
121									
122	TOTAL DIRECT DEPRECIATION EXPENSE				14,590,338	11,249,733	3,168,028	9,542	103,685
123									
124	Kentucky Mid-States General Office:								
125	Intangible Plant:								
126	Intangible Plant:								
127	Intangible Plant:								
128	30100	Organization	99.0		0				
129	30200	Franchises & Consents	99.0		0				
130	30300	Misc Intangible Plant	99.0		0				
131									
132	Total Intangible Plant:				0				
133									
134	General:								
135	General:								
136	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0				
137	39001	Structures Frame	6.2	P, S, T & D Plant - Customer	1,417	1,138	269	1	7
138	39602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	0				
139	39900	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0				
140	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	332	267	63	0	2
141	39009	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	0				
142	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	0				
143	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0				
144	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0				
145	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	245	198	47	0	1
146	39201	Trucks	6.2	P, S, T & D Plant - Customer	0				
147	39202	Trailers	6.2	P, S, T & D Plant - Customer	0				
148	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0				
149	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	833	667	158	0	4
150	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	5	4	1	0	0
151	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0				
152	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0				
153	39605	Welders	6.2	P, S, T & D Plant - Customer	0				
154	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	562	463	95	0	3
155	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0				
156	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0				
157	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0				
158	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	8,329	6,677	1,581	4	43
159	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0				
160	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	0				
161	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	0				
162	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	0				
163	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0				
164	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0				
165	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	0				
166	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	1,149	921	216	1	6
167	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	0				
168	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	0				
169	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0				
170									
171									
172	Total General Plant				12,813	10,272	2,431	6	66

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF DEPRECIATION EXPENSE									
173	Shared Services General Office:								
174	General:								
175	General:								
176	General:								
177	General:								
178	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
179	39000	Structures & Improvements	6.2	P, S, T & D Plant - Customer	3,798	3,044	721	2	20
180	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
181	37503	Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
182	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
183	39009	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	8,720	7,792	1,844	5	50
184	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	6,303	5,053	1,198	3	33
185	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
186	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
187	38200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
188	39201	Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
189	39202	Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
190	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
191	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	1,033	828	196	1	5
192	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
193	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
194	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
195	39605	Welders	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
196	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	16	19	3	0	0
197	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
198	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
199	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
200	39900	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	39	31	7	0	0
201	39901	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
202	39902	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	57,517	46,109	10,914	28	297
203	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	10,032	8,042	1,804	5	62
204	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
205	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
206	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
207	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	2,927	2,346	555	1	15
208	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
209	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
210	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	1,136	811	216	1	6
211	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
212									
213									
214	Total General Plant				92,521	74,171	17,556	45	477
215									
216	Shared Services Customer Support:								
217	General:								
218	General:								
219	General:								
220	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
221	39001	Structures Frame	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
222	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	21,361	17,124	4,053	10	110
223	37503	Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
224	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
225	39009	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	3,050	2,445	578	1	16
226	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	4,337	3,477	823	2	22
227	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
228	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
229	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
230	39201	Trucks	6.2	P, S, T & D Plant - Customer	18	15	3	0	0
231	39202	Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
232	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
233	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	398	319	76	0	2
234	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	33	26	6	0	0
235	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
236	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
237	39605	Welders	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
238	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	3,859	3,174	751	2	20
239	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
240	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
241	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
242	39900	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	482	394	93	0	3
243	39901	Other Tangible Property	6.2	P, S, T & D Plant - Customer	3,208	2,572	609	2	17
244	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	29,372	23,546	5,573	14	152
245	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	5,619	4,504	1,066	3	29
246	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	1,453	1,173	278	1	8
247	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
248	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
249	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	3,661	2,935	695	2	19
250	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	531	426	101	0	3
251	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
252	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	195,411	158,659	37,078	96	1,006
253	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	18	15	3	0	0
254									
255									
256	Total General Plant				272,932	218,759	51,785	134	1,408
257									
258	TOTAL DEPRECIATION EXPENSE - CUSTOMER				14,968,603	11,852,974	3,239,805	10,027	105,635
259									

Atrios Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF DEPRECIATION EXPENSE										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
259		Intangible Plant								
260										
261	30100	Organization	99.0	-	0					
262	30200	Franchises & Consents	99.0	-	0					
263	30300	Misc Intangible Plant	99.0	-	0					
264										
265		Total Intangible Plant			0					
266										
267		Production Plant								
268										
269	32520	Producing Leaseholds	3.0	Peak Day	0					
270	32540	Rights of Ways	3.0	Peak Day	0					
271	33100	Production Gas Wells Equipment	3.0	Peak Day	0					
272	33201	Field Lines	3.0	Peak Day	0					
273	33202	Tributary Lines	3.0	Peak Day	0					
274	33400	Field Meas. & Reg. Sta. Equip.	3.0	Peak Day	0					
275	33500	Purification Equipment	3.0	Peak Day	0					
276										
277		Total Production Plant			0					
278										
279		Storage Plant								
280										
281	35010	Land	3.0	Peak Day	0					
282	35020	Rights of Way	3.0	Peak Day	0					
283	35100	Structures and Improvements	3.0	Peak Day	150	74	98	1	19	18
284	35102	Compression Station Equipment	3.0	Peak Day	666	478	243	3	122	119
285	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	106	53	27	0	19	13
286	35104	Other Structures	3.0	Peak Day	693	442	225	3	113	110
287	35200	Wells \ Rights of Way	3.0	Peak Day	71,703	35,502	18,057	244	9,081	8,819
288	35201	Well Construction	3.0	Peak Day	12,835	6,355	3,232	44	1,626	1,578
289	35202	Well Equipment	3.0	Peak Day	0					
290	35203	Cushion Gas	3.0	Peak Day	15,253	7,552	3,841	52	1,932	1,878
291	35210	Leaseholds	3.0	Peak Day	312	155	79	1	40	38
292	35211	Storage Rights	3.0	Peak Day	240	119	61	1	30	30
293	35301	Field Lines	3.0	Peak Day	723	358	182	2	92	89
294	35302	Tributary Lines	3.0	Peak Day	846	420	214	3	107	104
295	35400	Compressor Station Equipment	3.0	Peak Day	8,311	4,115	2,093	28	1,053	1,022
296	35500	Meas & Reg. Equipment	3.0	Peak Day	1,134	562	288	4	144	139
297	35600	Purification Equipment	3.0	Peak Day	4,250	2,104	1,070	14	538	523
298										
299		Total Storage Plant			117,731	58,291	29,648	400	14,910	14,481
300										
301		Transmission								
302										
303	36510	Land & Land Rights	3.0	Peak Day	0					
304	36520	Rights of Way	3.0	Peak Day	11,541	5,714	2,906	39	1,462	1,420
305	36602	Structures & Improvements	3.0	Peak Day	872	432	220	3	110	107
306	36603	Other Structures	3.0	Peak Day	1,083	538	273	4	137	133
307	36700	Mains Cathodic Protection	3.0	Peak Day	7,946	3,934	2,001	27	1,006	977
308	36701	Mains - Steel	3.0	Peak Day	522,461	298,682	131,672	1,777	68,168	64,262
309	36800	Meas. & Reg. Equipment	3.0	Peak Day	15,853	7,750	3,942	53	1,992	1,925
310	36901	Meas. & Reg. Equipment	3.0	Peak Day	48,688	24,047	12,231	185	6,151	5,974
311										
312		Total Transmission Plant			608,126	301,057	153,145	2,068	77,017	74,799
313										
314		Distribution								
315										
316	37400	Land & Land Rights	3.0	Peak Day	0					
317	37401	Land	3.0	Peak Day	0					
318	37402	Land Rights	3.0	Peak Day	31,693	15,692	7,861	108	4,014	3,898
319	37403	Land Other	3.0	Peak Day	0					
320	37500	Structures & Improvements	3.0	Peak Day	4,809	2,282	1,161	16	584	567
321	37501	Structures & Improvements T.B.	3.0	Peak Day	1,369	678	345	5	173	168
322	37502	Land Rights	3.0	Peak Day	634	314	160	2	80	78
323	37503	Improvements	3.0	Peak Day	65	27	14	0	7	7
324	37600	Mains Cathodic Protection	3.0	Peak Day	689,002	341,140	173,512	2,343	87,280	84,747
325	37601	Mains - Steel	3.0	Peak Day	1,954,878	967,904	492,298	6,648	247,580	240,448
326	37602	Mains - Plastic	3.0	Peak Day	1,763,194	868,046	441,538	5,962	222,037	215,641
327	37800	Meas & Reg. Sta. Equip - General	3.0	Peak Day	264,728	131,073	66,667	900	33,527	32,551
328	37900	Meas & Reg. Sta. Equip - City Gas	3.0	Peak Day	96,228	47,644	24,233	327	12,187	11,838
329	37905	Meas & Reg. Sta. Equipment T.B.	3.0	Peak Day	54,271	26,871	13,867	185	6,873	6,675
330	38000	Services	99.0	-	0					
331	38100	Meters	99.0	-	0					
332	38200	Meter Installations	99.0	-	0					
333	38300	House Regulators	99.0	-	0					
334	38400	House Reg. Installations	99.0	-	0					
335	38500	Inst. Meas. & Reg. Sta. Equipment	99.0	-	0					
336	38600	Other Prop. On Cust Prem	99.0	-	0					
337										
338		Total Distribution Plant			4,850,658	2,401,670	1,221,544	16,435	614,322	595,626

Atrion Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2018									
ALLOCATION OF DEPRECIATION EXPENSE									
339									
340	General:								
341									
342	39000	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0				
343	39002	Structures Frame	6.4	P, S, T & D Plant - Demand	107,988	53,457	27,190	987	13,674
344	39001	Structures & Improvements	6.4	P, S, T & D Plant - Demand	2,615	1,255	658	9	331
345	39002	Improvements	6.4	P, S, T & D Plant - Demand	10,712	5,304	2,697	36	1,357
346	39003	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	196	97	49	1	25
347	39004	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	39,025	19,322	9,828	133	4,942
348	39009	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	48,083	23,807	12,109	164	6,090
349	39100	Rennitance Processing Equip	6.4	P, S, T & D Plant - Demand	0				
350	39102	Office Machines	6.4	P, S, T & D Plant - Demand	0				
351	39103	Transportation Equipment	6.4	P, S, T & D Plant - Demand	13,440	6,654	3,365	46	1,702
352	39200	Trucks	6.4	P, S, T & D Plant - Demand	0				
353	39201	Trailers	6.4	P, S, T & D Plant - Demand	0				
354	39202	Stores Equipment	6.4	P, S, T & D Plant - Demand	0				
355	39300	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	138,864	68,755	34,970	472	17,587
356	39400	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0				
357	39600	Ditchers	6.4	P, S, T & D Plant - Demand	1,291	639	325	4	163
358	39603	Backhoes	6.4	P, S, T & D Plant - Demand	935	463	235	3	118
359	39604	Welders	6.4	P, S, T & D Plant - Demand	579	287	146	2	73
360	39605	Communication Equipment	6.4	P, S, T & D Plant - Demand	4,362	2,175	1,106	16	558
361	39700	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0				
362	39701	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0				
363	39702	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0				
364	39705	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	76,094	37,676	19,163	259	9,637
365	39800	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0				
366	39900	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	578	288	146	2	73
367	39901	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	0				
368	39902	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	5,407	2,677	1,362	18	685
369	39903	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0				
370	39904	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0				
371	39905	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	143,543	71,071	36,149	488	18,179
372	39906	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0				
373	39907	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	0				
374	39908	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	827	410	208	3	105
375	40600	Amortization of gas plant acquisition adjustments	6.4	P, S, T & D Plant - Demand	18,916	9,881	5,016	68	2,522
376									
377									
378		Total General Plant			614,464	304,235	154,741	2,090	77,820
379									
380		TOTAL DIRECT DEPRECIATION EXPENSE			6,190,979	3,065,264	1,558,078	21,053	784,070
381									
382		Kentucky Mid-States General Office:							
383									
384		Intangible Plant							
385									
386	30100	Organization	99.0		0				
387	30200	Franchises & Consents	99.0		0				
388	30300	Misc Intangible Plant	99.0		0				
389									
390		Total Intangible Plant:			0				
391									
392		General:							
393									
394	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0				
395	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	970	480	244	3	123
396	39002	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0				
397	39000	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0				
398	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	226	113	57	1	29
399	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	0				
400	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	0				
401	39102	Rennitance Processing Equip	6.4	P, S, T & D Plant - Demand	0				
402	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0				
403	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	168	83	42	1	21
404	39201	Trucks	6.4	P, S, T & D Plant - Demand	0				
405	39202	Trailers	6.4	P, S, T & D Plant - Demand	0				
406	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0				
407	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	570	282	144	2	72
408	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	4	2	1	0	0
409	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0				
410	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0				
411	39605	Welders	6.4	P, S, T & D Plant - Demand	0				
412	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	344	170	87	1	44
413	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0				
414	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0				
415	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0				
416	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	5,703	2,824	1,436	19	722
417	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0				
418	39901	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	0				
419	39902	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	0				
420	39903	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	0				
421	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0				
422	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0				
423	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	0				
424	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	786	388	198	3	100
425	39908	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	0				
426	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0				
427	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0				
428									
429									
430		Total General Plant			8,772	4,343	2,209	30	1,111



Almos Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Customer/Demand Study  
Forecasted Test Period: Twelve Months Ended March 31, 2019

ALLOCATION OF DEPRECIATION EXPENSE

Commodity

Line No.	Acct. No.	Description	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
517		Intangible Plant:								
518										
519	30100	Organization	99.0		0					
520	30200	Franchises & Consents	99.0		0					
521	30300	Misc Intangible Plant	99.0		0					
522										
523		Total Intangible Plant:			0					
524										
525		Production Plant:								
526										
528			99.0		0					
527	32520	Producing Leaseholds	99.0		0					
528	32540	Rights of Ways	99.0		0					
529	33100	Production Gas Wells Equipment	99.0		0					
530	33201	Field Lines	99.0		0					
531	33202	Tributary Lines	99.0		0					
532	33400	Field Meas. & Reg. Sta. Equip	99.0		0					
533	33600	Purification Equipment	99.0		0					
534										
535		Total Production Plant			0					
536										
537		Storage Plant:								
538										
539	39010	Land	1.5	Winter Volumes	0					
540	39020	Rights of Way	1.5	Winter Volumes	6	2	1	0	1	1
541	35100	Structures and Improvements	1.5	Winter Volumes	150	58	33	2	27	29
542	35102	Compressor Station Equipment	1.5	Winter Volumes	989	378	216	11	176	184
543	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	108	42	24	1	19	20
544	35104	Other Structures	1.5	Winter Volumes	883	351	189	10	163	170
545	35200	Wells & Rights of Way	1.5	Winter Volumes	71,703	28,167	15,937	836	13,082	13,681
546	35201	Well Construction	1.5	Winter Volumes	12,835	5,042	2,853	180	2,342	2,449
547	35202	Well Equipment	1.5	Winter Volumes	0					
548	35203	Cushion Gas	1.5	Winter Volumes	15,253	5,892	3,390	178	2,783	2,910
549	35210	Leaseholds	1.5	Winter Volumes	312	123	69	4	57	60
550	35211	Storage Rights	1.5	Winter Volumes	240	94	53	3	44	46
551	35301	Field Lines	1.5	Winter Volumes	723	284	161	8	132	138
552	35302	Tributary Lines	1.5	Winter Volumes	848	333	189	10	155	162
553	35400	Compressor Station Equipment	1.5	Winter Volumes	8,311	3,265	1,847	97	1,516	1,586
554	35500	Meas. & Reg. Equipment	1.5	Winter Volumes	1,134	446	252	13	207	216
555	35600	Purification Equipment	1.5	Winter Volumes	4,250	1,670	845	50	775	811
556										
557		Total Storage Plant			117,731	46,248	26,167	1,372	21,480	22,483
558										
559		Transmission:								
560										
561	38510	Land & Land Rights	99.0		0					
562	38520	Rights of Way	99.0		0					
563	38600	Structures & Improvements	99.0		0					
564	38603	Other Structures	99.0		0					
565	38700	Mains Cathodic Protection	99.0		0					
566	38701	Mains - Steel	99.0		0					
567	38900	Meas. & Reg. Equipment	99.0		0					
568	38901	Meas. & Reg. Equipment	99.0		0					
569										
570		Total Transmission Plant			0					
571										
572		Distribution:								
573										
574	37400	Land & Land Rights	99.0		0					
575	37401	Land	99.0		0					
576	37402	Land Rights	1.0	Mcf	0					
577	37403	Land Other	99.0		0					
578	37500	Structures & Improvements	1.0	Mcf	0					
579	37501	Structures & Improvements T.B.	1.0	Mcf	0					
580	37502	Land Rights	1.0	Mcf	0					
581	37503	Improvements	1.0	Mcf	0					
582	37600	Mains Cathodic Protection	1.0	Mcf	0					
583	37901	Mains - Steel	1.0	Mcf	0					
584	37902	Mains - Plastic	1.0	Mcf	0					
585	37900	Meas. & Reg. Sta. Equip - General	1.0	Mcf	0					
586	37900	Meas. & Reg. Sta. Equip - City Gate	1.0	Mcf	0					
587	37905	Meas. & Reg. Sta. Equipment T.B.	1.0	Mcf	0					
588	38000	Services	99.0		0					
589	38100	Meters	99.0		0					
590	38200	Meter Installations	99.0		0					
591	38300	House Regulators	99.0		0					
592	38400	House Reg. Installations	99.0		0					
593	38500	Ind. Meas. & Reg. Sta. Equipment	99.0		0					
594	38600	Other Prop. Or Cust. Prem	99.0		0					
595										
596		Total Distribution Plant			0					



Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF DEPRECIATION EXPENSE									
691									
692	General:								
693									
694	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0					
695	39000 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	75	29	17	1	14	14
696	39602 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0					
697	37503 Improvements	6.6	P, S, T & D Plant - Commodity	0					
698	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0					
699	39009 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	192	75	43	2	35	37
700	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	125	49	28	1	23	24
701	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0					
702	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0					
703	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	0					
704	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0					
705	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0					
706	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0					
707	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	20	8	5	0	4	4
708	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0					
709	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	0					
710	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0					
711	39605 Welders	6.6	P, S, T & D Plant - Commodity	0					
712	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
713	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0					
714	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0					
715	39705 Communication Equip. - Telemetry	6.6	P, S, T & D Plant - Commodity	0					
716	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	1	0	0	0	0	0
717	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0					
718	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	1,137	447	253	19	207	217
719	39902 Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	198	78	44	2	36	38
720	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	0					
721	39904 Other Tang. Property - GPU	6.6	P, S, T & D Plant - Commodity	0					
722	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0					
723	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	58	23	13	1	11	11
724	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0					
725	39908 Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	0					
726	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	22	9	5	0	4	4
727	39924 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0					
728									
729									
730	Total General Plant			1,629	719	406	21	334	349
731									
732	Shared Services Customer Support								
733									
734	General:								
735									
736	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0					
737	39001 Structures Frame	6.6	P, S, T & D Plant - Commodity	0					
738	39602 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	422	166	94	5	77	81
739	37503 Improvements	6.6	P, S, T & D Plant - Commodity	0					
740	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0					
741	39009 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	60	24	13	1	11	12
742	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	86	34	19	1	16	16
743	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0					
744	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0					
745	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
746	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0					
747	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0					
748	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0					
749	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	8	3	2	0	1	2
750	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	1	0	0	0	0	0
751	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	0					
752	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0					
753	39605 Welders	6.6	P, S, T & D Plant - Commodity	0					
754	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	78	31	17	1	14	15
755	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0					
756	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0					
757	39705 Communication Equip. - Telemetry	6.6	P, S, T & D Plant - Commodity	0					
758	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	10	4	2	0	2	2
759	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	63	25	14	1	12	12
760	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	581	228	129	7	106	111
761	39902 Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	111	44	25	1	20	21
762	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	28	11	6	0	5	5
763	39904 Other Tang. Property - GPU	6.6	P, S, T & D Plant - Commodity	0					
764	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0					
765	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	72	28	16	1	13	14
766	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	11	4	2	0	2	2
767	39908 Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	0					
768	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	3,863	1,517	859	45	705	737
769	39924 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
770									
771									
772	Total General Plant			5,395	2,119	1,198	63	864	1,029
773									
774	TOTAL DEPRECIATION EXPENSE - COMMODITY			142,949	56,155	31,772	1,666	28,081	27,275

Atrius Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF DEPRECIATION EXPENSE										
Total Depreciation Expense										
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
775			Intangible Plant							
776										
777	30100		Organization	0						
778	30200		Franchises & Consonants	0						
779	30300		Misc Intangible Plant	0						
780			Total Intangible Plant	0						
781										
782			Production Plant							
783										
784										
785	32520		Producing Leaseholds	0						
786	32540		Rights of Ways	0						
787	33100		Production Gas Wells Equipment	0						
788	33201		Field Lines	0						
789	33202		Tributary Lines	0						
790	33400		Field Meas. & Reg. Sta. Equip	0						
791	33600		Purification Equipment	0						
792			Total Production Plant	0						
793										
794			Storage Plant							
795										
796										
797	35010		Land	0						
798	35020		Rights of Way	12	5	3	0	2	2	
799	35100		Structures and Improvements	288	133	71	2	46	47	
800	35102		Compression Station Equipment	1,331	857	458	15	288	303	
801	35103		Meas. & Reg. Sta. Structures	213	95	50	2	33	33	
802	35104		Other Structures	1,787	793	424	13	276	280	
803	35200		Wells & Rights of Way	143,405	63,669	33,994	1,080	22,163	22,500	
804	35201		Well Construction	25,670	11,397	6,095	193	3,967	4,026	
805	35202		Well Equipment	0						
806	35203		Cushion Gas	30,567	13,544	7,232	230	4,716	4,787	
807	35210		Leaseholds	625	277	146	5	97	98	
808	35211		Storage Rights	481	213	114	4	74	75	
809	35301		Field Lines	1,446	642	343	11	223	227	
810	35302		Tributary Lines	1,697	763	402	13	262	268	
811	35400		Compressor Station Equipment	16,622	7,380	3,940	125	2,560	2,608	
812	35500		Meas. & Reg. Equipment	2,289	1,007	538	17	351	356	
813	35600		Purification Equipment	8,501	3,774	2,015	64	1,314	1,334	
814			Total Storage Plant	235,463	104,540	55,616	1,773	36,390	36,944	
815										
816			Transmission							
817										
818										
819	36510		Land & Land Rights	0						
820	36520		Rights of Way	11,541	5,714	2,908	39	1,462	1,420	
821	36602		Structures & Improvements	872	432	220	3	110	107	
822	36603		Other Structures	1,083	536	273	4	137	133	
823	36700		Mains Cathodic Protection	7,948	3,834	2,001	27	1,006	977	
824	36701		Mains - Steel	522,461	259,682	131,572	1,777	68,198	64,262	
825	36900		Meas. & Reg. Equipment	15,653	7,750	3,942	53	1,862	1,825	
826	36901		Meas. & Reg. Equipment	48,568	24,047	12,231	165	6,191	5,974	
827			Total Transmission Plant	608,126	301,097	158,145	2,088	77,017	74,759	
828										
829			Distribution							
830										
831										
832	37400		Land & Land Rights	0						
833	37401		Land	0						
834	37402		Land Rights	47,619	20,871	9,710	109	4,025	3,905	
835	37403		Land Other	0						
836	37500		Structures & Improvements	6,925	4,344	1,412	16	585	568	
837	37501		Structures & Improvements T.B.	2,056	1,290	419	5	174	169	
838	37502		Land Rights	953	598	194	2	81	78	
839	37503		Improvements	83	52	17	0	7	7	
840	37600		Mains Cathodic Protection	1,035,250	649,386	211,397	2,369	87,505	84,686	
841	37601		Mains - Steel	2,937,275	1,642,307	598,838	6,714	248,274	240,543	
842	37602		Mains - Plastic	2,624,237	1,852,416	637,145	8,021	222,659	215,995	
843	37600		Meas. & Reg. Sta. Equip - General	997,764	249,611	81,108	939	33,621	32,615	
844	37600		Meas. & Reg. Sta. Equip - City Gate	144,584	90,695	29,482	330	12,221	11,855	
845	37605		Meas. & Reg. Sta. Equipment T.B.	81,544	51,151	16,628	186	6,892	6,686	
846	38000		Services	4,683,872	1,347,987	530,146	327	3,448	1,964	
847	38100		Meters	3,498,398	2,253,203	1,168,291	4,856	52,213	29,730	
848	38200		Meter Installations	2,335,880	1,517,344	780,012	3,337	35,161	20,926	
849	38300		House Regulators	366,153	237,759	122,223	523	5,510	3,136	
850	38400		House Reg. Installations	5,928	3,805	1,956	8	89	50	
851	38500		Ind. Meas. & Reg. Sta. Equipment	142,017		140,486	87	914	520	
852	38600		Other Prop. On Cust. Prem	0						
853			Total Distribution Plant	18,543,517	12,931,929	4,219,274	25,698	713,377	653,040	

Atrios Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
ALLOCATION OF DEPRECIATION EXPENSE							
855	General						
856	General						
857	38500	Land & Land Rights	0				
859	39000	Structures Frame	268,781	181,101	57,605	481	15,059
860	39001	Structures & Improvements	6,508	4,385	1,400	12	365
861	39002	Improvements	26,686	17,967	5,735	48	1,494
862	39003	Air Conditioning Equipment	487	328	105	1	27
863	39004	Improvement to leased Premises	97,161	65,459	20,894	174	5,442
864	39009	Office Furniture & Equipment	119,701	80,853	25,744	214	6,705
865	39100	Remittance Processing Equip	0				
866	39102	Office Machines	0				
867	39103	Transportation Equipment	33,457	22,543	7,196	60	1,874
868	39200	Trucks	0				
869	39201	Trailers	0				
870	39202	Stores Equipment	0				
871	39300	Tools, Shop & Garage Equipment	345,698	232,926	74,348	619	19,365
872	39400	Power Operated Equipment	0				
873	39500	Ditchers	3,213	2,165	691	6	180
874	39503	Backhoes	2,327	1,568	500	4	130
875	39504	Welders	1,441	971	310	3	81
876	39505	Communication Equipment	10,634	7,367	2,351	20	612
877	39700	Communication Equipment - Mobile Radios	0				
878	39701	Communication Equipment - Fixed Radios	0				
879	39702	Communication Equip. - Telemetering	0				
880	39705	Miscellaneous Equipment	189,434	127,838	40,741	339	10,611
881	39800	Other Tangible Property	0				
882	39900	Other Tangible Property - Servers - HW	1,439	970	309	3	81
883	39901	Other Tangible Property - Servers - SW	0				
884	39902	Other Tangible Property - Network - HW	13,469	9,069	2,895	24	754
885	39903	Other Tang. Property - CPU	0				
886	39904	Other Tangible Property - MF - Hardware	0				
887	39905	Other Tang. Property - PC Hardware	357,344	240,774	76,852	639	20,017
888	39906	Other Tang. Property - PC Software	0				
889	39907	Other Tang. Property - Mainframe SW	0				
890	39908	Other Tang. Property - Application Software	2,080	1,388	443	4	115
891	40600	Amortization of gas plant acquisition adjustments	49,581	33,407	10,663	89	2,777
892							
893							
894	Total General Plant						
895							
896	TOTAL DIRECT DEPRECIATION EXPENSE						
897							
898	Kentucky Mid-States General Office:						
899							
900	Intangible Plant						
901							
902	30100	Organization	0				
903	30200	Franchises & Concessions	0				
904	30300	Misc Intangible Plant	0				
905							
906	Total Intangible Plant						
907							
908	General						
909							
910	37400	Land & Land Rights	0				
911	39001	Structures Frame	2,415	1,627	519	4	135
912	39002	Structures & Improvements	0				
913	38900	Land & Land Rights	0				
914	39004	Air Conditioning Equipment	587	382	122	1	32
915	39009	Improvement to leased Premises	0				
916	39100	Office Furniture & Equipment	0				
917	39102	Remittance Processing Equip	0				
918	39103	Office Machines	0				
919	39200	Transportation Equipment	418	281	90	1	29
920	39201	Trucks	0				
921	39202	Trailers	0				
922	39300	Stores Equipment	0				
923	39400	Tools, Shop & Garage Equipment	1,419	956	305	3	79
924	39500	Power Operated Equipment	9	6	2	0	1
925	39503	Ditchers	0				
926	39504	Backhoes	0				
927	39505	Welders	0				
928	39700	Communication Equipment	856	577	184	2	48
929	39701	Communication Equipment - Mobile Radios	0				
930	39702	Communication Equipment - Fixed Radios	0				
931	39705	Communication Equip. - Telemetering	0				
932	39800	Miscellaneous Equipment	14,197	9,566	3,053	25	795
933	39900	Other Tangible Property	0				
934	39901	Other Tangible Property - Servers - HW	0				
935	39902	Other Tangible Property - Servers - SW	0				
936	39903	Other Tangible Property - Network - HW	0				
937	39904	Other Tang. Property - CPU	0				
938	39905	Other Tangible Property - MF - Hardware	0				
939	39906	Other Tang. Property - PC Hardware	0				
940	39907	Other Tang. Property - PC Software	1,858	1,318	421	4	110
941	39908	Other Tang. Property - Mainframe SW	0				
942	39909	Other Tang. Property - Application Software	0				
943	39924	Other Tang. Property - General Startup Costs	0				
944							
945	Total General Plant						
946							
947							
948	Shared Services General Office:						



Atrco Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Customer									
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Rate Sales Firm	Non-Rate Sales Interruptible	Transport Firm	Transport Interruptible	
1									
2									
3									
4	7.2	Allocated O&M Expenses - Cust	129,299	105,821	22,564	90	525	299	
5	6.2	P, S, T & D Plant - Customer	3,104,590	2,488,831	589,100	1,520	16,017	9,122	
6	7.2	Allocated O&M Expenses - Cust	12,489	10,221	2,179	9	51	29	
7		Other	0						
8	7.2	Allocated O&M Expenses - Cust	0						
9									
10									
11	99.0	State Gross Receipts - Tax	0						
12	99.0	Local Gross Receipts - Tax	0						
13	99.0	Public Service Commission Assessment	0						
14									
15									
16									
17									
18									
19	18.2	Rate Base - Cust	5,567,412	4,552,019	974,308	2,348	24,680	14,056	

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Demand									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
20	Taxes Other Than Income								
21									
22	Non Revenue Related:								
23	Payroll Related		7.4 Allocated O&M Expenses - Demand	81,471	40,338	20,517	277	10,318	10,021
24	Property Related		6.4 P, S, T & D Plant - Demand	2,125,574	1,052,420	535,284	7,229	289,198	261,443
25	DOT Transmission User Tax		7.4 Allocated O&M Expenses - Demand	7,869	3,898	1,862	27	997	968
26	Other		7.4 Allocated O&M Expenses - Demand	0					
27	Total Non Revenue Related:			2,214,914	1,096,654	557,783	7,532	280,513	272,432
28									
29	Revenue Related:								
30	State Gross Receipts - Tax	99.0		0					
31	Local Gross Receipts - Tax	99.0		0					
32	Public Service Commission Assessment	99.0		0					
33	Total Revenue Related:			0					
34									
35	Total Taxes, Other Than Income			2,214,914	1,096,654	557,783	7,532	280,513	272,432
36									
37									
38	Interest Expense	19.4	Rate Base - Demand	4,006,287	1,983,603	1,008,006	13,824	507,385	492,789

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Commodity									
Line No.		Allocation Factor	Allocation Base	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
39	Taxes Other Than Income								
40									
41	Non Revenue Related:								
42	Payroll Related	7.6	Allocated O&M Expenses - Comm	841,086	382,800	245,910	11,711	324	341
43	Property Related	8.6	P, S, T & D Plant - Commodity	61,368	24,107	13,840	715	11,196	11,709
44	DOT Transmission User Tax	7.6	Allocated O&M Expenses - Comm	61,823	36,975	23,753	1,131	31	33
45	Other	7.6	Allocated O&M Expenses - Comm	0					
46	Total Non Revenue Related:			764,377	443,882	283,302	13,557	11,552	12,083
47									
48	Revenue Related:								
49	State Gross Receipts - Tax	99.0		0					
50	Local Gross Receipts - Tax	99.0		0					
51	Public Service Commission Assessment	1.0	Mcf	340,776	105,530	67,536	4,368	76,205	87,136
52	Total Revenue Related:			340,776	105,530	67,536	4,368	76,205	87,136
53									
54	Total Taxes, Other Than Income			1,105,152	549,412	350,838	17,926	87,757	99,219
55									
56									
57	Interest Expense	19.6	Rate Base - Comm	396,642	165,486	86,735	5,350	61,045	68,017

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2016									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Total Taxes Other									
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
58	Taxes Other Than Income								
59									
60	Non Revenue Related:								
61		Payroll Related	851,857	528,859	288,991	12,079	11,167	10,681	
62		Property Related	5,291,532	3,665,358	1,138,024	9,494	296,411	282,274	
63		DOT Transmission User Tax	62,281	51,092	27,914	1,167	1,079	1,030	
64		Other	0						
65		Total Non Revenue Related	6,225,670	4,145,409	1,454,929	22,709	308,657	293,966	
66									
67	Revenue Related:								
68		State Gross Receipts - Tax	0						
69		Local Gross Receipts - Tax	0						
70		Public Service Commission Assessment	340,776	105,530	87,536	4,368	76,205	87,136	
71		Total Revenue Related	340,776	105,530	87,536	4,368	76,205	87,136	
72									
73		Total Taxes, Other Than Income	6,566,446	4,250,939	1,522,465	27,077	384,863	381,101	
74									
75									
76		Interest Expense	9,880,341	6,891,106	2,079,949	21,333	693,110	574,842	

AEP Energy Corporation, Kentucky/Mid-States Division Class Cost of Service - Customer Demand Study Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF REVENUES									
Total Revenues									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Rate Sales Firm	Non-Rate Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Schedule Revenue								
2									
3	Base Revenues	Input		87,642,068	51,334,630	20,685,197	420,153	7,938,800	7,263,289
4	Base Revenue Increase	Input		0	0	0	0	0	0
5	Gas Costs	1.2 Sales Mcf		78,709,117	47,043,269	30,228,626	1,439,203		
6	Rider FF and Rider Tax	Input		0	0	0	0	0	0
7									
8	Total Rate Schedule Revenue			166,351,186	88,377,819	60,911,821	1,859,357	7,938,800	7,263,289
9									
10	Other Revenues:								
11									
12	Forfeited Discounts	18.6	Total Rate Schedule Revenues	1,297,964	767,899	397,242	14,508	61,943	56,672
13	Misc. Service Revenues	18.6	Total Rate Schedule Revenues	806,054	476,680	246,693	9,010	38,467	35,194
14	NTB	12	Base Revenues	7	7	3	0	1	1
15	Other Gas Revenue	18.2	Base Revenues	2,274,050	1,331,886	636,721	10,902	205,989	188,461
16									
17	Total Non-Rate Revenue			4,378,090	2,576,282	1,180,660	34,419	306,400	280,329
18									
19	TOTAL REVENUE			170,729,276	100,954,201	62,092,481	1,893,776	8,245,200	7,543,618



Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
ALLOCATION FACTORS								
			Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1.0	Input Mof	Value %	32,376,914 100.0000%	10,026,366 30.9677%	6,416,580 19.8184%	415,032 1.2819%	7,240,217 22.3623%	8,278,699 25.5689%
1.2	Input Sales Mof	Value %	16,857,998 100.0000%	10,026,366 59.4755%	6,416,580 38.0625%	415,032 2.4619%	0.0000%	0.0000%
1.5	Input Winter Volumes	Value %	19,705,407 100.0000%	7,740,869 39.2830%	4,379,776 22.2263%	229,696 1.1657%	3,595,233 18.2449%	3,759,832 19.0802%
2.0	Input Bills	Value %	2,118,860 100.0000%	1,886,367 89.0274%	230,003 10.8550%	142 0.0067%	1,496 0.0706%	852 0.0402%
2.2	Input Non-Residential Bills	Value %	232,493 100.0000%	0 0.0000%	230,003 98.9290%	142 0.0611%	1,496 0.6435%	852 0.3665%
3.0	Input Peak Day	Value %	255,256 100.0000%	128,364 49.5123%	65,289 25.1831%	882 0.3401%	32,834 12.8647%	31,888 12.2999%
4.0	Input Meter Investment	Value %	42,360,729 100.0000%	27,263,141 64.4067%	14,025,285 33.1092%	60,011 0.1417%	692,224 1.6255%	360,663 0.8500%
4.2	Input Direct to Residential	Value %	1 100.0000%	1 100.0000%	1 100.0000%	1 100.0000%	1 100.0000%	1 100.0000%
4.4	Input Direct to Commercial	Value %	1 100.0000%	1 100.0000%	1 100.0000%	1 100.0000%	1 100.0000%	1 100.0000%
4.6	Input Direct to Industrial	Value %	1 100.0000%	1 100.0000%	1 100.0000%	1 100.0000%	1 100.0000%	1 100.0000%
4.8	Input Direct to Public Authority	Value %	1 100.0000%	1 100.0000%	1 100.0000%	1 100.0000%	1 100.0000%	1 100.0000%
5.0	Input Direct to Transport	Value %	0 0.0000%	0 0.0000%	0 0.0000%	0 0.0000%	0 0.0000%	0 0.0000%
6.0	Internally Generated P, S, T & D Plant	Value %	613,800,752 100.0000%	413,570,087 67.3866%	182,007,193 29.8006%	1,097,785 0.1786%	34,382,761 5.6019%	32,742,927 5.3345%
6.2	Internally Generated P, S, T & D Plant - Customer	Value %	360,122,530 100.0000%	288,696,434 80.1622%	68,333,746 18.9751%	176,351 0.0490%	1,857,884 0.5169%	1,059,105 0.2938%
6.4	Internally Generated P, S, T & D Plant - Demand	Value %	246,559,783 100.0000%	122,077,318 49.5123%	62,091,284 25.1831%	838,457 0.3401%	31,226,114 12.6647%	30,326,609 12.2999%
6.6	Internally Generated P, S, T & D Plant - Commodity	Value %	7,118,438 100.0000%	2,795,334 39.2830%	1,582,163 22.2263%	82,976 1.1657%	1,298,753 18.2449%	1,359,122 19.0802%
7.0	Internally Generated Allocated O&M Expenses	Value %	104,873,146 100.0000%	65,120,780 62.0946%	35,578,050 33.8248%	1,486,943 1.4178%	1,374,834 1.3109%	1,312,539 1.2515%
7.2	Internally Generated Allocated O&M Expenses - Cust	Value %	15,918,211 100.0000%	13,027,725 81.8416%	2,777,913 17.4512%	11,100 0.0697%	64,645 0.4061%	36,827 0.2314%
7.4	Internally Generated Allocated O&M Expenses - Demand	Value %	10,030,013 100.0000%	4,966,086 49.5123%	2,525,864 25.1831%	34,108 0.3401%	1,270,273 12.6647%	1,233,662 12.2999%
7.6	Internally Generated Allocated O&M Expenses - Comm	Value %	78,924,923 100.0000%	47,126,969 59.7111%	30,274,273 38.3583%	1,441,734 1.8267%	39,915 0.0506%	42,030 0.0533%
8.0	Input Customer Deposit Balances	Value %	26,564,782 100.0000%	16,218,920 61.0542%	9,977,280 37.5583%	364,381 1.3717%	2,193 0.0083%	2,007 0.0076%
9.0	Internally Generated Allocated Net Plant	Value %	493,094,193 100.0000%	335,477,548 68.0352%	102,058,603 20.6978%	870,670 0.1766%	27,963,362 5.6710%	26,723,011 5.4195%
9.2	Internally Generated Allocated Net Plant - Cust	Value %	284,448,958 100.0000%	232,693,246 81.8049%	49,866,661 17.4607%	119,124 0.0419%	1,254,994 0.4412%	714,743 0.2513%
9.4	Internally Generated Allocated Net Plant - Demand	Value %	203,555,308 100.0000%	100,784,831 49.5123%	51,261,444 25.1831%	692,215 0.3401%	25,779,716 12.6647%	25,037,101 12.2999%
9.6	Internally Generated Allocated Net Plant - Comm	Value %	5,089,917 100.0000%	1,699,471 33.2000%	1,131,299 22.2263%	59,331 1.1657%	928,651 18.2449%	971,167 19.0802%
10.0	Internally Generated Composite of Accts. 871-879 & 886-893	Value %	5,065,381 100.0000%	3,169,638 62.5745%	1,194,971 23.5909%	10,644 0.2101%	353,416 6.9771%	336,712 6.6473%
10.2	Internally Generated Composite of Accts. 871-879 & 886-893 - Cust	Value %	2,408,824 100.0000%	1,854,898 77.0106%	526,115 21.8430%	1,575 0.0654%	16,590 0.6888%	9,449 0.3923%
10.4	Internally Generated Composite of Accts. 871-879 & 886-893 - Demand	Value %	2,653,101 100.0000%	1,313,610 49.5123%	668,132 25.1831%	9,022 0.3401%	336,008 12.6647%	326,329 12.2999%
10.6	Internally Generated Composite of Accts. 871-879 & 886-893 - Comm	Value %	3,656 100.0000%	1,132 30.9677%	725 19.8184%	47 1.2819%	818 22.3623%	935 25.5689%
11.0	Internally Generated Composite of Accts. 376 & 380	Value %	330,396,364 100.0000%	234,207,555 70.8868%	57,597,112 17.4327%	627,778 0.1897%	19,335,797 5.8523%	18,726,122 5.6684%
11.2	Internally Generated Composite of Accts. 376 & 380 - Cust	Value %	178,718,239 100.0000%	159,108,289 89.0274%	19,399,928 10.8550%	11,977 0.0667%	126,182 0.0706%	71,863 0.0402%
11.4	Internally Generated Composite of Accts. 376 & 380 - Demand	Value %	151,678,125 100.0000%	75,099,266 49.5123%	38,197,185 25.1831%	515,800 0.3401%	19,209,615 12.6647%	18,656,259 12.2999%



Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand-Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
SUMMARY OF RESULTS								
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
1								
2								
3								
4								
5								
6								
7								
8	Operating Revenues	170,729,276	100,954,201	52,092,481	1,893,776	8,245,200	7,543,618	
9								
10	Operating Expenses:							
11								
12	Operating & Maintenance	104,873,146	63,223,112	36,266,136	1,502,952	1,979,651	1,901,296	
13	Depreciation & Amortization	21,561,512	13,693,351	5,298,100	42,985	1,302,137	1,224,938	
14	Taxes Other Than Income	6,666,445	3,878,583	1,657,480	30,218	503,538	496,626	
15								
16	Total Operating Expenses	133,001,104	80,795,046	43,221,716	1,576,156	3,785,327	3,622,859	
17								
18	Income Before Taxes	37,728,172	20,159,155	8,870,765	317,620	4,459,873	3,920,758	
19								
20	Interest Expense	9,960,341	5,967,949	2,342,162	27,434	823,592	799,204	
21								
22	Income Taxes:							
23								
24	State Income Taxes	6.00%	1,666,070	851,472	391,716	17,411	218,177	
25	Federal Income Taxes	35.00%	9,135,616	4,668,907	2,147,910	95,471	1,196,336	
25	Total Deferred Income Taxes		0	0	0	0	0	
26	Amortization of ITC		0	0	0	0	0	
27								
28	Total Income Taxes	10,801,686	5,520,379	2,539,627	112,882	1,414,513	1,214,285	
29								
30	Net Income	26,926,486	14,638,776	6,331,139	204,738	3,045,360	2,706,474	
31								
32	Total Rate Base	430,095,330	257,700,711	101,136,391	1,184,611	35,563,364	34,510,253	
33								
34	Rate of Return		6.2606%	5.6805%	6.2600%	17.2831%	8.5632%	7.8425%
35	Relative Rate of Return		1.00	0.91	1.00	2.76	1.37	1.25
36								
37	Equalized ROR:							
38								
39	Net Income Increase		6,319,883	5,281,489	1,486,704	(113,167)	(296,312)	(38,831)
40	Uncollectibles/PSC Fees Increase	0.6996%	72,873	60,900	17,143	(1,305)	(3,417)	(448)
41	Income Taxes		4,023,625	3,362,519	946,527	(72,049)	(188,650)	(24,722)
42	Gross Revenue After Increase		181,145,657	109,659,109	54,542,855	1,707,255	7,756,822	7,479,616
43	Revenue Increase		10,416,381	8,704,907	2,450,374	(186,521)	(488,379)	(64,001)
44	Rate of Return		7.7300%	7.7300%	7.7300%	7.7300%	7.7300%	7.7300%
45	Relative Rate of Return		1.00	1.00	1.00	1.00	1.00	1.00
46	Percent Increase		6.1011%	8.6226%	4.7039%	-9.8492%	-5.9232%	-0.8484%
47								
48	Proposed Rate Levels:							
49								
50	Net Income Increase		6,319,667	3,443,628	1,496,343	33,301	733,140	613,255
51	Uncollectibles/PSC Fees Increase		72,871	39,708	17,254	384	8,454	7,071
52	Income Taxes		4,023,487	2,192,424	952,664	21,201	466,762	390,436
53	Gross Revenue After Increase		181,145,300	108,629,961	54,558,742	1,948,662	9,453,556	8,554,379
54	Revenue Increase		10,416,024	5,675,759	2,466,261	54,886	1,208,356	1,010,762
55	Rate of Return		7.7299%	7.0168%	7.7395%	20.0942%	10.6247%	9.6195%
56	Relative Rate of Return		1.00	0.91	1.00	2.60	1.37	1.24
57	Percent Increase		6.1009%	5.6221%	4.7344%	2.8882%	14.6553%	13.3989%

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand-Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
SUMMARY OF CUSTOMER COSTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	181,380,950	126,206,483	33,493,267	96,120	1,009,914	575,165
2							
3	Return @ Realized ROR	10,103,392	7,340,385	2,096,653	55,012	370,490	240,853
4	O&M Expenses	11,115,833	8,752,290	2,256,613	10,778	61,255	34,896
5	Depreciation Expense	12,161,334	9,053,733	2,835,074	9,839	103,654	59,033
6	Taxes, Other	2,304,067	1,765,957	511,556	1,556	15,927	9,071
7							
8	Interest Expense	3,737,333	2,922,747	775,652	2,226	23,388	13,320
9							
10	Income Taxes:						
11							
12	State Income Taxes	625,145	433,811	129,722	5,184	34,085	22,344
13	Federal Income Taxes	3,427,878	2,378,728	711,308	28,423	186,901	122,518
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	4,053,023	2,812,539	841,030	33,607	220,986	144,862
18							
19	Total Customer-Related Costs @ Realized ROR	39,737,649	29,724,905	8,640,926	110,792	772,312	489,715
20	Total Customers	176,572	157,197	19,167	12	125	71
21	Customer Costs (\$/customer/month)		\$ 15.76	\$ 37.57	\$ 780.22	\$ 516.25	\$ 573.61
22							
23							
24	Incremental Return @ Equalized ROR	2,371,355	2,415,376	492,377	(47,582)	(282,423)	(196,393)
25	Incremental Income Taxes	1,509,750	1,537,776	313,477	(30,293)	(186,175)	(125,036)
26	Incremental Uncollectibles/FSC Fees Increase	27,344	27,851	5,677	(549)	(3,372)	(2,265)
27							
28	Total Customer-Related Costs @ Equalized ROR	43,646,097	33,705,908	9,452,458	32,368	290,342	165,022
29	Customers	176,572	157,197	19,167	12	125	71
30	Dollars/Customer/Month	\$ 20.60	\$ 17.87	\$ 41.10	\$ 227.94	\$ 194.08	\$ 193.69
31							
32							
33	Incremental Return @ Proposed Rates	2,371,274	1,725,757	495,996	7,376	33,655	48,290
34	Incremental Income Taxes	1,509,698	1,098,722	315,781	4,696	59,754	30,744
35	Incremental Uncollectibles/FSC Fees Increase	27,343	19,899	5,719	85	1,082	557
36							
37	Total Customer-Related Costs @ Proposed Rates	43,645,964	32,569,283	9,458,422	122,949	927,004	588,306
38	Customers	176,572	157,197	19,167	12	125	71
39	Dollars/Customer/Month	\$ 20.60	\$ 17.27	\$ 41.12	\$ 865.84	\$ 619.65	\$ 667.03

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand-Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
SUMMARY OF DEMAND COSTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	252,018,865	124,780,233	63,466,048	857,022	31,917,492	30,998,071
2							
3	Return @ Realized ROR	15,777,856	8,936,081	3,872,999	130,166	2,478,056	2,260,554
4	O&M Expenses	14,832,391	7,343,852	3,735,249	50,439	1,879,481	1,824,389
5	Depreciation Expense	9,257,230	4,583,464	2,331,253	31,480	1,172,403	1,139,630
6	Taxes, Other	3,157,226	1,563,214	795,086	10,737	399,864	388,336
7							
8	Interest Expense	5,836,366	2,889,717	1,469,775	19,947	739,160	717,867
9							
10	Income Taxes:						
11							
12	State Income Taxes	976,251	397,352	245,816	10,833	170,759	151,491
13	Federal Income Taxes	5,353,110	2,178,812	1,347,890	59,402	936,329	830,677
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	6,329,361	2,576,163	1,593,706	70,235	1,107,088	982,169
18							
19	Total Demand-Related Costs @ Realized ROR	49,354,065	23,002,774	12,428,294	293,058	7,035,882	6,594,058
20							
21							
22	Incremental Return @ Equalized ROR	3,703,202	2,709,431	932,926	(63,918)	(10,834)	135,597
23	Incremental Income Taxes	2,357,685	1,724,990	593,958	(40,694)	(6,896)	86,329
24	Incremental Uncollectibles/PSC Fees Increase	42,701	31,242	10,757	(737)	(125)	1,564
25							
26	Total Demand-Related Costs @ Equalized ROR	55,457,652	27,468,436	13,965,935	187,708	7,018,025	6,817,548
27							
28							
29	Incremental Return @ Proposed Rates	3,703,075	1,632,530	938,572	21,906	592,379	517,688
30	Incremental Income Taxes	2,357,604	1,039,369	597,552	13,947	377,145	329,592
31	Incremental Uncollectibles/PSC Fees Increase	42,699	18,824	10,822	253	6,831	5,969
32							
33	Total Demand-Related Costs @ Proposed Rates	55,457,443	25,693,497	13,975,240	329,163	8,012,236	7,447,307

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand-Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
SUMMARY OF COMMODITY COSTS							
	Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
1	Rate Base	16,695,515	6,713,995	4,177,076	231,469	2,635,958	2,937,017
2							
3	Return @ Realized ROR	1,045,237	420,335	261,509	14,491	165,028	183,874
4	O&M Expenses	78,824,923	47,126,989	30,274,273	1,441,734	39,915	42,030
5	Depreciation Expense	142,949	56,155	31,772	1,666	26,081	27,275
6	Taxes, Other	1,105,152	549,412	350,838	17,926	87,757	99,219
7							
8	Interest Expense	386,642	155,486	96,735	5,360	61,045	68,017
9							
10	Income Taxes:						
11							
12	State Income Taxes	64,674	26,008	16,181	897	10,211	11,377
13	Federal Income Taxes	354,628	142,611	88,725	4,917	55,990	62,385
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	419,302	168,620	104,906	5,813	66,201	73,762
18							
19	Total Commodity-Related Costs	81,637,562	48,321,491	31,023,299	1,481,631	384,981	426,161
20	Total Throughput	32,376,914	10,026,386	6,416,580	415,032	7,240,217	8,278,699
21	Commodity Costs (\$/Mcf)		\$ 4.81943	\$ 4.83488	\$ 3.56992	\$ 0.05317	\$ 0.05
22							
23							
24	Incremental Return @ Equalized ROR	245,326	98,656	61,379	3,401	38,733	43,157
25	Incremental Income Taxes	156,190	62,811	39,077	2,165	24,660	27,476
26	Incremental Uncollectibles/PSC Fees Increase	2,829	1,138	708	39	447	498
27							
28	Total Commodity-Related Costs @ Equalized ROR	82,041,907	48,484,096	31,124,463	1,487,237	448,821	497,291
29	Total Throughput	32,376,914	10,026,386	6,416,580	415,032	7,240,217	8,278,699
30	Commodity Costs (\$/Mcf)	\$ 2.53	\$ 4.84	\$ 4.85	\$ 3.58	\$ 0.06	\$ 0.06
31							
32							
33	Incremental Return @ Proposed Rates	245,318	27,316	61,753	9,087	78,694	68,469
34	Incremental Income Taxes	156,184	17,391	39,315	5,785	50,101	43,592
35	Incremental Uncollectibles/PSC Fees Increase	2,829	315	712	105	907	789
36							
37	Total Commodity-Related Costs @ Proposed Rates	82,041,893	48,366,512	31,125,079	1,496,608	514,884	539,010
38	Total Throughput	32,376,914	10,026,386	6,416,580	415,032	7,240,217	8,278,699
39	Commodity Costs (\$/Mcf)	\$ 2.53	\$ 4.82	\$ 4.85	\$ 3.61	\$ 0.07	\$ 0.07

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand-Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
TOTAL COST OF SERVICE							
		Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
		\$					
1	Rate Base	430,095,330	257,700,711	101,136,391	1,184,611	35,563,364	34,510,253
3	Return @ Realized ROR	28,928,486	14,698,801	6,331,162	199,669	3,013,572	2,685,202
4	O&M Expenses	104,873,146	63,223,112	36,266,136	1,502,952	1,979,651	1,901,296
5	Depreciation Expense	21,561,512	13,693,351	5,298,100	42,985	1,302,137	1,224,938
6	Taxes, Other	6,586,445	3,878,583	1,657,480	30,218	503,538	496,626
7							
8	Interest Expense	9,960,341	5,967,949	2,342,162	27,434	823,592	799,204
9							
10	Income Taxes:						
11							
12	State Income Taxes	1,666,070	857,170	391,719	16,913	215,055	185,212
13	Federal Income Taxes	9,135,616	4,700,151	2,147,923	92,742	1,179,220	1,015,580
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	10,801,686	5,557,322	2,539,641	109,655	1,394,275	1,200,793
18							
19	Total Cost of Service @ Realized ROR	170,729,276	101,049,169	52,092,518	1,885,480	8,193,175	7,508,933
20							
21							
22	Incremental Return @ Equalized ROR	6,319,883	5,223,464	1,466,681	(108,098)	(264,524)	(17,639)
23	Incremental Income Taxes	4,023,625	3,325,577	946,512	(68,822)	(168,412)	(11,230)
24	Incremental Uncollectibles/PSC Fees Increase	72,873	60,230	17,143	(1,246)	(3,050)	(203)
25							
26	Total Cost of Service @ Equalized ROR	181,145,657	109,658,440	54,542,855	1,707,313	7,757,188	7,479,861
27							
28							
29	Incremental Return @ Proposed Rates	6,319,667	3,385,602	1,490,320	38,369	764,928	634,447
30	Incremental Income Taxes	4,023,487	2,155,482	952,649	24,428	487,000	403,928
31	Incremental Uncollectibles/PSC Fees Increase	72,871	39,039	17,254	442	8,820	7,316
32							
33	Total Cost of Service @ Proposed Rates	181,145,300	106,829,292	54,558,741	1,948,720	9,453,923	8,554,624





Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
CLASSIFICATION OF GROSS PLANT IN SERVICE									
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$	
177		Shared Services General Office							
178									
179		General							
180									
181	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-	-
182	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-	-
183	36602	Structures & Improvements	215,041	5.4	P, S, T & D Plant	89,611	122,937	2,494	
184	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-	-
185	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-	-
186	39009	Improvement to leased Premises	508,913	5.4	P, S, T & D Plant	212,071	280,940	5,892	
187	39100	Office Furniture & Equipment	284,591	5.4	P, S, T & D Plant	116,593	162,697	3,300	
188	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-	-
189	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-	-
190	39200	Transportation Equipment	371	5.4	P, S, T & D Plant	154	212	4	
191	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-	-
192	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-	-
193	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-	-
194	39400	Tools, Shop & Garage Equipment	31,583	5.4	P, S, T & D Plant	13,161	18,056	366	
195	39500	Laboratory Equipment	-	5.4	P, S, T & D Plant	-	-	-	-
196	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-	-
197	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-	-
198	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-	-
199	39700	Communication Equipment	93,578	5.4	P, S, T & D Plant	38,995	53,498	1,085	
200	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-	-
201	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-	-
202	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-	-
203	39800	Miscellaneous Equipment	7,575	5.4	P, S, T & D Plant	3,157	4,331	88	
204	39900	Other Tangible Property	8,440	5.4	P, S, T & D Plant	3,517	4,825	98	
205	39901	Other Tangible Property - Servers - HAW	1,973,689	5.4	P, S, T & D Plant	822,463	1,128,336	22,889	
206	39902	Other Tangible Property - Servers - SAW	1,050,361	5.4	P, S, T & D Plant	437,700	600,460	12,181	
207	39903	Other Tangible Property - Network - HAW	188,455	5.4	P, S, T & D Plant	78,532	107,738	2,186	
208	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-	-
209	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-	-
210	39906	Other Tang. Property - PC Hardware	123,290	5.4	P, S, T & D Plant	51,364	70,466	1,428	
211	39907	Other Tang. Property - PC Software	76,519	5.4	P, S, T & D Plant	31,887	43,745	887	
212	39908	Other Tang. Property - Mainframe SW	3,832,236	5.4	P, S, T & D Plant	1,596,946	2,160,847	44,444	
213	39909	Other Tang. Property - Application Software	1,250,625	5.4	P, S, T & D Plant	521,153	714,968	14,504	
214	39931	Other Tang. Property - ALGN	-	5.4	P, S, T & D Plant	-	-	-	-
215									
216		Total General Plant	5,645,237			4,019,304	5,514,074	111,859	
217									
218		CWIP w/o AFUDC	461,165	5.4	P, S, T & D Plant	182,170	263,637	5,348	
219									
220		Shared Services Customer Support							
221									
222		General							
223									
224	37400	Land & Land Rights	207,011	5.4	P, S, T & D Plant	86,264	118,346	2,401	
225	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-	-
226	39602	Structures & Improvements	1,202,260	5.4	P, S, T & D Plant	500,994	687,313	13,943	
227	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-	-
228	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-	-
229	39009	Improvement to leased Premises	159,954	5.4	P, S, T & D Plant	68,655	91,444	1,855	
230	39100	Office Furniture & Equipment	185,087	5.4	P, S, T & D Plant	77,128	105,812	2,147	
231	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-	-
232	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-	-
233	39200	Transportation Equipment	2,246	5.4	P, S, T & D Plant	936	1,284	26	
234	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-	-
235	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-	-
236	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-	-
237	39400	Tools, Shop & Garage Equipment	8,112	5.4	P, S, T & D Plant	3,380	4,637	94	
238	39500	Laboratory Equip	551	5.4	P, S, T & D Plant	230	315	6	
239	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-	-
240	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-	-
241	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-	-
242	39700	Communication Equipment	115,356	5.4	P, S, T & D Plant	48,070	65,948	1,338	
243	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-	-
244	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-	-
245	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-	-
246	39800	Miscellaneous Equipment	15,849	5.4	P, S, T & D Plant	6,605	9,091	184	
247	39900	Other Tangible Property	41,751	5.4	P, S, T & D Plant	17,398	23,858	484	
248	39901	Other Tangible Property - Servers - HAW	528,077	5.4	P, S, T & D Plant	220,057	301,896	6,124	
249	39902	Other Tangible Property - Servers - SAW	107,245	5.4	P, S, T & D Plant	44,690	61,311	1,244	
250	39903	Other Tangible Property - Network - HAW	35,683	5.4	P, S, T & D Plant	14,878	20,399	414	
251	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-	-
252	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-	-
253	39906	Other Tang. Property - PC Hardware	59,304	5.4	P, S, T & D Plant	24,713	33,903	688	
254	39907	Other Tang. Property - PC Software	13,647	5.4	P, S, T & D Plant	5,687	7,802	158	
255	39908	Other Tang. Property - Mainframe SW	5,104,982	5.4	P, S, T & D Plant	2,127,321	2,918,467	59,204	
256	39909	Other Tang. Property - Application Software	480	5.4	P, S, T & D Plant	200	274	6	
257	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-	-
258									
259		Total General Plant	7,767,594			3,245,198	4,452,080	90,315	
260									
261		CWIP w/o AFUDC	191,822	5.4	P, S, T & D Plant	79,935	109,662	2,225	
262									
263		TOTAL PLANT IN SERVICE	657,447,129			273,967,331	375,855,179	7,824,619	
264									
265		TOTAL CWIP W/O AFUDC	27,493,203			11,456,799	15,717,567	318,847	





Alamos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand-Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
CLASSIFICATION OF RESERVE FOR DEPRECIATION AND AMORTIZATION								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
175		Shared Services General Office:						
176								
177		General:						
178								
179	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
180	39000	Structures & Improvements	82,437	5.4	P, S, T & D Plant	34,353	47,128	956
181	36602	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
182	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
183	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
184	39009	Improvement to leased Premises	498,674	5.4	P, S, T & D Plant	207,905	285,087	5,783
185	39100	Office Furniture & Equipment	-	5.4	P, S, T & D Plant	-	-	-
186	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
187	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
188	39200	Transportation Equipment	-	5.4	P, S, T & D Plant	-	-	-
189	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
190	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
191	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
192	39400	Tools, Shop & Garage Equipment	-	5.4	P, S, T & D Plant	-	-	-
193	39500	Laboratory Equipment	-	5.4	P, S, T & D Plant	-	-	-
194	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
195	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
196	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
197	39700	Communication Equipment	-	5.4	P, S, T & D Plant	-	-	-
198	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
199	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
200	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
201	39800	Miscellaneous Equipment	-	5.4	P, S, T & D Plant	-	-	-
202	39900	Other Tangible Property	8,570	5.4	P, S, T & D Plant	3,571	4,900	99
203	39901	Other Tangible Property - Servers - HAW	1,141,237	5.4	P, S, T & D Plant	475,569	652,432	13,235
204	39902	Other Tangible Property - Servers - SAW	867,341	5.4	P, S, T & D Plant	381,433	495,849	10,059
205	39903	Other Tangible Property - Network - HAW	119,633	5.4	P, S, T & D Plant	49,853	68,393	1,387
206	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
207	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
208	39906	Other Tang. Property - PC Hardware	84,315	5.4	P, S, T & D Plant	35,135	48,202	978
209	39907	Other Tang. Property - PC Software	129,297	5.4	P, S, T & D Plant	53,880	73,917	1,499
210	39908	Other Tang. Property - Mainframe SAW	2,191	5.4	P, S, T & D Plant	913	1,252	25
211	39909	Other Tang. Property - Application Software	2,244,879	5.4	P, S, T & D Plant	935,472	1,283,372	26,035
212	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
213		Retirement Work in Progress	-	5.4	P, S, T & D Plant	-	-	-
214								
215		Total General Plant	5,178,574			2,157,983	2,960,533	60,088
216								
217		Shared Services Customer Support						
218								
219		General:						
220								
221	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
222	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
223	36602	Structures & Improvements	177,012	5.4	P, S, T & D Plant	73,764	101,196	2,053
224	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
225	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
226	39009	Improvement to leased Premises	94,137	5.4	P, S, T & D Plant	39,228	53,917	1,092
227	39100	Office Furniture & Equipment	50,007	5.4	P, S, T & D Plant	20,838	28,588	580
228	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
229	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
230	39200	Transportation Equipment	2,257	5.4	P, S, T & D Plant	941	1,290	26
231	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
232	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
233	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
234	39400	Tools, Shop & Garage Equipment	2,848	5.4	P, S, T & D Plant	1,187	1,628	33
235	39500	Laboratory Equipment	395	5.4	P, S, T & D Plant	165	226	5
236	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
237	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
238	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
239	39700	Communication Equipment	64,086	5.4	P, S, T & D Plant	26,706	36,637	743
240	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
241	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
242	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
243	39800	Miscellaneous Equipment	4,515	5.4	P, S, T & D Plant	1,881	2,591	52
244	39900	Other Tangible Property	27,100	5.4	P, S, T & D Plant	11,293	15,493	314
245	39901	Other Tangible Property - Servers - HAW	284,985	5.4	P, S, T & D Plant	118,715	162,865	3,304
246	39902	Other Tangible Property - Servers - SAW	67,360	5.4	P, S, T & D Plant	28,070	38,509	781
247	39903	Other Tangible Property - Network - HAW	20,161	5.4	P, S, T & D Plant	8,401	11,526	234
248	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
249	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
250	39906	Other Tang. Property - PC Hardware	37,545	5.4	P, S, T & D Plant	15,645	21,464	435
251	39907	Other Tang. Property - PC Software	9,367	5.4	P, S, T & D Plant	3,903	5,365	109
252	39908	Other Tang. Property - Mainframe SAW	1,721,805	5.4	P, S, T & D Plant	717,500	984,337	19,968
253	39909	Other Tang. Property - Application Software	3,064	5.4	P, S, T & D Plant	1,277	1,752	36
254	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
255		Retirement Work in Progress	-	5.4	P, S, T & D Plant	-	-	-
256								
257		Total General Plant	2,566,545			1,069,516	1,467,265	29,765
258								
259		TOTAL RESERVE FOR DEPRECIATION	191,846,139			93,945,972	95,046,819	2,853,549

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand-Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
CLASSIFICATION OF OTHER RATE BASE							
	Test Year	Classif.	Classif.	Customer	Demand	Commodity	
	\$	Factor	Basis	\$	\$	\$	
1	Rate Base Additions:						
2							
3	Materials and Supplies - KY Direct	(270,522)	9.1	Allocated O&M Expenses	(28,673)	(38,260)	(203,588)
4	Materials and Supplies - KY Mid-States GO	513,544	9.1	Allocated O&M Expenses	54,432	72,631	386,481
5	Materials and Supplies - Shared Services GO	0	9.1	Allocated O&M Expenses	-	-	-
6	Materials and Supplies - Shared Services CS	0	9.1	Allocated O&M Expenses	-	-	-
7	Gas Storage Inventory	8,259,601	3.0	Commodity	-	-	8,259,601
8	Prepayments - KY Direct	68,933	9.1	Allocated O&M Expenses	7,306	9,749	51,877
9	Prepayments - KY Mid-States GO	2,356	9.1	Allocated O&M Expenses	250	333	1,773
10	Prepayments - Shared Services GO	1,567,335	9.1	Allocated O&M Expenses	166,127	221,871	1,179,538
11	Prepayments - Shared Services CS	91,320	9.1	Allocated O&M Expenses	9,679	12,916	68,725
12	Cash Working Capital	3,270,504	9.1	Allocated O&M Expenses	346,651	462,553	2,461,300
13	Regulatory Assets	235,413	9.1	Allocated O&M Expenses	24,952	33,295	177,166
14							
15	Total Rate Base Additions	13,738,485			580,724	774,888	12,382,873
16							
17	Rate Base Deductions:						
18							
19							
20	Customer Advances - KY Direct	(1,437,537)	1.0	Customer	(1,437,537)	-	-
21	Customer Advances - KY Mid-States GO	0	1.0	Customer	-	-	-
22	Customer Advances - Shared Services GO	0	1.0	Customer	-	-	-
23	Customer Advances - Shared Services CS	0	1.0	Customer	-	-	-
24	ADIT - KY Direct	(121,608,886)	5.7	Net Plant	(47,223,118)	(73,130,471)	(1,255,296)
25	ADIT - KY Mid-States GO	42,842,627	5.7	Net Plant	16,636,633	25,763,765	442,239
26	ADIT - Shared Services GO	(1,442,921)	5.7	Net Plant	(560,315)	(867,712)	(14,894)
27	ADIT - Shared Services CS	5,231,965	5.7	Net Plant	2,031,675	3,146,284	54,006
28	Change in Net Operating Loss Carryforward	(322,598)	5.7	Net Plant	(125,271)	(193,997)	(3,330)
29							
30	Total Rate Base Deductions	(76,737,348)			(30,677,932)	(45,282,141)	(777,275)
31							
32							
33	TOTAL OTHER RB	(62,998,864)			(30,097,209)	(44,507,253)	11,605,597
34							
35	Interest on Customer Deposits	0	1.0	Customer	-	-	-

Almos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand-Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
CLASSIFICATION OF O&M EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
Production & Gathering								
Operation								
3	7600	Op., Sup., & Eng.	0	99.0				
4	7610	Production Maps & Records	0	99.0				
5	7630	Field Lines Expenses	0	99.0				
6	7640	Field Compressor Station Expense	0	99.0				
7	7650	Field Compressor Sta. Fuel & Pwr.	0	99.0				
8	7680	Field Meas. & Regul. Station Exp	0	99.0				
9	7670	Purification Expense	0	99.0				
10	7690	Other Expenses	0	99.0				
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
Other Gas Supply Expenses								
Operation								
24	8001	Intercompany Gas Well-head/Field Line Purchases	81,272	3.0	Commodity			81,272
25	8040	Natural Gas City Gate Purchases	56,991,968	3.0	Commodity			56,991,968
26	8045	Transportation to City Gate	0	3.0	Commodity			
27	8050	Transmission-Operation supervision and engineering	(17,552)	3.0	Commodity			(17,552)
28	8051	Other Gas Purchases / Gas Cost Adjustments	45,436,442	3.0	Commodity			45,436,442
29	8052	PGA for Commercial	23,451,445	3.0	Commodity			23,451,445
30	8053	PGA for Industrial	6,473,398	3.0	Commodity			6,473,398
31	8054	PGA for Public Authority	4,552,018	3.0	Commodity			4,552,018
32	8057	PGA for Transportation Sales	0	3.0	Commodity			
33	8058	Unbilled PGA Costs	(1,182,255)	3.0	Commodity			(1,182,255)
34	8059	PGA Offset to Unrecovered Gas Cost	(92,651,831)	3.0	Commodity			(92,651,831)
35	8060	Exchange Gas	6,250,360	3.0	Commodity			6,250,360
36	8081	Gas Withdrawn From Storage - Debt	15,070,639	3.0	Commodity			15,070,639
37	8092	Gas Delivered to Storage	(17,546,751)	3.0	Commodity			(17,546,751)
38	8120	Gas Used for Other Utility Operations	(21,830)	3.0	Commodity			(21,830)
39	8690	Transmission and compression of gas by others	31,821,675	3.0	Commodity			31,821,675
Maintenance								
41	8350	Maint. Of Purch. Gas Meas. Sta.	0	3.0	Commodity			
42		Total Other Gas Supply Expenses	78,709,117			0	0	78,709,117
Underground Storage								
Operation								
46	8140	Op., Sup., & Eng.	0	3.5	Storage (50/50)			
47	8150	Maps & Records	0	3.5	Storage (50/50)			
48	8160	Wells Expense	135,950	3.5	Storage (50/50)		67,975	67,975
49	8170	Lines Expense	35,014	3.5	Storage (50/50)		17,507	17,507
50	8180	Compressor Station Expense	35,633	3.5	Storage (50/50)		17,816	17,816
51	8190	Compressor Station Fuel & Power	1,003	3.5	Storage (50/50)		502	502
52	8200	Meas. & Regul. Station Expenses	3,465	3.5	Storage (50/50)		1,743	1,743
53	8210	Purification Expenses	26,974	3.5	Storage (50/50)		13,487	13,487
54	8220	Exploration & Development	0	3.5	Storage (50/50)			
55	8230	Gas Losses	0	3.5	Storage (50/50)			
56	8240	Other Expenses	0	3.5	Storage (50/50)			
57	8250	Storage Well Royalties	9,388	3.5	Storage (50/50)		4,694	4,694
58	8260	Rents	0	3.5	Storage (50/50)			
Maintenance								
60	8300	Maint. Sup., & Eng.	0	3.5	Storage (50/50)			
61	8310	Structures and Improvements	16,248	3.5	Storage (50/50)		8,124	8,124
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	11,889	3.5	Storage (50/50)		5,945	5,945
65	8350	Meas. & Regul. Station Equip Maint	0	3.5	Storage (50/50)			
66	8360	Purification Equipment Maintenance	0	3.5	Storage (50/50)			
67	8370	Other Storage Exp. - LNG	130,397	3.5	Storage (50/50)		65,198	65,198
68		Total Underground Storage Expense	494,261			0	292,491	292,491
Transmission								
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	297	2.0	Demand		297	
78	8560	Mains Expense	255,790	2.0	Demand		255,790	
79	8570	Meas. & Regul. Station Expenses	11,082	2.0	Demand		11,082	
80	8580	LDC Payment	0	2.0	Demand			
81	8580	LDC Payment - A&G	0	2.0	Demand			
82	8590	Other Expenses	0	2.0	Demand			
83	8600	Rents	0	2.0	Demand			
Maintenance								
85	8610	Maint. Sup., & Eng.	0	2.0	Demand			
86	8620	Structures and Improvements	0	2.0	Demand			
87	8630	Mains	3,091	2.0	Demand		3,091	
88	8640	Compressor Station Equip Maint	0	2.0	Demand			
89	8650	Meas. & Regul. Station Equip Maint	412	2.0	Demand		412	
90	8660	Communication Equipment Maintenance	0	2.0	Demand			
91	8670	Other Equipment Maintenance	0	2.0	Demand			
92		Total Transmission Expense	270,673			0	270,673	0

Alamos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand-Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
CLASSIFICATION OF O&M EXPENSE								
Line No.	Acct. No.		Year Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
94		Distribution:						
95		Operation						
96	8700	Supervision and Engineering	1,207,940	10.0	Composite of Accts. 871-879 & 886-893	256,437	950,631	872
97	8710	Distribution Load Dispatching	886	3.0	Commodity	-	-	886
98	8711	Colorization	2,670	3.0	Commodity	-	-	2,670
98	8720	Compressor Station Labor & Expenses	0	1.0	-	-	-	-
99	8740	Mains & Services	3,444,978	12.0	Composite of Accts. 374-379	-	3,444,978	-
100	8750	Measuring and Regulating Station Exp. - Gen	484,494	12.0	Composite of Accts. 374-379	-	484,494	-
101	8760	Measuring and Regulating Station Exp. - Ind.	30,793	1.0	Customer	30,793	-	-
102	8770	Measuring and Regulating Sta. Exp. - City Gate	22,313	12.0	Composite of Accts. 374-379	-	22,313	-
103	8790	Meters and House Regulator Expense	940,679	1.0	Customer	940,679	-	-
104	8790	Customer Installations Expense	4,184	1.0	Customer	4,184	-	-
105	8900	Other Expense	145,751	10.0	Composite of Accts. 871-879 & 886-893	30,950	114,735	105
106	8810	Rents	344,255	10.0	Composite of Accts. 871-879 & 886-893	73,083	270,923	248
107		Maintenance						
108	8950	Maintenance Supervision and Engineering	1,399	10.0	Composite of Accts. 871-879 & 886-893	297	1,101	1
109	8860	Maintenance of Structures and Improvements	309	12.0	Composite of Accts. 374-379	-	309	-
110	8670	Maintenance of Mains	30,023	12.0	Composite of Accts. 374-379	-	30,023	-
111	8890	Maintenance of compressor station equipment	0	3.0	Commodity	-	-	-
112	8900	Maint. of Measuring and Regulating Station Equip. - General	38	12.0	Composite of Accts. 374-379	-	38	-
113	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	9,170	1.0	Customer	9,170	-	-
114	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	4,225	12.0	Composite of Accts. 374-379	-	4,225	-
115	8930	Maintenance of Services	106	1.0	Customer	106	-	-
116	8940	Maintenance of Meters and House Regulators	90,413	1.0	Customer	90,413	-	-
117	8950	Maintenance of Other Equipment	10,779	10.0	Composite of Accts. 871-879 & 886-893	2,288	8,483	8
118		Total Distribution	6,775,644			1,438,402	5,332,252	4,880
119								
120		Customer Accounts:						
121	8010	Supervision	421	1.0	Customer	421	-	-
122	9020	Meter Reading Expense	1,251,833	1.0	Customer	1,251,833	-	-
123	9030	Customer Records and Collection Expenses	1,782,369	1.0	Customer	1,782,369	-	-
124	9040	Uncollectible Accounts	362,112	1.0	Customer	362,112	-	-
125	9050	Miscellaneous Customer Accounts Expenses	0	1.0	Customer	-	-	-
126		Total Customer Accounts	3,376,766			3,376,766	0	0
127								
128		Customer Service and Information:						
129	8070	Supervision	0	1.0	Customer	-	-	-
130	8080	Customer Assistance Expenses	0	1.0	Customer	-	-	-
131	8090	Informational and Instructional Advertising Expenses	133,614	1.0	Customer	133,614	-	-
132	9100	Miscellaneous Customer Service and Informational Expenses	0	1.0	Customer	-	-	-
133		Total Customer Service and Information	133,614			133,614	0	0
134								
135		Sales:						
136	9110	Supervision	266,962	1.0	Customer	266,962	-	-
137	9120	Demonstrating and Selling Expenses	131,200	1.0	Customer	131,200	-	-
138	9130	Advertising Expenses	45,483	1.0	Customer	45,483	-	-
139	9160	Miscellaneous Sales Expenses	86,069	1.0	Customer	86,069	-	-
140		Total Sales	529,669			529,669	0	0
141								
142		Administrative & General:						
143		Operation						
144	9200	Administrative and General Salaries	(1,285,165)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(486,643)	(777,621)	(721)
145	9210	Office Supplies and Expenses	3,249	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	1,250	1,997	2
146	9220	Administrative Expenses Transferred - Customer Support	-	1.0	Customer	-	-	-
147	9220	Administrative Expenses Transferred - General	14,012,401	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	5,391,998	8,612,446	7,986
148	9230	Outside Services Employed	69,650	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	28,678	42,832	40
149	9240	Property Insurance	5,560	5.7	Net Plant	-	2,159	3,343
150	9250	Injuries and Damages	17,941	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	8,004	11,027	10
151	9260	Employees Pensions and Benefits	1,843,159	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	709,263	1,132,886	1,650
152	9270	Franchise Requirements	1,483	1.0	Customer	1,483	-	-
153	9280	Regulatory Commission Expenses	156,942	1.0	Customer	156,942	-	-
154	930.1	General Advertising Expenses	-	1.0	Customer	-	-	-
155	930.2	Miscellaneous General Expense	(12,827)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(4,836)	(7,884)	(7)
156	9310	Rents	12,771	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	4,914	7,849	7
157		Maintenance						
158	9320	Maintenance of General Plant	0	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	-	-	-
159		Total A&G	14,845,383			5,606,982	9,026,976	6,425
160								
161		TOTAL O&M EXPENSE	104,873,146			11,115,833	14,832,391	78,924,923



Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand-Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
CLASSIFICATION OF DEPRECIATION EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
82		General:						
83								
84	38900	Land & Land Rights	-	5.4	P, S, T & D Plant			
85	39000	Structures & Improvements	268,781	5.4	P, S, T & D Plant	112,005	153,659	3,117
86	39001	Structures - Brick	6,509	5.4	P, S, T & D Plant	2,712	3,721	75
87	39002	Improvements	25,666	5.4	P, S, T & D Plant	11,112	15,245	309
88	39003	Air Conditioning Equipment	487	5.4	P, S, T & D Plant	203	278	6
89	39004	Improvement to leased Premises	97,151	5.4	P, S, T & D Plant	40,484	55,540	1,127
90	39009	Office Furniture & Equipment	119,701	5.4	P, S, T & D Plant	49,881	68,432	1,388
91	39100	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
92	39102	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
93	39200	Transportation Equipment	33,457	5.4	P, S, T & D Plant	13,942	19,127	388
94	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
95	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
96	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
97	39400	Tools, Shop & Garage Equipment	345,698	5.4	P, S, T & D Plant	144,057	197,631	4,009
98	39600	Power Operated Equipment	-	5.4	P, S, T & D Plant	-	-	-
99	39603	Ditchers	3,213	5.4	P, S, T & D Plant	1,339	1,837	37
100	39604	Backhoes	2,327	5.4	P, S, T & D Plant	970	1,330	27
101	39605	Welders	1,441	5.4	P, S, T & D Plant	600	824	17
102	39700	Communication Equipment	10,934	5.4	P, S, T & D Plant	4,556	6,251	127
103	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
104	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
105	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
106	39800	Miscellaneous Equipment	169,434	5.4	P, S, T & D Plant	78,940	108,297	2,197
107	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
108	39901	Other Tangible Property - Servers - HW	1,439	5.4	P, S, T & D Plant	600	823	17
109	39902	Other Tangible Property - Servers - SW	-	5.4	P, S, T & D Plant	-	-	-
110	39903	Other Tangible Property - Network - HW	13,460	5.4	P, S, T & D Plant	5,609	7,895	156
111	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
112	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
113	39906	Other Tang. Property - PC Hardware	357,344	5.4	P, S, T & D Plant	148,910	204,290	4,144
114	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant	-	-	-
115	39908	Other Tang. Property - Mainframe SW	-	5.4	P, S, T & D Plant	-	-	-
116	39908	Other Tang. Property - Application Software	2,060	5.4	P, S, T & D Plant	858	1,177	24
117	40600	Amortization of gas plant acquisition adjustments	49,581	5.4	P, S, T & D Plant	20,661	28,345	575
118								
119		Total General Plant	1,529,683			637,440	874,603	17,740
120								
121		TOTAL DIRECT DEPRECIATION EXPENSE	20,916,788			11,692,668	8,888,648	135,472
122								
123		Kentucky Mid-States General Office:						
124								
125		Intangible Plant:						
126								
127								
128	30100	Organization	-	5.4	P, S, T & D Plant	-	-	-
129	30200	Franchises & Consents	-	5.4	P, S, T & D Plant	-	-	-
130	30300	Misc Intangible Plant	-	5.4	P, S, T & D Plant	-	-	-
131								
132		Total Intangible Plant:	0			0	0	0
133								
134		General:						
135								
136	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
137	39001	Structures Frame	2,415	5.4	P, S, T & D Plant	1,006	1,381	28
138	36602	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
139	39900	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
140	39004	Air Conditioning Equipment	567	5.4	P, S, T & D Plant	236	324	7
141	39009	Improvement to leased Premises	-	5.4	P, S, T & D Plant	-	-	-
142	39100	Office Furniture & Equipment	-	5.4	P, S, T & D Plant	-	-	-
143	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
144	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
145	39200	Transportation Equipment	418	5.4	P, S, T & D Plant	174	239	5
146	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
147	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
148	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
149	39400	Tools, Shop & Garage Equipment	1,419	5.4	P, S, T & D Plant	591	811	16
150	39600	Power Operated Equipment	9	5.4	P, S, T & D Plant	4	5	0
151	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
152	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
153	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
154	39700	Communication Equipment	856	5.4	P, S, T & D Plant	357	490	10
155	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
156	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
157	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
158	39800	Miscellaneous Equipment	14,197	5.4	P, S, T & D Plant	5,916	8,116	165
159	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
160	39901	Other Tangible Property - Servers - HW	-	5.4	P, S, T & D Plant	-	-	-
161	39902	Other Tangible Property - Servers - SW	-	5.4	P, S, T & D Plant	-	-	-
162	39903	Other Tangible Property - Network - HW	-	5.4	P, S, T & D Plant	-	-	-
163	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
164	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
165	39906	Other Tang. Property - PC Hardware	-	5.4	P, S, T & D Plant	-	-	-
166	39907	Other Tang. Property - PC Software	1,958	5.4	P, S, T & D Plant	816	1,119	23
167	39908	Other Tang. Property - Mainframe SW	-	5.4	P, S, T & D Plant	-	-	-
168	39909	Other Tang. Property - Application Software	-	5.4	P, S, T & D Plant	-	-	-
169	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
170								
171								
172		Total General Plant	21,838			9,100	12,468	253

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand-Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
CLASSIFICATION OF DEPRECIATION EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
173		Shared Services General Office:						
174		General:						
175								
176								
177	37400	Land & Land Rights		5.4	P, S, T & D Plant			
178	38000	Structures & Improvements	6,473	5.4	P, S, T & D Plant	2,697	3,700	75
180	36602	Structures & Improvements		5.4	P, S, T & D Plant			
181	37503	Improvements		5.4	P, S, T & D Plant			
182	38004	Air Conditioning Equipment		5.4	P, S, T & D Plant			
183	38008	Improvement to leased Premises	16,567	5.4	P, S, T & D Plant	6,904	9,471	182
184	38100	Office Furniture & Equipment	10,743	5.4	P, S, T & D Plant	4,477	6,142	125
185	38102	Remittance Processing Equip		5.4	P, S, T & D Plant			
186	38103	Office Machines		5.4	P, S, T & D Plant			
187	38200	Transportation Equipment		5.4	P, S, T & D Plant			
188	38201	Trucks		5.4	P, S, T & D Plant			
189	38202	Trailers		5.4	P, S, T & D Plant			
190	38300	Stores Equipment		5.4	P, S, T & D Plant			
191	38400	Tools, Shop & Garage Equipment	1,761	5.4	P, S, T & D Plant	734	1,007	20
192	38500	Laboratory Equipment		5.4	P, S, T & D Plant			
193	38603	Ditchers		5.4	P, S, T & D Plant			
194	38604	Backhoes		5.4	P, S, T & D Plant			
195	38605	Welders		5.4	P, S, T & D Plant			
196	38700	Communication Equipment	27	5.4	P, S, T & D Plant	11	15	0
197	38701	Communication Equipment - Mobile Radios		5.4	P, S, T & D Plant			
198	38702	Communication Equipment - Fixed Radios		5.4	P, S, T & D Plant			
199	38705	Communication Equip. - Telemetry		5.4	P, S, T & D Plant			
200	38800	Miscellaneous Equipment	66	5.4	P, S, T & D Plant	28	38	1
201	38900	Other Tangible Property		5.4	P, S, T & D Plant			
202	38901	Other Tangible Property - Servers - HW	98,033	5.4	P, S, T & D Plant	40,852	56,045	1,137
203	38902	Other Tangible Property - Servers - SW	17,089	5.4	P, S, T & D Plant	7,123	9,775	198
204	38903	Other Tangible Property - Network - HW		5.4	P, S, T & D Plant			
205	38904	Other Tang. Property - CPU		5.4	P, S, T & D Plant			
206	38905	Other Tangible Property - MF - Hardware		5.4	P, S, T & D Plant			
207	38906	Other Tang. Property - PC Hardware	4,969	5.4	P, S, T & D Plant	2,079	2,852	58
208	38907	Other Tang. Property - PC Software		5.4	P, S, T & D Plant			
209	38908	Other Tang. Property - Mainframe SW		5.4	P, S, T & D Plant			
210	38909	Other Tang. Property - Application Software	1,937	5.4	P, S, T & D Plant	807	1,107	22
211	38924	Other Tang. Property - General Startup Costs		5.4	P, S, T & D Plant			
212								
213		Total General Plant	157,695			65,714	90,153	1,829
214								
215		Shared Services Customer Support:						
216		General:						
217								
218								
219								
220	37400	Land & Land Rights		5.4	P, S, T & D Plant			
221	38001	Structures Frame		5.4	P, S, T & D Plant			
222	36602	Structures & Improvements	36,407	5.4	P, S, T & D Plant	15,171	20,814	422
223	37503	Improvements		5.4	P, S, T & D Plant			
224	38004	Air Conditioning Equipment		5.4	P, S, T & D Plant			
225	38008	Improvement to leased Premises	5,199	5.4	P, S, T & D Plant	2,166	2,972	60
226	38100	Office Furniture & Equipment	7,392	5.4	P, S, T & D Plant	3,080	4,226	86
227	38102	Remittance Processing Equip		5.4	P, S, T & D Plant			
228	38103	Office Machines		5.4	P, S, T & D Plant			
229	38200	Transportation Equipment	31	5.4	P, S, T & D Plant	13	18	0
230	38201	Trucks		5.4	P, S, T & D Plant			
231	38202	Trailers		5.4	P, S, T & D Plant			
232	38300	Stores Equipment		5.4	P, S, T & D Plant			
233	38500	Laboratory Equipment	679	5.4	P, S, T & D Plant	283	388	8
234	38600	Power Operated Equipment	55	5.4	P, S, T & D Plant	23	32	1
235	38603	Ditchers		5.4	P, S, T & D Plant			
236	38604	Backhoes		5.4	P, S, T & D Plant			
237	38605	Welders		5.4	P, S, T & D Plant			
238	38700	Communication Equipment	5,748	5.4	P, S, T & D Plant	2,812	3,858	78
239	38701	Communication Equipment - Mobile Radios		5.4	P, S, T & D Plant			
240	38702	Communication Equipment - Fixed Radios		5.4	P, S, T & D Plant			
241	38705	Communication Equip. - Telemetry		5.4	P, S, T & D Plant			
242	38800	Miscellaneous Equipment	838	5.4	P, S, T & D Plant	349	479	10
243	38900	Other Tangible Property	5,468	5.4	P, S, T & D Plant	2,279	3,126	63
244	38901	Other Tangible Property - Servers - HW	50,062	5.4	P, S, T & D Plant	20,852	28,620	581
245	38902	Other Tangible Property - Servers - SW	9,577	5.4	P, S, T & D Plant	3,991	5,475	111
246	38903	Other Tangible Property - Network - HW	2,494	5.4	P, S, T & D Plant	1,039	1,426	29
247	38904	Other Tang. Property - CPU		5.4	P, S, T & D Plant			
248	38905	Other Tangible Property - MF - Hardware		5.4	P, S, T & D Plant			
249	38906	Other Tang. Property - PC Hardware	6,239	5.4	P, S, T & D Plant	2,600	3,567	72
250	38907	Other Tang. Property - PC Software	906	5.4	P, S, T & D Plant	377	518	11
251	38908	Other Tang. Property - Mainframe SW		5.4	P, S, T & D Plant			
252	38909	Other Tang. Property - Application Software	333,063	5.4	P, S, T & D Plant	138,792	190,408	3,863
253	38924	Other Tang. Property - General Startup Costs	31	5.4	P, S, T & D Plant	13	18	0
254								
255		Total General Plant	465,191			193,851	265,944	5,395
256								
257								
258		TOTAL DEPRECIATION EXPENSE	21,861,512			12,161,334	9,257,230	142,949

Atmos Energy Corporation, Kentucky/Mid-States Division						
Class Cost of Service - Demand-Only Study						
Forecasted Test Period: Twelve Months Ended March 31, 2019						
CLASSIFICATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX						
	Test Year	Classif.	Classif.	Customer	Demand	Commodity
	\$	Factor	Basis	\$	\$	\$
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						

Atmos Energy Corporation, Kentucky/Mid-States Division						
Class Cost of Service - Demand-Only Study						
Forecasted Test Period: Twelve Months Ended March 31, 2019						
SUMMARY OF CLASSIFICATION						
	Test Year	Classif.	Classif.	Customer	Demand	Commodity
	\$	Factor	Basis	\$	\$	\$
1						
2						
3						
4						
5						
6						
7	Operating Revenues			39,737,649	49,354,065	81,637,562
8						
9	Operating Expenses:					
10						
11	Operating & Maintenance			11,115,833	14,832,391	78,924,923
12	Depreciation & Amortization			12,161,334	9,257,230	142,949
13	Taxes Other Than Income			2,304,067	3,157,226	1,105,152
14						
15	Total Operating Expenses			25,581,233	27,246,847	80,173,023
16						
17	Income Before Taxes			14,156,416	22,107,218	1,464,539
18						
19	Interest Expense			3,737,333	5,836,366	386,642
20						
21	Income Taxes:					
22						
23	State Income Taxes	6.00%		625,145	976,251	64,674
24	Federal Income Taxes	35.00%		3,427,878	5,353,110	354,628
25	Total Deferred Income Taxes			0	0	0
26	Amortization of ITC			0	0	0
27						
28	Total Income Taxes			4,053,023	6,329,361	419,302
29						
30	Net Income			10,103,392	15,777,856	1,045,237
31						
32	Total Rate Base			161,380,950	252,018,865	16,695,515
33						
34	Rate of Return	6.2606%		6.2606%	6.2606%	6.2606%

Alton Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand-Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF PLANT IN SERVICE										
Customer										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1		Intangible Plant:								
2										
3	30100	Organization	6.2	P, S, T & D Plant - Customer	3,471	2,657	774	2	24	14
4	30200	Franchises & Consents	6.2	P, S, T & D Plant - Customer	49,944	38,233	11,131	33	349	188
5	30300	Misc Intangible Plant	99.0		0					
6										
7		Total Intangible Plant:			53,415	40,890	11,905	35	373	212
8										
9		Production Plant:								
10										
11	32520	Producing Leaseholds	99.0		0					
12	32540	Rights of Way	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	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	Compressor 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	Gaslift 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	0
42										
43		Transmission:								
44										
45	36510	Land & Land Rights	99.0		0					
46	36520	Rights of Way	99.0		0					
47	36600	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	0
55										
56		Distribution:								
57										
58	37400	Land & Land Rights	2.0	Bills	0					
59	37401	Land	2.0	Bills	0					
60	37402	Land Rights	2.0	Bills	0					
61	37403	Land Other	2.0	Bills	0					
62	37500	Structures & Improvements	2.0	Bills	0					
63	37501	Structures & Improvements T.B.	2.0	Bills	0					
64	37600	Land Rights	2.0	Bills	0					
65	37603	Improvements	2.0	Bills	0					
66	37600	Mains Cathodic Protection	2.0	Bills	0					
67	37601	Mains - Steel	2.0	Bills	0					
68	37602	Mains - Plastic	2.0	Bills	0					
69	37600	Meas. & Reg. Sta. Equip. - General	2.0	Bills	0					
70	37600	Meas. & Reg. Sta. Equip. - City Gate	2.0	Bills	0					
71	37905	Meas. & Reg. Sta. Equipment T.B.	2.0	Bills	0					
72	38000	Services	2.0	Bills	139,668,620	124,521,464	15,162,768	9,574	98,783	95,242
73	38100	Meters	4.0	Meter Investment	41,724,895	26,873,628	19,814,767	59,110	822,734	354,839
74	38200	Meter Installations	4.0	Meter Investment	56,980,797	36,699,441	18,668,667	80,722	850,425	484,333
75	38300	House Regulators	4.0	Meter Investment	11,717,794	7,547,044	3,878,665	16,600	174,885	99,600
76	38400	House Reg. Installations	4.0	Meter Investment	249,552	160,728	82,625	354	3,725	2,121
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.0	Non-Residential Bills	5,237,633		5,181,538	3,199	33,702	19,184
78	38600	Other Prop. On Cust. Prem.	99.0		0					
79										
80		Total Distribution Plant:			285,778,281	195,802,301	57,007,249	160,358	1,784,223	1,016,149



Alcoa Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2016									
ALLOCATION OF PLANT IN SERVICE									
176									
177		Shared Services General Office							
178		General							
179		General							
180									
181	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0				
182	39001	Structures Frame	6.2	P, S, T & D Plant - Customer	0				
183	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	89,611	36,539	19,972	59	625
184	37503	Improvements	6.2	P, S, T & D Plant - Customer	0				
185	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0				
186	39009	Improvement to Leased Premises	6.2	P, S, T & D Plant - Customer	212,071	162,343	47,265	140	1,479
187	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	118,593	90,784	26,432	78	827
188	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0				
189	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0				
190	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	154	118	34	0	1
191	39201	Trucks	6.2	P, S, T & D Plant - Customer	0				
192	39202	Trailers	6.2	P, S, T & D Plant - Customer	0				
193	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0				
194	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	13,161	10,075	2,933	9	92
195	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0				
196	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0				
197	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0				
198	39605	Welders	6.2	P, S, T & D Plant - Customer	0				
199	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	36,955	29,851	8,691	29	272
200	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0				
201	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0				
202	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0				
203	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	3,157	2,417	764	2	22
204	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	3,517	2,632	784	2	25
205	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	822,463	629,608	183,308	545	5,737
206	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	437,700	335,065	97,553	290	3,053
207	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	78,532	60,177	17,503	52	548
208	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0				
209	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0				
210	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	51,364	39,320	11,448	34	358
211	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	31,687	24,410	7,107	21	222
212	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	1,586,946	1,222,482	355,922	1,057	11,140
213	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	521,153	398,848	116,153	345	3,035
214	39931	Other Tang. Property - ALGN	6.2	P, S, T & D Plant - Customer	0				
215		Total General Plant			4,019,304	3,076,828	895,800	2,691	28,037
216									
217		CWMP w/o AFUDC	6.2	P, S, T & D Plant - Customer	192,170	147,108	42,830	127	1,341
218									
219									
220		Shared Services Customer Support							
221		General							
222		General							
223									
224	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	86,264	69,037	19,228	57	602
225	39001	Structures Frame	6.2	P, S, T & D Plant - Customer	0				
226	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	500,994	393,518	111,660	332	3,495
227	37503	Improvements	6.2	P, S, T & D Plant - Customer	0				
228	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0				
229	39009	Improvement to Leased Premises	6.2	P, S, T & D Plant - Customer	65,656	51,028	14,856	44	465
230	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	77,128	59,043	17,190	51	536
231	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0				
232	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0				
233	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	939	716	209	1	7
234	39201	Trucks	6.2	P, S, T & D Plant - Customer	0				
235	39202	Trailers	6.2	P, S, T & D Plant - Customer	0				
236	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0				
237	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	3,380	2,588	753	2	24
238	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	230	176	51	0	2
239	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0				
240	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0				
241	39605	Welders	6.2	P, S, T & D Plant - Customer	0				
242	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	48,070	38,796	10,714	32	335
243	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0				
244	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0				
245	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0				
246	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	6,605	5,056	1,472	4	46
247	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	17,398	13,316	3,876	12	121
248	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	220,057	168,459	49,046	148	1,535
249	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	44,690	34,211	9,980	30	312
250	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	14,870	11,383	3,314	10	104
251	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0				
252	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0				
253	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	24,713	18,618	5,506	16	172
254	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	5,687	4,353	1,287	4	40
255	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	2,127,321	1,628,481	474,135	1,409	14,839
256	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	200	153	45	0	1
257	39934	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0				
258		Total General Plant			3,245,198	2,494,241	723,279	2,149	22,637
259									
260		CWMP w/o AFUDC	6.2	P, S, T & D Plant - Customer	79,835	61,191	17,816	53	559
261									
262									
263		TOTAL PLANT IN SERVICE - CUSTOMER			273,967,331	209,725,466	61,060,943	181,401	1,911,097
264									
265		TOTAL CWMP W/O AFUDC - CUSTOMER			11,456,799	8,770,328	2,553,454	7,586	79,916

Alcon Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand-Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF PLANT IN SERVICE										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
266		Intangible Plant:								
267										
268	30100	Organization	6.4	P, S, T & D Plant - Demand	4,762	2,358	1,199	16	603	596
269	30200	Franchise & Consents	6.4	P, S, T & D Plant - Demand	68,818	33,926	17,265	233	8,678	8,428
270	30300	Misc Intangible Plant	99.0		0					
271										
272		Total Intangible Plant:			73,280	36,283	18,464	249	9,281	9,013
273										
274		Production Plant:								
275										
276	32520	Franchising Leaseholds	3.0	Peak Day	0					
277	32540	Rights of Ways	3.0	Peak Day	0					
278	33100	Production Gas Wells Equipment	3.0	Peak Day	0					
279	33201	Field Lines	3.0	Peak Day	0					
280	33202	Tributary Lines	3.0	Peak Day	0					
281	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0					
282	33600	Purification Equipment	3.0	Peak Day	0					
283										
284		Total Production Plant			0	0	0	0	0	0
285										
286		Storage Plant:								
287										
288	35010	Land	3.0	Peak Day	130,593	64,645	32,880	444	16,535	16,059
289	35020	Rights of Way	3.0	Peak Day	2,341	1,159	599	8	266	288
290	35100	Structures and Improvements	3.0	Peak Day	8,658	4,435	2,256	30	1,135	1,102
291	35102	Compression Station Equipment	3.0	Peak Day	76,631	37,942	19,298	261	9,705	9,425
292	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	11,969	5,728	2,913	39	1,465	1,423
293	35104	Other Structures	3.0	Peak Day	68,721	34,025	17,306	234	8,703	8,453
294	35200	Wells & Rights of Way	3.0	Peak Day	3,715,167	1,839,483	935,593	12,634	470,516	456,562
295	35201	Well Construction	3.0	Peak Day	849,989	420,854	214,056	2,891	107,650	104,849
296	35202	Well Equipment	3.0	Peak Day	257,908	102,841	52,388	707	28,351	25,573
297	35203	Gas Well Casing	3.0	Peak Day	847,416	419,573	213,405	2,862	107,323	104,231
298	35210	Leaseholds	3.0	Peak Day	80,285	44,187	22,480	304	11,305	10,980
299	35211	Storage Rights	3.0	Peak Day	27,307	13,520	6,877	93	3,458	3,359
300	35301	Field Lines	3.0	Peak Day	89,248	44,189	22,475	304	11,303	10,977
301	35302	Tributary Lines	3.0	Peak Day	104,729	51,854	26,374	356	13,264	12,862
302	35400	Compression Station Equipment	3.0	Peak Day	461,721	228,608	116,276	1,470	58,476	56,791
303	35500	Meas. & Reg. Equipment	3.0	Peak Day	218,556	108,708	55,252	747	27,806	27,005
304	35600	Purification Equipment	3.0	Peak Day	297,332	102,653	52,212	705	26,258	25,502
305										
306		Total Storage Plant			7,116,438	3,524,500	1,792,640	24,207	901,531	875,561
307										
308		Transmission:								
309										
310	36510	Land & Land Rights	3.0	Peak Day	26,970	13,354	6,792	92	3,416	3,317
311	36520	Rights of Way	3.0	Peak Day	867,772	429,654	218,531	2,951	108,801	106,735
312	36602	Structures & Improvements	3.0	Peak Day	49,022	24,262	12,340	167	6,206	6,027
313	36603	Other Structures	3.0	Peak Day	65,826	30,115	15,318	207	7,703	7,492
314	36700	Mains Cathodic Protection	3.0	Peak Day	158,925	78,688	40,022	640	20,127	19,548
315	36701	Mains - Steel	3.0	Peak Day	27,843,442	13,688,892	6,961,463	84,003	3,500,965	3,400,116
316	36800	Meas. & Reg. Equipment	3.0	Peak Day	731,467	362,168	184,206	2,487	92,638	89,976
317	36801	Meas. & Reg. Equipment	3.0	Peak Day	2,689,656	1,323,708	571,543	7,718	287,433	279,153
318										
319		Total Transmission Plant			31,807,950	16,748,840	8,010,216	108,167	4,028,380	3,912,348
320										
321		Distribution:								
322										
323	37400	Land & Land Rights	3.0	Peak Day	531,167	262,993	133,764	1,809	67,271	65,333
324	37401	Land	3.0	Peak Day	37,326	18,481	9,400	127	4,727	4,591
325	37402	Land Rights	3.0	Peak Day	3,231,772	1,600,123	813,859	10,990	409,285	397,505
326	37403	Land Other	3.0	Peak Day	2,784	1,378	701	9	353	342
327	37500	Structures & Improvements	3.0	Peak Day	336,168	166,444	84,687	1,143	42,575	41,348
328	37501	Structures & Improvements T.B.	3.0	Peak Day	39,818	49,423	25,137	339	12,642	12,278
329	37502	Land Rights	3.0	Peak Day	45,294	22,808	11,851	157	5,859	5,660
330	37503	Improvements	3.0	Peak Day	4,095	1,983	1,009	14	507	493
331	37600	Mains Cathodic Protection	3.0	Peak Day	20,712,559	10,255,256	5,216,055	70,438	2,623,188	2,547,624
332	37601	Mains - Steel	3.0	Peak Day	140,488,694	69,839,128	35,379,344	477,749	17,792,594	17,279,970
333	37602	Mains - Plastic	3.0	Peak Day	125,040,053	61,910,162	31,488,908	425,214	15,835,979	15,379,895
334	37603	Meas. & Reg. Sta. Equip - General	3.0	Peak Day	13,616,673	6,741,922	3,429,094	46,305	1,724,514	1,674,837
335	37604	Meas. & Reg. Sta. Equip - City Gate	3.0	Peak Day	5,018,152	2,484,800	1,263,724	17,065	635,535	617,226
336	37605	Meas. & Reg. Sta. Equipment T.B.	3.0	Peak Day	2,811,184	1,391,881	707,942	9,860	356,029	345,773
337	38000	Services	99.0		0					
338	38100	Meters	99.0		0					
339	38200	Meter Installations	99.0		0					
340	38300	House Regulators	99.0		0					
341	38400	House Reg. Installations	99.0		0					
342	38500	Ind. Meas. & Reg. Sta. Equipment	99.0		0					
343	38600	Other Prop. On Cust. Prem	99.0		0					
344										
345		Total Distribution Plant			311,876,635	154,498,679	78,865,245	1,060,916	39,510,977	38,372,817

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF PLANT IN SERVICE									
347		General							
348									
349	38900	Land & Land Rights	6.4 P, S, T & D Plant - Demand	692,714	342,978	174,446	2,356	87,730	65,293
350	39000	Structures & Improvements	6.4 P, S, T & D Plant - Demand	4,088,547	2,023,342	1,029,117	13,897	517,590	502,641
351	39001	Structures Frame	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
352	39002	Structures-Bldg	6.4 P, S, T & D Plant - Demand	36,965	46,001	24,923	337	12,534	12,173
353	39003	Improvements	6.4 P, S, T & D Plant - Demand	405,441	200,743	102,102	1,379	51,348	49,869
354	39004	Air Conditioning Equipment	6.4 P, S, T & D Plant - Demand	7,406	3,667	1,865	25	936	911
355	39009	Improvement to leased Premises	6.4 P, S, T & D Plant - Demand	712,435	352,743	179,413	2,423	90,228	87,629
356	39100	Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	1,025,904	507,976	259,369	3,489	129,935	126,193
357	39102	Remittance Processing Equip	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
358	39103	Office Machines	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
359	39200	Transportation Equipment	6.4 P, S, T & D Plant - Demand	126,336	62,552	31,815	430	16,000	15,539
360	39201	Trucks	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
361	39202	Trailers	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
362	39300	Stores Equipment	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
363	39400	Tools, Shop & Garage Equipment	6.4 P, S, T & D Plant - Demand	3,119,130	1,544,352	785,492	10,697	395,029	383,650
364	39600	Power Operated Equipment	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
365	39603	Ditchers	6.4 P, S, T & D Plant - Demand	22,645	11,212	5,703	77	2,868	2,785
366	39604	Backhoes	6.4 P, S, T & D Plant - Demand	35,872	17,761	9,034	122	4,543	4,412
367	39605	Welders	6.4 P, S, T & D Plant - Demand	11,105	5,498	2,797	38	1,407	1,366
368	39700	Communication Equipment	6.4 P, S, T & D Plant - Demand	205,216	101,607	51,680	688	25,890	25,241
369	39701	Communication Equipment - Mobile Radios	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
370	39702	Communication Equipment - Fixed Radios	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
371	39705	Communication Equip. - Telemetering	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
372	39800	Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	2,167,981	1,073,109	545,208	7,370	274,490	269,583
373	39900	Other Tangible Property	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
374	39901	Other Tangible Property - Servers - HW	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
375	39902	Other Tangible Property - Servers - SW	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
376	39903	Other Tangible Property - Network - HW	6.4 P, S, T & D Plant - Demand	75,949	38,099	19,378	262	9,745	9,485
377	39904	Other Tang. Property - CPU	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
378	39905	Other Tangible Property - MF - Hardware	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
379	39906	Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	1,012,180	501,153	254,899	3,442	128,190	124,497
380	39907	Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
381	39908	Other Tang. Property - Mainframe SW	6.4 P, S, T & D Plant - Demand	70,612	34,962	17,782	240	8,943	8,685
382	39909	Other Tang. Property - Application Software	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
383	39924	Other Tang. Property - General Startup Costs	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
384		Total Direct Plant		13,876,882	6,870,758	3,494,623	47,190	1,757,469	1,706,843
385									
386		TOTAL DIRECT PLANT		354,853,196	180,647,059	91,891,176	1,240,729	46,207,646	44,676,562
387									
388		CWIP w/o AFUDC	6.4 P, S, T & D Plant - Demand	15,347,275	7,599,783	3,864,913	52,190	1,943,650	1,887,700
389									
390		Kentucky Mid-States General Office:							
391									
392		Intangible Plant:							
393									
394									
395	30100	Organization	6.4 P, S, T & D Plant - Demand	53,238	26,358	13,406	181	6,742	6,548
396	30200	Franchises & Consents	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
397	30300	Misc Intangible Plant	6.4 P, S, T & D Plant - Demand	318,754	157,822	80,272	1,094	40,365	39,205
398									
399		Total Intangible Plant:		371,992	184,180	93,678	1,265	47,111	45,754
400									
401		General:							
402									
403	37400	Land & Land Rights	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
404	39001	Structures Frame	6.4 P, S, T & D Plant - Demand	51,521	25,609	12,974	175	6,525	6,337
405	39002	Structures & Improvements	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
406	39900	Land & Land Rights	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
407	39004	Air Conditioning Equipment	6.4 P, S, T & D Plant - Demand	4,420	2,188	1,115	15	560	544
408	39009	Improvement to leased Premises	6.4 P, S, T & D Plant - Demand	11,159	5,524	2,809	38	1,413	1,372
409	39100	Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	11,893	5,898	2,995	40	1,506	1,463
410	39102	Remittance Processing Equip	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
411	39103	Office Machines	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
412	39200	Transportation Equipment	6.4 P, S, T & D Plant - Demand	7,838	3,891	1,974	27	993	964
413	39201	Trucks	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
414	39202	Trailers	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
415	39300	Stores Equipment	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
416	39400	Tools, Shop & Garage Equipment	6.4 P, S, T & D Plant - Demand	62,232	25,861	13,164	178	6,815	6,424
417	39600	Power Operated Equipment	6.4 P, S, T & D Plant - Demand	5,894	2,818	1,484	20	746	725
418	39603	Ditchers	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
419	39604	Backhoes	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
420	39605	Welders	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
421	39700	Communication Equipment	6.4 P, S, T & D Plant - Demand	15,560	7,719	3,926	53	1,974	1,916
422	39701	Communication Equipment - Mobile Radios	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
423	39702	Communication Equipment - Fixed Radios	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
424	39705	Communication Equip. - Telemetering	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
425	39800	Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	233,895	115,807	58,902	795	29,622	28,769
426	39900	Other Tangible Property	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
427	39901	Other Tangible Property - Servers - HW	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
428	39902	Other Tangible Property - Servers - SW	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
429	39903	Other Tangible Property - Network - HW	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
430	39904	Other Tang. Property - CPU	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
431	39905	Other Tangible Property - MF - Hardware	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
432	39906	Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	21,313	10,553	5,367	72	2,699	2,622
433	39907	Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	10,073	4,967	2,537	34	1,276	1,239
434	39908	Other Tang. Property - Mainframe SW	6.4 P, S, T & D Plant - Demand	236,615	117,847	58,949	809	30,144	29,276
435	39909	Other Tang. Property - Application Software	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
436	39924	Other Tang. Property - General Startup Costs	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
437									
438		Total General Plant		693,840	328,682	167,175	2,257	84,073	81,652
439									
440		CWIP w/o AFUDC	6.4 P, S, T & D Plant - Demand	(3,017)	(1,494)	(760)	(10)	(382)	(371)

Alcoa Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF PLANT IN SERVICE									
441	Shared Services General Office								
442	General								
443	General								
444	General								
445	General								
446	37400	Land & Land Rights	6.4 P, S, T & D Plant - Demand	0					
447	39031	Structures Frame	6.4 P, S, T & D Plant - Demand	0					
448	36602	Structures & Improvements	6.4 P, S, T & D Plant - Demand	122,937	80,859	30,959	418	15,570	15,121
449	37503	Improvements	6.4 P, S, T & D Plant - Demand	0					
450	39004	Air Conditioning Equipment	6.4 P, S, T & D Plant - Demand	0					
451	39039	Improvement to Leased Premises	6.4 P, S, T & D Plant - Demand	290,940	144,051	73,268	989	36,847	35,785
452	39103	Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	162,697	80,535	40,972	553	26,605	26,012
453	39102	Remittance Processing Equip	6.4 P, S, T & D Plant - Demand	0					
454	39103	Office Machines	6.4 P, S, T & D Plant - Demand	0					
455	39200	Transportation Equipment	6.4 P, S, T & D Plant - Demand	212	105	53	1	27	26
456	39201	Trucks	6.4 P, S, T & D Plant - Demand	0					
457	39202	Trailers	6.4 P, S, T & D Plant - Demand	0					
458	39300	Stores Equipment	6.4 P, S, T & D Plant - Demand	0					
459	39400	Tools, Shop & Garage Equipment	6.4 P, S, T & D Plant - Demand	18,056	6,940	4,547	61	2,287	2,221
460	39600	Power Operated Equipment	6.4 P, S, T & D Plant - Demand	0					
461	39603	Ditchers	6.4 P, S, T & D Plant - Demand	0					
462	39604	Backhoes	6.4 P, S, T & D Plant - Demand	0					
463	39605	Welders	6.4 P, S, T & D Plant - Demand	0					
464	39700	Communication Equipment	6.4 P, S, T & D Plant - Demand	53,498	26,488	13,472	182	6,775	6,590
465	39701	Communication Equipment - Mobile Radios	6.4 P, S, T & D Plant - Demand	0					
466	39702	Communication Equipment - Fixed Radios	6.4 P, S, T & D Plant - Demand	0					
467	39705	Communication Equip. - Telemetering	6.4 P, S, T & D Plant - Demand	0					
468	39800	Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	4,331	2,144	1,091	15	549	533
469	39900	Other Tangible Property	6.4 P, S, T & D Plant - Demand	4,625	2,389	1,215	16	611	593
470	39901	Other Tangible Property - Servers - HW	6.4 P, S, T & D Plant - Demand	1,128,336	558,655	284,149	3,837	142,901	139,704
471	39902	Other Tangible Property - Servers - SW	6.4 P, S, T & D Plant - Demand	600,480	297,311	151,219	2,042	76,049	73,858
472	39903	Other Tangible Property - Network - HW	6.4 P, S, T & D Plant - Demand	107,798	53,343	27,132	366	13,845	13,252
473	39904	Other Tang. Property - CPU	6.4 P, S, T & D Plant - Demand	0					
474	39905	Other Tangible Property - MF - Hardware	6.4 P, S, T & D Plant - Demand	0					
475	39906	Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	70,466	34,890	17,746	240	8,924	8,667
476	39907	Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	43,745	21,859	11,016	149	5,540	5,391
477	39908	Other Tang. Property - Mainframe SW	6.4 P, S, T & D Plant - Demand	2,190,847	1,084,739	551,722	7,450	277,465	269,472
478	39909	Other Tang. Property - Application Software	6.4 P, S, T & D Plant - Demand	714,668	353,967	180,051	2,431	90,549	87,940
479	39931	Other Tang. Property - ALGN	6.4 P, S, T & D Plant - Demand	0					
480	Total General Plant								
481				5,514,074	2,730,143	1,388,612	18,751	698,342	676,226
482	CWP w/o AFUDC								
483				263,637	130,533	66,392	697	33,369	32,427
484	Shared Services Customer Support								
485	General								
486	General								
487	General								
488	General								
489	37400	Land & Land Rights	6.4 P, S, T & D Plant - Demand	119,346	58,856	29,803	402	14,998	14,556
490	39001	Structures Frame	6.4 P, S, T & D Plant - Demand	0					
491	36602	Structures & Improvements	6.4 P, S, T & D Plant - Demand	987,313	340,304	173,088	2,337	87,046	84,539
492	37503	Improvements	6.4 P, S, T & D Plant - Demand	0					
493	39004	Air Conditioning Equipment	6.4 P, S, T & D Plant - Demand	0					
494	39039	Improvement to Leased Premises	6.4 P, S, T & D Plant - Demand	91,444	45,278	23,028	311	11,561	11,248
495	39100	Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	105,812	52,350	26,647	360	13,401	13,015
496	39102	Remittance Processing Equip	6.4 P, S, T & D Plant - Demand	0					
497	39103	Office Machines	6.4 P, S, T & D Plant - Demand	0					
498	39200	Transportation Equipment	6.4 P, S, T & D Plant - Demand	1,284	636	323	4	153	158
499	39201	Trucks	6.4 P, S, T & D Plant - Demand	0					
500	39202	Trailers	6.4 P, S, T & D Plant - Demand	0					
501	39300	Stores Equipment	6.4 P, S, T & D Plant - Demand	0					
502	39400	Tools, Shop & Garage Equipment	6.4 P, S, T & D Plant - Demand	4,637	2,296	1,168	16	587	570
503	39600	Power Operated Equipment	6.4 P, S, T & D Plant - Demand	315	156	79	1	40	39
504	39603	Ditchers	6.4 P, S, T & D Plant - Demand	0					
505	39604	Backhoes	6.4 P, S, T & D Plant - Demand	0					
506	39605	Welders	6.4 P, S, T & D Plant - Demand	0					
507	39700	Communication Equipment	6.4 P, S, T & D Plant - Demand	85,948	32,652	16,508	224	8,352	8,111
508	39701	Communication Equipment - Mobile Radios	6.4 P, S, T & D Plant - Demand	0					
509	39702	Communication Equipment - Fixed Radios	6.4 P, S, T & D Plant - Demand	0					
510	39705	Communication Equip. - Telemetering	6.4 P, S, T & D Plant - Demand	0					
511	39800	Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	6,061	4,486	2,262	31	1,149	1,114
512	39900	Other Tangible Property	6.4 P, S, T & D Plant - Demand	23,868	11,818	6,011	81	3,023	2,936
513	39901	Other Tangible Property - Servers - HW	6.4 P, S, T & D Plant - Demand	301,696	149,475	76,027	1,027	38,234	37,193
514	39902	Other Tangible Property - Servers - SW	6.4 P, S, T & D Plant - Demand	81,311	39,356	19,449	268	7,765	7,541
515	39903	Other Tangible Property - Network - HW	6.4 P, S, T & D Plant - Demand	20,388	10,100	5,137	69	2,584	2,509
516	39904	Other Tang. Property - CPU	6.4 P, S, T & D Plant - Demand	0					
517	39905	Other Tangible Property - MF - Hardware	6.4 P, S, T & D Plant - Demand	0					
518	39906	Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	33,903	16,788	8,538	115	4,284	4,170
519	39907	Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	7,602	3,863	1,985	27	986	969
520	39908	Other Tang. Property - Mainframe SW	6.4 P, S, T & D Plant - Demand	2,819,467	1,444,999	734,659	9,025	369,616	358,969
521	39909	Other Tang. Property - Application Software	6.4 P, S, T & D Plant - Demand	274	136	69	1	35	34
522	39924	Other Tang. Property - General Startup Costs	6.4 P, S, T & D Plant - Demand	0					
523	Total General Plant								
524				4,452,060	2,204,328	1,121,170	15,140	563,844	547,601
525	CWP w/o AFUDC								
526				105,662	54,296	27,616	373	13,888	13,468
527	TOTAL PLANT IN SERVICE - DEMAND								
528				375,855,179	186,084,369	94,851,814	1,278,143	47,801,018	46,229,615
529	TOTAL CWP W/O AFUDC - DEMAND								
530				15,717,557	7,782,118	3,958,161	53,450	1,880,585	1,833,244

Almes Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand-Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF PLANT IN SERVICE										
Line No.	Acct. No.	Commodity	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
531		Intangible Plant:								
532										
533	30100	Organization	6.6	P, S, T & D Plant - Commodity	87	38	21	1	18	18
534	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	1,390	546	309	16	254	265
535	30300	Misc Intangible Plant	99.0		0					
536										
537		Total Intangible Plant:			1,477	584	330	17	271	284
538										
539		Production Plant:								
540										
541	32520	Producing Leaseholds	99.0		0					
542	32540	Rights of Way	99.0		0					
543	33100	Production Gas Wells Equipment	99.0		0					
544	33201	Field Lines	99.0		0					
545	33202	Tributary Lines	99.0		0					
546	33400	Field Meas. & Reg. Sta. Equip	99.0		0					
547	33600	Purification Equipment	99.0		0					
548										
549		Total Production Plant:			0	0	0	0	0	0
550										
551		Storage Plant:								
552										
553	35010	Land	1.5	Winter Volumes	130,563	61,289	29,019	1,522	23,621	24,912
554	35020	Rights of Way	1.5	Winter Volumes	2,341	820	520	27	427	447
555	35100	Structures and Improvements	1.5	Winter Volumes	8,658	3,619	1,991	104	1,634	1,709
556	35102	Compression Station Equipment	1.5	Winter Volumes	76,631	30,103	17,032	893	13,981	14,621
557	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	11,569	4,645	2,571	135	2,111	2,207
558	35104	Other Structures	1.5	Winter Volumes	68,721	26,996	15,274	801	12,538	13,112
559	35200	Wells & Rights of Way	1.5	Winter Volumes	3,715,167	1,459,428	825,743	43,306	677,829	708,861
560	35201	Well Construction	1.5	Winter Volumes	849,999	333,905	189,923	9,908	165,062	182,182
561	35202	Well Equipment	1.5	Winter Volumes	207,909	81,673	46,211	2,423	37,993	39,670
562	35203	Coughin Gas	1.5	Winter Volumes	847,416	332,901	188,349	9,378	184,610	191,689
563	35210	Leaseholds	1.5	Winter Volumes	89,265	35,068	19,840	1,041	18,286	17,032
564	35211	Storage Rights	1.5	Winter Volumes	27,307	10,727	6,069	319	4,582	5,210
565	35301	Field Lines	1.5	Winter Volumes	89,248	35,059	19,837	1,040	18,283	17,028
566	35302	Tributary Lines	1.5	Winter Volumes	104,729	41,141	23,277	1,221	19,109	19,863
567	35400	Compression Station Equipment	1.5	Winter Volumes	481,733	191,378	102,594	5,381	84,241	88,098
568	35500	Meas. & Reg. Equipment	1.5	Winter Volumes	218,659	86,249	48,800	2,559	40,058	41,892
569	35600	Purification Equipment	1.5	Winter Volumes	207,332	81,446	46,082	2,417	37,827	39,599
570										
571		Total Storage Plant:			7,116,438	2,796,354	1,582,163	62,976	1,298,763	1,359,212
572										
573		Transmission:								
574										
575	36510	Land & Land Rights	99.0		0					
576	36520	Rights of Way	99.0		0					
577	36602	Structures & Improvements	99.0		0					
578	36603	Other Structures	99.0		0					
579	36700	Mains Cathodic Protection	99.0		0					
580	36701	Mains - Steel	99.0		0					
581	36900	Meas. & Reg. Equipment	99.0		0					
582	36901	Meas. & Reg. Equipment	99.0		0					
583										
584		Total Transmission Plant:			0	0	0	0	0	0
585										
586		Distribution:								
587										
588	37400	Land & Land Rights	1.0	McF	0					
589	37401	Land	1.0	McF	0					
590	37402	Land Rights	1.0	McF	0					
591	37403	Land Other	1.0	McF	0					
592	37500	Structures & Improvements	1.0	McF	0					
593	37501	Structures & Improvements T.B.	1.0	McF	0					
594	37502	Land Rights	1.0	McF	0					
595	37503	Improvements	1.0	McF	0					
596	37600	Mains Cathodic Protection	1.0	McF	0					
597	37601	Mains - Steel	1.0	McF	0					
598	37602	Mains - Plastic	1.0	McF	0					
599	37900	Meas. & Reg. Sta. Equip - General	1.0	McF	0					
600	37900	Meas. & Reg. Sta. Equip - City Gate	1.0	McF	0					
601	37905	Meas. & Reg. Sta. Equipment T.B.	1.0	McF	0					
602	38000	Services	99.0		0					
603	38100	Meters	99.0		0					
604	38200	Meter Installations	99.0		0					
605	38300	House Regulators	99.0		0					
606	38400	House Reg. Installations	99.0		0					
607	38500	Ind. Meas. & Reg. Sta. Equipment	99.0		0					
608	38900	Other Prop. On Cust. Prem	99.0		0					
609										
610		Total Distribution Plant:			0	0	0	0	0	0

Almas Energy Corporation, Kentucky Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF PLANT IN SERVICE									
612	General:								
613									
614	38900	Land & Land Rights	6.6 P, S, T & D Plant - Commodity	14,052	5,520	3,123	164	2,564	2,681
615	39000	Structures & Improvements	6.6 P, S, T & D Plant - Commodity	82,800	32,566	18,426	966	15,125	15,817
616	39001	Structures Frame	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
617	38002	Structures-Elect	6.6 P, S, T & D Plant - Commodity	2,008	789	446	23	366	393
618	38003	Improvements	6.6 P, S, T & D Plant - Commodity	8,225	3,231	1,828	96	1,501	1,569
619	39004	Air Conditioning Equipment	6.6 P, S, T & D Plant - Commodity	150	59	33	2	27	29
620	38009	Improvement to leased Premises	6.6 P, S, T & D Plant - Commodity	14,453	5,677	3,212	168	2,637	2,756
621	39100	Office Furniture & Equipment	6.6 P, S, T & D Plant - Commodity	20,813	8,176	4,626	243	3,797	3,971
622	39102	Remittance Processing Equip	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
623	39103	Office Machines	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
624	39200	Transportation Equipment	6.6 P, S, T & D Plant - Commodity	2,883	1,007	570	30	468	489
625	39201	Trucks	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
626	39202	Trailers	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
627	39300	Stores Equipment	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
628	39400	Tools, Shop & Garage Equipment	6.6 P, S, T & D Plant - Commodity	63,275	24,658	14,064	738	11,544	12,073
629	39600	Power Operated Equipment	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
630	39603	Ditchers	6.6 P, S, T & D Plant - Commodity	459	180	102	5	84	88
631	38604	Backhoes	6.6 P, S, T & D Plant - Commodity	0	728	162	8	133	139
632	38905	Welders	6.6 P, S, T & D Plant - Commodity	225	89	50	3	41	43
633	39700	Communication Equipment	6.6 P, S, T & D Plant - Commodity	4,169	1,638	926	48	760	784
634	39701	Communication Equipment - Mobile Radios	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
635	39702	Communication Equipment - Fixed Radios	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
636	39705	Communication Equip. - Telemetering	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
637	38600	Miscellaneous Equipment	6.6 P, S, T & D Plant - Commodity	43,867	17,272	9,772	513	8,022	8,389
638	39900	Other Tangible Property	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
639	39901	Other Tangible Property - Servers - HW	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
640	39902	Other Tangible Property - Servers - SW	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
641	39903	Other Tangible Property - Network - HW	6.6 P, S, T & D Plant - Commodity	1,581	613	347	18	285	298
642	39904	Other Tang. Property - CPU	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
643	39905	Other Tang. Property - MF - Hardware	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
644	39906	Other Tang. Property - PC Hardware	6.6 P, S, T & D Plant - Commodity	20,533	8,096	4,554	239	3,746	3,918
645	39907	Other Tang. Property - PC Software	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
646	39908	Other Tang. Property - Mainframe SW	6.6 P, S, T & D Plant - Commodity	1,432	563	318	17	291	273
647	39909	Other Tang. Property - Application Software	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
648	39924	Other Tang. Property - General Startup Costs	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
649									
650		Total General Plant		281,507	110,594	62,569	3,281	51,361	53,712
651		TOTAL DIRECT PLANT		7,491,432	2,907,602	1,645,062	88,275	1,350,384	1,412,208
652									
653									
654		CWIP via AFUDC	6.6 P, S, T & D Plant - Commodity	311,336	122,302	68,168	3,629	56,803	59,403
655									
656		Kentucky Mid-States General Office:							
657									
658		Intangible Plant:							
659									
660	30100	Organization	6.6 P, S, T & D Plant - Commodity	1,089	424	240	13	197	206
661	30200	Franchises & Consents	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
662	30300	Misc Intangible Plant	6.6 P, S, T & D Plant - Commodity	6,466	2,540	1,437	75	1,180	1,234
663									
664		Total Intangible Plant:		7,556	2,964	1,677	88	1,377	1,440
665									
666		General:							
667									
668	37400	Land & Land Rights	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
669	39001	Structures Frame	6.6 P, S, T & D Plant - Commodity	1,049	411	232	12	191	199
670	35002	Structures & Improvements	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
671	38900	Land & Land Rights	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
672	39004	Air Conditioning Equipment	6.6 P, S, T & D Plant - Commodity	90	36	20	1	16	17
673	39009	Improvement to leased Premises	6.6 P, S, T & D Plant - Commodity	226	89	50	3	41	43
674	39100	Office Furniture & Equipment	6.6 P, S, T & D Plant - Commodity	241	95	54	3	44	46
675	39102	Remittance Processing Equip	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
676	39103	Office Machines	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
677	39200	Transportation Equipment	6.6 P, S, T & D Plant - Commodity	159	62	35	2	29	30
678	39201	Trucks	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
679	39202	Trailers	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
680	39300	Stores Equipment	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
681	39400	Tools, Shop & Garage Equipment	6.6 P, S, T & D Plant - Commodity	1,060	416	236	12	183	202
682	39600	Power Operated Equipment	6.6 P, S, T & D Plant - Commodity	120	47	27	1	22	23
683	39603	Ditchers	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
684	39604	Backhoes	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
685	39605	Welders	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
686	39700	Communication Equipment	6.6 P, S, T & D Plant - Commodity	316	124	70	4	56	60
687	39701	Communication Equipment - Mobile Radios	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
688	39702	Communication Equipment - Fixed Radios	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
689	39705	Communication Equip. - Telemetering	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
690	38600	Miscellaneous Equipment	6.6 P, S, T & D Plant - Commodity	4,745	1,864	1,055	55	866	905
691	39900	Other Tangible Property	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
692	39901	Other Tangible Property - Servers - HW	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
693	39902	Other Tangible Property - Servers - SW	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
694	39903	Other Tangible Property - Network - HW	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
695	39904	Other Tang. Property - CPU	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
696	39905	Other Tangible Property - MF - Hardware	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
697	39906	Other Tang. Property - PC Hardware	6.6 P, S, T & D Plant - Commodity	432	170	98	5	79	82
698	39907	Other Tang. Property - PC Software	6.6 P, S, T & D Plant - Commodity	204	80	45	2	37	39
699	39908	Other Tang. Property - Mainframe SW	6.6 P, S, T & D Plant - Commodity	4,828	1,897	1,073	56	881	921
700	39909	Other Tang. Property - Application Software	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
701	39924	Other Tang. Property - General Startup Costs	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0
702									
703		Total General Plant		13,497	5,290	2,993	157	2,487	2,566
704									
705		CWIP via AFUDC	6.6 P, S, T & D Plant - Commodity	(61)	(24)	(14)	(1)	(11)	(12)

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2018									
ALLOCATION OF PLANT IN SERVICE									
707	Shared Services General Office								
708	General								
709	General								
710									
711	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0				
712	38001	Structures Frame	6.6	P, S, T & D Plant - Commodity	0				
713	38602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	2,494	980	554	29	455
714	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0				
715	38004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0				
716	38005	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	5,902	2,318	1,312	69	1,077
717	38100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	3,390	1,287	734	38	602
718	38102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0				
719	38103	Office Machines	6.6	P, S, T & D Plant - Commodity	0				
720	38200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	4	2	1	0	1
721	38201	Trucks	6.6	P, S, T & D Plant - Commodity	0				
722	38202	Trailers	6.6	P, S, T & D Plant - Commodity	0				
723	38300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0				
724	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	366	144	81	4	67
725	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0				
726	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0				
727	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0				
728	39605	Welders	6.6	P, S, T & D Plant - Commodity	0				
729	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	1,085	426	241	13	198
730	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0				
731	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0				
732	38705	Communication Equip. - Telemetry	6.6	P, S, T & D Plant - Commodity	0				
733	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	88	35	20	1	18
734	39800	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	99	38	22	1	18
735	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	22,889	6,692	5,087	267	4,176
736	39902	Other Tangible Property - Servers - SAW	6.6	P, S, T & D Plant - Commodity	12,181	4,785	2,707	142	2,222
737	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	2,186	859	486	25	389
738	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0				
739	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0				
740	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	1,429	582	318	17	261
741	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	887	340	197	10	162
742	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	44,444	17,459	9,878	518	8,109
743	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	14,604	6,688	3,224	169	2,640
744	39931	Other Tang. Property - ALGN	6.6	P, S, T & D Plant - Commodity	0				
745									
746		Total General Plant			111,859	43,941	24,862	1,304	20,409
747									
748		CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	5,348	2,101	1,169	62	876
749									
750	Shared Services Customer Support								
751	General								
752	General								
753									
754	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	2,401	943	534	26	438
755	38001	Structures Frame	6.6	P, S, T & D Plant - Commodity	0				
756	38602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	13,943	5,477	3,096	163	2,644
757	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0				
758	38004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0				
759	38005	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	1,855	726	412	22	338
760	38100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	2,147	843	477	25	392
761	38102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0				
762	38103	Office Machines	6.6	P, S, T & D Plant - Commodity	0				
763	38200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	26	10	5	0	5
764	38201	Trucks	6.6	P, S, T & D Plant - Commodity	0				
765	38202	Trailers	6.6	P, S, T & D Plant - Commodity	0				
766	38300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0				
767	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	94	37	21	1	17
768	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	6	3	1	0	1
769	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0				
770	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0				
771	39605	Welders	6.6	P, S, T & D Plant - Commodity	0				
772	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	1,338	526	297	16	244
773	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0				
774	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0				
775	38705	Communication Equip. - Telemetry	6.6	P, S, T & D Plant - Commodity	0				
776	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	184	72	41	2	34
777	39800	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	484	190	108	6	88
778	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	5,124	2,408	1,361	71	1,117
779	39902	Other Tangible Property - Servers - SAW	6.6	P, S, T & D Plant - Commodity	1,244	469	276	14	227
780	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	414	163	92	5	78
781	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0				
782	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0				
783	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	689	270	153	8	125
784	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	150	62	35	2	30
785	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	53,204	23,257	13,150	690	10,802
786	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	6	2	1	0	1
787	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0				
788									
789		Total General Plant			90,315	35,478	20,074	1,053	16,478
790									
791		CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	2,225	874	484	26	408
792									
793		TOTAL PLANT IN SERVICE - COMMODITY			7,624,819	2,995,177	1,694,966	88,878	1,391,105
794									
795		TOTAL CWIP W/O AFUDC - COMMODITY			318,847	125,253	70,866	3,717	56,173

Almos Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Demand-Only Study  
Forecasted Test Period: Twelve Months Ended March 31, 2018

ALLOCATION OF PLANT IN SERVICE

		Total Plant in Service							
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
786			Intangible Plant:						
787									
788	30100		Organization	8,330	5,053	1,994	20	645	618
789	30200		Franchises & Consents	119,853	72,704	28,665	282	9,280	8,891
800	30300		Misc Intangible Plant	0					
801									
802			Total Intangible Plant:	128,182	77,757	30,660	302	9,925	9,509
803									
804			Production Plant:						
805									
806	32520		Producing Leaseholds	0					
807	32840		Rights of Ways	0					
808	33100		Production Gas Wells Equipment	0					
809	33201		Field Lines	0					
810	33202		Tributary Lines	0					
811	33400		Field Meas. & Reg. Sta. Equip	0					
812	33600		Purification Equipment	0					
813									
814			Total Production Plant	0	0	0	0	0	0
815									
816			Storage Plant:						
817									
818	35010		Land	261,127	115,934	61,695	1,665	40,357	40,971
819	35020		Rights of Way	4,682	2,078	1,110	35	724	735
820	35100		Structures and Improvements	17,916	7,954	4,247	135	2,769	2,811
821	35102		Compressor Station Equipment	153,291	86,044	36,330	1,154	23,699	24,047
822	35103		Meas. & Reg. Sta. Structures	23,138	10,273	5,495	174	3,576	3,630
823	35104		Other Structures	137,443	61,021	32,580	1,035	21,241	21,565
824	35200		Wells & Rights of Way	7,430,334	3,298,891	1,761,335	55,940	1,148,344	1,165,823
825	35201		Well Construction	1,699,999	794,759	402,979	12,799	262,732	266,731
826	35202		Well Equipment	415,819	184,614	88,568	3,131	64,264	65,242
827	35203		Cushion Gas	1,694,833	752,465	401,754	12,760	261,933	265,930
828	35210		Leaseholds	178,630	79,263	42,320	1,344	27,591	28,011
829	35211		Storage Rights	54,614	24,247	12,846	411	8,441	8,589
830	35301		Field Lines	178,497	79,246	42,312	1,344	27,586	28,005
831	35302		Tributary Lines	209,458	82,894	49,651	1,577	32,371	32,964
832	35400		Compressor Station Equipment	925,448	469,993	218,300	6,952	142,717	144,869
833	35500		Meas. & Reg. Equipment	438,117	184,857	104,091	3,306	67,855	69,888
834	35600		Purification Equipment	414,663	184,101	98,295	3,122	64,085	65,061
835									
836			Total Storage Plant	14,239,877	6,320,834	3,374,803	107,183	2,206,293	2,233,773
837									
838			Transmission:						
839									
840	36510		Land & Land Rights	28,070	13,354	6,792	92	3,416	3,317
841	36520		Rights of Way	867,772	429,654	218,531	2,951	109,901	106,735
842	36602		Structures & Improvements	49,002	24,282	12,340	167	5,205	5,077
843	36603		Other Structures	50,826	30,116	15,318	297	7,703	7,492
844	36700		Mains Cathodic Protection	158,523	76,688	40,022	540	20,127	19,546
845	36701		Mains - Steel	27,843,442	13,696,892	6,961,463	84,005	3,500,965	3,400,116
846	36900		Meas. & Reg. Equipment	731,467	362,166	184,205	2,487	62,633	69,970
847	36901		Meas. & Reg. Equipment	2,269,556	1,123,708	571,543	7,719	287,433	279,153
848									
849			Total Transmission Plant	31,807,950	15,748,840	8,010,216	108,167	4,028,390	3,912,348
850									
851			Distribution:						
852									
853	37400		Land & Land Rights	531,167	242,993	133,764	1,808	67,071	65,333
854	37401		Land	37,328	18,481	9,400	127	4,727	4,591
855	37402		Land Rights	3,231,772	1,800,123	813,859	10,860	408,295	397,805
856	37403		Land Other	2,784	1,378	701	9	353	342
857	37500		Structures & Improvements	336,168	166,444	84,857	1,143	42,575	41,348
858	37501		Structures & Improvements T.B.	39,819	49,422	28,137	339	12,642	12,278
859	37502		Land Rights	46,264	22,908	11,651	157	5,859	5,690
860	37503		Improvements	4,005	1,883	1,009	14	507	493
861	37600		Mains Cathodic Protection	20,712,599	10,255,256	5,216,055	70,436	2,823,188	2,547,624
862	37601		Mains - Steel	140,498,894	69,539,126	35,378,344	477,749	17,792,504	17,279,970
863	37602		Mains - Plastic	125,040,065	61,519,162	31,468,968	425,214	15,835,979	15,379,265
864	37603		Meas. & Reg. Sta. Equip - General	13,616,673	6,741,822	3,428,084	46,305	1,724,514	1,674,637
865	37600		Meas. & Reg. Sta. Equip - City Gate	5,018,152	2,484,600	1,263,724	17,065	635,535	617,226
866	37905		Meas. & Reg. Sta. Equipment T.B.	2,811,164	1,391,681	707,942	9,560	358,029	345,773
867	38000		Services	139,898,620	124,521,454	15,182,788	9,374	88,753	56,242
868	38100		Meters	41,724,695	26,873,625	13,614,767	59,110	622,734	354,689
869	38200		Meter Installations	58,680,757	36,090,441	18,885,867	80,722	850,425	484,333
870	38300		House Regulators	11,717,794	7,547,044	3,878,665	16,600	174,885	99,600
871	38400		House Reg. Installations	240,552	160,728	62,625	354	3,725	2,121
872	38500		Ind. Meas. & Reg. Sta. Equipment	5,237,633	-	5,181,538	3,199	33,702	19,184
873	38900		Other Prop. On Cust. Prem	0					
874									
875			Total Distribution Plant	587,795,915	350,268,990	135,573,494	1,230,274	41,295,201	39,388,596

Almos Energy Corporation, Kentucky-Mid-States Division							
Class Cost of Service - Demand-Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
ALLOCATION OF PLANT IN SERVICE							
876							
877	General:						
878							
879	38900 Land & Land Rights	1,211,697	735,030	280,107	2,654	93,816	89,880
880	39000 Structures & Improvements	7,148,202	4,336,162	1,711,438	16,835	553,454	530,293
881	39001 Structures Frame	0	0	0	0	0	0
882	39002 Structures Brick	173,115	105,013	41,449	426	13,304	12,843
883	39003 Improvements	709,199	430,203	165,768	1,670	54,910	52,612
884	39004 Air Conditioning Equipment	12,955	7,858	3,162	31	1,003	961
885	39009 Improvement to leased Premises	1,246,194	755,056	288,367	2,935	96,487	92,449
886	39100 Office Furniture & Equipment	1,784,619	1,088,637	429,672	4,227	138,949	133,135
887	39102 Remittance Processing Equip	0	0	0	0	0	0
888	39103 Office Machines	0	0	0	0	0	0
889	39200 Transportation Equipment	220,987	134,053	52,909	520	17,110	16,394
890	39201 Trucks	0	0	0	0	0	0
891	39202 Trailers	0	0	0	0	0	0
892	39300 Stores Equipment	0	0	0	0	0	0
893	39400 Tools, Shop & Garage Equipment	5,455,993	3,308,668	1,306,286	12,650	422,433	404,755
894	39600 Power Operated Equipment	0	0	0	0	0	0
895	39603 Ditchers	35,610	24,028	9,464	93	3,067	2,938
896	39604 Backhoes	62,747	38,093	15,023	146	4,858	4,695
897	39605 Welders	19,427	11,785	4,691	46	1,504	1,441
898	39700 Communication Equipment	358,065	217,752	85,944	846	27,793	26,630
899	39701 Communication Equipment - Mobile Radios	0	0	0	0	0	0
900	39702 Communication Equipment - Fixed Radios	0	0	0	0	0	0
901	39705 Communication Equip. - Telemetering	0	0	0	0	0	0
902	39800 Miscellaneous Equipment	3,791,155	2,299,759	907,687	8,929	293,532	281,249
903	39900 Other Tangible Property	0	0	0	0	0	0
904	39901 Other Tangible Property - Servers - HW	0	0	0	0	0	0
905	39902 Other Tangible Property - Servers - SW	0	0	0	0	0	0
906	39903 Other Tangible Property - Network - HW	134,659	81,848	32,226	317	10,421	9,985
907	39904 Other Tang. Property - CPU	0	0	0	0	0	0
908	39905 Other Tangible Property - MF - Hardware	0	0	0	0	0	0
909	39906 Other Tang. Property - PC Hardware	1,770,509	1,074,011	423,899	4,170	137,083	131,346
910	39907 Other Tang. Property - PC Software	0	0	0	0	0	0
911	39908 Other Tang. Property - Mainframe SW	123,515	74,928	29,572	291	8,563	8,163
912	39909 Other Tang. Property - Application Software	0	0	0	0	0	0
913	39924 Other Tang. Property - General Startup Costs	0	0	0	0	0	0
914							
915	Total General Plant	24,273,489	14,724,980	5,811,812	57,169	1,879,389	1,800,740
916							
917	TOTAL DIRECT PLANT	638,202,423	387,140,990	152,799,615	1,803,685	49,413,187	47,345,336
918							
919	CWIP w/o AFUDC	26,845,505	16,284,794	6,427,408	63,227	2,078,529	1,991,546
920							
921	Kentucky Mid-States General Office:						
922							
923	Intangible Plant:						
924							
925	30100 Organization	83,120	56,488	22,285	219	7,210	6,908
926	30200 Franchises & Consents	0	0	0	0	0	0
927	30300 Misc Intangible Plant	557,565	339,226	133,493	1,313	43,170	41,363
928							
929	Total Intangible Plant:	640,685	395,714	165,778	1,532	50,380	48,271
930							
931	General:						
932							
933	37400 Land & Land Rights	0	0	0	0	0	0
934	39001 Structures Frame	80,120	54,668	21,577	212	6,978	6,666
935	39602 Structures & Improvements	0	0	0	0	0	0
936	39900 Land & Land Rights	0	0	0	0	0	0
937	39004 Air Conditioning Equipment	7,731	4,689	1,851	18	598	573
938	39009 Improvement to leased Premises	19,515	11,838	4,672	46	1,511	1,448
939	39100 Office Furniture & Equipment	20,803	12,619	4,981	49	1,611	1,543
940	39102 Remittance Processing Equip	0	0	0	0	0	0
941	39103 Office Machines	0	0	0	0	0	0
942	39200 Transportation Equipment	13,711	8,317	3,283	32	1,062	1,017
943	39201 Trucks	0	0	0	0	0	0
944	39202 Trailers	0	0	0	0	0	0
945	39300 Stores Equipment	0	0	0	0	0	0
946	39400 Tools, Shop & Garage Equipment	91,384	55,422	21,075	215	7,074	6,776
947	39600 Power Operated Equipment	10,309	6,254	2,468	24	798	765
948	39603 Ditchers	0	0	0	0	0	0
949	39604 Backhoes	0	0	0	0	0	0
950	39605 Welders	0	0	0	0	0	0
951	39700 Communication Equipment	27,270	16,542	6,529	64	2,111	2,023
952	39701 Communication Equipment - Mobile Radios	0	0	0	0	0	0
953	39702 Communication Equipment - Fixed Radios	0	0	0	0	0	0
954	39705 Communication Equip. - Telemetering	0	0	0	0	0	0
955	39800 Miscellaneous Equipment	400,130	248,183	97,955	964	31,677	30,351
956	39900 Other Tangible Property	0	0	0	0	0	0
957	39901 Other Tangible Property - Servers - HW	0	0	0	0	0	0
958	39902 Other Tangible Property - Servers - SW	0	0	0	0	0	0
959	39903 Other Tangible Property - Network - HW	0	0	0	0	0	0
960	39904 Other Tang. Property - CPU	0	0	0	0	0	0
961	39905 Other Tangible Property - MF - Hardware	0	0	0	0	0	0
962	39906 Other Tang. Property - PC Hardware	37,261	22,615	8,926	88	2,897	2,766
963	39907 Other Tang. Property - PC Software	17,620	10,669	4,219	41	1,364	1,307
964	39908 Other Tang. Property - Mainframe SW	416,337	252,555	99,680	981	32,235	30,885
965	39909 Other Tang. Property - Application Software	0	0	0	0	0	0
966	39924 Other Tang. Property - General Startup Costs	0	0	0	0	0	0
967							
968	Total General Plant	1,161,191	704,392	278,015	2,735	89,906	86,143
969							
970	CWIP w/o AFUDC	(5,277)	(3,261)	(1,264)	(12)	(409)	(392)

Alamos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand-Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2018							
ALLOCATION OF PLANT IN SERVICE							
971		Shared Services General Office:					
972		General:					
973							
974		General:					
975							
976	37400	Land & Land Rights	0				
977	38001	Structures Frame	0				
978	36602	Structures & Improvements	215,041	130,447	51,488	506	16,650
979	37503	Improvements	0				
980	39004	Air Conditioning Equipment	0				
981	38009	Improvement to Leased Premises	508,913	308,713	121,845	1,169	35,403
982	39100	Office Furniture & Equipment	294,581	172,638	68,137	670	22,035
983	39102	Remittance Processing Equip	0				
984	39103	Office Machines	0				
985	39200	Transportation Equipment	371	225	89	1	29
986	39201	Trucks	0				
987	39202	Trailers	0				
988	39300	Stores Equipment	0				
989	39400	Tools, Shop & Garage Equipment	31,583	19,159	7,952	74	2,445
990	39600	Power Operated Equipment	0				
991	39603	Ditchers	0				
992	39604	Backhoes	0				
993	39605	Welders	0				
994	39700	Communication Equipment	63,578	36,766	22,405	220	7,245
995	39701	Communication Equipment - Mobile Radios	0				
996	39702	Communication Equipment - Fixed Radios	0				
997	39705	Communication Equip. - Telemetering	0				
998	39800	Miscellaneous Equipment	7,575	4,895	1,814	18	587
999	39800	Other Tangible Property	6,440	5,120	2,021	20	653
1000	39901	Other Tangible Property - Servers - HW	1,473,699	1,197,262	472,545	4,648	152,814
1001	39902	Other Tangible Property - Servers - SW	1,050,361	637,161	261,490	2,474	81,325
1002	39903	Other Tangible Property - Network - HW	189,455	114,319	45,120	444	14,581
1003	39904	Other Tang. Property - CPU	0				
1004	39905	Other Tangible Property - MF - Hardware	0				
1005	39906	Other Tang. Property - PC Hardware	123,280	74,771	29,511	290	9,543
1006	39907	Other Tang. Property - PC Software	76,519	46,417	18,320	180	5,625
1007	39908	Other Tang. Property - Mainframe SW	3,832,235	2,324,679	917,822	9,028	295,713
1008	39909	Other Tang. Property - Application Software	1,250,675	758,544	298,427	2,845	98,830
1009	39931	Other Tang. Property - ALGN	0				
1010							
1011		Total General Plant	9,645,237	5,850,913	2,300,284	22,716	746,788
1012							
1013		CWIP w/o AFUDC	461,155	279,742	110,411	1,066	35,705
1014							
1015		Shared Services Customer Support:					
1016		General:					
1017							
1018							
1019	37400	Land & Land Rights	207,011	125,575	49,563	488	16,028
1020	39001	Structures Frame	0				
1021	36602	Structures & Improvements	1,202,250	729,299	287,845	2,832	93,085
1022	37503	Improvements	0				
1023	39004	Air Conditioning Equipment	0				
1024	38009	Improvement to Leased Premises	199,854	97,030	38,297	377	12,365
1025	39100	Office Furniture & Equipment	185,087	112,278	44,314	436	14,330
1026	39102	Remittance Processing Equip	0				
1027	39103	Office Machines	0				
1028	39200	Transportation Equipment	2,246	1,382	538	5	174
1029	39201	Trucks	0				
1030	39202	Trailers	0				
1031	39300	Stores Equipment	0				
1032	39400	Tools, Shop & Garage Equipment	6,112	4,821	1,942	19	628
1033	39600	Power Operated Equipment	551	334	132	1	43
1034	39603	Ditchers	0				
1035	39604	Backhoes	0				
1036	39605	Welders	0				
1037	39700	Communication Equipment	115,356	69,876	27,610	272	8,931
1038	39701	Communication Equipment - Mobile Radios	0				
1039	39702	Communication Equipment - Fixed Radios	0				
1040	39705	Communication Equip. - Telemetering	0				
1041	39800	Miscellaneous Equipment	15,849	8,614	3,795	37	1,227
1042	39900	Other Tangible Property	41,751	25,328	9,998	98	3,233
1043	39901	Other Tangible Property - Servers - HW	629,077	390,338	126,433	1,244	40,897
1044	39902	Other Tangible Property - Servers - SW	107,245	65,651	25,877	253	8,304
1045	39903	Other Tangible Property - Network - HW	35,683	21,646	8,543	84	2,793
1046	39904	Other Tang. Property - CPU	0				
1047	39905	Other Tangible Property - MF - Hardware	0				
1048	39906	Other Tang. Property - PC Hardware	59,304	35,974	14,189	140	4,593
1049	39907	Other Tang. Property - PC Software	13,547	8,278	3,257	32	1,057
1050	39908	Other Tang. Property - Mainframe SW	5,104,992	3,096,747	1,222,248	12,033	395,257
1051	39909	Other Tang. Property - Application Software	480	291	115	1	37
1052	39924	Other Tang. Property - General Startup Costs	0				
1053		Total General Plant	7,767,994	4,724,045	1,864,523	18,341	602,959
1054							
1055		CWIP w/o AFUDC	191,822	116,881	45,926	452	14,852
1056							
1057		TOTAL PLANT IN SERVICE	657,447,129	398,815,052	157,407,424	1,548,420	50,903,220
1058							
1059		TOTAL CWIP W/O AFUDC	27,483,203	16,677,656	6,582,483	64,752	2,128,677
1060							

Alamos Energy Corporation, Kentucky/Mid-States Division  
Class Cast of Service - Demand-Only Study  
Forecasted Test Period: Twelve Months Ended March 31, 2019

ALLOCATION OF RESERVE FOR DEPRECIATION

		Customer								
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1		Intangible Plant:								
2										
3	30100	Organization	6.2	P, S, T & D Plant - Customer	3,471	2,657	774	2	24	14
4	30200	Franchises & Consents	6.2	P, S, T & D Plant - Customer	49,944	38,233	11,131	33	348	198
5	30300	Misc Intangible Plant	99.0		0					
7		Total Intangible Plant:			53,415	40,890	11,905	35	373	212
9		Production Plant:								
10	32520	Producing Leaseholds	99.0		0					
12	32540	Rights of Way	99.0		0					
13	33100	Production Gas Wells Equipment	99.0		0					
14	33201	Field Lines	99.0		0					
15	33322	Tributary Lines	99.0		0					
16	33400	Field Meas. & Reg. Sta. Equip	99.0		0					
17	33600	Purification Equipment	99.0		0					
19		Total Production Plant:			0	0	0	0	0	0
20		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	Compressor 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	Countdown 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		Total Storage Plant:			0					
42		Transmission:								
43										
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		Total Transmission Plant:			0					
56		Distribution:								
57										
58	37400	Land & Land Rights	2.0	Bills	0					
59	37401	Land	2.0	Bills	0					
60	37402	Land Rights	2.0	Bills	0					
61	37403	Land Other	2.0	Bills	0					
62	37500	Structures & Improvements	2.0	Bills	0					
63	37501	Structures & Improvements T.B.	2.0	Bills	0					
64	37502	Land Rights	2.0	Bills	0					
65	37503	Improvements	2.0	Bills	0					
66	37600	Mains Cathodic Protection	2.0	Bills	0					
67	37601	Mains - Steel	2.0	Bills	0					
68	37602	Mains - Plastic	2.0	Bills	0					
69	37800	Meas. & Reg. Sta. Equip - General	2.0	Bills	0					
70	37900	Meas. & Reg. Sta. Equip - City Gate	2.0	Bills	0					
71	37905	Meas. & Reg. Sta. Equipment T.B.	2.0	Bills	0					
72	38000	Services	2.0	Bills	37,374,099	33,273,207	4,056,972	2,595	26,398	15,028
73	38100	Meters	4.0	Meter Investment	19,074,468	12,263,043	6,298,650	26,951	283,836	161,707
74	38200	Meter Installations	4.0	Meter Investment	24,983,491	16,097,461	8,275,138	35,407	373,022	212,443
75	38300	House Regulators	4.0	Meter Investment	3,972,596	2,558,618	1,315,294	5,626	59,260	33,767
76	38400	House Reg. Installations	4.0	Meter Investment	87,938	56,838	28,116	125	1,312	747
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2	Non-Residential Bills	2,632,946		2,602,605	1,730	18,229	10,362
78	38600	Other Prop. On Cust. Prem.	99.0		0					
79		Total Distribution Plant:			88,285,559	64,236,967	22,777,975	72,346	762,177	434,074

Allmeo Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
BY	GENERAL								
82	General								
83									
84	38900	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0				
85	39000	Structures & Improvements	6.2	P, S, T & D Plant - Customer	412,222	315,581	91,675	273	2,876
86	39002	Structures - Brick	6.2	P, S, T & D Plant - Customer	42,314	32,392	9,431	28	295
87	39003	Improvements	6.2	P, S, T & D Plant - Customer	111,670	85,485	24,889	74	779
88	39003	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	1,850	1,417	412	1	13
89	39004	Improvement to Leased Premises	6.2	P, S, T & D Plant - Customer	510,762	390,995	113,837	338	3,563
90	39009	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	412,087	315,468	91,847	273	2,875
91	39100	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0				
92	39102	Office Machines	6.2	P, S, T & D Plant - Customer	0				
93	39103	Transportation Equipment	6.2	P, S, T & D Plant - Customer	37,838	28,965	8,433	25	264
94	39200	Trucks	6.2	P, S, T & D Plant - Customer	0				
95	39201	Trailers	6.2	P, S, T & D Plant - Customer	(1,063)	(813)	(237)	(1)	(7)
96	39202	Stores Equipment	6.2	P, S, T & D Plant - Customer	0				
97	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	492,259	376,831	108,719	326	3,434
98	39500	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0				
99	39603	Ditchers	6.2	P, S, T & D Plant - Customer	16,260	12,447	3,624	11	113
100	39604	Backhoes	6.2	P, S, T & D Plant - Customer	25,716	19,686	5,732	17	179
101	39605	Welders	6.2	P, S, T & D Plant - Customer	7,652	5,791	1,893	5	53
102	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	83,852	64,189	18,689	59	585
103	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0				
104	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0				
105	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0				
109	39900	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	705,747	540,289	157,285	487	4,923
107	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0				
108	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	1,952	1,494	435	1	14
109	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	0				
110	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	20,250	15,502	4,513	13	141
111	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0				
112	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0				
113	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	445,877	341,325	99,376	285	3,110
114	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0				
115	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	0				
116	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	51,999	39,347	11,456	34	369
117		Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0				
118		Retirement Work in Progress	6.2	P, S, T & D Plant - Customer	(1,380,262)	(1,056,608)	(307,628)	(914)	(8,828)
119		AR 15 general plant amortization	6.2	P, S, T & D Plant - Customer	0				
120									
121		Total General Plant			1,998,294	1,529,719	445,373	1,323	13,939
122									
123		TOTAL DIRECT RESERVE FOR DEPRECIATION			90,337,268	85,809,597	23,235,263	73,704	776,489
124									
125		Kentucky Mid-States General Office:							
126									
127		Intangible Plant:							
128									
129	30100	Organization	99.0	-	0				
130	30200	Franchises & Consents	99.0	-	0				
131	30300	Misc Intangible Plant	99.0	-	0				
132									
133		Total Intangible Plant:							
134									
135		General:							
136									
137	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0				
138	38001	Structures Frame	6.2	P, S, T & D Plant - Customer	21,143	16,185	4,712	14	147
139	38502	Structures & Improvements	6.2	P, S, T & D Plant - Customer	0				
140	38900	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0				
141	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	1,805	1,458	425	1	13
142	39009	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	8,132	6,226	1,812	5	57
143	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	8,669	6,638	1,932	6	60
144	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0				
145	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0				
146	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	0				
147	39201	Trucks	6.2	P, S, T & D Plant - Customer	0				
148	39202	Trailers	6.2	P, S, T & D Plant - Customer	0				
149	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0				
150	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	0				
151	39500	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0				
152	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0				
153	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0				
154	39605	Welders	6.2	P, S, T & D Plant - Customer	0				
155	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	(1,651)	(1,264)	(388)	(1)	(12)
156	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0				
157	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0				
158	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0				
159	39900	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	145,928	111,480	32,457	96	1,016
160	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0				
161	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	(7,286)	(5,579)	(1,624)	(5)	(61)
162	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	0				
163	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	0				
164	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0				
165	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0				
166	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	15,530	11,096	3,483	10	108
167	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	4,639	3,651	1,034	3	32
168	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	173,493	132,811	38,668	115	1,210
169	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	0				
170	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0				
171		Retirement Work in Progress	6.2	P, S, T & D Plant - Customer	10,997	8,419	2,451	7	77
172									
173		Total General Plant			381,208	291,816	84,992	252	2,659

Alcoa Energy Corporation, Kentucky/Altoona Division										
Gross Cost of Service - Demand-Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF RESERVE FOR DEPRECIATION										
174	Shared Services General Office									
176	General									
177	General									
178	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0					
179	38000	Structures & Improvements	6.2	P, S, T & D Plant - Customer	34,353	26,297	7,656	23	240	136
181	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	0					
182	37503	Improvements	6.2	P, S, T & D Plant - Customer	0					
183	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0					
184	39005	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	207,806	159,077	45,315	139	1,450	626
185	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	0					
186	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0					
187	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0					
188	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	0					
189	39201	Trucks	6.2	P, S, T & D Plant - Customer	0					
190	39202	Trailers	6.2	P, S, T & D Plant - Customer	0					
191	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0					
192	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	0					
193	39500	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0					
194	39603	Dishers	6.2	P, S, T & D Plant - Customer	0					
195	39604	Baselines	6.2	P, S, T & D Plant - Customer	0					
196	39605	Welders	6.2	P, S, T & D Plant - Customer	0					
197	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	0					
198	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0					
199	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0					
200	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0					
201	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	0					
202	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	3,571	2,734	796	2	25	14
203	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	475,669	364,054	105,993	315	3,317	1,899
204	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	361,433	278,682	80,585	239	2,521	1,436
205	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	49,853	38,183	11,111	33	348	198
206	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0					
207	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0					
208	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	35,135	26,836	7,831	23	245	140
209	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	53,890	41,246	12,009	36	376	214
210	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	913	699	203	1	6	4
211	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	835,472	716,116	208,495	619	6,526	3,716
212	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0					
213		Retirement Work In Progress	6.2	P, S, T & D Plant - Customer	0					
214										
215		Total General Plant			2,157,983	1,651,964	480,964	1,429	15,053	6,573
216		Shared Services Customer Support			556,037	494,655	126,007	378	3,993	2,257
217										
218		General								
219		General								
220										
221	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0					
222	38001	Structures Frame	6.2	P, S, T & D Plant - Customer	0					
223	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	73,764	56,467	16,440	49	515	293
224	37503	Improvements	6.2	P, S, T & D Plant - Customer	0					
225	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0					
226	39005	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	39,225	30,035	6,743	26	274	155
227	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	20,898	16,952	4,644	14	145	83
228	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0					
229	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0					
230	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	941	720	210	1	7	4
231	39201	Trucks	6.2	P, S, T & D Plant - Customer	0					
232	39202	Trailers	6.2	P, S, T & D Plant - Customer	0					
233	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0					
234	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	1,187	909	265	1	8	5
235	39500	Laboratory Equipment	6.2	P, S, T & D Plant - Customer	165	126	37	0	1	1
236	39603	Dishers	6.2	P, S, T & D Plant - Customer	0					
237	39604	Baselines	6.2	P, S, T & D Plant - Customer	0					
238	39605	Welders	6.2	P, S, T & D Plant - Customer	0					
239	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	26,706	20,443	5,852	16	166	106
240	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0					
241	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0					
242	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0					
243	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	1,681	1,440	419	1	13	7
244	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	11,293	8,645	2,517	7	79	45
245	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	118,715	90,678	26,459	79	828	472
246	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	28,070	21,488	6,256	19	196	112
247	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	6,401	4,951	1,872	6	59	33
248	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0					
249	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0					
250	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	15,645	11,977	3,487	10	109	62
251	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	3,903	2,988	870	3	27	16
252	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	717,600	649,256	158,914	475	5,005	2,850
253	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	1,277	877	265	1	9	5
254	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0					
255		Retirement Work In Progress	6.2	P, S, T & D Plant - Customer	0					
256										
257		Total General Plant			1,059,515	818,727	238,370	768	7,461	4,249
258										
259		TOTAL RESERVE FOR DEPRECIATION - CUSTOMER			83,945,972	68,572,106	24,059,549	76,094	801,662	458,681

ALLOCATION OF RESERVE FOR DEPRECIATION										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
250		Intangible Plant:								
262	30100	Organization	6.4	P, S, T & D Plant - Demand	4,762	2,358	1,189	16	603	585
263	30200	Franchises & Consents	6.4	P, S, T & D Plant - Demand	65,518	33,925	17,285	233	8,678	8,428
264	30300	Misc Intangible Plant	99.0		0	0	0	0	0	0
265		Total Intangible Plant:			70,280	36,283	18,454	249	9,281	9,013
266		Production Plant:								
269	32500	Producing Leaseholds	3.0	Peak Day	0	0	0	0	0	0
271	32540	Rights of Ways	3.0	Peak Day	0	0	0	0	0	0
272	33100	Production Gas Wells Equipment	3.0	Peak Day	0	0	0	0	0	0
273	33201	Field Lines	3.0	Peak Day	0	0	0	0	0	0
274	33202	Tributary Lines	3.0	Peak Day	0	0	0	0	0	0
275	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0	0	0	0	0	0
276	33600	Purification Equipment	3.0	Peak Day	0	0	0	0	0	0
277		Total Production Plant:			0	0	0	0	0	0
278		Storage Plant:								
281		Land:								
282	35010	Land	3.0	Peak Day	0	0	0	0	0	0
283	35020	Rights of Way	3.0	Peak Day	2,218	1,098	559	6	291	273
284	35100	Structures and Improvements	3.0	Peak Day	2,895	1,483	754	10	379	366
285	35102	Compressor Station Equipment	3.0	Peak Day	55,910	27,953	14,080	190	7,691	7,477
286	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	19,195	5,019	2,533	34	1,284	1,247
287	35104	Other Structures	3.0	Peak Day	49,182	24,351	12,386	167	6,229	6,049
288	35200	Wells & Rights of Way	3.0	Peak Day	593,745	298,026	147,005	1,995	73,930	71,800
289	35201	Well Construction	3.0	Peak Day	698,879	345,040	175,495	2,370	88,258	85,715
290	35202	Well Equipment	3.0	Peak Day	229,073	113,419	57,888	779	29,011	28,176
291	35303	Crackdown Gas	3.0	Peak Day	385,933	191,127	92,125	1,244	46,330	44,996
292	35210	Leaseholds	3.0	Peak Day	83,796	41,460	21,057	295	10,605	10,299
293	35211	Storage Rights	3.0	Peak Day	21,738	10,763	5,474	74	2,753	2,674
294	35301	Field Lines	3.0	Peak Day	70,110	34,713	17,656	238	8,879	8,623
295	35302	Tributary Lines	3.0	Peak Day	97,693	48,370	24,602	332	12,373	12,016
296	35403	Compressor Station Equipment	3.0	Peak Day	240,846	119,245	60,632	819	30,563	29,624
297	35500	Meas. & Reg. Equipment	3.0	Peak Day	84,212	46,645	23,725	320	11,532	11,588
298	35600	Purification Equipment	3.0	Peak Day	91,721	45,413	23,098	312	11,616	11,282
299		Total Storage Plant:			2,690,017	1,334,859	678,939	9,168	341,443	331,607
301		Transmission:								
303		Land & Land Rights:								
304	36510	Land & Land Rights	3.0	Peak Day	0	0	0	0	0	0
305	36520	Rights of Way	3.0	Peak Day	417,769	208,847	105,207	1,421	52,909	51,385
306	36522	Structures & Improvements	3.0	Peak Day	16,668	7,970	4,034	53	2,039	1,980
307	36523	Other Structures	3.0	Peak Day	52,147	25,818	13,132	177	6,604	6,414
308	36700	Mains Cathodic Protection	3.0	Peak Day	112,879	55,869	28,426	384	14,286	13,884
309	36701	Mains - Steel	3.0	Peak Day	18,057,095	8,237,549	4,098,426	63,446	2,362,889	2,294,904
310	36900	Meas. & Reg. Equipment	3.0	Peak Day	349,010	169,347	85,625	1,156	43,061	41,821
311	36901	Meas. & Reg. Equipment	3.0	Peak Day	1,732,491	857,795	436,294	5,892	219,415	213,095
312		Total Transmission Plant:			21,328,489	10,660,217	5,371,165	72,530	2,701,194	2,623,583
314		Distribution:								
316		Land & Land Rights:								
317	37400	Land & Land Rights	3.0	Peak Day	0	0	0	0	0	0
318	37401	Land	3.0	Peak Day	0	0	0	0	0	0
319	37402	Land Rights	3.0	Peak Day	192,103	95,115	48,377	653	24,329	23,626
320	37403	Land Other	3.0	Peak Day	0	0	0	0	0	0
321	37500	Structures & Improvements	3.0	Peak Day	107,224	53,089	27,002	365	13,580	13,188
322	37501	Structures & Improvements T.B.	3.0	Peak Day	69,527	34,425	17,500	238	8,905	8,552
323	37502	Land Rights	3.0	Peak Day	34,505	17,085	8,590	117	4,370	4,245
324	37503	Improvements	3.0	Peak Day	1,843	913	461	6	233	227
325	37500	Mains Cathodic Protection	3.0	Peak Day	12,995,269	6,236,200	3,171,872	42,832	1,595,155	1,548,205
326	37501	Mains - Steel	3.0	Peak Day	29,171,777	14,443,896	7,346,944	99,202	3,694,525	3,599,100
327	37502	Mains - Plastic	3.0	Peak Day	16,572,437	8,205,365	4,175,446	56,357	2,088,853	2,030,393
328	37800	Meas. & Reg. Sta. Equip - General	3.0	Peak Day	2,654,130	1,324,637	643,208	8,686	323,473	314,155
329	37900	Meas. & Reg. Sta. Equip - City Gate	3.0	Peak Day	939,545	485,190	236,609	3,195	118,991	115,593
330	37905	Meas. & Reg. Sta. Equipment T.B.	3.0	Peak Day	1,018,245	504,156	256,425	3,463	128,958	125,243
331	38000	Services	99.0		0	0	0	0	0	0
332	38100	Meters	99.0		0	0	0	0	0	0
333	38200	Meter Installations	99.0		0	0	0	0	0	0
334	38300	House Regulators	99.0		0	0	0	0	0	0
335	38400	House Reg. Installations	99.0		0	0	0	0	0	0
336	38500	Ind. Meas. & Reg. Sta. Equipment	99.0		0	0	0	0	0	0
337	38600	Other Prop. On Cust. Prem	99.0		0	0	0	0	0	0
338		Total Distribution Plant:			63,256,603	31,315,773	15,929,945	215,112	8,011,274	7,780,500

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
340	General								
342									
343	39000 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0					
344	39000 Structures & Improvements	6.4	P, S, T & D Plant - Demand	565,527	260,806	142,417	1,923	71,622	69,669
345	39002 Structures - Brick	6.4	P, S, T & D Plant - Demand	59,059	28,742	14,619	197	7,352	7,140
346	39003 Improvements	6.4	P, S, T & D Plant - Demand	153,201	75,883	38,681	621	19,402	18,944
347	39003 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	2,539	1,257	639	9	322	312
348	39004 Improvement to Leased Premises	6.4	P, S, T & D Plant - Demand	700,713	346,939	175,461	2,383	88,743	86,187
349	39009 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	565,355	279,920	142,374	1,923	71,601	69,638
350	39103 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0					
351	39102 Office Machines	6.4	P, S, T & D Plant - Demand	0					
352	39103 Transportation Equipment	6.4	P, S, T & D Plant - Demand	51,910	25,702	13,072	177	6,574	6,385
353	39200 Trucks	6.4	P, S, T & D Plant - Demand	0					
354	39201 Trailers	6.4	P, S, T & D Plant - Demand	(1,458)	(722)	(367)	(9)	(185)	(176)
355	39202 Stores Equipment	6.4	P, S, T & D Plant - Demand	0					
356	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	675,329	334,371	170,089	2,297	85,529	83,085
357	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0					
358	39603 Ditchers	6.4	P, S, T & D Plant - Demand	22,307	11,045	5,616	76	2,825	2,744
359	39604 Backhoes	6.4	P, S, T & D Plant - Demand	35,260	17,469	8,885	120	4,468	4,338
360	39605 Welders	6.4	P, S, T & D Plant - Demand	10,381	5,130	2,609	35	1,312	1,274
361	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	115,036	56,957	28,970	391	14,569	14,149
362	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0					
363	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0					
364	39705 Communication Equip. - Telemetry	6.4	P, S, T & D Plant - Demand	0					
365	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	968,213	478,384	243,626	3,293	122,622	119,089
366	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0					
367	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	2,678	1,336	674	9	339	329
368	39902 Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	0					
369	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	27,761	13,755	6,996	94	3,518	3,417
370	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0					
371	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0					
372	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	611,689	302,865	154,044	2,080	77,470	75,236
373	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0					
374	39908 Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	0					
375	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	70,514	34,913	17,788	240	8,930	8,673
376	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0					
377	Retirement Work In Progress	6.4	P, S, T & D Plant - Demand	(1,693,579)	(837,254)	(478,661)	(8,449)	(298,817)	(292,906)
378	AR 15 general plant amortization	6.4	P, S, T & D Plant - Demand	0					
379									
380	Total General Plant			2,741,465	1,357,356	690,382	9,323	347,168	337,198
381									
382	TOTAL DIRECT RESERVE FOR DEPRECIATION			90,095,845	44,608,486	22,688,085	306,392	11,410,389	11,061,700
383									
384	Kentucky Mid-States General Office:								
385									
386	Intangible Plant:								
387									
388	30100 Organization	99.0		0					
389	30200 Franchises & Consents	99.0		0					
390	30300 Misc Intangible Plant	99.0		0					
391									
392	Total Intangible Plant:			0					
393									
394	General:								
395									
396	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0					
397	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	26,006	14,302	7,305	99	3,674	3,568
398	39002 Structures & Improvements	6.4	P, S, T & D Plant - Demand	0					
399	39000 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0					
400	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	2,613	1,294	658	9	331	321
401	39009 Improvement to Leased Premises	6.4	P, S, T & D Plant - Demand	11,158	5,524	2,809	36	1,413	1,372
402	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	11,893	5,888	2,995	40	1,508	1,463
403	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0					
404	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0					
405	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	0					
406	39201 Trucks	6.4	P, S, T & D Plant - Demand	0					
407	39202 Trailers	6.4	P, S, T & D Plant - Demand	0					
408	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0					
409	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	0					
410	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0					
411	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0					
412	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0					
413	39605 Welders	6.4	P, S, T & D Plant - Demand	0					
414	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	(2,265)	(1,123)	(570)	(8)	(287)	(279)
415	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0					
416	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0					
417	39705 Communication Equip. - Telemetry	6.4	P, S, T & D Plant - Demand	0					
418	39803 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	199,767	98,919	50,312	679	25,302	24,674
419	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0					
420	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	(9,999)	(4,951)	(2,518)	(34)	(1,266)	(1,230)
421	39902 Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	0					
422	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	0					
423	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0					
424	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0					
425	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	21,319	10,555	5,369	72	2,700	2,622
426	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	6,364	3,151	1,603	22	808	783
427	39908 Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	230,015	117,847	59,940	809	30,144	29,276
428	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0					
429	39904 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0					
430	Retirement Work In Progress	6.4	P, S, T & D Plant - Demand	15,097	7,470	3,769	51	1,811	1,656
431									
432	Total General Plant			822,976	268,937	131,701	1,778	66,233	64,326

Alamos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand-Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF RESERVE FOR DEPRECIATION										
433	Shared Services General Office:									
435	General:									
436	General:									
437										
438	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0					
439	38000	Structures & Improvements	6.4	P, S, T & D Plant - Demand	47,126	23,334	11,869	160	5,669	5,787
440	38602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0					
441	37503	Improvements	6.4	P, S, T & D Plant - Demand	0					
442	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0					
443	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	265,087	141,153	71,794	969	34,105	35,065
444	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	0					
445	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0					
446	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0					
447	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	0					
448	39201	Trucks	6.4	P, S, T & D Plant - Demand	0					
449	39202	Trailers	6.4	P, S, T & D Plant - Demand	0					
450	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0					
451	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	0					
452	39500	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0					
453	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0					
454	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0					
455	39605	Welders	6.4	P, S, T & D Plant - Demand	0					
456	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	0					
457	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0					
458	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0					
459	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0					
460	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	0					
461	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	4,900	2,426	1,234	17	621	603
462	39901	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	652,432	323,034	164,302	2,216	82,620	80,240
463	39902	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	495,849	248,506	124,870	1,686	62,798	60,989
464	39903	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	68,951	33,863	17,223	233	8,662	8,412
465	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0					
466	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0					
467	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	48,202	23,866	12,139	184	6,105	5,929
468	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	73,917	36,598	18,615	251	9,361	9,092
469	39908	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	1,252	620	315	4	159	154
470	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	1,263,372	635,426	323,192	4,364	162,536	157,853
471	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0					
472		Retirement Work In Progress	6.4	P, S, T & D Plant - Demand	0					
473										
474		Total General Plant			2,980,533	1,465,827	745,553	10,068	374,843	364,143
475	Shared Services Customer Support:									
476	General:									
477	General:									
478										
479										
480	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0					
481	38001	Structures Frame	6.4	P, S, T & D Plant - Demand	0					
482	38602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	101,198	50,194	25,464	344	12,816	12,447
483	37503	Improvements	6.4	P, S, T & D Plant - Demand	0					
484	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0					
485	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	53,817	26,646	13,553	183	6,618	6,619
486	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	29,588	14,155	7,199	97	3,621	3,616
487	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0					
488	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0					
489	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	1,290	639	325	4	183	159
490	39201	Trucks	6.4	P, S, T & D Plant - Demand	0					
491	39202	Trailers	6.4	P, S, T & D Plant - Demand	0					
492	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0					
493	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	1,628	806	410	6	206	200
494	39500	Laboratory Equipment	6.4	P, S, T & D Plant - Demand	226	112	57	1	29	26
495	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0					
496	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0					
497	39605	Welders	6.4	P, S, T & D Plant - Demand	0					
498	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	36,637	18,140	9,220	125	4,640	4,506
499	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0					
500	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0					
501	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0					
502	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	2,581	1,278	650	8	327	317
503	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	15,493	7,671	3,901	53	1,882	1,906
504	39901	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	162,865	80,638	41,014	554	20,626	20,032
505	39902	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	38,509	19,067	9,698	131	4,877	4,737
506	39903	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	11,526	5,707	2,903	39	1,460	1,416
507	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0					
508	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0					
509	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	21,464	10,627	5,405	73	2,718	2,640
510	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	5,355	2,651	1,349	18	678	659
511	39908	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	984,337	487,367	247,696	3,347	124,864	121,072
512	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	1,762	867	441	6	222	215
513	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0					
514		Retirement Work In Progress	6.4	P, S, T & D Plant - Demand	0					
515										
516		Total General Plant			1,497,265	726,476	369,502	4,990	185,825	180,472
517										
518	TOTAL RESERVE FOR DEPRECIATION - DEMAND									
					85,046,618	47,059,728	23,935,641	323,216	12,037,391	11,880,640

Almos Energy Corporation, Kentucky/Mid States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
Commodity									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
519									
520									
521	30100	6.6	P, S, T & D Plant - Commodity	97	38	21	1	18	10
522	30200	8.6	Franchises & Consents	1,350	548	309	16	254	265
523	30300	99.0	Misc Intangible Plant	0	0	0	0	0	0
524									
525			Total Intangible Plant	1,447	584	330	17	271	284
526									
527			Production Plant:						
528									
529	30530	99.0	Producing Leaseholds	0	0	0	0	0	0
530	32540	99.0	Rights of Ways	0	0	0	0	0	0
531	33100	99.0	Production Gas Wells Equipment	0	0	0	0	0	0
532	33201	99.0	Field Lines	0	0	0	0	0	0
533	33202	1.2	Tributary Lines	0	0	0	0	0	0
534	33400	1.2	Field Meas. & Reg. Sta. Equip	0	0	0	0	0	0
535	33600	99.0	Purification Equipment	0	0	0	0	0	0
536									
537			Total Production Plant	0	0	0	0	0	0
538									
539			Storage Plant:						
540									
541	33010	1.5	Land	0	0	0	0	0	0
542	33020	1.5	Rights of Way	2,218	871	493	26	405	423
543	36100	1.5	Structures and Improvements	2,955	1,177	666	35	546	571
544	35102	1.5	Compression Station Equipment	55,910	21,893	12,427	652	10,201	10,668
545	35103	1.5	Mess. & Reg. Sta. Structures	10,136	3,892	2,233	119	1,549	1,554
546	35104	1.5	Other Structures	46,182	19,320	10,931	573	8,973	9,384
547	35200	1.5	Wells & Rights of Way	583,745	229,312	129,745	6,804	106,504	111,380
548	35201	1.5	Well Construction	696,878	273,754	154,890	8,123	127,145	132,969
549	35202	1.5	Well Equipment	228,073	89,997	50,914	2,670	41,794	43,708
550	35203	1.5	Compression Gas	365,325	142,708	81,359	4,264	66,744	69,800
551	35210	1.5	Leaseholds	83,736	32,694	18,611	976	15,278	15,977
552	35211	1.5	Storage Rights	21,738	8,539	4,831	253	3,966	4,146
553	35301	1.5	Field Lines	70,110	27,541	15,583	817	12,781	13,377
554	35302	1.5	Tributary Lines	97,693	38,377	21,714	1,139	17,824	18,640
555	35400	1.5	Compression Station Equipment	240,646	94,612	53,531	2,807	43,542	45,951
556	35500	1.5	Mess. & Reg. Equipment	84,212	37,009	20,930	1,088	17,185	17,876
557	35600	1.5	Purification Equipment	91,721	36,031	20,388	1,069	16,734	17,501
558									
559			Total Storage Plant	2,690,017	1,059,076	599,224	31,426	491,896	514,406
560									
561			Transmission:						
562									
563	36510	99.0	Land & Land Rights	0	0	0	0	0	0
564	36520	99.0	Rights of Way	0	0	0	0	0	0
565	36602	99.0	Structures & Improvements	0	0	0	0	0	0
566	36603	99.0	Other Structures	0	0	0	0	0	0
567	36700	99.0	Mains Cathodic Protection	0	0	0	0	0	0
568	36701	99.0	Mains - Steel	0	0	0	0	0	0
569	36900	99.0	Mess. & Reg. Equipment	0	0	0	0	0	0
570	36901	99.0	Mess. & Reg. Equipment	0	0	0	0	0	0
571									
572			Total Transmission Plant	0	0	0	0	0	0
573									
574			Distribution:						
575									
576	37400	99.0	Land & Land Rights	0	0	0	0	0	0
577	37401	99.0	Land	0	0	0	0	0	0
578	37402	1.0	Mcf	0	0	0	0	0	0
579	37403	99.0	Land Other	0	0	0	0	0	0
580	37500	1.0	Structures & Improvements	0	0	0	0	0	0
581	37501	1.0	Structures & Improvements T.B.	0	0	0	0	0	0
582	37502	1.0	Land Rights	0	0	0	0	0	0
583	37503	1.0	Improvements	0	0	0	0	0	0
584	37600	1.0	Mains Cathodic Protection	0	0	0	0	0	0
585	37601	1.0	Mains - Steel	0	0	0	0	0	0
586	37602	1.0	Mains - Plastic	0	0	0	0	0	0
587	37900	1.0	Mess. & Reg. Sta. Equip - General	0	0	0	0	0	0
588	37900	1.0	Mess. & Reg. Sta. Equip - City Gate	0	0	0	0	0	0
589	37905	1.0	Mess. & Reg. Sta. Equipment T.B.	0	0	0	0	0	0
590	38000	99.0	Services	0	0	0	0	0	0
591	38100	99.0	Meters	0	0	0	0	0	0
592	38200	99.0	Meter Installations	0	0	0	0	0	0
593	38300	99.0	House Regulators	0	0	0	0	0	0
594	38400	99.0	House Reg. Installations	0	0	0	0	0	0
595	38500	99.0	Ind. Meas. & Reg. Sta. Equipment	0	0	0	0	0	0
596	38600	99.0	Other Prop. On Cust. Prem	0	0	0	0	0	0
597									
598			Total Distribution Plant	0	0	0	0	0	0

Almon Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Year Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
599									
600	General:								
601									
602	38900 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0					
603	39000 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	11,472	4,807	2,850	134	2,093	2,189
604	39002 Structures - Brick	6.6	P, S, T & D Plant - Commodity	1,178	463	262	14	215	225
605	39003 Improvements	6.6	P, S, T & D Plant - Commodity	3,105	1,221	691	36	357	353
606	39003 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	51	20	11	1	9	10
607	39004 Improvement to Leased Premises	6.6	P, S, T & D Plant - Commodity	14,215	5,584	3,159	166	2,593	2,712
608	39008 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	11,469	4,605	2,549	134	2,092	2,188
609	39100 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0					
610	39102 Office Machines	6.6	P, S, T & D Plant - Commodity	0					
611	39103 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	1,053	414	234	12	192	201
612	39200 Trucks	6.6	P, S, T & D Plant - Commodity	0					
613	39201 Trailers	6.6	P, S, T & D Plant - Commodity	(30)	(12)	(7)	(0)	(5)	(6)
614	39202 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0					
615	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	13,700	5,362	3,045	160	2,500	2,614
616	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0					
617	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	453	178	101	5	63	66
618	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	716	281	199	9	131	137
619	39605 Welders	6.6	P, S, T & D Plant - Commodity	210	83	47	2	36	40
620	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	2,334	917	519	27	428	445
621	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0					
622	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0					
623	39705 Communication Equip. - Telemetry	6.6	P, S, T & D Plant - Commodity	0					
624	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	19,641	7,718	4,386	229	3,584	3,748
625	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0					
626	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	54	21	12	1	10	10
627	39902 Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	0					
628	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	564	221	125	7	103	108
629	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0					
630	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0					
631	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	12,409	4,875	2,758	145	2,284	2,368
632	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0					
633	39908 Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	0					
634	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	1,430	562	318	17	261	273
635	39910 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0					
636	Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	(8,413)	(15,060)	(8,538)	(448)	(7,008)	(7,429)
637	AR 15 general plant amortization	6.6	P, S, T & D Plant - Commodity	0					
638									
639	Total General Plant			55,613	21,847	12,361	648	10,147	10,611
640									
641	TOTAL DIRECT RESERVE FOR DEPRECIATION			2,753,117	1,061,508	611,915	32,092	502,304	526,300
642									
643	Kentucky Mid-States General Office:								
644									
645	Intangible Plant:								
646									
647	30100 Organization	99.0		0					
648	30200 Franchises & Consents	99.0		0					
649	30300 Misc Intangible Plant	99.0		0					
650									
651	Total Intangible Plant:			0					
652									
653	General:								
654									
655	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0					
656	39001 Structures Frame	6.6	P, S, T & D Plant - Commodity	588	231	131	7	107	112
657	39002 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0					
658	39000 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0					
659	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	53	21	12	1	10	10
660	39009 Improvement to Leased Premises	6.6	P, S, T & D Plant - Commodity	226	89	50	3	41	43
661	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	241	95	54	3	44	46
662	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0					
663	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0					
664	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	0					
665	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0					
666	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0					
667	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0					
668	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	0					
669	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0					
670	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	0					
671	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0					
672	39605 Welders	6.6	P, S, T & D Plant - Commodity	0					
673	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	(44)	(18)	(10)	(1)	(6)	(9)
674	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0					
675	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0					
676	39705 Communication Equip. - Telemetry	6.6	P, S, T & D Plant - Commodity	0					
677	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	4,053	1,592	901	47	739	773
678	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0					
679	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	(203)	(80)	(45)	(2)	(37)	(39)
680	39902 Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	0					
681	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	0					
682	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0					
683	39906 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0					
684	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	432	170	96	5	79	83
685	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	129	51	28	2	24	25
686	39908 Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	4,826	1,897	1,073	56	881	921
687	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0					
688	39904 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0					
689	Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	396	120	68	4	56	58
690									
691	Total General Plant			10,609	4,169	2,359	124	1,936	2,024

Alcoa Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand-Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF RESERVE FOR DEPRECIATION										
692	Shared Services General Office:									
694	General:									
695	General:									
696	General:									
697	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0					
698	36600	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	955	376	212	11	174	182
699	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0					
700	37500	Improvements	6.6	P, S, T & D Plant - Commodity	0					
701	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0					
702	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	5,783	2,272	1,285	67	1,055	1,103
703	38100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	0					
704	38102	Restitance Processing Equip	6.6	P, S, T & D Plant - Commodity	0					
705	38103	Office Machines	6.6	P, S, T & D Plant - Commodity	0					
706	38200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	0					
707	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0					
708	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0					
709	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0					
710	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	0					
711	39500	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0					
712	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0					
713	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0					
714	39605	Welders	6.6	P, S, T & D Plant - Commodity	0					
715	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	0					
716	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0					
717	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0					
718	39703	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0					
719	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	0					
720	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	99	39	22	1	18	19
721	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	13,235	5,199	2,842	154	2,415	2,526
722	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	10,059	3,951	2,236	117	1,835	1,919
723	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	1,897	545	308	16	263	285
724	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0					
725	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0					
726	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	978	384	217	11	178	187
727	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	1,499	589	333	17	274	286
728	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	25	10	6	0	5	5
729	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	26,038	10,227	5,787	303	4,750	4,967
730	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0					
731		Retirement Work In Progress	6.6	P, S, T & D Plant - Commodity	0					
732										
733		Total General Plant			60,056	23,592	13,349	700	10,857	11,459
734					15,809	6,210	3,614	184	2,884	3,018
735	Shared Services Customer Support:									
736	General:									
737	General:									
738	General:									
739	37490	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0					
740	39001	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0					
741	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	2,053	806	458	24	375	392
742	37500	Improvements	6.6	P, S, T & D Plant - Commodity	0					
743	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0					
744	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	1,092	429	243	13	199	208
745	38100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	587	229	128	7	106	111
746	38102	Restitance Processing Equip	6.6	P, S, T & D Plant - Commodity	0					
747	38103	Office Machines	6.6	P, S, T & D Plant - Commodity	0					
748	38200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	26	10	6	0	5	5
749	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0					
750	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0					
751	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0					
752	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	33	13	7	0	6	6
753	39500	Laboratory Equipment	6.6	P, S, T & D Plant - Commodity	5	2	1	0	1	1
754	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0					
755	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0					
756	39605	Welders	6.6	P, S, T & D Plant - Commodity	0					
757	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	743	282	165	9	136	142
758	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0					
759	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0					
760	39703	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0					
761	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	52	21	12	1	10	10
762	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	314	123	70	4	87	90
763	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	3,304	1,299	734	39	603	630
764	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	761	307	174	9	143	149
765	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	294	92	52	3	45	45
766	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0					
767	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0					
768	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	435	171	97	5	78	83
769	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	109	43	24	1	20	21
770	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	19,899	7,844	4,438	233	3,643	3,810
771	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	38	14	8	0	6	7
772	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0					
773		Retirement Work In Progress	6.6	P, S, T & D Plant - Commodity	0					
774										
775		Total General Plant			29,765	11,693	6,019	347	5,431	5,679
776										
777		TOTAL RESERVE FOR DEPRECIATION - COMMODITY			2,853,549	1,120,650	634,237	33,282	520,627	544,483

Altria Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
Total Reserve for Depreciation									
Line No.	Acc. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
778			Intangible Plant:						
779									
780	30100		Organization	8,330	5,053	1,994	20	645	618
781	30200		Franchises & Consents	119,853	72,704	28,605	282	9,280	8,891
782	30300		Misc Intangible Plant	0					
783									
784			Total Intangible Plant:	128,183	77,757	30,600	302	9,925	9,509
785									
786			Production Plant:						
787									
788	32520		Producing Leaseholds	0					
789	32540		Rights of Ways	0					
790	33100		Production Gas/Water Equipment	0					
791	33201		Field Lines	0					
792	33202		Tributary Lines	0					
793	33400		Field Meas. & Reg. Sta. Equip.	0					
794	33600		Purification Equipment	0					
795									
796			Total Production Plant	0	0	0	0	0	0
797									
798			Storage Plant:						
799									
800	35010		Land	0					
801	35020		Rights of Way	4,436	1,970	1,052	33	686	696
802	35100		Structures and Improvements	5,990	2,660	1,420	45	926	940
803	35102		Compression Station Equipment	111,821	49,646	26,507	842	17,282	17,545
804	35103		Meas. & Reg. Sta. Structures	20,273	9,301	4,866	153	2,133	2,191
805	35104		Other Structures	88,364	43,871	23,317	741	15,202	15,433
806	35200		Wells \ Rights of Way	1,167,490	518,338	276,749	6,790	180,433	183,180
807	35201		Well Construction	1,383,758	618,794	330,385	10,493	215,402	218,681
808	35202		Well Equipment	488,140	203,406	108,602	3,449	70,806	71,883
809	35203		Cushion Gas	731,646	324,833	173,434	5,538	113,075	114,796
810	35310		Leaseholds	167,473	74,384	39,609	1,261	26,883	26,277
811	35211		Storage Rights	43,475	19,302	10,306	327	6,719	6,821
812	35301		Field Lines	140,220	62,254	33,239	1,056	21,671	22,001
813	35302		Tributary Lines	195,387	86,747	46,316	1,471	30,197	30,666
814	35400		Compressor Station Equipment	481,692	213,890	114,184	3,628	74,445	75,578
815	35500		Meas. & Reg. Equipment	188,424	83,856	44,855	1,419	29,121	29,864
816	35600		Purification Equipment	183,442	81,444	43,484	1,381	28,351	28,782
817									
818			Total Storage Plant	5,392,034	2,393,935	1,276,163	40,594	833,329	846,013
819									
820			Transmission:						
821									
822	36910		Land & Land Rights	0					
823	36920		Rights of Way	417,769	206,847	105,207	1,421	52,209	51,385
824	36980		Structures & Improvements	19,098	7,870	4,054	55	2,039	1,980
825	36983		Other Structures	52,147	25,819	13,132	177	6,604	6,414
826	36700		Mains Cathodic Protection	112,879	55,888	28,408	364	14,296	13,884
827	36701		Mains - Steel	18,657,095	9,237,549	4,699,426	63,446	2,382,609	2,284,604
828	36900		Meas. & Reg. Equipment	340,010	168,347	85,625	1,156	43,061	41,821
829	36901		Meas. & Reg. Equipment	1,732,491	857,765	436,284	5,892	219,415	213,095
830									
831			Total Transmission Plant	21,328,488	10,560,217	5,371,165	72,530	2,701,184	2,623,363
832									
833			Distribution:						
834									
835	37400		Land & Land Rights	0					
836	37401		Land	0					
837	37402		Land Rights	192,103	95,116	48,377	653	24,329	23,626
838	37403		Land Other	0					
839	37500		Structures & Improvements	107,224	53,088	27,002	365	13,580	13,168
840	37501		Structures & Improvements T.B.	69,627	34,425	17,508	239	8,605	8,362
841	37502		Land Rights	34,309	17,096	8,699	117	4,370	4,245
842	37503		Improvements	1,643	913	464	6	233	227
843	37600		Mains Cathodic Protection	12,595,265	6,238,200	3,171,872	42,832	1,595,155	1,549,205
844	37601		Mains - Steel	29,171,777	14,443,606	7,346,344	98,202	3,694,525	3,588,100
845	37602		Mains - Plastic	16,572,437	8,205,388	4,173,449	56,357	2,099,853	2,039,393
846	37600		Meas. & Reg. Sta. Equip - General	2,954,130	1,284,607	645,203	8,686	323,473	314,155
847	37600		Meas. & Reg. Sta. Equip - City Gate	830,545	465,160	238,808	3,185	118,691	115,583
848	37805		Meas. & Reg. Sta. Equipment T.B.	1,018,245	504,158	256,425	3,483	128,358	125,243
849	38000		Services	37,374,069	33,273,207	4,058,972	2,505	26,388	15,028
850	38100		Meters	19,024,488	12,263,043	6,299,850	26,951	293,339	161,707
851	38200		Meter Installations	24,993,491	16,097,491	8,275,138	35,407	373,022	212,443
852	38300		House Regulators	3,972,556	2,558,618	1,315,294	5,628	59,290	53,787
853	38400		House Reg. Installations	87,938	56,838	29,116	125	1,312	747
854	38500		Ind. Meas. & Reg. Sta. Equipment	2,832,948		2,802,605	1,730	18,229	10,382
855	38600		Other Prop. On Cust. Prem	0					
856									
857			Total Distribution Plant	151,542,162	85,658,760	38,707,820	267,458	9,773,451	8,214,574

Almos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand-Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
ALLOCATION OF RESERVE FOR DEPRECIATION							
858	General:						
859							
860							
861	38900	Land & Land Rights	0				
862	39000	Structures & Improvements	989,222	600,073	236,842	2,330	78,591
863	39002	Structures - Brick	191,541	61,596	24,311	238	7,662
864	39003	Improvements	267,879	162,559	64,160	631	20,748
865	39003	Air Conditioning Equipment	4,441	2,694	1,083	10	344
866	39004	Improvement to Leased Premises	1,225,690	743,518	293,457	2,897	94,900
867	39006	Office Furniture & Equipment	988,921	699,891	236,770	2,329	76,568
868	39100	Remittance Processing Equip	0				
869	39102	Office Machines	0				
870	39103	Transportation Equipment	90,800	55,081	21,740	214	7,030
871	39200	Trucks	0				
872	39201	Trailers	(2,500)	(1,547)	(610)	(6)	(197)
873	39202	Stores Equipment	0				
874	39400	Tools, Shop & Garage Equipment	1,181,289	716,563	282,627	2,782	91,462
875	39600	Power Operated Equipment	0				
876	39603	Ditchers	39,019	23,670	9,342	92	3,021
877	39604	Backhoes	61,712	37,435	14,775	145	4,778
878	39605	Welders	18,123	10,994	4,339	43	1,403
879	39700	Communication Equipment	201,221	122,693	48,177	474	15,560
880	39701	Communication Equipment - Mobile Radios	0				
881	39702	Communication Equipment - Fixed Radios	0				
882	39705	Communication Equip. - Telemetering	0				
883	39800	Miscellaneous Equipment	1,693,602	1,027,358	405,496	3,869	131,128
884	39901	Other Tangible Property	0				
885	39901	Other Tangible Property - Servers - HW	4,685	2,642	1,122	11	363
886	39902	Other Tangible Property - Servers - SW	0				
887	39903	Other Tangible Property - Network - HW	48,595	28,478	11,635	114	3,782
888	39904	Other Tang. Property - CPU	0				
889	39905	Other Tangible Property - MF - Hardware	0				
890	39906	Other Tang. Property - PC Hardware	1,065,894	649,095	258,178	2,520	82,644
891	39907	Other Tang. Property - PC Software	0				
892	39908	Other Tang. Property - Mainframe SW	0				
893	39909	Other Tang. Property - Application Software	123,343	74,822	29,531	290	9,560
894		Other Tang. Property - General Startup Costs	0				
895		Retirement Work In Progress	(3,312,285)	(2,009,252)	(793,027)	(7,601)	(286,453)
896		AR 15 general plant amortization	0				
897							
898		Total General Plant	4,755,362	2,808,822	1,148,116	11,294	371,284
899							
900		TOTAL DIRECT RESERVE FOR DEPRECIATION	183,186,229	111,469,541	46,536,654	412,176	19,689,182
901							
902	Kentucky Mid-States General Office:						
903							
904	Intangible Plant:						
905							
906	30100	Organization	0				
907	30200	Franchises & Consents	0				
908	30300	Misc Intangible Plant	0				
909							
910		Total Intangible Plant:	0				
911							
912	General:						
913							
914	37400	Land & Land Rights	0				
915	39001	Structures Frame	50,737	30,778	12,148	119	3,928
916	36602	Structures & Improvements	0				
917	38900	Land & Land Rights	0				
918	39004	Air Conditioning Equipment	4,571	2,773	1,064	11	354
919	39009	Improvement to leased Premises	19,515	11,838	4,672	46	1,511
920	39100	Office Furniture & Equipment	20,803	12,619	4,981	49	1,611
921	39102	Remittance Processing Equip	0				
922	39103	Office Machines	0				
923	39200	Transportation Equipment	0				
924	39201	Trucks	0				
925	39202	Trailers	0				
926	39300	Stores Equipment	0				
927	39400	Tools, Shop & Garage Equipment	0				
928	39600	Power Operated Equipment	0				
929	39603	Ditchers	0				
930	39604	Backhoes	0				
931	39605	Welders	0				
932	39700	Communication Equipment	(3,962)	(2,404)	(949)	(9)	(307)
933	39701	Communication Equipment - Mobile Radios	0				
934	39702	Communication Equipment - Fixed Radios	0				
935	39705	Communication Equip. - Telemetering	0				
936	39800	Miscellaneous Equipment	349,467	211,991	83,670	823	27,058
937	39900	Other Tangible Property	0				
938	39901	Other Tangible Property - Servers - HW	(17,490)	(10,609)	(4,187)	(41)	(1,354)
939	39902	Other Tangible Property - Servers - SW	0				
940	39903	Other Tangible Property - Network - HW	0				
941	39904	Other Tang. Property - CPU	0				
942	39905	Other Tangible Property - MF - Hardware	0				
943	39906	Other Tang. Property - PC Hardware	37,291	22,821	8,928	88	2,887
944	39907	Other Tang. Property - PC Software	11,131	6,752	2,665	26	862
945	39908	Other Tang. Property - Mainframe SW	419,337	252,565	99,680	981	32,235
946	39909	Other Tang. Property - Application Software	0				
947	38804	Other Tang. Property - General Startup Costs	0				
948		Retirement Work in Progress	25,991	16,009	6,319	62	2,043
949							
950		Total General Plant	914,791	554,923	219,021	2,155	70,828

Almos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand-Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
ALLOCATION OF RESERVE FOR DEPRECIATION							
951	Shared Services General Office						
953	General						
954	General						
955	Land & Land Rights						
956	37400	Land & Land Rights	0	0	0	0	0
957	36000	Structures & Improvements	82,437	50,007	19,737	194	6,393
958	36602	Structures & Improvements	0	0	0	0	0
959	37503	Improvements	0	0	0	0	0
960	39004	Air Conditioning Equipment	0	0	0	0	0
961	39009	Improvement to Leased Premises	498,674	302,502	119,394	1,174	38,610
962	39100	Office Furniture & Equipment	0	0	0	0	0
963	39102	Remittance Processing Equip	0	0	0	0	0
964	39103	Office Machines	0	0	0	0	0
965	39200	Transportation Equipment	0	0	0	0	0
966	39201	Trucks	0	0	0	0	0
967	39202	Trailers	0	0	0	0	0
968	39300	Stores Equipment	0	0	0	0	0
969	39400	Tools, Shop & Garage Equipment	0	0	0	0	0
970	39600	Power Operated Equipment	0	0	0	0	0
971	39603	Ditchers	0	0	0	0	0
972	39604	Backhoes	0	0	0	0	0
973	39605	Welders	0	0	0	0	0
974	39700	Communication Equipment	0	0	0	0	0
975	39701	Communication Equipment - Mobile Radios	0	0	0	0	0
976	39702	Communication Equipment - Fixed Radios	0	0	0	0	0
977	39705	Communication Equip. - Telemetering	0	0	0	0	0
978	39800	Miscellaneous Equipment	0	0	0	0	0
979	39900	Other Tangible Property	8,570	5,199	2,052	20	694
980	39901	Other Tangible Property - Servers - HW	1,141,237	692,287	273,237	2,688	88,361
981	39902	Other Tangible Property - Servers - SW	887,341	526,139	207,661	2,043	67,154
982	39903	Other Tangible Property - Network - HW	119,630	72,571	28,643	262	8,263
983	39904	Other Tang. Property - CPU	0	0	0	0	0
984	39905	Other Tangible Property - MF - Hardware	0	0	0	0	0
985	39906	Other Tang. Property - PC Hardware	64,315	51,146	20,187	199	6,528
986	39907	Other Tang. Property - PC Software	129,297	78,433	30,956	305	10,011
987	39908	Other Tang. Property - Mainframe SW	2,191	1,329	525	5	170
988	39909	Other Tang. Property - Application Software	2,244,879	1,301,769	537,474	5,287	173,811
989	39924	Other Tang. Property - General Startup Costs	0	0	0	0	0
990	Retirement Work In Progress						
991	Total General Plant						
992			5,178,574	3,141,383	1,239,665	12,197	400,964
993	Shared Services Customer Support						
994	General						
995	General						
996	Land & Land Rights						
997	37400	Land & Land Rights	0	0	0	0	0
998	39001	Structures Frame	0	0	0	0	0
1000	36602	Structures & Improvements	177,012	107,379	42,301	417	13,705
1001	37503	Improvements	0	0	0	0	0
1002	39004	Air Conditioning Equipment	0	0	0	0	0
1003	39009	Improvement to leased Premises	84,137	57,105	22,539	222	7,288
1004	39100	Office Furniture & Equipment	50,007	30,335	11,073	116	3,672
1005	39102	Remittance Processing Equip	0	0	0	0	0
1006	39103	Office Machines	0	0	0	0	0
1007	39200	Transportation Equipment	2,287	1,369	540	5	175
1008	39201	Trucks	0	0	0	0	0
1009	39202	Trailers	0	0	0	0	0
1010	39300	Stores Equipment	0	0	0	0	0
1011	39400	Tools, Shop & Garage Equipment	2,648	1,728	682	7	221
1012	39600	Laboratory Equipment	395	240	95	1	31
1013	39603	Ditchers	0	0	0	0	0
1014	39604	Backhoes	0	0	0	0	0
1015	39605	Welders	0	0	0	0	0
1016	39700	Communication Equipment	64,086	38,875	15,314	151	4,862
1017	39701	Communication Equipment - Mobile Radios	0	0	0	0	0
1018	39702	Communication Equipment - Fixed Radios	0	0	0	0	0
1019	39705	Communication Equip. - Telemetering	0	0	0	0	0
1020	39800	Miscellaneous Equipment	4,515	2,739	1,081	11	360
1021	39900	Other Tangible Property	27,100	16,439	6,488	64	2,098
1022	39901	Other Tangible Property - Servers - HW	284,885	172,814	68,208	671	22,057
1023	39902	Other Tangible Property - Servers - SW	67,366	40,881	16,127	159	5,215
1024	39903	Other Tangible Property - Network - HW	20,161	12,230	4,827	47	1,501
1025	39904	Other Tang. Property - CPU	0	0	0	0	0
1026	39905	Other Tangible Property - MF - Hardware	0	0	0	0	0
1027	39906	Other Tang. Property - PC Hardware	37,545	22,775	8,969	88	2,807
1028	39907	Other Tang. Property - PC Software	9,387	5,692	2,243	22	726
1029	39908	Other Tang. Property - Mainframe SW	1,721,305	1,044,467	412,238	4,065	133,512
1030	39909	Other Tang. Property - Application Software	3,094	1,859	734	7	237
1031	39924	Other Tang. Property - General Startup Costs	0	0	0	0	0
1032	Retirement Work In Progress						
1033	Total General Plant						
1034			2,800,545	1,858,896	614,489	6,045	198,718
1035	TOTAL RESERVE FOR DEPRECIATION						
1036			191,846,138	116,752,782	46,809,428	432,574	13,350,680

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF OTHER RATE BASE									
Customer									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base Additions:								
2									
3	Materials and Supplies - KY Direct	7.2	Allocated O&M Expenses - Cust	(28,673)	(22,577)	(5,821)	(28)	(158)	(90)
4	Materials and Supplies - KY Mid-States GO	7.2	Allocated O&M Expenses - Cust	54,432	42,858	11,050	53	300	171
5	Materials and Supplies - Shared Services GO	7.2	Allocated O&M Expenses - Cust	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	7,306	5,753	1,483	7	40	23
9	Prepayments - KY Mid-States GO	7.2	Allocated O&M Expenses - Cust	280	197	51	0	1	1
10	Prepayments - Shared Services GO	7.2	Allocated O&M Expenses - Cust	166,127	130,604	33,725	161	915	522
11	Prepayments - Shared Services CS	7.2	Allocated O&M Expenses - Cust	9,678	7,621	1,965	9	53	30
12	Cash Working Capital	7.2	Allocated O&M Expenses - Cust	346,651	272,943	70,373	336	1,910	1,086
13	Regulatory Assets	7.2	Allocated O&M Expenses - Cust	24,952	19,647	5,066	24	138	76
14									
15	Total Rate Base Additions			580,724	457,246	117,692	563	3,200	1,823
16									
17	Rate Base Deductions:								
18									
19									
20	Customer Advances - KY Direct	2.0	Bills	(1,497,597)	(1,279,802)	(158,045)	(96)	(1,015)	(576)
21	Customer Advances - KY Mid-States GO	2.0	Bills	0	-	-	-	-	-
22	Customer Advances - Shared Services GO	2.0	Bills	0	-	-	-	-	-
23	Customer Advances - Shared Services CS	2.0	Bills	0	-	-	-	-	-
24	ADIT - KY Direct	9.2	Allocated Net Plant - Cust	(47,223,118)	(36,974,791)	(8,760,109)	(27,842)	(283,323)	(167,053)
25	ADIT - KY Mid-States GO	9.2	Allocated Net Plant - Cust	16,036,633	13,026,163	3,458,472	9,839	109,357	58,853
26	ADIT - Shared Services GO	9.2	Allocated Net Plant - Cust	(660,315)	(468,716)	(115,809)	(330)	(3,489)	(1,982)
27	ADIT - Shared Services CS	9.2	Allocated Net Plant - Cust	2,031,675	1,590,792	418,908	1,158	12,620	7,187
28	Change in Nat Operating Loss Carryforward	9.2	Allocated Net Plant - Cust	(125,271)	(98,085)	(25,891)	(74)	(778)	(449)
29									
30	Total Rate Base Deductions			(30,677,932)	(24,174,468)	(6,199,472)	(17,356)	(192,640)	(104,017)
31									
32									
33	TOTAL OTHER RB - CUSTOMER			(30,097,208)	(23,717,222)	(6,081,679)	(16,773)	(179,440)	(102,194)
34									
35	Interest on Customer Deposits	2.0	Bills	0	-	-	-	-	-

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2016									
ALLOCATION OF OTHER RATE BASE									
Demand									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
35	Rate Base Additions:								
36									
37	Materials and Supplies - KY Direct	7.4	Allocated O&M Expenses - Demand	(38,260)	(18,944)	(9,635)	(130)	(4,846)	(4,706)
39	Materials and Supplies - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	72,631	35,961	18,291	247	9,199	8,834
39	Materials and Supplies - Shared Services GO	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
40	Materials and Supplies - Shared Services CS	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
41	Gas Storage Inventory	99.0		0	-	-	-	-	-
42	Prepayments - KY Direct	7.4	Allocated O&M Expenses - Demand	8,749	4,827	2,455	33	1,235	1,169
43	Prepayments - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	333	165	84	1	42	41
44	Prepayments - Shared Services GO	7.4	Allocated O&M Expenses - Demand	221,671	109,754	55,824	754	28,074	27,285
45	Prepayments - Shared Services CS	7.4	Allocated O&M Expenses - Demand	12,916	6,395	3,253	44	1,636	1,589
46	Cash Working Capital	7.4	Allocated O&M Expenses - Demand	462,553	229,020	116,495	1,573	58,561	56,894
47	Regulatory Assets	7.4	Allocated O&M Expenses - Demand	33,295	16,485	8,395	119	4,217	4,095
48									
48	Total Rate Base Additions			774,888	383,665	195,140	2,635	98,137	95,310
50									
51	Rate Base Deductions:								
52									
53									
54	Customer Advances - KY Direct	99.0		0	-	-	-	-	-
55	Customer Advances - KY Mid-States GO	99.0		0	-	-	-	-	-
56	Customer Advances - Shared Services GO	99.0		0	-	-	-	-	-
57	Customer Advances - Shared Services CS	99.0		0	-	-	-	-	-
58	ADIT - KY Direct	9.4	Allocated Net Plant - Demand	(73,130,471)	(36,208,548)	(18,416,486)	(248,669)	(9,261,772)	(8,994,976)
59	ADIT - KY Mid-States GO	9.4	Allocated Net Plant - Demand	25,783,765	12,750,217	6,488,100	87,913	3,262,909	3,169,916
60	ADIT - Shared Services GO	9.4	Allocated Net Plant - Demand	(897,712)	(429,624)	(218,516)	(2,851)	(109,803)	(106,726)
61	ADIT - Shared Services CS	9.4	Allocated Net Plant - Demand	3,146,284	1,557,799	792,330	10,699	398,468	396,990
62	Change in Net Operating Loss Carryforward	9.4	Allocated Net Plant - Demand	(163,897)	(86,052)	(48,654)	(660)	(24,669)	(23,661)
63									
64	Total Rate Base Deductions			(45,282,141)	(22,420,211)	(11,409,426)	(153,688)	(5,734,858)	(5,569,659)
65									
66									
67	TOTAL OTHER RB - DEMAND			(44,507,253)	(22,036,546)	(11,208,286)	(151,053)	(5,636,720)	(5,474,349)
68									
69	Interest on Customer Deposits	3.0	Peak Day	0	-	-	-	-	-

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2016									
ALLOCATION OF OTHER RATE BASE									
Commodity									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
69	Rate Base Additions:								
71	Materials and Supplies - KY Direct	7.6	Allocated O&M Expenses - Comm	(203,686)	(121,666)	(78,093)	(3,719)	(109)	(106)
72	Materials and Supplies - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	386,481	230,772	148,247	7,080	195	206
73	Materials and Supplies - Shared Services GO	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
74	Materials and Supplies - Shared Services CS	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
75	Gas Storage Inventory	1.0	Mcf	8,259,601	2,857,808	1,636,919	105,878	1,847,035	2,111,960
76	Prepayments - KY Direct	7.6	Allocated O&M Expenses - Comm	51,877	30,076	19,836	948	26	28
77	Prepayments - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	1,773	1,059	690	32	1	1
78	Prepayments - Shared Services GO	7.6	Allocated O&M Expenses - Comm	1,479,538	704,315	452,451	21,547	597	628
79	Prepayments - Shared Services CS	7.6	Allocated O&M Expenses - Comm	68,725	41,037	26,362	1,255	35	37
80	Cash Working Capital	7.6	Allocated O&M Expenses - Comm	2,461,300	1,469,670	944,113	44,961	1,245	1,311
81	Regulatory Assets	7.6	Allocated O&M Expenses - Comm	177,168	105,788	67,858	3,236	90	94
82									
83	Total Rate Base Additions			12,382,873	5,019,861	3,219,537	181,198	1,849,121	2,114,158
84									
85	Rate Base Deductions:								
87									
88	Customer Advances - KY Direct	99.0		0	-	-	-	-	-
89	Customer Advances - KY Mid-States GO	99.0		0	-	-	-	-	-
90	Customer Advances - Shared Services GO	99.0		0	-	-	-	-	-
91	Customer Advances - Shared Services CS	99.0		0	-	-	-	-	-
92	ADIT - KY Direct	9.6	Allocated Net Plant - Comm	(1,255,298)	(493,118)	(279,005)	(14,632)	(229,028)	(239,813)
93	ADIT - KY Mid-States GO	9.6	Allocated Net Plant - Comm	442,239	173,725	99,293	5,155	80,685	84,880
94	ADIT - Shared Services GO	9.6	Allocated Net Plant - Comm	(14,894)	(5,651)	(3,310)	(174)	(2,717)	(2,842)
95	ADIT - Shared Services CS	9.6	Allocated Net Plant - Comm	54,006	21,215	12,004	630	9,853	10,305
96	Change in Net Operating Loss Carryforward	9.6	Allocated Net Plant - Comm	(3,330)	(1,308)	(740)	(39)	(608)	(635)
97									
98	Total Rate Base Deductions			(777,275)	(305,337)	(172,759)	(9,060)	(141,813)	(148,908)
99									
100									
101	TOTAL OTHER RB - COMMODITY			11,605,597	4,714,524	3,046,778	172,138	1,707,308	1,965,850
102									
103	Interest on Customer Deposits	1.0	Mcf	0	-	-	-	-	-

Altoon Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2016									
ALLOCATION OF OTHER RATE BASE									
Total Other Rate Base									
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
103	Rate Base Additions:								
104									
105	Materials and Supplies - KY Direct		(270,522)	(163,065)	(63,549)	(3,677)	(5,107)	(4,904)	
106	Materials and Supplies - KY Mid-States GO		513,544	306,562	177,589	7,360	8,894	9,310	
107	Materials and Supplies - Shared Services GO		0	-	-	-	-	-	
108	Materials and Supplies - Shared Services CS		0	-	-	-	-	-	
109	Gas Storage Inventory		8,299,601	2,557,608	1,636,919	105,678	1,847,035	2,111,960	
110	Prepayments - KY Direct		68,333	41,556	23,838	898	1,301	1,250	
111	Prepayments - KY Mid-States GO		2,358	1,420	915	34	44	43	
112	Prepayments - Shared Services GO		1,567,335	844,873	642,000	22,462	29,566	28,415	
113	Prepayments - Shared Services CS		91,320	55,053	31,579	1,309	1,724	1,656	
114	Cash Working Capital		3,270,504	1,971,634	1,130,971	46,670	61,736	59,283	
115	Regulatory Assets		235,413	141,920	81,408	3,374	4,444	4,288	
116									
117	Total Rate Base Additions		13,738,485	5,880,771	3,531,689	184,387	1,950,458	2,211,269	
118									
119									
120	Rate Base Deductions:								
121									
122	Customer Advances - KY Direct		(1,437,537)	(1,276,802)	(155,045)	(89)	(1,015)	(576)	
123	Customer Advances - KY Mid-States GO		0	-	-	-	-	-	
124	Customer Advances - Shared Services GO		0	-	-	-	-	-	
125	Customer Advances - Shared Services CS		0	-	-	-	-	-	
126	ADIT - KY Direct		(121,603,885)	(73,676,458)	(28,455,800)	(291,164)	(9,784,122)	(9,491,542)	
127	ADIT - KY Mid-States GO		42,842,627	25,956,105	10,024,866	102,577	3,446,932	3,312,149	
128	ADIT - Shared Services GO		(1,442,821)	(874,190)	(337,633)	(3,455)	(116,091)	(111,552)	
129	ADIT - Shared Services CS		5,231,865	3,168,774	1,224,242	12,527	420,941	404,481	
130	Change in Net Operating Loss Carryforward		(322,598)	(185,445)	(75,486)	(772)	(25,955)	(24,840)	
131									
132	Total Rate Base Deductions		(76,737,348)	(46,800,016)	(17,775,657)	(180,384)	(6,059,311)	(5,821,981)	
133									
134									
135	TOTAL OTHER RB		(62,898,864)	(41,039,245)	(14,244,087)	4,013	(4,108,852)	(3,610,692)	
136									
137	Interest on Customer Deposits		0	-	-	-	-	-	



Alton Energy Corporation, Kentucky/MS-Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF O&M EXPENSES									
Account	Description	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost
93	Operation								
94	Supervision and Engineering	10.2 Composite of Accts. 871-876 & 886-893 - Cust	298,417	168,377	90,846	354	5,232	2,125	
97	Distribution Load Dispatching	99.0	0	0	0	0	0	0	
98	Outlines	11.2 Composite of Accts. 376 & 389 - Cust	0	0	0	0	0	0	
99	Compressor Station Labor & Expenses	11.2 Composite of Accts. 376 & 389 - Cust	0	0	0	0	0	0	
99	Mains & Services	11.2 Composite of Accts. 376 & 389 - Cust	0	0	0	0	0	0	
100	Measuring and Regulating Station Exp. - Gen	11.2 Composite of Accts. 376 & 389 - Cust	0	0	0	0	0	0	
101	Measuring and Regulating Station Exp. - Ind.	2.2 Non-Residential Bills	30,793	0	30,464	19	198	119	
102	Measuring and Regulating Sta. Exp. - City Gas	11.2 Composite of Accts. 376 & 389 - Cust	0	0	0	0	0	0	
103	Meters and Meters Regular Expense	10.2 Composite of Accts. 871-879 & 886-893 - Cust	940,679	605,890	311,431	1,333	14,830	7,996	
104	Customer Installation Expense	2.0 Bills	4,194	3,725	454	0	0	0	
105	Other Expense	10.2 Composite of Accts. 871-879 & 886-893 - Cust	30,890	19,224	10,977	43	490	257	
106	Reins	10.2 Composite of Accts. 871-879 & 886-893 - Cust	73,083	45,393	28,820	101	1,064	606	
107	Maintenance								
108	Maintenance Supervision and Engineering	10.2 Composite of Accts. 871-879 & 886-893 - Cust	287	164	105	0	0	0	
109	Maintenance of Structures and Improvements	12.2 Composite of Accts. 374-379 - Cust	0	0	0	0	0	0	
110	Maintenance of Mains	12.2 Composite of Accts. 374-379 - Cust	0	0	0	0	0	0	
111	Maintenance of compressor station equipment	99.0	0	0	0	0	0	0	
112	Maint. of Measuring and Regulating Station Equip. - General	12.2 Composite of Accts. 374-379 - Cust	0	0	0	0	0	0	
113	Maint. of Measuring and Regulating Station Equip. - Industrial	2.2 Non-Residential Bills	9,179	0	9,072	6	59	34	
114	Maint. of Measuring and Regulating Station Equip. - City Gas	12.2 Composite of Accts. 374-379 - Cust	0	0	0	0	0	0	
115	Maintenance of Services	14.2 Account 380 - Cust	105	95	12	0	0	0	
116	Maintenance of Meters and Meters Regular	10.2 Composite of Accts. 871-879 - Cust	18,415	58,202	26,635	125	1,340	769	
117	Maintenance of Other Equipment	10.2 Composite of Accts. 871-879 & 886-893 - Cust	2,288	1,421	612	3	33	19	
118	Total Distribution		1,438,402	890,411	510,150	1,987	20,822	11,921	
119	Customer Accounts								
120	Supervision	2.0 Bills	421	375	46	0	0	0	
122	Meter Reading Expense	2.0 Bills	1,261,833	1,114,476	135,887	84	884	505	
123	Customer Records and Collection Expenses	2.0 Bills	1,762,569	1,089,019	181,559	115	1,244	709	
124	Uncollectible Accounts	6.0 Customer Deposit Balances	382,112	221,085	136,003	4,867	30	27	
125	Miscellaneous Customer Account Expenses	2.0 Bills	0	0	0	0	0	0	
126	Total Customer Accounts		3,376,766	2,964,954	463,245	5,168	2,158	1,240	
127	Customer Service and Information								
128	Supervision	2.0 Bills	0	0	0	0	0	0	
130	Customer Assistance Expenses	2.0 Bills	0	0	0	0	0	0	
131	Informational and Instructional Advertising Expenses	2.0 Bills	133,614	118,963	14,604	9	94	54	
132	Miscellaneous Customer Service and Informational Expenses	2.0 Bills	0	0	0	0	0	0	
133	Total Customer Service and Information		133,614	118,963	14,604	9	94	54	
134	Sales								
136	Supervision	2.0 Bills	288,902	237,699	28,978	18	195	107	
137	Demonstrating and Selling Expenses	2.0 Bills	131,290	116,884	14,252	9	93	53	
138	Advertising Expenses	2.0 Bills	49,483	40,492	4,637	3	32	18	
139	Miscellaneous Sales Expenses	2.0 Bills	86,653	77,155	9,405	68	81	48	
140	Total Sales		557,069	473,890	58,760	24	232	144	
141	Administrative & General								
142	Operation								
144	Administrative and General Salaries	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	(488,819)	(375,964)	(104,472)	(608)	(3,248)	(1,850)	
145	Office Supplies and Expenses	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	1,250	968	268	3	9	5	
146	Administrative Expenses Transferred - Customer Support	2.0 Bills	0	0	0	0	0	0	
147	Administrative Expenses Transferred - General	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	5,391,668	4,178,022	1,157,069	3,415	35,575	20,498	
148	Outside Services Employee	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	26,878	20,812	5,768	17	179	102	
149	Property Insurance	9.2 Allocated Net Plant - Cust	2,159	1,095	446	1	12	6	
150	Injuries and Damages	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	6,904	5,346	1,482	4	46	26	
151	Employee Pensions and Benefits	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	709,263	549,185	162,202	440	4,732	2,693	
152	Franchise Requirements	2.0 Bills	1,483	1,202	161	0	1	1	
153	Regulatory Commission Expenses	2.0 Bills	186,942	192,721	17,038	11	111	63	
154	General Advertising Expenses	2.0 Bills	0	0	0	0	0	0	
155	Miscellaneous General Expense	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	(4,939)	(3,872)	(1,099)	(9)	(33)	(19)	
156	Reins	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	4,814	3,655	1,055	3	31	19	
157	Maintenance								
158	Maintenance of General Plant	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	6,808,983	4,517,043	1,779,854	4,690	37,816	21,938	
159	Total A/C's		6,808,983	4,517,043	1,779,854	4,690	37,816	21,938	
161	TOTAL O&M EXPENSE - CUSTOMER		11,115,833	8,752,290	2,256,813	10,778	61,255	34,886	

Almon Energy Corporation, Kentucky/ARL States Division										
Class Cost of Service - Demand-Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF O&M EXPENSES										
Demand										
Line No.	Acct. No.	Description	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
162		Production & Gathering:								
163		Operation	99.0		0					
164	7520	Op. Sup. & Eng.	99.0		0					
165	7510	Production Maps & Records	99.0		0					
166	7530	Field Line Expenses	99.0		0					
167	7540	Plant Compressor Station Expense	99.0		0					
168	7550	Field Compressor Sta. Fuel & Power	99.0		0					
169	7560	Field Meas. & Regul. Station Exp	99.0		0					
170	7570	Purification Expense	99.0		0					
171	7580	Other Expenses	99.0		0					
172		Maintenance								
173	7610	Maint. Sup. & Eng.	99.0		0					
174	7620	Structures and Improvements	99.0		0					
175	7640	Field Line Maintenance	99.0		0					
176	7650	Compressor Station Equip. Maint.	99.0		0					
177	7660	Meas. & Regul. Station Equip. Maint.	99.0		0					
178	7670	Purification Equipment Maintenance	99.0		0					
179	7680	Other Equipment Maintenance	99.0		0					
180	7690	Gas Processed By Others	99.0		0					
181		Total Production & Gathering			0	0	0	0	0	0
182		Other Gas Supply Expenses:								
183		Operation								
183	8001	Intercompany Gas Well-head Purchases	99.0		0					
184	8040	Natural Gas City Gate Purchases	99.0		0					
185	8045	Transportation to City Gate	99.0		0					
186	8050	Transmission-Operation supervision and engineering	99.0		0					
188	8051	Other Gas Purchases / Gas Cost Adjustments	99.0		0					
190	8052	PGA for Commercial	99.0		0					
191	8053	PGA for Industrial	99.0		0					
192	8054	PGA for Public Authority	99.0		0					
193	8057	PGA for Transportation Sales	99.0		0					
194	8058	Unbilled PGA Costs	99.0		0					
195	8059	PGA Offset to Unrecovered Gas Cost	99.0		0					
199	8060	Exchange Gas	99.0		0					
197	8061	Gas Withdrawn From Storage - Debit	99.0		0					
198	8062	Gas Delivered to Storage	99.0		0					
199	8120	Gas Used for Other Utility Operations	99.0		0					
200	8130	Other Gas Supply Expenses	99.0		0					
201		Maintenance								
202	8300	Maint. Of Purch. Gas Meas. Sta.	99.0		0					
203		Total Other Gas Supply Expenses			0	0	0	0	0	0
204		Underground Storage:								
205		Operation								
207	8140	Op. Sup. & Eng.	3.0 Peak Day		0					
208	8150	Maps & Records	3.0 Peak Day		0					
209	8190	Wells Expense	3.0 Peak Day		97,978	33,656	17,118	231	8,609	8,383
210	8170	Line Expense	3.0 Peak Day		17,507	8,885	4,409	62	2,217	2,153
211	8180	Compressor Station Expense	3.0 Peak Day		17,816	8,621	4,487	61	2,256	2,191
212	8190	Compressor Station Fuel & Power	3.0 Peak Day		502	248	126	2	64	62
213	8200	Meas. & Regul. Station Expenses	3.0 Peak Day		1,743	863	438	6	221	214
214	8210	Purification Expenses	3.0 Peak Day		0	0	0	0	0	0
215	8220	Exploration & Development	3.0 Peak Day		12,687	5,430	3,271	44	1,845	1,997
216	8230	Gas Losses	3.0 Peak Day		0	0	0	0	0	0
217	8240	Other Expenses	3.0 Peak Day		0	0	0	0	0	0
218	8250	Storage Well Royalties	3.0 Peak Day		4,824	2,324	1,182	16	594	577
219	8260	Rents	3.0 Peak Day		0	0	0	0	0	0
220		Maintenance								
221	8300	Maint. Sup. & Eng.	3.0 Peak Day		0					
222	8310	Structures and Improvements	3.0 Peak Day		8,124	4,022	2,045	28	1,028	999
223	8320	Reservoirs & Well Maintenance	3.0 Peak Day		0					
224	8330	Line Maintenance	3.0 Peak Day		0					
225	8340	Compressor Station Equip. Maint.	3.0 Peak Day		5,945	2,943	1,497	20	753	731
226	8350	Meas. & Regul. Station Equip. Maint.	3.0 Peak Day		0					
227	8360	Purification Equipment Maintenance	3.0 Peak Day		0					
228	8370	Other Equipment Maintenance	3.0 Peak Day		85,108	32,281	16,419	223	8,257	8,019
229		Total Underground Storage Expense			202,491	100,255	50,983	689	25,645	24,906
230		Transmission:								
231		Operation								
233	8500	Op. Sup. & Eng.	3.0 Peak Day		0					
234	8510	System Control & Load Dispatching	3.0 Peak Day		0					
235	8520	Communication Systems Expense	3.0 Peak Day		0					
236	8530	Compressor Station Labor Expense	3.0 Peak Day		0					
237	8540	Compressor Station Fuel Gas	3.0 Peak Day		0					
238	8550	Compressor Station Fuel & Power	3.0 Peak Day		297	147	75	38	37	37
239	8560	Main Expense	3.0 Peak Day		285,790	138,448	64,416	876	32,395	31,492
240	8570	Meas. & Regul. Station Expenses	3.0 Peak Day		11,082	5,487	2,781	38	1,404	1,363
241	8580	LDC Payment	3.0 Peak Day		0					
242	8588	LDC Payment - ASG	3.0 Peak Day		0					
243	8590	Other Expenses	3.0 Peak Day		0					
244	8600	Rents	3.0 Peak Day		0					
245		Maintenance								
246	8610	Maint. Sup. & Eng.	3.0 Peak Day		0					
247	8620	Structures and Improvements	3.0 Peak Day		0					
248	8630	Meas.	3.0 Peak Day		3,091	1,531	778	11	392	380
249	8640	Compressor Station Equip. Maint.	3.0 Peak Day		0					
250	8650	Meas. & Regul. Station Equip. Maint.	3.0 Peak Day		412	204	104	1	39	51
251	8660	Communication Equipment Maintenance	3.0 Peak Day		0					
252	8670	Other Equipment Maintenance	3.0 Peak Day		0					
253		Total Transmission Expense			270,873	134,016	69,184	929	34,286	33,292

Atmos Energy Corporation - Kentucky/Mid-States Division										
Class Cost of Service - Demand-Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF O&M EXPENSES										
254										
255	2550	Overhead:								
256		Distribution:								
257	3700	Supervision and Engineering	10.4	Composite of Accts. 871-876 & 886-893 - Demand	950,631	475,679	239,296	3,233	120,395	116,927
258	8710	Distribution Load Dispatching	99.0	-	0	0	0	0	0	0
259	8711	Outlets	99.0	-	0	0	0	0	0	0
259	8720	Compressor Station Labor & Expenses	11.4	Composite of Accts. 376 & 380 - Demand	0	0	0	0	0	0
260	8740	Mains & Services	12.4	Composite of Accts. 374-379 - Demand	3,444,978	1,703,889	867,591	11,715	436,297	425,729
261	8750	Measuring and Regulating Station Equip. - Gen	12.4	Composite of Accts. 374-379 - Demand	484,454	233,884	123,010	1,616	61,300	58,592
262	8760	Measuring and Regulating Station Equip. - Ind.	99.0	-	0	0	0	0	0	0
263	8770	Measuring and Regulating Station Equip. - City Gas	12.4	Composite of Accts. 374-379 - Demand	22,313	11,042	5,619	76	2,826	2,744
264	8780	Meters and House Regulator Expense	13.4	Composite of Accts. 381-383 - Demand	0	0	0	0	0	0
265	8790	Customer Inquiries Expense	99.0	-	0	0	0	0	0	0
266	8800	Other Expense	10.4	Composite of Accts. 871-876 & 886-893 - Demand	114,735	56,808	28,894	300	14,531	14,112
267	8810	Rents	10.4	Composite of Accts. 871-876 & 886-893 - Demand	270,923	134,140	68,227	921	34,312	33,323
268		Maintenance:								
269	8850	Maintenance Supervision and Engineering	10.4	Composite of Accts. 871-876 & 886-893 - Demand	1,101	545	277	4	109	103
270	8860	Maintenance of Structures and Improvements	12.4	Composite of Accts. 374-379 - Demand	309	153	78	1	31	30
271	8870	Maintenance of Mains	12.4	Composite of Accts. 374-379 - Demand	30,023	14,688	7,481	102	3,892	3,803
272	8880	Maintenance of compressor station equipment	99.0	-	0	0	0	0	0	0
273	8900	Maint. of Measuring and Regulating Station Equip. - General	12.4	Composite of Accts. 374-379 - Demand	38	19	9	0	5	5
274	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	99.0	-	0	0	0	0	0	0
275	8920	Maint. of Measuring and Regulating Station Equip. - City Gas	12.4	Composite of Accts. 374-379 - Demand	4,225	2,092	1,064	14	535	520
276	8930	Maintenance of Services	14.4	Account 380 - Demand	0	0	0	0	0	0
277	8940	Maintenance of Meters and House Regulators	13.4	Composite of Accts. 381-383 - Demand	0	0	0	0	0	0
278	8950	Maintenance of Other Equipment	10.4	Composite of Accts. 871-876 & 886-893 - Demand	8,483	4,200	2,135	29	1,074	1,043
279		Total Distribution			6,332,652	3,640,119	1,342,824	16,133	675,315	655,852
280		Customer Accounts:								
281	9010	Supervision	99.0	-	0	0	0	0	0	0
282	9020	Meter Reading Expense	99.0	-	0	0	0	0	0	0
283	9030	Customer Receipts and Collection Expenses	99.0	-	0	0	0	0	0	0
284	9040	Uncollectible Accounts	99.0	-	0	0	0	0	0	0
285	9050	Miscellaneous Customer Accounts Expenses	99.0	-	0	0	0	0	0	0
286		Total Customer Accounts			0	0	0	0	0	0
287		Customer Service and Information:								
288	9060	Supervision	99.0	-	0	0	0	0	0	0
289	9070	Customer Assistance Expenses	99.0	-	0	0	0	0	0	0
290	9080	Informational and Instructional Advertising Expenses	99.0	-	0	0	0	0	0	0
291	9090	Miscellaneous Customer Service and Informational Expenses	99.0	-	0	0	0	0	0	0
292		Total Customer Service and Information			0	0	0	0	0	0
293		Sales:								
294	9110	Supervision	99.0	-	0	0	0	0	0	0
295	9120	Demonstrating and Selling Expenses	99.0	-	0	0	0	0	0	0
296	9130	Advertising Expenses	99.0	-	0	0	0	0	0	0
297	9150	Miscellaneous Sales Expenses	99.0	-	0	0	0	0	0	0
298		Total Sales			0	0	0	0	0	0
299		Administrative & General:								
300		Operated:								
301	9200	Administrative and General Salaries	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(777,621)	(385,018)	(195,819)	(2,641)	(88,494)	(85,647)
302	9210	Office Supplies and Expenses	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	1,987	989	503	7	253	246
303	9250	Administrative Expenses Transferred - Customer Support	99.0	-	0	0	0	0	0	0
304	9260	Administrative Expenses Transferred - General	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	8,612,448	4,284,217	2,168,877	29,289	1,080,743	1,059,322
305	9230	Outside Services Employed	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	42,932	21,256	10,811	146	5,437	5,291
306	9240	Property Insurance	8.4	Allocated Mid Plant - Demand	3,342	1,655	842	11	433	411
307	9250	Injuries and Damages	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	11,027	5,480	2,717	37	1,397	1,356
308	9260	Employee Pensions and Benefits	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	1,132,856	560,918	285,285	3,833	143,477	139,344
309	9270	Franchise Requirements	99.0	-	0	0	0	0	0	0
310	9280	Regulatory Contribution Expenses	99.0	-	0	0	0	0	0	0
311	930.1	General Advertising Expenses	99.0	-	0	0	0	0	0	0
312	930.2	Miscellaneous General Expense	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(7,884)	(3,904)	(1,945)	(27)	(998)	(970)
313	9310	Rents	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	7,849	3,868	1,871	22	924	895
314		Maintenance:								
315	9320	Maintenance of General Plant	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	0	0	0	0	0	0
316		Total A&G			9,026,576	4,650,460	2,273,258	30,697	1,143,241	1,110,309
317		TOTAL O&M EXPENSE - DEMAND			14,833,391	7,343,852	3,735,249	50,435	1,878,481	1,824,369

Alton Energy Corporation, Kentucky Area States Division  
Class Cost of Service - Demand-Only Study  
Forecasted Test Period: Twelve Months Ended March 31, 2018

ALLOCATION OF GAS EXPENSES

Line No.	Acct. No.	Commodity	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Plant	Non-Res Sales Intertie/Inj	Transport Plant	Transport Intertie/Inj
323		Production & Gathering:								
324		Operation	90.0		0					
325	7500	Op. Sup. & Eng.	90.0		0					
326	7510	Production Maint & Records	90.0		0					
327	7530	Field Lines Expenses	90.0		0					
328	7540	Field Compressor Station Expense	90.0		0					
329	7550	Field Compressor Sta. Fuel & Pow.	90.0		0					
330	7560	Field Meas. & Regul. Station Exp	18.4	Gas Costs	0					
331	7570	Purification Expense	90.0		0					
332	7590	Other Expenses	90.0		0					
333		Maintenance								
334	7610	Maint. Sup. & Eng.	90.0		0					
335	7620	Structures and Improvements	90.0		0					
336	7640	Field Line Maintenance	90.0		0					
337	7650	Compressor Station Equip. Maint.	90.0		0					
338	7680	Meas. & Regul. Station Equip Maint	90.0		0					
339	7670	Purification Equipment Maintenance	90.0		0					
340	7660	Other Equipment Maintenance	90.0		0					
341	7690	Gas Processed by Others	90.0		0					
342		Total Production & Gathering			0	0	0	0	0	0
343		Other Gas Supply Expenses:								
344		Operation								
346	8001	Intercompany Gas Well-Head Purchases	18.4	Gas Costs	81,272	48,576	31,211	1,485		
347	8040	Natural Gas City Gate Purchases	18.4	Gas Costs	56,961,988	34,063,278	21,856,606	1,042,104		
348	8045	Transportation to City Gate	18.4	Gas Costs	0					
349	8050	Transmission-Operation supervision and engineering	18.4	Gas Costs	(17,582)	(16,491)	(6,740)	(321)		
350	8051	Other Gas Purchases - Gas Cost Adjustments	18.4	Gas Costs	48,438,442	27,158,897	17,448,935	830,810		
351	8052	PGA for Commercial	18.4	Gas Costs	23,451,445	14,016,386	9,098,647	426,812		
352	8053	PGA for Industrial	18.4	Gas Costs	6,473,598	3,869,056	2,488,978	118,267		
353	8054	PGA for Public Authority	18.4	Gas Costs	4,592,618	2,720,674	1,748,109	83,234		
354	8057	PGA for Transportation Sales	18.4	Gas Costs	0					
355	8058	Unbilled PGA Costs	18.4	Gas Costs	(1,183,255)	(706,617)	(454,021)	(21,618)		
356	8059	PGA Offset to Unrecovered Gas Cost	18.4	Gas Costs	(92,851,831)	(56,376,645)	(35,581,836)	(1,894,147)		
357	8060	Exchange Gas	18.4	Gas Costs	6,250,380	3,735,748	2,400,233	114,288		
358	8081	Gas Withdrawn From Storage - Debit	18.4	Gas Costs	15,870,639	9,092,491	5,757,030	275,569		
359	8082	Gas Delivered to Storage	18.4	Gas Costs	(17,546,751)	(10,487,437)	(6,738,470)	(320,844)		
360	8120	Gas Used for Other Utility Operations	18.4	Gas Costs	(21,930)	(13,107)	(8,422)	(401)		
361	8130	Other Gas Supply Expenses	18.4	Gas Costs	31,821,878	18,010,489	12,220,339	581,999		
362		Maintenance								
363	8350	Maint. Of Purch. Gas Meas. Stn.	18.4	Gas Costs	0					
364		Total Other Gas Supply Expenses			78,769,117	47,043,289	30,226,625	1,439,203	0	0
365		Underground Storage:								
367		Operation								
368	8140	Op. Sup. & Eng.	1.5	Water Volumes	0					
369	8150	Maps & Records	1.5	Water Volumes	0					
370	8160	Wells Expense	1.5	Water Volumes	87,978	28,703	18,108	793	12,462	12,978
371	8170	Lines Expense	1.5	Water Volumes	17,567	5,877	3,891	204	3,194	3,340
372	8180	Compressor Station Expense	1.5	Water Volumes	17,816	6,988	3,969	208	3,251	3,399
373	8190	Compressor Station Fuel & Power	1.5	Water Volumes	502	197	112	6	82	86
374	8200	Meas. & Regul. Station Expenses	1.5	Water Volumes	1,743	588	387	28	318	324
375	8210	Purification Expenses	1.5	Water Volumes	12,587	5,102	2,887	151	2,269	2,478
376	8220	Exploration & Development	1.5	Water Volumes	0					
377	8230	Gas Losses	1.5	Water Volumes	0					
378	8240	Other Expenses	1.5	Water Volumes	0					
379	8250	Storage Well Royalties	1.5	Water Volumes	4,894	1,644	1,043	55	858	898
380	8260	Rents	1.5	Water Volumes	0					
381		Maintenance								
382	8300	Maint. Sup. & Eng.	1.5	Water Volumes	0					
383	8310	Structures and Improvements	1.5	Water Volumes	8,124	3,191	1,806	88	1,262	1,550
384	8320	Reservoirs & Wells Maintenance	1.5	Water Volumes	0					
385	8330	Line Maintenance	1.5	Water Volumes	0					
386	8340	Compressor Station Equip Maint	1.5	Water Volumes	5,645	2,385	1,321	69	1,085	1,124
387	8350	Meas. & Regul. Station Equip Maint	1.5	Water Volumes	0					
388	8360	Purification Equipment Maintenance	1.5	Water Volumes	0					
389	8370	Other Equipment Maintenance	1.5	Water Volumes	83,189	29,812	14,461	760	11,695	12,440
390		Total Underground Storage Expense			202,491	79,544	45,056	2,360	36,944	38,638
392		Transmission:								
393		Operation								
394	8500	Op. Sup. & Eng.	90.0		0					
395	8510	System Control & Load Dispatching	90.0		0					
396	8520	Communication Systems Expense	90.0		0					
397	8530	Compressor Station Labor Expense	90.0		0					
398	8540	Compressor Station Fuel Gas	90.0		0					
399	8550	Compressor Station Fuel & Power	90.0		0					
400	8560	Maint. Expense	90.0		0					
401	8570	Meas. & Regul. Station Expenses	90.0		0					
402	8580	LDC Payment	90.0		0					
403	8590	LDC Payment - ASG	90.0		0					
404	8590	Other Expenses	90.0		0					
405	8590	Rents	90.0		0					
406		Maintenance								
407	8610	Maint. Sup. & Eng.	90.0		0					
408	8620	Structures and Improvements	90.0		0					
409	8630	Meas.	90.0		0					
410	8640	Compressor Station Equip Maint	90.0		0					
411	8650	Meas. & Regul. Station Equip Maint	90.0		0					
412	8660	Communication Equipment Maintenance	90.0		0					
413	8670	Other Equipment Maintenance	90.0		0					
414		Total Transmission Expense			0	0	0	0	0	0

Alcoa Energy Corporation, Kentucky&Mid-States Division										
Class Cost of Service - Demand-Gly Study										
Forecasted Test Period: Twelve Months Ended March 31, 2016										
ALLOCATION OF O&M EXPENSES										
415										
416	Distribution									
417	Operations									
418	8700	Supervision and Engineering	10.6	Composite of Accts. 871-876 & 886-893 - Comm	873	270	173	11	195	223
419	8710	Distribution Load Dispatching	1.0	Mcf	986	305	195	19	221	252
420	8711	Overhead	1.0	Mcf	2,670	827	539	34	597	683
421	8720	Compressor Station Labor & Expenses	99.0		0	0	0	0	0	0
421	8740	Main A Services	12.6	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
422	8750	Measuring and Regulating Station Exp. - Gen	12.6	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
423	8760	Measuring and Regulating Station Exp. - Ind.	99.0		0	0	0	0	0	0
424	8770	Measuring and Regulating Sta. Exp. - City Gats	12.6	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
425	8780	Meters and House Regulator Expense	99.0		0	0	0	0	0	0
426	8790	Customer Installations Expense	99.0		0	0	0	0	0	0
427	8800	Other Expense	10.6	Composite of Accts. 871-876 & 886-893 - Comm	105	33	21	1	24	27
428	8810	Rents	10.6	Composite of Accts. 871-876 & 886-893 - Comm	248	77	49	3	59	64
429		Maintenance								
430	8850	Maintenance Supervision and Engineering	10.6	Composite of Accts. 871-876 & 886-893 - Comm	1	0	0	0	0	0
431	8860	Maintenance of Structures and Improvements	12.6	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
432	8870	Maintenance of Meters	12.6	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
433	8890	Maintenance of compressor station equipment	1.0	Mcf	0	0	0	0	0	0
434	8900	Maint. of Measuring and Regulating Station Equip. - General	12.6	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
435	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	5.0	Direct to Transport	0	0	0	0	0	0
436	8920	Maint. of Measuring and Regulating Station Equip. - City Gats	7.8	Composite of Accts. 374-379 - Comm	0	0	0	0	0	0
437	8930	Maintenance of Services	14.5	Account 350 - Comm	0	0	0	0	0	0
438	8940	Maintenance of Meters and House Regulators	13.8	Composite of Accts. 381-383 - Comm	0	0	0	0	0	0
439	8950	Maintenance of Other Equipment	10.6	Composite of Accts. 871-876 & 886-893 - Comm	6	2	2	0	2	2
440		Total Distribution			4,890	1,514	989	63	1,094	1,250
441		Customer Accounts								
442		Customer Accounts								
443	9010	Supervision	99.0		0	0	0	0	0	0
444	9020	Meter Reading Expense	99.0		0	0	0	0	0	0
445	9030	Customer Records and Collection Expenses	99.0		0	0	0	0	0	0
446	9040	Uncollectible Accounts	99.0		0	0	0	0	0	0
447	9050	Miscellaneous Customer Accounts Expenses	99.0		0	0	0	0	0	0
448		Total Customer Accounts			0	0	0	0	0	0
449		Customer Service and Information								
450		Customer Service and Information								
451	9070	Supervision	99.0		0	0	0	0	0	0
452	9080	Customer Assistance Expenses	99.0		0	0	0	0	0	0
453	9090	Informational and Instructional Advertising Expenses	99.0		0	0	0	0	0	0
454	9100	Miscellaneous Customer Service and Information Expenses	99.0		0	0	0	0	0	0
455		Total Customer Service and Information			0	0	0	0	0	0
456		Sales								
457		Sales								
458	9110	Supervision	99.0		0	0	0	0	0	0
459	9120	Demonstrating and Selling Expenses	99.0		0	0	0	0	0	0
460	9130	Advertising Expenses	99.0		0	0	0	0	0	0
461	9160	Miscellaneous Sales Expenses	99.0		0	0	0	0	0	0
462		Total Sales			0	0	0	0	0	0
463		Administrative & General								
464		Operations								
465	9200	Administrative and General Salaries	17.6	Composite of Accts. 870-902, 905-916, 924 & 926-930.1 - Comm	(721)	(224)	(143)	(9)	(161)	(164)
467	9210	Office Supplies and Expenses	17.6	Composite of Accts. 870-902, 905-916, 924 & 926-930.1 - Comm	2	1	0	0	0	0
468	9260	Administrative Expenses Transferred - Customer Support	99.0		0	0	0	0	0	0
469	9260	Administrative Expenses Transferred - General	17.6	Composite of Accts. 870-902, 905-916, 924 & 926-930.1 - Comm	7,585	2,481	1,585	102	1,782	2,028
470	9230	On-call Services Employed	17.6	Composite of Accts. 870-902, 905-916, 924 & 926-930.1 - Comm	49	12	5	1	9	10
471	9240	Property Insurance	17.6	Composite of Accts. 870-902, 905-916, 924 & 926-930.1 - Comm	87	23	13	1	16	11
472	9250	Injuries and Damages	17.6	Composite of Accts. 870-902, 905-916, 924 & 926-930.1 - Comm	19	3	2	0	2	3
473	9260	Employee Pensions and Benefits	17.6	Composite of Accts. 870-902, 905-916, 924 & 926-930.1 - Comm	1,030	329	208	13	234	268
474	9270	Practical Requirements	99.0		0	0	0	0	0	0
475	9280	Regulatory Commission Expenses	99.0		0	0	0	0	0	0
476	930.1	General Advertising Expenses	99.0		0	0	0	0	0	0
477	930.2	Miscellaneous General Expense	17.6	Composite of Accts. 870-902, 905-916, 924 & 926-930.1 - Comm	(7)	(2)	(1)	(6)	(9)	(9)
478	9310	Rents	17.6	Composite of Accts. 870-902, 905-916, 924 & 926-930.1 - Comm	7	2	1	0	2	2
479		Maintenance								
480	9310	Maintenance of General Plant	17.6	Composite of Accts. 870-902, 905-916, 924 & 926-930.1 - Comm	0	0	0	0	0	0
481		Total A/C			8,425	2,822	1,673	108	1,878	2,144
482										
483		TOTAL O&M EXPENSE - COMMUNITY			78,824,823	47,126,868	30,274,273	1,441,734	39,915	42,030

Alcoa Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Demand-Only Study  
Forecasted Test Period: Twelve Months Ended March 31, 2019

ALLOCATION OF O&M EXPENSES

Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Intermittible	Transport Firm	Transport Intermittible
Total O&M Expenses									
484		Production & Gathering							
485		Operation							
486	7500	Op. Sup. & Eng.		0	0	0	0	0	0
487	7510	Production Maps & Records		0	0	0	0	0	0
488	7530	Field Lines Expenses		0	0	0	0	0	0
489	7540	Field Compressor Station Expenses		0	0	0	0	0	0
490	7550	Field Compressor Sta. Fuel & Pow.		0	0	0	0	0	0
491	7560	Field Meas. & Regul. Station Exp.		0	0	0	0	0	0
492	7570	Purification Expenses		0	0	0	0	0	0
493	7590	Other Expenses		0	0	0	0	0	0
494		Maintenance							
495	7610	Maint. Sup. & Eng.		0	0	0	0	0	0
496	7620	Structures and Improvements		0	0	0	0	0	0
497	7640	Field Line Maintenance		0	0	0	0	0	0
498	7650	Compressor Station Equip. Maint.		0	0	0	0	0	0
499	7660	Meas. & Regul. Station Equip. Maint.		0	0	0	0	0	0
500	7670	Purification Equipment Maintenance		0	0	0	0	0	0
501	7680	Other Equipment Maintenance		0	0	0	0	0	0
502	7690	Gas Purchased by Others		0	0	0	0	0	0
503		Total Production & Gathering		0	0	0	0	0	0
504		Other Gas Supply Expenses:							
505		Operation							
507	8001	Intercompany Gas Workhead Purchases		81,272	46,575	31,211	1,486	0	0
508	8040	Natural Gas City Gas Purchases		56,991,888	3,406,276	21,896,606	1,042,104	0	0
509	8045	Transportation to City Gate		0	0	0	0	0	0
510	8050	Transmission-Operation supervision and engineering		(17,552)	(10,491)	(6,740)	(321)	0	0
511	8051	Other Gas Purchases / Gas Cost Adjustments		45,436,442	27,196,897	17,449,825	830,810	0	0
512	8052	PGA for Compression		23,451,442	14,015,559	9,055,047	296,812	0	0
513	8053	PGA for Industrial		6,473,298	3,869,058	2,485,876	118,367	0	0
514	8054	PGA for Public Authority		4,552,018	2,720,874	1,745,109	83,234	0	0
515	8057	PGA for Transportation Sales		0	0	0	0	0	0
516	8058	Unblended PGA Costs		(1,182,255)	(706,617)	(454,021)	(21,616)	0	0
517	8059	PGA Offset to Unrecovered Gas Cost		(92,851,831)	(56,376,849)	(36,561,038)	(1,894,147)	0	0
518	8060	Exchange Gas		6,350,260	3,735,743	2,450,323	114,288	0	0
519	8081	Gas Withdrawn From Storage - Debit		16,070,639	9,007,301	5,787,230	275,969	0	0
520	8082	Gas Delivered to Storage		(17,548,751)	(10,487,437)	(6,738,470)	(320,844)	0	0
521	8120	Gas Used for Other Utility Operations		(21,820)	(13,107)	(8,422)	(401)	0	0
522	8120	Other Gas Supply Expense		31,821,879	19,019,492	12,220,529	841,866	0	0
523		Maintenance							
524	8150	Maint. Of Purch. Gas Meas. Sta.		0	0	0	0	0	0
525		Total Other Gas Supply Expenses		78,709,117	47,043,269	30,226,625	1,429,203	0	0
526		Underground Storage:							
527		Operation							
528	8120	Op. Sup. & Eng.		0	0	0	0	0	0
529	8150	Maps & Records		0	0	0	0	0	0
531	8160	Weld Expense		195,590	69,356	38,226	1,024	21,011	21,331
532	8170	Line Expenses		35,014	16,560	8,300	264	5,411	5,684
533	8180	Compressor Station Expense		35,833	15,820	8,447	265	5,507	5,891
534	8190	Compressor Station Fuel & Power		1,003	446	238	8	165	157
535	8200	Meas. & Regul. Station Expenses		3,445	1,547	826	26	639	647
536	8210	Purification Expenses		0	0	0	0	0	0
537	8220	Exploration & Development		25,574	11,822	5,157	195	4,014	4,078
538	8230	Gas Losses		0	0	0	0	0	0
539	8240	Other Expenses		0	0	0	0	0	0
540	8250	Storage Well Royalties		8,388	4,166	2,225	71	1,451	1,473
541	8260	Rents		0	0	0	0	0	0
542		Maintenance							
543	8300	Maint. Sup. & Eng.		0	0	0	0	0	0
544	8310	Structures and Improvements		16,248	7,214	3,862	122	2,311	2,548
545	8320	Reservoirs & Well Maintenance		0	0	0	0	0	0
546	8330	Line Maintenance		0	0	0	0	0	0
547	8340	Compressor Station Equip. Maint.		11,869	5,278	2,816	90	1,837	1,865
548	8350	Meas. & Regul. Station Equip. Maint.		0	0	0	0	0	0
549	8360	Purification Equipment Maintenance		0	0	0	0	0	0
550	8370	Other Equipment Maintenance		130,387	57,693	30,910	985	20,153	20,459
551		Total Underground Storage Expense		424,981	179,802	95,559	3,049	62,599	63,542
552		Transmission:							
553		Operation							
554		Op. Sup. & Eng.		0	0	0	0	0	0
555	8510	System Control & Load Dispatching		0	0	0	0	0	0
557	8520	Communication Systems Expense		0	0	0	0	0	0
558	8530	Compressor Station Labor Expense		0	0	0	0	0	0
559	8540	Compressor Station Fuel Gas		0	0	0	0	0	0
560	8550	Compressor Station Fuel & Power		287	147	75	7	38	37
561	8560	Main Expenses		255,290	128,648	64,416	870	32,333	31,662
562	8570	Meas. & Regul. Station Expenses		11,082	5,487	2,781	38	1,424	1,263
563	8580	LDC Payment		0	0	0	0	0	0
564	8590	LDC Payment - A&G		0	0	0	0	0	0
565	8600	Other Expenses		0	0	0	0	0	0
566	8600	Rents		0	0	0	0	0	0
567		Maintenance							
568	8610	Maint. Sup. & Eng.		0	0	0	0	0	0
569	8620	Structures and Improvements		0	0	0	0	0	0
570	8630	Maps		3,581	1,531	778	11	392	358
571	8640	Compressor Station Equip. Maint.		0	0	0	0	0	0
572	8650	Meas. & Regul. Station Equip. Maint.		212	204	104	1	52	51
573	8660	Communication Equipment Maintenance		0	0	0	0	0	0
574	8670	Other Equipment Maintenance		0	0	0	0	0	0
575		Total Transmission Expense		270,573	134,016	68,184	920	34,280	33,282

Alton Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF O&M EXPENSES									
576		Distribution:							
577	02000	Operation:							
578		Supervision and Engineering	1,207,840	830,226	330,620	3,598	124,292	138,276	
580	8710	Distribution Load Dispatching	896	305	195	10	221	252	
591	8711	Outages	2,670	827	523	24	527	653	
591	8720	Compressor Station Labor & Expenses	0	0	0	0	0	0	
592	8740	Mens & Services	3,444,978	1,709,696	667,531	11,715	436,297	423,729	
593	8750	Measuring and Regulating Station Exp. - Gas	444,484	239,864	122,810	1,548	81,960	58,359	
594	8760	Measuring and Regulating Station Exp. - Ind.	30,793	0	36,964	19	198	113	
595	8770	Measuring and Regulating Sta. Exp. - City Gate	22,313	11,048	5,619	76	2,526	2,744	
595	8780	Meters and House Regulator Expenses	940,879	605,860	311,451	1,323	14,036	7,306	
597	8790	Customer Installations Expense	4,184	3,725	424	0	3	3	
598	8800	Other Expense	145,791	76,004	39,892	434	15,005	14,396	
599	8910	Rents	344,255	179,910	84,198	1,028	35,431	33,923	
600		Maintenance:							
601	8850	Maintenance Supervision and Engineering	1,399	730	383	4	144	138	
602	8960	Maintenance of Structures and Improvements	309	153	76	1	39	36	
603	8970	Maintenance of Motors	30,823	14,866	7,581	102	3,892	3,693	
604	8980	Maintenance of compressor station equipment	0	0	0	0	0	0	
605	8990	Maint. of Measuring and Regulating Station Equip. - General	38	19	9	0	5	3	
606	8990	Maint. of Measuring and Regulating Station Equip. - Industrial	9,170	0	3,072	5	59	34	
607	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	4,228	2,092	1,094	14	539	520	
608	8930	Maintenance of Services	106	95	12	0	0	0	
609	8940	Maintenance of Motors and House Regulators	30,413	68,232	29,836	136	1,349	769	
600	8950	Maintenance of Other Equipment	10,779	5,624	2,949	32	1,106	1,064	
601		Total Distribution	8,775,544	3,835,044	1,853,543	20,183	697,541	688,033	
602		Customer Accounts:							
603		Supervision	421	375	46	0	0	0	
605	9020	Meter Reading Expense	1,261,833	1,114,475	135,847	84	884	903	
606	9030	Customer Receipts and Collection Expenses	1,762,599	1,389,019	151,559	118	1,244	709	
607	9040	Uncollectible Accounts	352,112	221,085	136,003	4,967	30	27	
608	9050	Miscellaneous Customer Accounts Expenses	0	0	0	0	0	0	
609		Total Customer Accounts	3,376,969	2,804,954	453,245	5,169	2,158	1,240	
610		Customer Service and Information:							
611		Supervision	0	0	0	0	0	0	
612	9070	Customer Assistance Expenses	0	0	0	0	0	0	
613	9080	Informational and Instructional Advertising Expenses	133,614	118,953	14,504	0	94	54	
614	9090	Miscellaneous Customer Service and Informational Expenses	0	0	0	0	0	0	
616		Total Customer Service and Information	133,614	118,953	14,504	0	94	54	
617		Sales:							
618		Supervision	246,862	227,669	28,576	15	168	107	
619	9110	Demonstrating and Selling Expenses	131,280	116,884	14,252	9	93	53	
621	9130	Advertising Expenses	48,483	40,492	4,937	3	32	18	
622	9160	Miscellaneous Sales Expenses	66,855	77,159	8,458	69	811	338	
623		Total Sales	493,480	372,890	38,790	74	252	144	
624		Administrative & General:							
625		Operation:							
626	9200	Administrative and General Salaries	1,265,185	782,206	320,444	2,892	101,883	97,680	
628	9210	Office Supplies and Expenses	3,249	1,857	771	0	262	251	
629	9220	Administrative Expenses Transferred - Customer Support	0	0	0	0	0	0	
630	9230	Administrative Expenses Transferred - General	14,012,401	8,441,719	3,327,531	32,805	1,126,959	1,081,847	
631	9230	Outside Services Employed	69,860	42,081	16,587	164	5,625	5,353	
632	9240	Property Insurance	3,550	3,398	1,301	13	447	430	
633	9250	Injuries and Damages	17,541	10,809	4,261	42	1,445	1,385	
634	9260	Employee Pensions and Benefits	1,843,199	1,110,429	437,705	4,318	148,443	142,307	
635	9270	Franchise Requirements	1,483	1,323	161	0	1	1	
636	9280	Regulatory Commission Expenses	150,842	139,721	17,038	11	111	63	
637	930.1	General Advertising Expenses	0	0	0	0	0	0	
638	930.2	Miscellaneous General Expense	12,827	7,729	3,048	30	1,033	999	
639	9310	Rents	13,771	7,864	3,613	32	1,629	895	
640		Maintenance:							
641	9320	Maintenance of General Plant	0	0	0	0	0	0	
642		Total A/G	14,845,383	8,888,164	3,594,895	34,395	1,182,837	1,133,891	
643									
644		TOTAL O&M EXPENSE	104,873,148	63,223,112	36,266,136	1,802,952	1,079,651	1,001,296	

Almes Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF DEPRECIATION EXPENSE										
Customer										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
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	Compressor 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	Bills	0					
59	37401	Land	2.0	Bills	0					
60	37402	Land Rights	2.0	Bills	0					
61	37403	Land Other	2.0	Bills	0					
62	37500	Structures & Improvements	2.0	Bills	0					
63	37501	Structures & Improvements T.B.	2.0	Bills	0					
64	37502	Land Rights	2.0	Bills	0					
65	37503	Improvements	2.0	Bills	0					
66	37600	Mains Cathodic Protection	2.0	Bills	0					
67	37601	Mains - Steel	2.0	Bills	0					
68	37602	Mains - Plastic	2.0	Bills	0					
69	37800	Meas. & Reg. Sta. Equip. - General	2.0	Bills	0					
70	37900	Meas. & Reg. Sta. Equip. - City Gate	2.0	Bills	0					
71	37905	Meas. & Reg. Sta. Equipment T.B.	2.0	Bills	0					
72	38000	Services	2.0	Bills	4,683,872	4,347,987	530,146	327	3,448	1,884
73	38100	Meters	4.0	Meter Investment	3,498,398	2,263,203	1,158,291	4,956	52,213	26,738
74	38200	Motor Installations	4.0	Meter Investment	2,355,880	1,517,344	780,012	3,337	35,161	20,025
75	38300	House Regulators	4.0	Meter Investment	369,153	237,759	122,223	523	5,510	3,138
76	38400	House Reg. Installations	4.0	Meter Investment	5,908	3,605	1,856	8	88	50
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2	Non-Residential Bills	142,017	-	140,486	87	914	520
78	38600	Other Prop. On Cust. Prem	99.0		0					
79										
80		Total Distribution Plant			11,255,228	8,360,098	2,733,125	9,239	97,333	55,433

AlLOCATION OF DEPRECIATION EXPENSE									
81:									
82:	General:								
83:									
84:	28900	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
85:	35000	Structures Frame	6.2	P, S, T & D Plant - Customer	112,005	85,741	24,853	74	781
86:	35001	Structures & Improvements	6.2	P, S, T & D Plant - Customer	2,712	2,078	805	2	19
87:	35002	Improvements	6.2	P, S, T & D Plant - Customer	11,112	8,508	2,477	7	78
88:	35003	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	233	155	45	0	1
89:	35004	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	40,484	30,981	9,023	27	282
90:	35009	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	49,861	38,165	11,117	33	349
91:	39100	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
92:	39102	Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
93:	39103	Transportation Equipment	6.2	P, S, T & D Plant - Customer	13,842	10,673	3,107	9	97
94:	39200	Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
95:	39201	Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
96:	39202	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
97:	39300	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	144,057	110,277	32,107	95	1,005
98:	39400	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
99:	39600	Ditchers	6.2	P, S, T & D Plant - Customer	1,339	1,025	298	1	9
100:	39603	Backhoes	6.2	P, S, T & D Plant - Customer	970	742	216	1	7
101:	39604	Welders	6.2	P, S, T & D Plant - Customer	600	460	134	0	4
102:	39605	Communication Equipment	6.2	P, S, T & D Plant - Customer	4,856	3,485	1,018	3	32
103:	39700	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
104:	39701	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
105:	39702	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
106:	39705	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	78,540	60,429	17,594	52	551
107:	39800	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
108:	39900	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	500	459	134	0	4
109:	39901	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
110:	39902	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	5,609	4,294	1,250	4	39
111:	39903	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
112:	39904	Other Tangible Property - HW - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
113:	39905	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	148,910	113,993	33,169	89	1,039
114:	39906	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
115:	39907	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
116:	39908	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	858	657	191	1	6
117:	40600	Amortization of gas plant acquisition adjustments	6.2	P, S, T & D Plant - Customer	20,681	15,816	4,605	14	144
118:									
119:	Total General Plant				637,440	487,569	142,071	422	4,447
120:	TOTAL DIRECT DEPRECIATION EXPENSE				11,882,688	8,848,067	2,675,185	9,691	101,780
121:									
122:	Kentucky Mid-States General Office:								
123:									
124:	Intangible Plant								
125:									
126:	30100	Organization	99.0	-	0	-	-	-	-
127:	30200	Franchises & Consents	99.0	-	0	-	-	-	-
128:	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
129:									
130:	Total Intangible Plant:				0	-	-	-	-
131:									
132:	General:								
133:									
134:	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
135:	35001	Structures Frame	6.2	P, S, T & D Plant - Customer	1,008	770	224	1	7
136:	35002	Structures & Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
137:	35003	Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
138:	35004	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
139:	35005	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	236	181	53	0	2
140:	35009	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
141:	38100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
142:	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
143:	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
144:	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	174	133	39	0	1
145:	39201	Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
146:	39202	Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
147:	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
148:	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	591	453	132	0	4
149:	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	4	3	1	0	0
150:	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
151:	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
152:	39605	Welders	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
153:	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	357	273	80	0	2
154:	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
155:	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
156:	39705	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
157:	39800	Other Tangible Property	6.2	P, S, T & D Plant - Customer	5,916	4,529	1,319	4	41
158:	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
159:	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
160:	39902	Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
161:	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
162:	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
163:	39905	Other Tangible Property - HW - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
164:	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
165:	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
166:	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	816	624	182	1	6
167:	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
168:	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
169:									
170:									
171:	Total General Plant				9,100	6,965	2,028	6	63
172:									

Alamos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand-Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
ALLOCATION OF DEPRECIATION EXPENSE							
173							
174	Shared Services General Office						
175	General						
176	General						
177	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-
178	39000	Structures & Improvements	6.2 P, S, T & D Plant - Customer	2,637	2,065	601	2 19 11
180	35602	Structures & Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-
181	37503	Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-
182	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-
183	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	6,904	5,285	1,539	5 49 27
184	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	4,477	3,427	998	3 31 18
185	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-
186	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-
187	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-
188	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-
189	39202	Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-
190	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-
191	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	734	562	164	0 5 3
192	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-
193	39603	Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-
194	39604	Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-
195	39605	Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-
196	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	11	9	2	0 0 0
197	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-
198	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-
199	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-
200	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	28	21	6	0 0 0
201	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-
202	39901	Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	40,852	31,273	9,105	27 285 162
203	39902	Other Tangible Property - Servers - SW	6.2 P, S, T & D Plant - Customer	7,125	5,454	1,588	5 50 28
204	39903	Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	0	-	-	-
205	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-
206	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-
207	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	2,079	1,591	463	1 15 8
208	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	0	-	-	-
209	39908	Other Tang. Property - Mainframe SW	6.2 P, S, T & D Plant - Customer	0	-	-	-
210	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	507	615	180	1 6 3
211	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-
212							
213							
214		Total General Plant		65,714	50,305	14,646	44 459 261
215							
216	Shared Services Customer Support						
217	General						
218	General						
219	General						
220	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-
221	39001	Structures Frame	6.2 P, S, T & D Plant - Customer	0	-	-	-
222	35602	Structures & Improvements	6.2 P, S, T & D Plant - Customer	15,171	11,614	3,361	10 106 60
223	37503	Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-
224	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-
225	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	2,156	1,659	483	1 15 9
226	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	3,080	2,359	687	2 21 12
227	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-
228	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-
229	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	13	10	3	0 0 0
230	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-
231	39202	Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-
232	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-
233	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	283	217	63	0 2 1
234	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	23	19	5	0 0 0
235	39603	Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-
236	39604	Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-
237	39605	Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-
238	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	2,812	2,153	627	2 20 11
239	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-
240	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-
241	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-
242	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	349	267	78	0 2 1
243	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	2,279	1,744	508	2 16 9
244	39901	Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	20,862	15,970	4,650	14 146 83
245	39902	Other Tangible Property - Servers - SW	6.2 P, S, T & D Plant - Customer	3,991	3,055	889	3 28 16
246	39903	Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	1,039	799	232	1 7 4
247	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-
248	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-
249	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	2,600	1,950	579	2 18 10
250	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	377	289	84	0 3 1
251	39908	Other Tang. Property - Mainframe SW	6.2 P, S, T & D Plant - Customer	0	-	-	-
252	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	139,782	106,247	30,933	92 968 551
253	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	13	10	3	0 0 0
254							
255							
256							
257		Total General Plant		193,851	148,396	43,203	128 1,352 770
258							
259		TOTAL DEPRECIATION EXPENSE - CUSTOMER		12,161,334	9,053,733	2,935,074	9,838 103,654 59,033

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand-Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF DEPRECIATION EXPENSE										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
259		Intangible Plant								
260										
261	30100	Organization	99.0		0					
262	30200	Franchises & Consents	99.0		0					
263	30300	Misc Intangible Plant	99.0		0					
264										
265		Total Intangible Plant:			0					
266										
267		Production Plant:								
268										
269		Producing Leaseholds	3.0	Peak Day	0					
270	32540	Rights of Way	3.0	Peak Day	0					
271	33100	Production Gas Wells Equipment	3.0	Peak Day	0					
272	33201	Field Lines	3.0	Peak Day	0					
273	33202	Tributary Lines	3.0	Peak Day	0					
274	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0					
275	33600	Purification Equipment	3.0	Peak Day	0					
276										
277		Total Production Plant			0					
278										
279		Storage Plant:								
280										
281	35010	Land	3.0	Peak Day	0					
282	35020	Rights of Way	3.0	Peak Day	6	3	0	1	1	1
283	35100	Structures and Improvements	3.0	Peak Day	159	241	38	1	19	18
284	35102	Compression Station Equipment	3.0	Peak Day	968	478	243	3	122	119
285	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	106	53	27	0	13	13
286	35104	Other Structures	3.0	Peak Day	883	442	225	3	113	110
287	35200	Wells & Rights of Way	3.0	Peak Day	71,703	35,502	18,057	244	9,081	8,819
288	35201	Well Construction	3.0	Peak Day	12,835	6,355	3,232	44	1,628	1,579
289	35202	Well Equipment	3.0	Peak Day	0					
290	35203	Cushion Gas	3.0	Peak Day	15,283	7,552	3,841	52	1,932	1,876
291	35210	Leaseholds	3.0	Peak Day	312	155	79	1	40	38
292	35211	Storage Rights	3.0	Peak Day	249	119	61	1	30	30
293	35301	Field Lines	3.0	Peak Day	723	358	182	2	92	89
294	35302	Tributary Lines	3.0	Peak Day	846	420	214	3	107	104
295	35400	Compressor Station Equipment	3.0	Peak Day	8,311	4,115	2,093	28	1,053	1,022
296	35500	Meas & Reg. Equipment	3.0	Peak Day	1,134	562	268	4	144	138
297	35600	Purification Equipment	3.0	Peak Day	4,250	2,104	1,070	14	538	523
298										
299		Total Storage Plant			117,731	58,281	29,848	400	14,910	14,481
300										
301		Transmission:								
302										
303	36510	Land & Land Rights	3.0	Peak Day	0					
304	36520	Rights of Way	3.0	Peak Day	11,541	5,714	2,906	39	1,482	1,420
305	36602	Structures & Improvements	3.0	Peak Day	872	432	220	3	110	107
306	36603	Other Structures	3.0	Peak Day	1,083	536	273	4	137	133
307	36700	Mains Cathodic Protection	3.0	Peak Day	7,946	3,934	2,001	27	1,006	977
308	36701	Mains - Steel	3.0	Peak Day	522,461	258,882	131,572	1,777	66,168	64,262
309	36900	Meas. & Reg. Equipment	3.0	Peak Day	15,833	7,750	3,842	53	1,982	1,925
310	36901	Meas. & Reg. Equipment	3.0	Peak Day	48,568	24,047	12,231	185	6,151	5,974
311										
312		Total Transmission Plant			608,126	301,097	153,146	2,568	77,017	74,799
313										
314		Distribution:								
315										
316	37400	Land & Land Rights	3.0	Peak Day	0					
317	37401	Land	3.0	Peak Day	0					
318	37402	Land Rights	3.0	Peak Day	47,619	23,577	11,992	162	6,031	5,857
319	37403	Land Other	3.0	Peak Day	0					
320	37500	Structures & Improvements	3.0	Peak Day	8,325	3,428	1,744	24	877	852
321	37501	Structures & Improvements T.B.	3.0	Peak Day	2,056	1,018	518	7	280	253
322	37502	Land Rights	3.0	Peak Day	953	472	240	3	121	117
323	37503	Improvements	3.0	Peak Day	83	41	21	0	10	10
324	37600	Mains Cathodic Protection	3.0	Peak Day	1,035,250	512,576	280,708	3,520	131,112	127,335
325	37601	Mains - Steel	3.0	Peak Day	2,937,275	1,454,311	739,696	9,989	371,998	361,282
326	37602	Mains - Plastic	3.0	Peak Day	2,634,237	1,304,270	663,361	8,556	333,819	324,026
327	37600	Meas & Reg. Sta. Equip - General	3.0	Peak Day	397,764	198,942	100,169	1,353	50,378	48,925
328	37600	Meas & Reg. Sta. Equip - City Gate	3.0	Peak Day	144,584	71,587	36,411	452	18,311	17,784
329	37605	Meas & Reg. Sta. Equipment T.B.	3.0	Peak Day	81,544	40,374	20,635	277	10,327	10,030
330	38000	Services	99.0		0					
331	38100	Meters	99.0		0					
332	38200	Meter Installations	99.0		0					
333	38300	House Regulators	99.0		0					
334	38400	House Reg. Installations	99.0		0					
335	38500	Int. Meas. & Reg. Sta. Equipment	99.0		0					
336	38600	Other Prop. On Cust. Prem	99.0		0					
337										
338		Total Distribution Plant			7,288,289	3,608,596	1,835,414	24,785	923,042	896,452

Altoon Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF DEPRECIATION EXPENSE									
339	General:								
340	General:								
341									
342	39000	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
343	39000	Structures Frame	6.4	P, S, T & D Plant - Demand	153,659	76,090	39,699	523	19,460
344	39001	Structures & Improvements	6.4	P, S, T & D Plant - Demand	3,721	1,842	937	13	471
345	39002	Improvements	6.4	P, S, T & D Plant - Demand	15,245	7,548	3,839	52	1,931
346	39003	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	278	138	70	1	35
347	39004	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	55,540	27,499	13,987	189	7,034
348	39009	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	68,432	33,882	17,233	233	8,667
349	39100	Remittance Processing Equip.	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
350	39102	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
351	39103	Transportation Equipment	6.4	P, S, T & D Plant - Demand	19,127	9,470	4,817	65	2,422
352	39200	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
353	39201	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
354	39202	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
355	39300	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	197,631	97,862	49,770	672	25,029
356	39400	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
357	39600	Ditchers	6.4	P, S, T & D Plant - Demand	1,837	910	463	6	233
358	39603	Backhoes	6.4	P, S, T & D Plant - Demand	1,320	659	335	5	168
359	39604	Welders	6.4	P, S, T & D Plant - Demand	824	408	207	3	104
360	39605	Communication Equipment	6.4	P, S, T & D Plant - Demand	6,251	3,095	1,574	21	792
361	39700	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
362	39701	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
363	39702	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
364	39705	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	109,257	53,620	27,273	369	13,716
365	39800	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
366	39900	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	823	407	207	3	104
367	39901	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
368	39902	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	7,685	3,810	1,938	26	975
369	39903	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
370	39904	Other Tangible Property - HW - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
371	39905	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	204,280	101,149	51,446	695	25,873
372	39906	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
373	39907	Other Tang. Property - Mainframe SAW	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
374	39908	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	1,177	583	297	4	149
375	40600	Amortization of gas plant acquisition adjustments	6.4	P, S, T & D Plant - Demand	28,345	14,034	7,138	96	3,590
376									
377	Total General Plant								
378					874,603	432,896	220,226	2,974	110,753
379									
380	TOTAL DIRECT DEPRECIATION EXPENSE				8,888,648	4,400,971	2,238,433	30,227	1,125,723
381									
382	Kentucky Mid-States General Office:								
383									
384	Intangible Plant								
385									
386	30100	Organization	99.0		0	-	-	-	-
387	30200	Franchises & Consents	99.0		0	-	-	-	-
388	30300	Misc Intangible Plant	99.0		0	-	-	-	-
389									
390	Total Intangible Plant:								
391									
392	General:								
393									
394	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
395	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	1,381	684	348	5	175
396	39002	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
397	39003	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
398	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	324	160	82	1	41
399	39008	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
400	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
401	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
402	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
403	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	239	118	60	1	30
404	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
405	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
406	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
407	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	811	402	204	3	103
408	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	5	3	1	0	1
409	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
410	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
411	39605	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
412	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	490	242	123	2	62
413	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
414	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
415	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
416	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	8,116	4,018	2,044	28	1,028
417	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
418	39901	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
419	39902	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
420	39903	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
421	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
422	39905	Other Tangible Property - HW - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
423	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
424	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	1,119	554	282	4	142
425	39908	Other Tang. Property - Mainframe SAW	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
426	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
427	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
428									
429	Total General Plant								
430					12,485	6,182	3,144	42	1,581

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF DEPRECIATION EXPENSE									
431									
432	Shared Services General Office								
433									
434	General:								
435									
436	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0				
437	39000	Structures & Improvements	6.4	P, S, T & D Plant - Demand	3,700	1,832	932	13	469 455
438	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0				
439	37503	Improvements	6.4	P, S, T & D Plant - Demand	0				
440	38004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0				
441	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	9,471	4,689	2,385	32	1,200 1,165
442	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	5,142	3,011	1,547	21	778 755
443	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0				
444	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0				
445	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	0				
446	39201	Trucks	6.4	P, S, T & D Plant - Demand	0				
447	39202	Trailers	6.4	P, S, T & D Plant - Demand	0				
448	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0				
449	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	1,007	499	254	3	128 124
450	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0				
451	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0				
452	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0				
453	39605	Welders	6.4	P, S, T & D Plant - Demand	0				
454	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	15	8	4	0	2 2
455	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0				
456	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0				
457	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0				
458	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	38	19	10	0	5 5
459	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0				
460	39901	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	98,045	27,749	14,114	191	7,098 5,893
461	39902	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	9,775	4,840	2,462	33	1,236 1,202
462	39903	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	0				
463	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0				
464	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0				
465	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	2,852	1,412	718	10	361 351
466	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0				
467	39908	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	0				
468	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	1,107	549	279	4	140 136
469	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0				
470									
471									
472		Total General Plant			90,153	44,637	22,703	307	11,418 11,088
473									
474	Shared Services Customer Support								
475									
476	General:								
477									
478	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0				
479	39001	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0				
480	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	20,814	10,305	5,242	71	2,638 2,550
481	37503	Improvements	6.4	P, S, T & D Plant - Demand	0				
482	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0				
483	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	2,972	1,471	748	10	376 368
484	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	4,228	2,092	1,064	14	535 520
485	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0				
486	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0				
487	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	0				
488	39201	Trucks	6.4	P, S, T & D Plant - Demand	0				
489	39202	Trailers	6.4	P, S, T & D Plant - Demand	0				
490	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0				
491	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	388	192	98	1	49 48
492	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	32	16	8	0	4 4
493	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0				
494	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0				
495	39605	Welders	6.4	P, S, T & D Plant - Demand	0				
496	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	3,858	1,910	972	13	489 475
497	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0				
498	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0				
499	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0				
500	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	479	237	121	2	61 59
501	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	3,126	1,648	787	11	398 384
502	39901	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	28,620	14,170	7,207	97	3,625 3,520
503	39902	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	5,475	2,711	1,379	19	693 673
504	39903	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	1,426	705	358	5	181 175
505	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0				
506	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0				
507	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	3,567	1,766	898	12	452 439
508	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	518	256	130	2	68 64
509	39908	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	0				
510	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	190,408	94,275	47,951	648	24,115 23,420
511	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	18	9	5	0	2 2
512									
513									
514		Total General Plant			285,944	131,675	66,973	904	33,681 32,711
515									
516		TOTAL DEPRECIATION EXPENSE - DEMAND			9,257,230	4,583,464	2,331,253	31,480	1,172,403 1,198,630

Arnes Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Demand-Only Study  
Forecasted Test Period: Twelve Months Ended March 31, 2019

ALLOCATION OF DEPRECIATION EXPENSE

Line No.	Asset No.	Commodity	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
517		Intangible Plant								
518										
519	30100	Organization	99.0	-	0					
520	30200	Franchises & Concessions	99.0	-	0					
521	30300	Misc Intangible Plant	99.0	-	0					
522										
523		Total Intangible Plant			0					
524										
525		Production Plant								
526			99.0	-	0					
527	32820	Producing Leaseholds	99.0	-	0					
528	32840	Rights of Ways	99.0	-	0					
529	33100	Production Gas Wells Equipment	99.0	-	0					
530	33201	Field Lines	99.0	-	0					
531	33202	Tributary Lines	99.0	-	0					
532	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0					
533	33600	Purification Equipment	99.0	-	0					
534										
535		Total Production Plant			0					
536										
537		Storage Plant								
538										
539	35010	Land	1.5	Winter Volumes	0					
540	35020	Rights of Way	1.5	Winter Volumes	9	2	1	0	1	1
541	35100	Structures and Improvements	1.5	Winter Volumes	150	59	33	2	27	29
542	35102	Compression Station Equipment	1.5	Winter Volumes	866	379	216	11	176	184
543	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	109	42	24	1	19	20
544	35104	Other Structures	1.5	Winter Volumes	893	351	189	10	163	170
545	35200	Wells Rights of Way	1.5	Winter Volumes	71,703	28,167	15,937	836	13,082	13,881
546	35201	Well Construction	1.5	Winter Volumes	12,835	5,042	2,853	150	2,342	2,449
547	35202	Well Equipment	1.5	Winter Volumes	0					
548	35203	Cushion Gas	1.5	Winter Volumes	15,293	5,992	3,390	178	2,783	2,910
549	35210	Leaseholds	1.5	Winter Volumes	312	123	69	4	57	60
550	35211	Storage Rights	1.5	Winter Volumes	240	94	53	3	44	48
551	35301	Field Lines	1.5	Winter Volumes	723	294	161	8	132	138
552	35302	Tributary Lines	1.5	Winter Volumes	848	333	189	10	155	162
553	35400	Compressor Station Equipment	1.5	Winter Volumes	8,911	3,295	1,847	97	1,516	1,598
554	35500	Meas. & Reg. Equipment	1.5	Winter Volumes	1,134	446	252	13	207	218
555	35600	Purification Equipment	1.5	Winter Volumes	4,250	1,670	945	50	775	811
556										
557		Total Storage Plant			117,731	46,248	26,167	1,372	21,480	22,463
558										
559		Transmission								
560										
561	36510	Land & Land Rights	99.0	-	0					
562	36520	Rights of Way	99.0	-	0					
563	36602	Structures & Improvements	99.0	-	0					
564	36603	Other Structures	99.0	-	0					
565	36700	Mains Cathodic Protection	99.0	-	0					
566	36701	Mains - Steel	99.0	-	0					
567	36800	Meas. & Reg. Equipment	99.0	-	0					
568	36901	Meas. & Reg. Equipment	99.0	-	0					
569		Total Transmission Plant			0					
570										
571		Distribution								
572										
573										
574	37400	Land & Land Rights	99.0	-	0					
575	37401	Land	99.0	-	0					
576	37402	Land Rights	1.0	Meq	0					
577	37403	Land Other	99.0	-	0					
578	37500	Structures & Improvements	1.0	Meq	0					
579	37501	Structures & Improvements T.B.	1.0	Meq	0					
580	37502	Land Rights	1.0	Meq	0					
581	37503	Improvements	1.0	Meq	0					
582	37600	Mains Cathodic Protection	1.0	Meq	0					
583	37601	Mains - Steel	1.0	Meq	0					
584	37602	Mains - Plastic	1.0	Meq	0					
585	37800	Meas. & Reg. Sta. Equip - General	1.0	Meq	0					
586	37900	Meas. & Reg. Sta. Equip - City Gate	1.0	Meq	0					
587	37905	Meas. & Reg. Sta. Equipment T.B.	1.0	Meq	0					
588	38000	Services	99.0	-	0					
589	38100	Meters	99.0	-	0					
590	38200	Water Installations	99.0	-	0					
591	38300	House Regulators	99.0	-	0					
592	38400	House Reg. Installations	99.0	-	0					
593	38500	Inst. Meas. & Reg. Sta. Equipment	99.0	-	0					
594	38600	Other Prop. On Cust. Prem	99.0	-	0					
595										
596		Total Distribution Plant			0					

Altoon Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF DEPRECIATION EXPENSE									
587	General:								
588									
589									
600	35000	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0				
601	35000	Structures Frame	6.6	P, S, T & D Plant - Commodity	3,117	1,225	693	36	669
602	35001	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	75	30	17	1	14
603	35002	Improvements	6.6	P, S, T & D Plant - Commodity	329	121	69	4	66
604	35003	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	6	2	1	0	1
605	35004	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	1,127	443	250	13	206
606	35009	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	1,368	545	309	16	253
607	39100	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0				
609	39102	Office Machines	6.6	P, S, T & D Plant - Commodity	0				
609	39103	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	388	182	86	5	71
610	39200	Trucks	6.6	P, S, T & D Plant - Commodity	0				
611	39201	Trailers	6.6	P, S, T & D Plant - Commodity	0				
612	39202	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0				
613	39300	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	4,009	1,675	891	47	731
614	39400	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0				
615	39600	Ditchers	6.6	P, S, T & D Plant - Commodity	37	15	8	0	7
616	39603	Backhoes	6.6	P, S, T & D Plant - Commodity	27	11	6	0	5
617	39604	Welders	6.6	P, S, T & D Plant - Commodity	17	7	4	0	3
618	39605	Communication Equipment	6.6	P, S, T & D Plant - Commodity	127	50	28	1	23
619	39700	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0				
620	39701	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0				
621	39702	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0				
622	39705	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	2,197	863	488	25	401
623	39800	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0				
624	39900	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	17	7	4	0	3
625	39901	Other Tangible Property - Servers - SAW	6.6	P, S, T & D Plant - Commodity	0				
626	39902	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	156	61	35	2	28
627	39903	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0				
628	39904	Other Tangible Property - HF - Hardware	6.6	P, S, T & D Plant - Commodity	0				
629	39905	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	4,144	1,628	921	48	756
630	39906	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0				
631	39907	Other Tang. Property - Mainframe SAW	6.6	P, S, T & D Plant - Commodity	0				
632	39908	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	24	9	5	0	4
633	40600	Amortization of gas plant acquisition adjustments	6.6	P, S, T & D Plant - Commodity	575	226	128	7	105
634									
635									
636	Total General Plant				17,740	6,969	3,843	207	3,237
637									
638	TOTAL DIRECT DEPRECIATION EXPENSE				135,472	53,217	30,110	1,579	24,717
639									
640	Kentucky Mid-States General Office:								
641									
642	Intangible Plant:								
643									
644	30100	Organization	99.0		0				
645	30200	Franchises & Consents	99.0		0				
646	30300	Misc Intangible Plant	99.0		0				
647									
648	Total Intangible Plant:				0				
649									
650	General:								
651									
652	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0				
653	38001	Structures Frame	6.6	P, S, T & D Plant - Commodity	28	11	6	0	5
654	38602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0				
655	39000	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0				
656	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	7	3	1	0	1
657	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	0				
658	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	0				
659	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0				
660	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0				
661	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	5	2	1	0	1
662	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0				
663	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0				
664	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0				
665	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	16	6	4	0	3
666	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
667	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0				
668	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0				
669	39605	Welders	6.6	P, S, T & D Plant - Commodity	0				
670	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	10	4	2	0	2
671	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0				
672	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0				
673	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0				
674	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	165	65	37	2	30
675	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0				
676	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	0				
677	39902	Other Tangible Property - Servers - SAW	6.6	P, S, T & D Plant - Commodity	0				
678	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	0				
679	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0				
680	39905	Other Tangible Property - HF - Hardware	6.6	P, S, T & D Plant - Commodity	0				
681	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	0				
682	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	23	9	5	0	4
683	39908	Other Tang. Property - Mainframe SAW	6.6	P, S, T & D Plant - Commodity	0				
684	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0				
685	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0				
686									
687	Total General Plant				253	99	56	9	46
688									
689									
690	Shared Services General Office:								

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF DEPRECIATION EXPENSE									
691									
692	General:								
693									
694	37400 Land & Land Rights	6.6 P, S, T & D Plant - Commodity	0						
695	35000 Structures & Improvements	6.6 P, S, T & D Plant - Commodity	75	29	17	1	14	14	
696	35022 Structures & Improvements	6.6 P, S, T & D Plant - Commodity	0						
697	37503 Improvements	6.6 P, S, T & D Plant - Commodity	0						
698	35004 Air Conditioning Equipment	6.6 P, S, T & D Plant - Commodity	0						
699	35009 Improvement to leased Premises	6.6 P, S, T & D Plant - Commodity	182	75	43	2	35	37	
700	39100 Office Furniture & Equipment	6.6 P, S, T & D Plant - Commodity	126	49	28	1	23	24	
701	39102 Remittance Processing Equip	6.6 P, S, T & D Plant - Commodity	0						
702	39103 Office Machines	6.6 P, S, T & D Plant - Commodity	0						
703	39200 Transportation Equipment	6.6 P, S, T & D Plant - Commodity	0						
704	39201 Trucks	6.6 P, S, T & D Plant - Commodity	0						
705	39202 Trailers	6.6 P, S, T & D Plant - Commodity	0						
706	39500 Stores Equipment	6.6 P, S, T & D Plant - Commodity	0						
707	39400 Tools, Shop & Garage Equipment	6.6 P, S, T & D Plant - Commodity	20	8	5	0	4	4	
708	39800 Power Operated Equipment	6.6 P, S, T & D Plant - Commodity	0						
709	39603 Ditchers	6.6 P, S, T & D Plant - Commodity	0						
710	39604 Backhoes	6.6 P, S, T & D Plant - Commodity	0						
711	39605 Welders	6.6 P, S, T & D Plant - Commodity	0						
712	39700 Communication Equipment	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0	
713	39701 Communication Equipment - Mobile Radios	6.6 P, S, T & D Plant - Commodity	0						
714	39702 Communication Equipment - Fixed Radios	6.6 P, S, T & D Plant - Commodity	0						
715	39705 Communication Equip. - Telemetry	6.6 P, S, T & D Plant - Commodity	0						
716	39800 Miscellaneous Equipment	6.6 P, S, T & D Plant - Commodity	1	0	0	0	0	0	
717	39900 Other Tangible Property	6.6 P, S, T & D Plant - Commodity	0						
718	39901 Other Tangible Property - Servers - HW	6.6 P, S, T & D Plant - Commodity	1,137	447	253	13	207	217	
719	39902 Other Tangible Property - Servers - SW	6.6 P, S, T & D Plant - Commodity	198	78	44	2	39	38	
720	39903 Other Tangible Property - Network - HW	6.6 P, S, T & D Plant - Commodity	0						
721	39904 Other Tang. Property - CPU	6.6 P, S, T & D Plant - Commodity	0						
722	39905 Other Tangible Property - MF - Hardware	6.6 P, S, T & D Plant - Commodity	0						
723	39906 Other Tang. Property - PC Hardware	6.6 P, S, T & D Plant - Commodity	58	23	13	1	11	11	
724	39907 Other Tang. Property - PC Software	6.6 P, S, T & D Plant - Commodity	0						
725	39908 Other Tang. Property - Mainframe SW	6.6 P, S, T & D Plant - Commodity	0						
726	39909 Other Tang. Property - Application Software	6.6 P, S, T & D Plant - Commodity	22	9	5	0	4	4	
727	39924 Other Tang. Property - General Startup Costs	6.6 P, S, T & D Plant - Commodity	0						
728									
729									
730	Total General Plant		1,829	718	406	21	334	348	
731	Shared Services Customer Support								
732									
733									
734	General:								
735									
736	37400 Land & Land Rights	6.6 P, S, T & D Plant - Commodity	0						
737	35001 Structures Frame	6.6 P, S, T & D Plant - Commodity	0						
738	35002 Structures & Improvements	6.6 P, S, T & D Plant - Commodity	422	186	94	5	77	81	
739	37503 Improvements	6.6 P, S, T & D Plant - Commodity	0						
740	35004 Air Conditioning Equipment	6.6 P, S, T & D Plant - Commodity	0						
741	35009 Improvement to leased Premises	6.6 P, S, T & D Plant - Commodity	90	24	13	1	11	12	
742	39100 Office Furniture & Equipment	6.6 P, S, T & D Plant - Commodity	86	34	19	1	16	16	
743	39102 Remittance Processing Equip	6.6 P, S, T & D Plant - Commodity	0						
744	39103 Office Machines	6.6 P, S, T & D Plant - Commodity	0						
745	39200 Transportation Equipment	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0	
746	39201 Trucks	6.6 P, S, T & D Plant - Commodity	0						
747	39202 Trailers	6.6 P, S, T & D Plant - Commodity	0						
748	39300 Stores Equipment	6.6 P, S, T & D Plant - Commodity	0						
749	39400 Tools, Shop & Garage Equipment	6.6 P, S, T & D Plant - Commodity	3	3	2	0	1	2	
750	39500 Power Operated Equipment	6.6 P, S, T & D Plant - Commodity	1	0	0	0	0	0	
751	39603 Ditchers	6.6 P, S, T & D Plant - Commodity	0						
752	39604 Backhoes	6.6 P, S, T & D Plant - Commodity	0						
753	39605 Welders	6.6 P, S, T & D Plant - Commodity	0						
754	39700 Communication Equipment	6.6 P, S, T & D Plant - Commodity	79	31	17	1	14	15	
755	39701 Communication Equipment - Mobile Radios	6.6 P, S, T & D Plant - Commodity	0						
756	39702 Communication Equipment - Fixed Radios	6.6 P, S, T & D Plant - Commodity	0						
757	39705 Communication Equip. - Telemetry	6.6 P, S, T & D Plant - Commodity	0						
758	39800 Miscellaneous Equipment	6.6 P, S, T & D Plant - Commodity	10	4	2	0	2	2	
759	39900 Other Tangible Property	6.6 P, S, T & D Plant - Commodity	63	25	14	1	12	12	
760	39901 Other Tangible Property - Servers - HW	6.6 P, S, T & D Plant - Commodity	581	228	123	7	106	111	
761	39902 Other Tangible Property - Servers - SW	6.6 P, S, T & D Plant - Commodity	111	44	25	1	20	21	
762	39903 Other Tangible Property - Network - HW	6.6 P, S, T & D Plant - Commodity	29	11	6	0	5	6	
763	39904 Other Tang. Property - CPU	6.6 P, S, T & D Plant - Commodity	0						
764	39905 Other Tangible Property - MF - Hardware	6.6 P, S, T & D Plant - Commodity	0						
765	39906 Other Tang. Property - PC Hardware	6.6 P, S, T & D Plant - Commodity	72	28	16	1	13	14	
766	39907 Other Tang. Property - PC Software	6.6 P, S, T & D Plant - Commodity	11	4	2	0	2	2	
767	39908 Other Tang. Property - Mainframe SW	6.6 P, S, T & D Plant - Commodity	0						
768	39909 Other Tang. Property - Application Software	6.6 P, S, T & D Plant - Commodity	3,863	1,517	859	45	705	737	
769	39924 Other Tang. Property - General Startup Costs	6.6 P, S, T & D Plant - Commodity	0	0	0	0	0	0	
770									
771									
772	Total General Plant		5,385	2,119	1,198	63	884	1,028	
773									
774	TOTAL DEPRECIATION EXPENSE - COMMODITY		142,848	56,135	31,772	1,886	26,081	27,275	

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand-Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF DEPRECIATION EXPENSE										
Total Depreciation Expense										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Intermittible	Transport Firm	Transport Intermittible
775		Intangible Plant								
776										
777	30100	Organization			0					
778	30200	Franchises & Consents			0					
779	30300	Misc Intangible Plant			0					
780										
781		Total Intangible Plant			0					
782										
783		Production Plant								
784										
785	32520	Producing Leaseholds			0					
786	32540	Rights of Ways			0					
787	33100	Production Gas Wells Equipment			0					
788	33201	Field Lines			0					
789	33202	Tributary Lines			0					
790	33400	Field Meas. & Reg. Sta. Equip.			0					
791	33500	Purification Equipment			0					
792										
793		Total Production Plant			0					
794										
795		Storage Plant								
796										
797	35010	Land			0					
798	35020	Rights of Way			12	5	3	0	2	2
799	35100	Structures and Improvements			299	133	71	2	46	47
800	35102	Compressor Station Equipment			1,834	857	458	15	288	303
801	35103	Meas. & Reg. Sta. Structures			213	85	50	2	33	33
802	35104	Other Structures			1,787	793	424	13	276	280
803	35200	Wells & Rights of Way			143,405	63,689	33,994	1,080	22,163	22,500
804	35201	Well Construction			25,670	11,397	6,085	193	3,987	4,028
805	35202	Well Equipment			0					
806	35203	Cushion Gas			30,507	13,544	7,232	230	4,715	4,787
807	35210	Leaseholds			625	277	148	5	97	98
808	35211	Storage Rights			481	273	114	4	74	75
809	35301	Field Lines			1,446	642	343	11	223	227
810	35302	Tributary Lines			1,697	753	402	13	262	266
811	35400	Compressor Station Equipment			16,622	7,390	3,940	125	2,559	2,608
812	35500	Meas. & Reg. Equipment			2,268	1,007	538	17	351	356
813	35501	Purification Equipment			8,501	3,774	2,015	64	1,314	1,334
814										
815		Total Storage Plant			235,463	104,540	55,816	1,773	36,390	36,944
816										
817		Transmission:								
818										
819	36510	Land & Land Rights			0					
820	36520	Rights of Way			11,541	5,714	2,906	39	1,462	1,420
821	36602	Structures & Improvements			872	432	220	3	110	107
822	36603	Other Structures			1,063	536	273	4	137	133
823	36700	Mains Cathodic Protection			7,946	3,934	2,001	27	1,006	977
824	36701	Mains - Steel			522,461	258,662	131,672	1,777	66,168	64,262
825	36900	Meas. & Reg. Equipment			15,553	7,750	3,942	53	1,982	1,825
826	36901	Meas. & Reg. Equipment			49,568	24,047	12,231	165	6,191	5,974
827										
828		Total Transmission Plant			606,126	301,697	153,145	2,068	77,017	74,799
829										
830		Distribution:								
831										
832	37400	Land & Land Rights			0					
833	37401	Land			0					
834	37402	Land Rights			47,619	23,577	11,952	162	6,031	5,857
835	37403	Land Other			0					
836	37500	Structures & Improvements			9,925	3,429	1,744	24	877	852
837	37501	Structures & Improvements T.B.			2,056	1,018	518	7	260	253
838	37502	Land Rights			953	472	240	3	121	117
839	37503	Improvements			83	41	21	0	10	10
840	37600	Mains Cathodic Protection			1,035,250	512,576	260,708	3,520	131,112	127,335
841	37601	Mains - Steel			2,937,275	1,454,311	739,696	6,989	371,998	361,282
842	37602	Mains - Plastic			2,634,237	1,304,270	663,381	8,958	333,019	324,006
843	37603	Meas. & Reg. Sta. Equip - General			397,784	198,942	100,169	1,353	50,376	48,925
844	37604	Meas. & Reg. Sta. Equip - City Ga.			144,554	71,587	36,411	492	18,311	17,784
845	37605	Meas. & Reg. Sta. Equipment T.B.			81,544	40,374	20,535	277	10,327	10,030
846	38000	Services			4,883,872	4,347,967	530,146	327	3,448	1,964
847	38100	Meters			3,483,398	2,253,203	1,166,291	4,956	52,213	29,736
848	38200	Meter Installations			2,355,680	1,517,344	780,012	3,337	35,161	20,025
849	38300	House Regulators			369,153	237,789	122,223	523	5,510	3,138
850	38400	House Reg. Installations			5,908	3,805	1,956	8	88	50
851	38500	Ind. Meas. & Reg. Sta. Equipment			142,017		140,499	87	914	520
852	38600	Other Prop. On Cust. Prem			0					
853										
854		Total Distribution Plant			18,543,517	11,968,694	4,566,538	34,024	1,020,375	951,896

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand-Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
ALLOCATION OF DEPRECIATION EXPENSE							
855	General:						
856	General:						
857							
858	39500	Land & Land Rights	0				
859	39000	Structures & Improvements	268,781	163,046	64,352	633	20,811
860	39001	Structures & Improvements	6,509	3,949	1,558	15	504
861	39002	Improvements	26,696	16,176	6,384	63	2,065
862	39003	Air Conditioning Equipment	487	285	117	1	38
863	39004	Improvement to leased Premises	97,151	58,933	23,260	229	7,522
864	39009	Office Furniture & Equipment	118,701	72,612	28,659	282	9,288
865	39100	Remittance Processing Equip	0				
866	39102	Office Machines	0				
867	39103	Transportation Equipment	33,457	20,295	8,010	79	2,590
868	39200	Trucks	0				
869	39201	Trailers	0				
870	39202	Stores Equipment	0				
871	39300	Tools, Shop & Garage Equipment	345,698	206,704	82,768	814	26,786
872	39400	Power Operated Equipment	0				
873	39600	Ditchers	3,213	1,949	769	8	249
874	39603	Backhoes	2,327	1,411	557	5	180
875	39604	Welders	1,441	874	345	3	112
876	39625	Communication Equipment	10,934	6,632	2,618	26	847
877	39700	Communication Equipment - Mobile Radios	0				
878	39701	Communication Equipment - Fixed Radios	0				
879	39702	Communication Equip. - Telemetering	0				
880	39705	Miscellaneous Equipment	189,434	114,913	45,355	446	14,667
881	39800	Other Tangible Property	0				
882	39900	Other Tangible Property - Servers - HW	1,439	873	345	3	111
883	39901	Other Tangible Property - Servers - SW	0				
884	39902	Other Tangible Property - Network - HW	13,460	8,185	3,223	32	1,042
885	39903	Other Tang. Property - CPU	0				
886	39904	Other Tangible Property - MF - Hardware	0				
887	39905	Other Tang. Property - PC Hardware	357,344	216,789	85,556	842	27,668
888	39906	Other Tang. Property - PC Software	0				
889	39907	Other Tang. Property - Mainframe SW	0				
890	39908	Other Tang. Property - Application Software	2,080	1,249	483	5	169
891	40600	Amortization of gas plant acquisition adjustments	49,581	30,076	11,871	117	3,839
892							
893							
894		Total General Plant	1,529,683	927,923	368,240	3,603	118,437
895							
896		TOTAL DIRECT DEPRECIATION EXPENSE	20,916,788	13,902,254	5,143,738	41,467	1,252,219
897							
898		Kentucky Mid-States General Office:					
899							
900		Intangible Plant					
901							
902	30100	Organization	0				
903	30200	Franchises & Consents	0				
904	30300	Misc Intangible Plant	0				
905							
906		Total Intangible Plant	0				
907							
908		General:					
909							
910	37400	Land & Land Rights	0				
911	39001	Structures & Improvements	2,415	1,465	578	6	187
912	39002	Structures & Improvements	0				
913	39500	Land & Land Rights	0				
914	39004	Air Conditioning Equipment	557	344	136	1	44
915	39006	Improvement to leased Premises	0				
916	39100	Office Furniture & Equipment	0				
917	39102	Remittance Processing Equip	0				
918	39103	Office Machines	0				
919	39200	Transportation Equipment	418	253	100	1	32
920	39201	Trucks	0				
921	39202	Trailers	0				
922	39300	Stores Equipment	0				
923	39400	Tools, Shop & Garage Equipment	1,419	861	340	3	110
924	39600	Power Operated Equipment	9	5	2	0	1
925	39603	Ditchers	0				
926	39604	Backhoes	0				
927	39605	Welders	0				
928	39700	Communication Equipment	858	520	205	2	68
929	39701	Communication Equipment - Mobile Radios	0				
930	39702	Communication Equipment - Fixed Radios	0				
931	39705	Communication Equip. - Telemetering	0				
932	39800	Miscellaneous Equipment	14,197	8,612	3,399	33	1,099
933	39900	Other Tangible Property	0				
934	39901	Other Tangible Property - Servers - HW	0				
935	39902	Other Tangible Property - Servers - SW	0				
936	39903	Other Tangible Property - Network - HW	0				
937	39904	Other Tang. Property - CPU	0				
938	39905	Other Tangible Property - MF - Hardware	0				
939	39906	Other Tang. Property - PC Hardware	0				
940	39907	Other Tang. Property - PC Software	1,558	1,187	468	5	152
941	39908	Other Tang. Property - Mainframe SW	0				
942	39909	Other Tang. Property - Application Software	0				
943	38924	Other Tang. Property - General Startup Costs	0				
944							
945							
946		Total General Plant	21,608	13,247	5,229	61	1,691
947							
948		Shared Services General Office:					

Alamos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand-Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
ALLOCATION OF DEPRECIATION EXPENSE							
949							
950	General:						
951							
952	37400 Land & Land Rights	0					
953	39000 Structures & Improvements	6,473	3,925	1,850	15	501	480
954	39500 Structures & Improvements	0					
955	37503 Improvements	0					
956	39004 Air Conditioning Equipment	0					
957	39009 Improvement to leased Premises	16,567	10,050	3,967	39	1,283	1,228
958	39100 Office Furniture & Equipment	10,743	6,517	2,572	25	832	797
959	39102 Remittance Processing Equip	0					
960	39103 Office Machines	0					
961	39200 Transportation Equipment	0					
962	39201 Trucks	0					
963	39202 Trailers	0					
964	39300 Stores Equipment	0					
965	39400 Tools, Shop & Garage Equipment	1,791	1,069	422	4	136	131
966	39500 Power Operated Equipment	0					
967	39503 Ditchers	0					
968	39504 Backhoes	0					
969	39505 Welders	0					
970	39700 Communication Equipment	27	16	6	0	2	2
971	39701 Communication Equipment - Mobile Radios	0					
972	39702 Communication Equipment - Fixed Radios	0					
973	39705 Communication Equip. - Telemetering	0					
974	39800 Miscellaneous Equipment	66	40	16	0	5	5
975	39900 Other Tangible Property	0					
976	39901 Other Tangible Property - Servers - HW	98,033	58,466	23,471	231	7,590	7,273
977	39902 Other Tangible Property - Servers - SW	17,089	10,372	4,094	40	1,324	1,268
978	39903 Other Tangible Property - Network - HW	0					
979	39904 Other Tang. Property - CPU	0					
980	39905 Other Tangible Property - MF - Hardware	0					
981	39906 Other Tang. Property - PC Hardware	4,989	3,025	1,194	12	396	370
982	39907 Other Tang. Property - PC Software	0					
983	39908 Other Tang. Property - Mainframe SW	0					
984	39909 Other Tang. Property - Application Software	1,937	1,175	464	5	150	144
985	39924 Other Tang. Property - General Startup Costs	0					
986							
987							
988							
989							
990	Shared Services Customer Support						
991							
992	General:						
993							
994	37400 Land & Land Rights	0					
995	39001 Structures & Improvements	0					
996	39502 Structures & Improvements	36,407	22,085	8,717	86	2,819	2,701
997	37503 Improvements	0					
998	39004 Air Conditioning Equipment	0					
999	39009 Improvement to leased Premises	5,189	3,153	1,245	12	402	388
1000	39100 Office Furniture & Equipment	7,392	4,484	1,770	17	572	548
1001	39102 Remittance Processing Equip	0					
1002	39103 Office Machines	0					
1003	39200 Transportation Equipment	31	19	7	0	2	2
1004	39201 Trucks	0					
1005	39202 Trailers	0					
1006	39300 Stores Equipment	0					
1007	39400 Tools, Shop & Garage Equipment	679	412	163	2	53	50
1008	39500 Power Operated Equipment	55	34	13	0	4	4
1009	39503 Ditchers	0					
1010	39504 Backhoes	0					
1011	39505 Welders	0					
1012	39700 Communication Equipment	6,748	4,094	1,616	16	522	501
1013	39701 Communication Equipment - Mobile Radios	0					
1014	39702 Communication Equipment - Fixed Radios	0					
1015	39705 Communication Equip. - Telemetering	0					
1016	39800 Miscellaneous Equipment	838	509	201	2	65	62
1017	39900 Other Tangible Property	5,466	3,317	1,309	13	423	406
1018	39901 Other Tangible Property - Servers - HW	50,062	30,368	11,985	118	3,876	3,714
1019	39902 Other Tangible Property - Servers - SW	6,577	5,810	2,283	23	742	710
1020	39903 Other Tangible Property - Network - HW	2,494	1,513	587	6	193	185
1021	39904 Other Tang. Property - CPU	0					
1022	39905 Other Tangible Property - MF - Hardware	0					
1023	39906 Other Tang. Property - PC Hardware	6,238	3,785	1,484	15	483	463
1024	39907 Other Tang. Property - PC Software	906	549	217	2	70	67
1025	39908 Other Tang. Property - Mainframe SW	0					
1026	39909 Other Tang. Property - Application Software	333,063	202,040	79,743	784	25,789	24,708
1027	39924 Other Tang. Property - General Startup Costs	31	19	7	0	2	2
1028							
1029							
1030	Total General Plant	465,181	282,180	111,377	1,066	36,018	34,510
1031							
1032	TOTAL DEPRECIATION EXPENSE	21,561,512	13,693,351	5,298,100	42,985	1,302,137	1,224,838

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period, Twelve Months Ended March 31, 2019									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Customer									
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19	19.2	Rate Base - Cost	3,737,333	2,922,747	775,652	2,228	23,368	13,320	

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Demand									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
20	Taxes Other Than Income								
21									
22	Non Revenue Related:								
23	Payroll Related	7.4	Allocated O&M Expenses - Demand	120,480	59,852	30,340	410	15,258	14,819
24	Property Related	6.4	P, S, T & D Plant - Demand	3,025,110	1,497,800	761,815	10,287	383,122	372,695
25	DOT transmission User Tax	7.4	Allocated O&M Expenses - Demand	11,637	5,762	2,931	40	1,474	1,431
26	Other	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
27	Total Non Revenue Related:			3,157,227	1,563,214	795,086	10,737	399,854	388,336
28									
29	Revenue Related:								
30	State Gross Receipts - Tax	99.0		0	-	-	-	-	-
31	Local Gross Receipts - Tax	99.0		0	-	-	-	-	-
32	Public Service Commission Assessment	99.0		0	-	-	-	-	-
33	Total Revenue Related:			0	-	-	-	-	-
34									
35	Total Taxes, Other Than Income			3,157,227	1,563,214	795,086	10,737	399,854	388,336
36									
37									
38	Interest Expense	19.4	Rate Base - Demand	5,836,366	2,889,717	1,469,775	19,947	739,160	717,867

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand-Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX								
Commodity								
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
39	Taxes Other Than Income							
40	Non Revenue Related:							
41								
42	7.5	Allocated O&M Expenses - Comm	641,086	382,800	245,810	11,711	324	341
43	6.5	P, S, T & D Plant - Commodity	61,368	24,107	13,640	718	11,196	11,709
44	7.6	Allocated O&M Expenses - Comm	61,823	36,875	23,753	1,131	31	33
45		Other	0	-	-	-	-	-
46	7.6	Allocated O&M Expenses - Comm	784,377	443,882	293,302	13,557	11,552	12,083
47	Revenue Related:							
48								
49	98.0	State Gross Receipts - Tax	0	-	-	-	-	-
50	98.0	Local Gross Receipts - Tax	0	-	-	-	-	-
51	1.0	Public Service Commission Assessment	340,776	105,530	67,538	4,368	76,205	87,136
52		Total Revenue Related:	340,776	105,530	67,538	4,368	76,205	87,136
53								
54	Total Taxes, Other Than Income		1,105,152	549,412	350,838	17,926	87,757	99,219
55								
56								
57	19.6	Rate Base - Comm	386,642	155,486	96,735	5,360	61,045	68,017

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand-Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Total Taxes Other									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
58:	Taxes Other Than Income								
59:									
60:	Non Revenue Related:								
61:	Payroll Related			851,857	513,545	294,580	12,208	16,080	15,444
62:	Property Related			5,291,532	3,209,904	1,266,910	12,483	409,700	352,555
63:	DOT transmission User Tax			82,281	49,603	28,454	1,179	1,553	1,492
64:	Other			0	-	-	-	-	-
65:	Total Non Revenue Related:			6,225,670	3,773,053	1,589,944	25,850	427,333	409,490
66:									
67:	Revenue Related:								
68:	State Gross Receipts - Tax			0	-	-	-	-	-
69:	Local Gross Receipts - Tax			0	-	-	-	-	-
70:	Public Service Commission Assessment			340,776	105,530	67,536	4,368	76,205	87,136
71:	Total Revenue Related:			340,776	105,530	67,536	4,368	76,205	87,136
72:									
73:	Total Taxes, Other Than Income			6,566,445	3,878,583	1,657,480	30,218	503,538	496,626
74:									
75:									
76:	Interest Expense			9,990,341	5,967,949	2,342,182	27,434	823,592	799,204

Amos Energy Corporation, Kentucky/Mid-States Division Class Cost of Service - Demand-Only Study Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF REVENUES									
Total Revenues									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Schedule Revenue:								
2									
3	Base Revenues	Input		87,642,068	51,334,830	20,895,197	420,153	7,938,800	7,263,289
4	Base Revenue Increase	Input		0					
5	Gas Costs	1.2 Sales Mcf		78,709,117	47,043,289	30,226,626	1,439,203		
6	Rider FF and Rider Tax	Input		0					
7									
8	Total Rate Schedule Revenue			166,351,186	98,377,919	50,911,821	1,859,357	7,938,800	7,263,289
9									
10	Other Revenue:								
11									
12	Forfeited Discounts	18.6	Total Rate Schedule Revenues	1,287,994	767,599	397,242	14,508	61,943	56,672
13	Misc. Service Revenues	18.6	Total Rate Schedule Revenues	805,054	476,690	246,693	9,010	38,467	35,194
14	NTB	18.2	Base Revenues	12	7	3	0		
15	Other Gas Revenue	18.2	Base Revenues	2,274,050	1,331,966	536,721	10,902	205,989	188,461
16									
17	Total Non-Rate Revenue			4,378,098	2,576,262	1,180,660	34,419	306,400	280,329
18									
19	TOTAL REVENUE			170,729,278	100,954,201	52,092,481	1,893,776	8,245,200	7,543,618

Atmos Energy Corporation, Kentucky/Mid-States Division						
Class Cost of Service - Demand-Only Study						
Forecasted Test Period: Twelve Months Ended March 31, 2019						
CLASSIFICATION FACTORS						
			Total	Customer	Demand	Commodity
			Company			
	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	100	-	100	0
4.0	Mains (100% Demand)	%	100.0000%	0.0000%	100.0000%	0.0000%
	Internally Generated	Values	330,396,364	102,494,521	227,901,843	0
4.1	Mains & Services	%	100.0000%	31.0217%	68.9783%	0.0000%
	Internally Generated	Values	613,800,752	255,779,281	350,903,033	7,118,438
5.4	P, S, T & D Plant	%	100.0000%	41.6714%	57.1689%	1.1597%
	Internally Generated	Values	493,094,193	191,478,158	296,526,118	5,089,917
5.7	Net Plant	%	100.0000%	38.8320%	60.1358%	1.0322%
	Internally Generated	Values	104,873,146	11,115,833	14,832,391	78,924,923
9.1	Allocated O&M Expenses	%	100.0000%	10.5993%	14.1432%	75.2575%
	Internally Generated	Values	5,065,381	1,075,346	3,986,379	3,656
10.0	Composite of Accts. 871-879 & 886-893	%	100.0000%	21.2293%	78.6985%	0.0722%
	Internally Generated	Values	248,720,031	-	248,720,031	-
12.0	Composite of Accts. 374-379	%	100.0000%	0.0000%	100.0000%	0.0000%
	Internally Generated	Values	430,095,330	161,380,950	252,018,865	16,695,515
13.0	Rate Base	%	100.0000%	37.5221%	58.5960%	3.8818%
	Internally Generated	Values	8,680,983	3,340,440	5,335,595	4,947
17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	%	100.0000%	38.4800%	61.4630%	0.0570%
		Values	0	0	0	0
99.0	-	%	0.0000%	0.0000%	0.0000%	0.0000%

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand-Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
ALLOCATION FACTORS								
			Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1.0.	Input Mcf	Value %	32,376,914 100.0000%	10,026,388 30.9677%	6,416,580 18.8184%	415,032 1.2819%	7,240,217 22.3623%	8,278,699 25.5698%
1.2.	Input Sales Mcf	Value %	16,857,898 100.0000%	10,026,386 58.4755%	6,416,580 38.0625%	415,032 2.4619%	0.0000%	0.0000%
1.5.	Input Winter Volumes	Value %	19,705,407 100.0000%	7,740,869 39.2830%	4,379,776 22.2263%	229,696 1.1657%	3,595,233 18.2489%	3,759,832 19.0802%
2.0.	Input Bills	Value %	2,118,860 100.0000%	1,888,367 89.0274%	230,003 10.8560%	142 0.0067%	1,486 0.0706%	852 0.0402%
2.2.	Input Non-Residential Bills	Value %	232,493 100.0000%	0 0.0000%	230,003 98.9290%	142 0.0611%	1,486 0.6435%	852 0.3665%
3.0.	Input Peak Day	Value %	259,258 100.0000%	128,384 49.5123%	65,289 25.1831%	882 0.3401%	32,834 12.6647%	31,888 12.2999%
4.0.	Input Meter Investment	Value %	42,360,723 100.0000%	27,263,141 64.4067%	14,025,285 33.1092%	60,011 0.1417%	682,224 1.6256%	360,063 0.8500%
4.2.	Input Direct to Residential	Value %	1 100.0000%	1 100.0000%	0 0.0000%	0 0.0000%	0 0.0000%	0 0.0000%
4.4.	Input Direct to Commercial	Value %	1 100.0000%	0 0.0000%	1 100.0000%	0 0.0000%	0 0.0000%	0 0.0000%
4.6.	Input Direct to Industrial	Value %	1 100.0000%	0 0.0000%	0 0.0000%	1 100.0000%	0 0.0000%	0 0.0000%
4.8.	Input Direct to Public Authority	Value %	1 100.0000%	0 0.0000%	0 0.0000%	0 0.0000%	1 100.0000%	0 0.0000%
5.0.	Input Direct to Transport	Value %	0 0.0000%	0 0.0000%	0 0.0000%	0 0.0000%	0 0.0000%	0 0.0000%
6.0.	Internally Generated P, S, T & D Plant	Value %	613,800,752 100.0000%	372,338,653 60.6612%	146,957,514 23.9422%	1,445,624 0.2356%	47,523,674 7.7426%	45,535,087 7.4185%
6.2.	Internally Generated P, S, T & D Plant - Customer	Value %	255,779,281 100.0000%	195,802,301 76.5513%	57,007,249 22.2877%	169,358 0.0662%	1,784,223 0.6975%	1,016,149 0.3973%
6.4.	Internally Generated P, S, T & D Plant - Demand	Value %	350,903,933 100.0000%	173,740,918 49.5123%	89,368,101 25.1831%	1,193,280 0.3401%	44,440,698 12.6647%	43,160,726 12.2999%
6.6.	Internally Generated P, S, T & D Plant - Commodity	Value %	7,118,438 100.0000%	2,796,334 39.2830%	1,582,163 22.2263%	82,976 1.1657%	1,298,753 18.2489%	1,358,212 19.0802%
7.0.	Internally Generated Allocated O&M Expenses	Value %	104,873,146 100.0000%	63,223,112 60.2853%	36,266,136 34.5810%	1,502,652 1.4311%	1,979,651 1.8877%	1,901,298 1.8129%
7.2.	Internally Generated Allocated O&M Expenses - Cust	Value %	11,115,833 100.0000%	8,752,290 78.3722%	2,258,613 20.3009%	10,778 0.0970%	61,256 0.5511%	34,896 0.3139%
7.4.	Internally Generated Allocated O&M Expenses - Demand	Value %	14,832,391 100.0000%	7,343,852 49.5123%	3,735,249 25.1831%	50,439 0.3401%	1,878,481 12.6647%	1,824,369 12.2999%
7.6.	Internally Generated Allocated O&M Expenses - Comm	Value %	78,924,923 100.0000%	47,126,969 59.7111%	30,274,273 38.3683%	1,441,734 1.8267%	39,915 0.0506%	42,030 0.0533%
8.0.	Input Customer Deposit Balances	Value %	26,564,782 100.0000%	16,218,920 61.0542%	9,877,280 37.5683%	364,361 1.3717%	2,193 0.0083%	2,007 0.0076%
9.0.	Internally Generated Allocated Net Plant	Value %	493,094,193 100.0000%	298,739,956 60.5848%	115,380,479 23.3993%	1,180,598 0.2384%	39,672,216 8.0456%	38,120,945 7.7310%
9.2.	Internally Generated Allocated Net Plant - Cust	Value %	191,478,158 100.0000%	149,923,705 78.2981%	39,574,847 20.6881%	112,893 0.0580%	1,189,353 0.6211%	677,359 0.3538%
9.4.	Internally Generated Allocated Net Plant - Demand	Value %	296,526,118 100.0000%	148,816,779 49.5123%	74,874,333 25.1831%	1,008,374 0.3401%	37,554,212 12.6647%	36,472,418 12.2999%
9.6.	Internally Generated Allocated Net Plant - Comm	Value %	5,069,917 100.0000%	1,999,471 39.2630%	1,131,299 22.2263%	59,331 1.1657%	928,651 18.2449%	971,167 19.0802%
10.0.	Internally Generated Composite of Accts. 871-879 & 886-893	Value %	5,065,391 100.0000%	2,642,791 52.1736%	1,386,004 27.3623%	15,088 0.2979%	521,330 10.2920%	500,168 9.8742%
10.2.	Internally Generated Composite of Accts. 871-879 & 886-893 - Cust	Value %	1,075,348 100.0000%	867,912 80.2114%	381,387 35.4665%	1,485 0.1381%	15,849 1.4553%	8,912 0.8285%
10.4.	Internally Generated Composite of Accts. 871-879 & 886-893 - Demand	Value %	3,986,379 100.0000%	1,973,746 49.5123%	1,003,892 25.1831%	13,566 0.3401%	504,884 12.6647%	490,321 12.2999%
10.6.	Internally Generated Composite of Accts. 871-879 & 886-893 - Comm	Value %	3,656 100.0000%	1,132 30.9677%	725 19.8184%	47 1.2819%	818 22.3623%	936 25.5698%
11.0.	Internally Generated Composite of Accts. 376 & 380	Value %	330,398,364 100.0000%	204,087,608 61.7705%	68,518,461 20.7363%	781,878 0.2366%	28,935,603 8.7578%	28,072,915 8.4967%
11.2.	Internally Generated Composite of Accts. 376 & 380 - Cust	Value %	102,494,521 100.0000%	91,248,257 89.0274%	11,125,816 10.8550%	6,869 0.0067%	72,365 0.0706%	41,213 0.0402%
11.4.	Internally Generated Composite of Accts. 376 & 380 - Demand	Value %	227,901,843 100.0000%	112,839,351 49.5123%	57,392,645 25.1831%	775,009 0.3401%	28,863,138 12.6647%	28,031,701 12.2999%



Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
SUMMARY OF RESULTS							
		Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
		\$					
1:							
2:							
3:							
4:							
5:							
6:							
7:							
8:	Operating Revenues	170,729,276	100,954,201	52,092,481	1,893,776	8,245,200	7,543,618
9:							
10:	Operating Expenses:						
11:							
12:	Operating & Maintenance	104,873,146	62,109,004	35,943,840	1,559,534	2,562,255	2,698,513
13:	Depreciation & Amortization	21,561,512	13,042,091	5,109,699	76,061	1,642,703	1,690,958
14:	Taxes Other Than Income	6,566,445	3,659,975	1,594,240	41,321	617,856	653,054
15:							
16:	Total Operating Expenses	133,001,104	78,811,070	42,647,780	1,676,915	4,822,814	5,042,525
17:							
18:	Income Before Taxes	37,728,172	22,143,132	9,444,701	216,861	3,422,386	2,501,092
19:							
20:	Interest Expense	9,960,341	5,543,387	2,219,343	48,996	1,045,610	1,103,006
21:							
22:	Income Taxes:						
23:							
24:	State Income Taxes	6.00% 1,666,070	995,985	433,522	10,072	142,607	83,885
25:	Federal Income Taxes	35.00% 9,135,616	5,461,316	2,377,143	55,228	781,960	459,970
25:	Total Deferred Income Taxes	0	0	0	0	0	0
26:	Amortization of ITC	0	0	0	0	0	0
27:							
28:	Total Income Taxes	10,801,686	6,457,301	2,810,664	65,299	924,566	543,856
29:							
30:	Net Income	26,926,486	15,685,831	6,634,037	151,561	2,497,820	1,957,237
31:							
32:	Total Rate Base	430,095,330	239,367,808	95,832,947	2,115,676	45,150,242	47,628,657
33:							
34:	Rate of Return	6.2606%	6.5530%	6.9225%	7.1637%	5.5322%	4.1094%
35:	Relative Rate of Return	1.00	1.05	1.11	1.14	0.88	0.66
36:							
37:	Equalized ROR:						
38:							
39:	Net Income Increase	6,319,883	2,817,300	773,850	11,981	992,293	1,724,459
40:	Uncollectibles/PSC Fees Increase	0.6996% 72,873	32,486	8,923	138	11,442	19,884
41:	Income Taxes	4,023,625	1,793,666	492,680	7,628	631,755	1,097,896
42:	Gross Revenue After Increase	181,145,657	105,597,653	53,367,935	1,913,522	9,880,690	10,385,856
43:	Revenue Increase	10,416,381	4,643,452	1,275,454	19,746	1,635,490	2,842,239
44:	Rate of Return	7.7300%	7.7300%	7.7300%	7.7300%	7.7300%	7.7300%
45:	Relative Rate of Return	1.00	1.00	1.00	1.00	1.00	1.00
46:	Percent Increase	6.1011%	4.5996%	2.4484%	1.0427%	19.8357%	37.6774%
47:							
48:	Proposed Rate Levels:						
49:							
50:	Net Income Increase	6,319,667	3,443,628	1,496,343	33,301	733,140	613,255
51:	Uncollectibles/PSC Fees Increase	72,871	39,708	17,254	384	8,454	7,071
52:	Income Taxes	4,023,487	2,192,424	952,664	21,201	466,762	390,436
53:	Gross Revenue After Increase	181,145,300	106,629,961	54,558,742	1,948,662	9,453,556	8,554,379
54:	Revenue Increase	10,416,024	5,675,759	2,466,261	54,886	1,208,356	1,010,762
55:	Rate of Return	7.7299%	7.9917%	8.4839%	8.7377%	7.1560%	5.3969%
56:	Relative Rate of Return	1.00	1.03	1.10	1.13	0.93	0.70
57:	Percent Increase	6.1009%	5.6221%	4.7344%	2.8982%	14.6553%	13.3989%

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
SUMMARY OF CUSTOMER COSTS							
		Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
		\$					
1	Rate Base	161,980,950	126,206,483	33,493,267	96,120	1,009,914	575,165
2							
3	Return @ Realized ROR	10,103,392	8,183,922	2,334,890	13,187	(60,165)	(348,442)
4	O&M Expenses	11,115,833	8,752,290	2,256,613	10,778	61,255	34,898
5	Depreciation Expense	12,161,334	9,053,733	2,935,074	9,839	103,654	59,033
6	Taxes, Other	2,304,067	1,785,957	511,556	1,556	15,927	9,071
7							
8	Interest Expense	3,737,333	2,922,747	775,652	2,226	23,388	13,320
9							
10	Income Taxes:						
11							
12	State Income Taxes	825,145	514,882	153,117	1,078	(8,205)	(35,525)
13	Federal Income Taxes	3,427,878	2,822,171	839,590	5,902	(44,990)	(194,795)
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	4,053,023	3,336,853	992,706	6,979	(53,195)	(230,320)
18							
19	Total Customer-Related Costs @ Realized ROR	39,737,649	31,072,755	9,030,840	42,339	67,477	(475,761)
20	Total Customers	176,572	157,197	19,167	12	125	71
21	Customer Costs \$(/customer/month)	\$ 16.47	\$ 39.26	\$ 288.16	\$ 45.10	\$ (558.41)	
22							
23							
24	Incremental Return @ Equalized ROR	2,371,355	1,591,940	254,140	(5,757)	138,231	392,902
25	Incremental Income Taxes	1,509,750	1,013,462	161,801	(3,665)	88,006	250,145
26	Incremental Uncollectibles/PSC Fees Increase	27,344	18,355	2,930	(66)	1,594	4,530
27							
28	Total Customer-Related Costs @ Equalized ROR	43,646,097	33,696,412	9,449,710	32,850	295,308	171,817
29	Customers	176,572	157,197	19,167	12	125	71
30	Dollars/Customer/Month	\$ 20.60	\$ 17.86	\$ 41.09	\$ 231.34	\$ 197.40	\$ 201.66
31							
32							
33	Incremental Return @ Proposed Rates	2,371,274	1,826,833	525,236	2,243	40,999	(24,037)
34	Incremental Income Taxes	1,509,698	1,163,073	334,397	1,428	26,103	(15,303)
35	Incremental Uncollectibles/PSC Fees Increase	27,343	21,065	6,056	26	473	(277)
36							
37	Total Customer-Related Costs @ Proposed Rates	43,645,964	34,083,726	9,896,529	46,036	135,051	(515,378)
38	Customers	176,572	157,197	19,167	12	125	71
39	Dollars/Customer/Month	\$ 20.60	\$ 18.07	\$ 43.03	\$ 324.20	\$ 90.27	\$ (604.90)

Almos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
SUMMARY OF DEMAND COSTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	153,160,203	75,633,076	38,570,417	520,840	19,397,316	18,838,553
2							
3	Return @ Realized ROR	9,588,725	4,996,872	2,640,625	39,412	1,097,280	814,537
4	O&M Expenses	8,824,657	4,369,287	2,222,318	30,009	1,117,618	1,085,424
5	Depreciation Expense	5,745,359	2,844,857	1,448,857	19,538	727,634	706,674
6	Taxes, Other	1,978,402	979,552	498,222	6,728	250,569	243,341
7							
8	Interest Expense	3,546,953	1,756,177	893,231	12,062	449,212	436,272
9							
10	Income Taxes:						
11							
12	State Income Taxes	593,300	318,235	171,593	2,686	63,640	37,146
13	Federal Income Taxes	3,253,262	1,744,990	940,904	14,727	348,960	203,681
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	3,846,562	2,063,225	1,112,498	17,413	412,600	240,827
18							
19	Total Demand-Related Costs @ Realized ROR	29,983,706	15,253,592	7,920,520	113,100	3,605,691	3,090,803
20							
21							
22	Incremental Return @ Equalized ROR	2,250,558	865,025	340,869	849	402,133	641,683
23	Incremental Income Taxes	1,432,843	550,726	217,018	541	256,022	408,535
24	Incremental Uncollectibles/PSC Fees Increase	25,951	9,974	3,930	10	4,637	7,399
25							
26	Total Demand-Related Costs @ Equalized ROR	33,693,058	16,679,320	8,482,336	114,499	4,268,483	4,148,420
27							
28							
29	Incremental Return @ Proposed Rates	2,250,481	1,088,070	598,152	8,441	309,845	245,974
30	Incremental Income Taxes	1,432,794	692,732	380,820	5,374	197,266	156,602
31	Incremental Uncollectibles/PSC Fees Increase	25,950	12,546	6,897	97	3,573	2,836
32							
33	Total Demand-Related Costs @ Proposed Rates	33,692,931	17,046,940	8,906,388	127,013	4,116,374	3,496,216

Atmos Energy Corporation, Kentucky/Mid-States Division Class Cost of Service - Demand/Commodity Study Forecasted Test Period: Twelve Months Ended March 31, 2019							
SUMMARY OF COMMODITY COSTS							
	Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
1	Rate Base	115,554,177	37,328,249	23,769,263	1,498,715	24,743,012	28,214,938
2							
3	Return @ Realized ROR	7,234,368	2,336,967	1,488,095	93,828	1,549,057	1,766,420
4	O&M Expenses	84,932,657	48,987,427	31,464,909	1,518,746	1,383,382	1,578,193
5	Depreciation Expense	3,654,819	1,143,700	727,768	46,684	811,415	925,252
6	Taxes, Other	2,283,976	914,467	584,462	33,037	351,369	400,641
7							
8	Interest Expense	2,676,056	864,464	550,459	34,708	573,010	653,414
9							
10	Income Taxes:						
11							
12	State Income Taxes	447,625	144,599	92,076	5,806	95,849	109,297
13	Federal Income Taxes	2,454,476	792,886	504,881	31,834	625,564	599,311
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	2,902,101	937,485	596,956	37,640	621,412	708,608
18							
19	Total Commodity-Related Costs	101,007,921	54,320,046	34,862,191	1,729,935	4,718,635	5,379,115
20	Total Throughput	32,376,914	10,026,386	6,416,580	415,032	7,240,217	8,278,699
21	Commodity Costs (\$/Mcf)		\$ 5.41771	\$ 5.43314	\$ 4.16819	\$ 0.65145	\$ 0.65
22							
23							
24	Incremental Return @ Equalized ROR	1,697,970	548,507	349,269	22,022	363,577	414,594
25	Incremental Income Taxes	1,081,032	349,213	222,366	14,021	231,476	263,956
26	Incremental Uncollectibles/PSC Fees Increase	19,579	6,325	4,027	254	4,192	4,781
27							
28	Total Commodity-Related Costs @ Equalized ROR	103,806,502	55,224,090	35,437,853	1,766,232	5,315,881	6,062,446
29	Total Throughput	32,376,914	10,026,386	6,416,580	415,032	7,240,217	8,278,699
30	Commodity Costs (\$/Mcf)	\$ 3.21	\$ 5.51	\$ 5.52	\$ 4.26	\$ 0.73	\$ 0.73
31							
32							
33	Incremental Return @ Proposed Rates	1,697,912	716,796	549,383	27,750	293,944	116,038
34	Incremental Income Taxes	1,080,995	456,356	345,951	17,667	187,143	73,677
35	Incremental Uncollectibles/PSC Fees Increase	19,578	8,265	6,266	320	3,389	1,338
36							
37	Total Commodity-Related Costs @ Proposed Rates	103,806,406	55,501,464	35,757,790	1,775,672	5,201,112	5,570,368
38	Total Throughput	32,376,914	10,026,386	6,416,580	415,032	7,240,217	8,278,699
39	Commodity Costs (\$/Mcf)	\$ 3.21	\$ 5.54	\$ 5.57	\$ 4.28	\$ 0.72	\$ 0.67

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
TOTAL COST OF SERVICE							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	430,095,330	239,367,808	95,832,947	2,115,676	45,150,242	47,628,657
2							
3	Return @ Realized ROR	26,926,486	15,497,760	6,463,610	146,428	2,586,172	2,232,516
4	O&M Expenses	104,873,146	62,109,004	35,943,840	1,559,534	2,562,255	2,698,513
5	Depreciation Expense	21,581,512	13,042,091	5,109,689	76,061	1,642,703	1,690,958
6	Taxes, Other	6,588,445	3,859,975	1,594,240	41,321	617,856	653,054
7							
8	Interest Expense	9,960,341	5,543,387	2,219,343	48,996	1,045,610	1,103,006
9							
10	Income Taxes:						
11							
12	State Income Taxes	1,666,070	977,516	416,786	9,568	151,263	110,918
13	Federal Income Taxes	9,135,616	5,360,047	2,285,375	52,463	829,534	608,198
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	10,801,686	6,337,563	2,702,160	62,031	980,817	719,115
18							
19	Total Cost of Service @ Realized ROR	170,729,276	100,646,363	51,813,550	1,885,374	8,389,603	7,994,157
20							
21							
22	Incremental Return @ Equalized ROR	6,319,883	3,005,371	944,277	17,114	903,941	1,449,179
23	Incremental Income Taxes	4,023,625	1,913,403	601,185	10,896	575,504	922,636
24	Incremental Uncollectibles/PSC Fees Increase	72,873	34,654	10,888	197	10,423	16,710
25							
26	Total Cost of Service @ Equalized ROR	181,145,657	105,599,822	53,369,900	1,913,561	9,879,672	10,362,682
27							
28							
29	Incremental Return @ Proposed Rates	6,319,667	3,631,699	1,666,770	38,434	644,788	337,976
30	Incremental Income Taxes	4,023,487	2,312,162	1,061,168	24,470	410,512	215,176
31	Incremental Uncollectibles/PSC Fees Increase	72,871	41,676	19,219	443	7,435	3,897
32							
33	Total Cost of Service @ Proposed Rates	181,145,300	106,632,129	54,560,707	1,948,721	9,452,638	8,551,205





Almos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
CLASSIFICATION OF GROSS PLANT IN SERVICE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
177		Shared Services General Office						
178								
179		General						
180								
181	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
182	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
183	36602	Structures & Improvements	215,041	5.4	P, S, T & D Plant	89,611	77,205	48,225
184	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
185	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
186	39009	Improvement to leased Premises	508,913	5.4	P, S, T & D Plant	212,071	182,713	114,129
187	39100	Office Furniture & Equipment	284,591	5.4	P, S, T & D Plant	118,593	102,175	63,822
188	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
189	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
190	39200	Transportation Equipment	371	5.4	P, S, T & D Plant	154	133	63
191	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
192	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
193	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
194	39400	Tools, Shop & Garage Equipment	31,583	5.4	P, S, T & D Plant	13,161	11,339	7,093
195	39500	Laboratory Equipment	-	5.4	P, S, T & D Plant	-	-	-
196	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
197	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
198	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
199	39700	Communication Equipment	93,578	5.4	P, S, T & D Plant	38,985	33,697	20,966
200	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
201	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
202	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
203	39800	Miscellaneous Equipment	7,575	5.4	P, S, T & D Plant	3,157	2,720	1,699
204	39900	Other Tangible Property	8,440	5.4	P, S, T & D Plant	3,517	3,030	1,893
205	39901	Other Tangible Property - Servers - H/W	1,973,689	5.4	P, S, T & D Plant	822,463	708,606	442,619
206	39902	Other Tangible Property - Servers - S/W	1,050,361	5.4	P, S, T & D Plant	437,700	377,107	235,554
207	39903	Other Tangible Property - Network - H/W	188,455	5.4	P, S, T & D Plant	78,532	67,660	42,263
208	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
209	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
210	39906	Other Tang. Property - PC Hardware	123,260	5.4	P, S, T & D Plant	51,364	44,254	27,642
211	39907	Other Tang. Property - PC Software	76,519	5.4	P, S, T & D Plant	31,887	27,472	17,160
212	39908	Other Tang. Property - Mainframe S/W	3,832,236	5.4	P, S, T & D Plant	1,596,946	1,375,873	859,417
213	39909	Other Tang. Property - Application Software	1,250,625	5.4	P, S, T & D Plant	521,153	449,007	280,465
214	39931	Other Tang. Property - ALGN	-	5.4	P, S, T & D Plant	-	-	-
215								
216		Total General Plant	9,645,237			4,019,304	3,462,892	2,163,041
217								
218		CWIP w/o AFUDC	461,155	5.4	P, S, T & D Plant	192,170	165,587	103,419
219								
220		Shared Services Customer Support						
221								
222		General						
223								
224	37400	Land & Land Rights	207,011	5.4	P, S, T & D Plant	86,264	74,322	46,424
225	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
226	36602	Structures & Improvements	1,202,250	5.4	P, S, T & D Plant	500,994	431,639	269,617
227	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
228	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
229	39009	Improvement to leased Premises	159,954	5.4	P, S, T & D Plant	66,655	57,428	35,671
230	39100	Office Furniture & Equipment	185,087	5.4	P, S, T & D Plant	77,128	66,451	41,506
231	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
232	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
233	39200	Transportation Equipment	2,246	5.4	P, S, T & D Plant	936	606	504
234	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
235	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
236	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
237	39400	Tools, Shop & Garage Equipment	8,112	5.4	P, S, T & D Plant	3,360	2,912	1,819
238	39510	Laboratory Equip	551	5.4	P, S, T & D Plant	230	198	124
239	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
240	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
241	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
242	39700	Communication Equipment	115,366	5.4	P, S, T & D Plant	48,070	41,416	25,870
243	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
244	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
245	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
246	39800	Miscellaneous Equipment	15,849	5.4	P, S, T & D Plant	6,605	5,690	3,554
247	39900	Other Tangible Property	41,751	5.4	P, S, T & D Plant	17,398	14,990	9,383
248	39901	Other Tangible Property - Servers - H/W	528,077	5.4	P, S, T & D Plant	220,057	189,593	118,427
249	39902	Other Tangible Property - Servers - S/W	107,245	5.4	P, S, T & D Plant	44,690	38,504	24,051
250	39903	Other Tangible Property - Network - H/W	35,683	5.4	P, S, T & D Plant	14,870	12,811	8,002
251	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
252	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
253	39906	Other Tang. Property - PC Hardware	59,304	5.4	P, S, T & D Plant	24,713	21,292	13,289
254	39907	Other Tang. Property - PC Software	13,647	5.4	P, S, T & D Plant	5,687	4,900	3,060
255	39908	Other Tang. Property - Mainframe S/W	5,104,982	5.4	P, S, T & D Plant	2,127,321	1,832,825	1,144,846
256	39909	Other Tang. Property - Application Software	480	5.4	P, S, T & D Plant	200	172	108
257	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
258								
259		Total General Plant	7,787,594			3,245,198	2,795,950	1,746,446
260								
261		CWIP w/o AFUDC	191,822	5.4	P, S, T & D Plant	79,935	68,869	43,018
262								
263		TOTAL PLANT IN SERVICE	657,447,129			273,967,331	236,040,694	147,439,104
264								
265		TOTAL CWIP W/O AFUDC	27,493,203			11,456,799	9,870,778	6,165,626





Almos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
CLASSIFICATION OF RESERVE FOR DEPRECIATION AND AMORTIZATION								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
175		Shared Services General Office:						
176								
177		General:						
178								
179	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
180	39000	Structures & Improvements	82,437	5.4	P, S, T & D Plant	34,353	29,597	18,487
181	36802	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
182	37603	Improvements	-	5.4	P, S, T & D Plant	-	-	-
183	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
184	39009	Improvement to leased Premises	498,674	5.4	P, S, T & D Plant	207,805	179,037	111,833
185	39100	Office Furniture & Equipment	-	5.4	P, S, T & D Plant	-	-	-
186	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
187	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
188	39200	Transportation Equipment	-	5.4	P, S, T & D Plant	-	-	-
189	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
190	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
191	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
192	39400	Tools, Shop & Garage Equipment	-	5.4	P, S, T & D Plant	-	-	-
193	39500	Laboratory Equipment	-	5.4	P, S, T & D Plant	-	-	-
194	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
195	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
196	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
197	39700	Communication Equipment	-	5.4	P, S, T & D Plant	-	-	-
198	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
199	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
200	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
201	39800	Miscellaneous Equipment	-	5.4	P, S, T & D Plant	-	-	-
202	39900	Other Tangible Property	8,670	5.4	P, S, T & D Plant	3,571	3,077	1,922
203	39901	Other Tangible Property - Servers - HW	1,141,237	5.4	P, S, T & D Plant	475,569	409,734	255,634
204	39902	Other Tangible Property - Servers - SW	867,341	5.4	P, S, T & D Plant	361,433	311,398	194,510
205	39903	Other Tangible Property - Network - HW	119,633	5.4	P, S, T & D Plant	49,853	42,951	26,829
206	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
207	39906	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
208	39908	Other Tang. Property - PC Hardware	64,315	5.4	P, S, T & D Plant	35,135	30,271	18,908
209	39907	Other Tang. Property - PC Software	129,297	5.4	P, S, T & D Plant	53,880	46,421	28,986
210	39908	Other Tang. Property - Mainframe SW	2,191	5.4	P, S, T & D Plant	913	787	491
211	39909	Other Tang. Property - Application Software	2,244,879	5.4	P, S, T & D Plant	935,472	805,970	503,437
212	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
213		Retirement Work in Progress	-	5.4	P, S, T & D Plant	-	-	-
214								
215		Total General Plant	5,178,574			2,157,993	1,859,243	1,161,347
216								
217		Shared Services Customer Support:						
218								
219		General:						
220								
221	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
222	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
223	36802	Structures & Improvements	177,072	5.4	P, S, T & D Plant	73,764	63,552	39,697
224	37603	Improvements	-	5.4	P, S, T & D Plant	-	-	-
225	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
226	39009	Improvement to leased Premises	94,137	5.4	P, S, T & D Plant	39,228	33,798	21,111
227	39100	Office Furniture & Equipment	50,007	5.4	P, S, T & D Plant	20,836	17,954	11,214
228	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
229	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
230	39200	Transportation Equipment	2,257	5.4	P, S, T & D Plant	941	810	606
231	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
232	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
233	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
234	39400	Tools, Shop & Garage Equipment	2,849	5.4	P, S, T & D Plant	1,187	1,023	639
235	39500	Laboratory Equipment	395	5.4	P, S, T & D Plant	165	142	89
236	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
237	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
238	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
239	39700	Communication Equipment	64,086	5.4	P, S, T & D Plant	26,706	23,009	14,372
240	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
241	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
242	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
243	39800	Miscellaneous Equipment	4,615	5.4	P, S, T & D Plant	1,881	1,621	1,013
244	39900	Other Tangible Property	27,100	5.4	P, S, T & D Plant	11,293	9,729	6,077
245	39901	Other Tangible Property - Servers - HW	284,885	5.4	P, S, T & D Plant	118,715	102,281	63,888
246	39902	Other Tangible Property - Servers - SW	67,360	5.4	P, S, T & D Plant	28,070	24,184	15,106
247	39903	Other Tangible Property - Network - HW	20,161	5.4	P, S, T & D Plant	8,401	7,238	4,521
248	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
249	39906	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
250	39908	Other Tang. Property - PC Hardware	37,545	5.4	P, S, T & D Plant	15,645	13,480	8,420
251	39907	Other Tang. Property - PC Software	9,967	5.4	P, S, T & D Plant	3,903	3,363	2,101
252	39908	Other Tang. Property - Mainframe SW	1,721,805	5.4	P, S, T & D Plant	717,500	618,173	386,132
253	39909	Other Tang. Property - Application Software	3,084	5.4	P, S, T & D Plant	1,277	1,100	687
254	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
255		Retirement Work in Progress	-	5.4	P, S, T & D Plant	-	-	-
256								
257		Total General Plant	2,566,545			1,069,515	921,457	575,673
258								
259		TOTAL RESERVE FOR DEPRECIATION	191,846,139			93,945,972	65,691,056	32,208,111

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
CLASSIFICATION OF OTHER RATE BASE							
	Test Year	Classif.	Classif.	Customer	Demand	Commodity	
	\$	Factor	Basis	\$	\$	\$	
1:	Rate Base Additions:						
2:							
3:	Materials and Supplies - KY Direct	(270,522)	9.1	Allocated O&M Expenses	(28,673)	(22,763)	(219,085)
4:	Materials and Supplies - KY Mid-States GO	513,544	9.1	Allocated O&M Expenses	54,432	43,213	415,899
5:	Materials and Supplies - Shared Services GO	0	9.1	Allocated O&M Expenses	-	-	-
6:	Materials and Supplies - Shared Services CS	0	9.1	Allocated O&M Expenses	-	-	-
7:	Gas Storage Inventory	8,259,601	3.0	Commodity	-	-	8,259,601
8:	Prepayments - KY Direct	68,933	9.1	Allocated O&M Expenses	7,306	5,800	55,826
9:	Prepayments - KY Mid-States GO	2,356	9.1	Allocated O&M Expenses	250	198	1,908
10:	Prepayments - Shared Services GO	1,567,335	9.1	Allocated O&M Expenses	166,127	131,885	1,269,324
11:	Prepayments - Shared Services CS	91,320	9.1	Allocated O&M Expenses	9,679	7,684	73,957
12:	Cash Working Capital	3,270,504	9.1	Allocated O&M Expenses	346,651	275,200	2,648,653
13:	Regulatory Assets	235,413	9.1	Allocated O&M Expenses	24,952	19,809	190,652
14:							
15:	Total Rate Base Additions	13,738,485			580,724	461,026	12,698,734
16:							
17:	Rate Base Deductions:						
18:							
19:							
20:	Customer Advances - KY Direct	(1,437,537)	1.0	Customer	(1,437,537)	-	-
21:	Customer Advances - KY Mid-States GO	0	1.0	Customer	-	-	-
22:	Customer Advances - Shared Services GO	0	1.0	Customer	-	-	-
23:	Customer Advances - Shared Services CS	0	1.0	Customer	-	-	-
24:	ADIT - KY Direct	(121,608,885)	5.7	Net Plant	(47,223,118)	(44,446,688)	(29,939,079)
25:	ADIT - KY Mid-States GO	42,842,627	5.7	Net Plant	16,636,633	15,658,501	10,547,482
26:	ADIT - Shared Services GO	(1,442,821)	5.7	Net Plant	(580,315)	(527,372)	(355,235)
27:	ADIT - Shared Services CS	5,231,965	5.7	Net Plant	2,031,675	1,912,225	1,288,066
28:	Change in Net Operating Loss Carryforward	(322,598)	5.7	Net Plant	(125,271)	(117,906)	(79,421)
29:							
30:	Total Rate Base Deductions	(76,737,348)			(30,677,932)	(27,521,239)	(18,538,177)
31:							
32:							
33:	TOTAL OTHER RB	(62,988,864)			(30,097,208)	(27,060,213)	(5,841,442)
34:							
35:	Interest on Customer Deposits	0	1.0	Customer	-	-	-

Almas Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Demand/Commodity Study  
Forecasted Test Period: Twelve Months Ended March 31, 2018

CLASSIFICATION OF O&M EXPENSE

Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
Production & Gathering								
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 Expenses	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				
Maintenance								
11	7610	Maint. Sup., & Eng.	0	99.0				
12	7620	Structures and Improvements	0	99.0				
13	7640	Field Line Maintenance	0	99.0				
14	7630	Compressor Station Equip. Maint.	0	99.0				
15	7650	Meas. & Regul. Station Equip Maint	0	99.0				
16	7670	Purification Equipment Maintenance	0	99.0				
17	7680	Other Equipment Maintenance	0	99.0				
18	7690	Gas Processed by Others	0	99.0				
19	7690	Gas Processed by Others	0	99.0				
20		Total Production & Gathering	0			0	0	0
Other Gas Supply Expenses								
Operation								
21		Intercompany Gas Well-head/Field Line Purchases	81,272	3.0	Commodity			81,272
22	8040	Natural Gas City Gate Purchases	56,991,988	3.0	Commodity			56,991,988
23	8046	Transportation to City Gate	0	3.0	Commodity			
24	8050	Transmission-Operation supervision and engineering	(17,559)	3.0	Commodity			(17,559)
25	8051	Other Gas Purchases / Gas Cost Adjustments	45,436,442	3.0	Commodity			45,436,442
26	8052	PGA for Commercial	23,451,445	3.0	Commodity			23,451,445
27	8053	PGA for Industrial	6,473,398	3.0	Commodity			6,473,398
28	8054	PGA for Public Authority	4,552,018	3.0	Commodity			4,552,018
29	8057	PGA for Transportation Sales	0	3.0	Commodity			
30	8058	Unbilled PGA Costs	(1,182,255)	3.0	Commodity			(1,182,255)
31	8059	PGA Offset to Unrecovered Gas Cost	(92,651,831)	3.0	Commodity			(92,651,831)
32	8060	Exchange Gas	6,250,360	3.0	Commodity			6,250,360
33	8081	Gas Withdrawn From Storage - Debit	15,070,639	3.0	Commodity			15,070,639
34	8082	Gas Delivered to Storage	(17,546,751)	3.0	Commodity			(17,546,751)
35	8120	Gas Used by Other Utility Operations	(21,630)	3.0	Commodity			(21,630)
36	8580	Transmission and compression of gas by others	31,621,675	3.0	Commodity			31,621,675
Maintenance								
37	8350	Maint. Of Purch. Gas Meas. Sta.	0	3.0	Commodity			
38		Total Other Gas Supply Expenses	78,709,117			0	0	78,709,117
Underground Storage								
Operation								
39	8140	Op., Sup., & Eng.	0	3.5	Storage (50/50)			
40	8150	Maps & Records	0	3.5	Storage (50/50)			
41	8160	Wells Expense	135,650	3.5	Storage (50/50)		67,975	67,975
42	8170	Lines Expense	35,014	3.5	Storage (50/50)		17,507	17,507
43	8180	Compressor Station Expense	35,633	3.5	Storage (50/50)		17,816	17,816
44	8190	Compressor Station Fuel & Power	1,003	3.5	Storage (50/50)		502	502
45	8200	Meas. & Regul. Station Expenses	3,465	3.5	Storage (50/50)		1,743	1,743
46	8210	Purification Expense	25,974	3.5	Storage (50/50)		12,987	12,987
47	8220	Exploration & Development	0	3.5	Storage (50/50)			
48	8230	Gas Losses	0	3.5	Storage (50/50)			
49	8240	Other Expenses	0	3.5	Storage (50/50)			
50	8250	Storage Well Royalties	9,388	3.5	Storage (50/50)		4,694	4,694
51	8260	Rents	0	3.5	Storage (50/50)			
Maintenance								
52	8300	Maint. Sup., & Eng.	0	3.5	Storage (50/50)			
53	8310	Structures and Improvements	16,246	3.5	Storage (50/50)		8,124	8,124
54	8320	Reservoirs & Wells Maintenance	0	3.5	Storage (50/50)			
55	8330	Line Maintenance	0	3.5	Storage (50/50)			
56	8340	Compressor Station Equip Maint	11,689	3.5	Storage (50/50)		5,945	5,945
57	8350	Meas. & Regul. Station Equip Maint	0	3.5	Storage (50/50)			
58	8360	Purification Equipment Maintenance	0	3.5	Storage (50/50)			
59	8370	Other Storage Exp. - LNG	130,397	3.5	Storage (50/50)		65,198	65,198
60		Total Underground Storage Expense	404,961			0	202,491	202,491
Transmission								
Operation								
61	8500	Op., Sup., & Eng.	0	2.0	Demand			
62	8510	System Control & Load Dispatching	0	2.0	Demand			
63	8520	Communication Systems Expense	0	2.0	Demand			
64	8530	Compressor Station Labor Expense	0	2.0	Demand			
65	8540	Compressor Station Fuel Gas	0	2.0	Demand			
66	8550	Compressor Station Fuel & Power	297	2.0	Demand		297	
67	8560	Mains Expense	256,790	2.0	Demand		256,790	
68	8570	Meas. & Regul. Station Expense	11,082	2.0	Demand		11,082	
69	8580	LDC Payment	0	2.0	Demand			
70	8590	LDC Payment - A&G	0	2.0	Demand			
71	8590	Other Expenses	0	2.0	Demand			
72	8600	Rents	0	2.0	Demand			
Maintenance								
73	8610	Maint. Sup., & Eng.	0	2.0	Demand			
74	8620	Structures and Improvements	0	2.0	Demand			
75	8630	Mains	3,091	2.0	Demand		3,091	
76	8640	Compressor Station Equip Maint	0	2.0	Demand			
77	8650	Meas. & Regul. Station Equip Maint	412	2.0	Demand		412	
78	8660	Communication Equipment Maintenance	0	2.0	Demand			
79	8670	Other Equipment Maintenance	0	2.0	Demand			
80		Total Transmission Expense	270,673			0	270,673	0

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2016								
CLASSIFICATION OF O&M EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
94		Debitation:						
95		Operation						
96	8700	Supervision and Engineering	1,297,940	10.0	Composite of Accts. 871-879 & 886-893	256,437	552,882	398,620
97	8710	Distribution Load Dispatching	665	3.0	Commodity	-	-	665
98	8711	Odorization	2,670	3.0	Commodity	-	-	2,670
99	8720	Compressor Station Labor & Expenses	0	3.0	Commodity	-	-	0
99	8740	Mains & Services	3,444,879	12.0	Composite of Accts. 374-379	-	2,003,593	1,441,385
100	8750	Measuring and Regulating Station Exp. - Gen	484,484	12.0	Composite of Accts. 374-379	-	281,779	202,715
101	8760	Measuring and Regulating Station Exp. - Ind.	30,793	1.0	Customer	30,793	-	-
102	8770	Measuring and Regulating Sta. Exp. - City Gate	22,313	12.0	Composite of Accts. 374-379	-	12,977	9,336
103	8780	Meters and House Regulator Expense	940,679	1.0	Customer	940,679	-	-
104	8790	Customer Installations Expense	4,184	1.0	Customer	4,184	-	-
105	8800	Other Expense	145,791	10.0	Composite of Accts. 871-879 & 886-893	30,850	66,729	48,111
106	8810	Rents	344,253	10.0	Composite of Accts. 871-879 & 886-893	73,083	157,568	113,604
107		Maintenance						
109	8830	Maintenance Supervision and Engineering	1,399	10.0	Composite of Accts. 871-879 & 886-893	297	640	462
109	8850	Maintenance of Structures and Improvements	309	12.0	Composite of Accts. 374-379	-	160	158
110	8870	Maintenance of Mains	30,023	12.0	Composite of Accts. 374-379	-	17,461	12,562
111	8890	Maintenance of Compressor station equipment	0	3.0	Commodity	-	-	0
112	8900	Maint. of Measuring and Regulating Station Equip. - General	38	12.0	Composite of Accts. 374-379	-	22	16
113	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	9,170	1.0	Customer	9,170	-	-
114	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	4,225	12.0	Composite of Accts. 374-379	-	2,457	1,768
115	8930	Maintenance of Services	106	1.0	Customer	106	-	-
116	8940	Maintenance of Meters and House Regulators	90,413	1.0	Customer	90,413	-	-
117	8950	Maintenance of Other Equipment	10,779	10.0	Composite of Accts. 871-879 & 886-893	2,288	4,834	3,557
118		Total Distribution	6,775,844			1,438,402	3,101,212	2,335,930
119		Customer Accounts						
120		Supervision						
121	9010	Supervision	421	1.0	Customer	421	-	-
122	9020	Meter Reading Expense	1,251,833	1.0	Customer	1,251,833	-	-
123	9030	Customer Records and Collection Expenses	1,762,399	1.0	Customer	1,762,399	-	-
124	9040	Uncollectible Accounts	352,112	1.0	Customer	352,112	-	-
125	9050	Miscellaneous Customer Accounts Expenses	0	1.0	Customer	0	-	-
126		Total Customer Accounts	3,376,766			3,376,766	0	0
127		Customer Service and Information						
128		Supervision						
129	9070	Supervision	0	1.0	Customer	0	-	-
130	9080	Customer Assistance Expenses	0	1.0	Customer	0	-	-
131	9090	Informational and Instructional Advertising Expenses	133,614	1.0	Customer	133,614	-	-
132	9100	Miscellaneous Customer Service and Informational Expenses	0	1.0	Customer	0	-	-
133		Total Customer Service and Information	133,614			133,614	0	0
134		Sales						
135		Supervision						
136	9110	Supervision	266,952	1.0	Customer	266,952	-	-
137	9120	Demonstrating and Selling Expenses	131,290	1.0	Customer	131,290	-	-
138	9130	Advertising Expenses	45,483	1.0	Customer	45,483	-	-
139	9190	Miscellaneous Sales Expenses	(86,666)	1.0	Customer	(86,666)	-	-
140		Total Sales	357,069			357,069	0	0
141		Administrative & General:						
142		Operation						
143		Administrative and General Salaries						
144	9200	Administrative and General Salaries	(1,265,165)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(466,643)	(452,274)	(326,059)
145	9210	Office Supplies and Expenses	3,249	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	1,250	1,161	637
146	9220	Administrative Expenses Transferred - Customer Support	0	1.0	Customer	0	-	-
147	9220	Administrative Expenses Transferred - General	14,012,401	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	5,361,368	5,009,099	3,641,334
148	9230	Outside Services Employed	69,850	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	26,878	24,970	16,002
149	9240	Property Insurance	5,550	5.7	Net Plant	2,159	2,032	1,369
150	9250	Injuries and Damages	17,941	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	6,304	6,414	4,624
151	9260	Employee Pensions and Benefits	1,849,199	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	708,293	650,900	475,037
152	9270	Franchise Requirements	1,483	1.0	Customer	1,483	-	-
153	9280	Regulatory Commission Expenses	156,942	1.0	Customer	156,942	-	-
154	930.1	General Advertising Expenses	0	1.0	Customer	0	-	-
155	930.2	Miscellaneous General Expense	(12,827)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(4,936)	(4,985)	(3,396)
156	9310	Rents	12,771	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	4,914	4,565	3,291
157		Maintenance						
158	9320	Maintenance of General Plant	0	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	0	0	0
159		Total A&G	14,845,383			5,809,982	5,250,281	3,785,119
160								
161		TOTAL O&M EXPENSE	104,673,146			11,115,633	8,824,657	84,932,657

Almos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
CLASSIFICATION OF DEPRECIATION EXPENSE							
Line No.	Acct. No.	Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
1	Intangible Plant:						
2							
3	30100	Organization	99.0				
4	30200	Franchises & Consents	99.0				
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	99.0				
12	32540	Rights of Ways	99.0				
13	33100	Production Gas Wells Equipment	99.0				
14	33201	Field Lines	99.0				
15	33202	Tributary Lines	99.0				
16	33400	Field Meas. & Reg. Sta. Equip	99.0				
17	33600	Purification Equipment	99.0				
18							
19		Total Production Plant:	0		0	0	0
20							
21	Storage Plant:						
22							
23	35010	Land	3.5	Storage (50/50)			
24	35020	Rights of Way	3.5	Storage (50/50)		6	6
25	35100	Structures and Improvements	3.5	Storage (50/50)		150	150
26	35102	Compression Station Equipment	1,931	3.5	Storage (50/50)	966	966
27	35103	Meas. & Reg. Sta. Structures	213	3.5	Storage (50/50)	106	106
28	35104	Other Structures	1,787	3.5	Storage (50/50)	893	893
29	35200	Wells & Rights of Way	143,405	3.5	Storage (50/50)	71,703	71,703
30	35201	Well Construction	25,670	3.5	Storage (50/50)	12,835	12,835
31	35202	Well Equipment		3.5	Storage (50/50)		
32	35203	Cushion Gas	30,507	3.5	Storage (50/50)	15,253	15,253
33	35210	Leaseholds	625	3.5	Storage (50/50)	312	312
34	35211	Storage Rights	481	3.5	Storage (50/50)	240	240
35	35301	Field Lines	1,446	3.5	Storage (50/50)	723	723
36	35302	Tributary Lines	1,697	3.5	Storage (50/50)	848	848
37	35400	Compressor Station Equipment	16,822	3.5	Storage (50/50)	8,311	8,311
38	35500	Meas. & Reg. Equipment	2,268	3.5	Storage (50/50)	1,134	1,134
39	35600	Purification Equipment	8,501	3.5	Storage (50/50)	4,250	4,250
40							
41		Total Storage Plant:	235,463		0	117,731	117,731
42							
43	Transmission:						
44							
45	36510	Land & Land Rights		2.0	Demand		
46	36520	Rights of Way	11,541	2.0	Demand	11,541	
47	36602	Structures & Improvements	872	2.0	Demand	872	
48	36603	Other Structures	1,083	2.0	Demand	1,083	
49	36700	Mains Cathodic Protection	7,946	2.0	Demand	7,946	
50	36701	Mains - Steel	522,461	2.0	Demand	522,461	
51	36800	Meas. & Reg. Equipment	15,653	2.0	Demand	15,653	
52	36901	Meas. & Reg. Equipment	48,568	2.0	Demand	48,568	
53							
54		Total Transmission Plant:	608,126		0	608,126	0
55							
56	Distribution:						
57							
58	37400	Land & Land Rights		4.0	Mains (Peak and Average)		
59	37401	Land		4.0	Mains (Peak and Average)		
60	37402	Land Rights	47,618	4.0	Mains (Peak and Average)	27,695	19,924
61	37403	Land Other		4.0	Mains (Peak and Average)		
62	37500	Structures & Improvements	6,925	4.0	Mains (Peak and Average)	4,028	2,897
63	37501	Structures & Improvements T.B.	2,056	4.0	Mains (Peak and Average)	1,196	860
64	37602	Land Rights	953	4.0	Mains (Peak and Average)	554	399
65	37603	Improvements	83	4.0	Mains (Peak and Average)	48	35
66	37600	Mains Cathodic Protection	1,035,250	4.0	Mains (Peak and Average)	602,097	433,154
67	37601	Mains - Steel	2,937,275	4.0	Mains (Peak and Average)	1,708,305	1,228,970
68	37602	Mains - Plastic	2,634,237	4.0	Mains (Peak and Average)	1,532,059	1,102,177
69	37800	Meas. & Reg. Sta. Equip - General	397,764	4.0	Mains (Peak and Average)	231,337	166,426
70	37900	Meas. & Reg. Sta. Equip - City Gate	144,384	4.0	Mains (Peak and Average)	84,089	60,494
71	37905	Meas. & Reg. Sta. Equipment T.B.	81,544	4.0	Mains (Peak and Average)	47,425	34,118
72	38000	Services	4,883,872	1.0	Customer	4,883,872	
73	38100	Meters	3,498,398	1.0	Customer	3,498,398	
74	38200	Meter Installations	2,355,880	1.0	Customer	2,355,880	
75	38300	House Regulators	369,153	1.0	Customer	369,153	
76	38400	House Reg. Installations	5,908	1.0	Customer	5,908	
77	38500	Ind. Meas. & Reg. Sta. Equipment	142,017	1.0	Customer	142,017	
78	38600	Other Prop. On Cust. Prem		99.0			
79							
80		Total Distribution Plant:	18,543,517		11,255,228	4,238,834	3,049,455
81							

Almos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
CLASSIFICATION OF DEPRECIATION EXPENSE								
Line No.	Acct. No.	General	Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
82		General:						
83								
84	38800	Land & Land Rights		5.4	P, S, T & D Plant			
85	39000	Structures & Improvements	288,781	5.4	P, S, T & D Plant	112,005	96,499	60,277
86	39001	Structures - Brick	6,809	5.4	P, S, T & D Plant	2,712	2,337	1,460
87	39002	Improvements	26,966	5.4	P, S, T & D Plant	11,112	9,574	5,980
88	39003	Air Conditioning Equipment	487	5.4	P, S, T & D Plant	203	175	109
89	39004	Improvement to leased Premises	97,151	5.4	P, S, T & D Plant	40,484	34,860	21,787
90	39008	Office Furniture & Equipment	119,701	5.4	P, S, T & D Plant	49,881	42,976	26,844
91	39100	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
92	39102	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
93	39200	Transportation Equipment	33,457	5.4	P, S, T & D Plant	13,942	12,012	7,503
94	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
95	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
96	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
97	39400	Tools, Shop & Garage Equipment	345,698	5.4	P, S, T & D Plant	144,057	124,114	77,526
98	39600	Power Operated Equipment	-	5.4	P, S, T & D Plant	-	-	-
99	39603	Ditchers	3,213	5.4	P, S, T & D Plant	1,339	1,154	721
100	39604	Backhoes	2,327	5.4	P, S, T & D Plant	970	835	522
101	39605	Welders	1,441	5.4	P, S, T & D Plant	600	517	323
102	39700	Communication Equipment	10,934	5.4	P, S, T & D Plant	4,566	3,925	2,432
103	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
104	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
105	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
106	39600	Miscellaneous Equipment	189,434	5.4	P, S, T & D Plant	78,940	68,012	42,483
107	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
108	39901	Other Tangible Property - Servers - HW	1,439	5.4	P, S, T & D Plant	600	517	323
109	39902	Other Tangible Property - Servers - SW	-	5.4	P, S, T & D Plant	-	-	-
110	39903	Other Tangible Property - Network - HW	13,460	5.4	P, S, T & D Plant	5,809	4,832	3,019
111	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
112	39906	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
113	39906	Other Tang. Property - PC Hardware	357,344	5.4	P, S, T & D Plant	148,910	128,296	80,138
114	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant	-	-	-
115	39908	Other Tang. Property - Mainframe SW	-	5.4	P, S, T & D Plant	-	-	-
116	39908	Other Tang. Property - Application Software	2,060	5.4	P, S, T & D Plant	858	739	462
117	40800	Amortization of gas plant acquisition adjustments	49,581	5.4	P, S, T & D Plant	20,661	17,801	11,119
118								
119								
120		Total General Plant	1,529,683			637,440	549,198	343,047
121								
122		TOTAL DIRECT DEPRECIATION EXPENSE	20,816,788			11,892,668	5,513,887	3,610,233
123								
124		Kentucky Mid-States General Office:						
125								
126		Intangible Plant:						
127								
128	30100	Organization	-	5.4	P, S, T & D Plant	-	-	-
129	30200	Franchises & Consents	-	5.4	P, S, T & D Plant	-	-	-
130	30300	Misc Intangible Plant	-	5.4	P, S, T & D Plant	-	-	-
131								
132		Total Intangible Plant:	0			0	0	0
133								
134		General:						
135								
136	37400	Land & Land Rights		5.4	P, S, T & D Plant			
137	39001	Structures Frame	2,415	5.4	P, S, T & D Plant	1,066	867	542
138	39002	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
139	39000	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
140	39004	Air Conditioning Equipment	567	5.4	P, S, T & D Plant	236	203	127
141	39009	Improvement to leased Premises	-	5.4	P, S, T & D Plant	-	-	-
142	39100	Office Furniture & Equipment	-	5.4	P, S, T & D Plant	-	-	-
143	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
144	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
145	39200	Transportation Equipment	418	5.4	P, S, T & D Plant	174	150	94
146	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
147	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
148	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
149	39400	Tools, Shop & Garage Equipment	1,419	5.4	P, S, T & D Plant	591	509	318
150	39600	Power Operated Equipment	9	5.4	P, S, T & D Plant	4	3	2
151	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
152	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
153	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
154	39700	Communication Equipment	856	5.4	P, S, T & D Plant	357	307	192
155	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
156	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
157	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
158	39600	Miscellaneous Equipment	14,197	5.4	P, S, T & D Plant	5,916	5,097	3,184
159	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
160	39901	Other Tangible Property - Servers - HW	-	5.4	P, S, T & D Plant	-	-	-
161	39902	Other Tangible Property - Servers - SW	-	5.4	P, S, T & D Plant	-	-	-
162	39903	Other Tangible Property - Network - HW	-	5.4	P, S, T & D Plant	-	-	-
163	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
164	39906	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
165	39906	Other Tang. Property - PC Hardware	-	5.4	P, S, T & D Plant	-	-	-
166	39907	Other Tang. Property - PC Software	1,958	5.4	P, S, T & D Plant	816	703	439
167	39908	Other Tang. Property - Mainframe SW	-	5.4	P, S, T & D Plant	-	-	-
168	39908	Other Tang. Property - Application Software	-	5.4	P, S, T & D Plant	-	-	-
169	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
170								
171								
172		Total General Plant	21,838			9,100	7,841	4,897

Almos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
CLASSIFICATION OF DEPRECIATION EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
173		Shared Services General Office:						
174		General:						
175								
176								
177								
178	37400	Land & Land Rights		5.4	P, S, T & D Plant			
179	39000	Structures & Improvements	6,473	5.4	P, S, T & D Plant	2,697	2,324	1,452
180	36602	Structures & Improvements	-	5.4	P, S, T & D Plant			
181	37503	Improvements	-	5.4	P, S, T & D Plant			
182	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant			
183	39008	Improvement to leased Premises	16,567	5.4	P, S, T & D Plant	6,904	5,946	3,715
184	39100	Office Furniture & Equipment	10,743	5.4	P, S, T & D Plant	4,477	3,857	2,409
185	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant			
186	39103	Office Machines	-	5.4	P, S, T & D Plant			
187	39200	Transportation Equipment	-	5.4	P, S, T & D Plant			
188	39201	Trucks	-	5.4	P, S, T & D Plant			
189	39202	Trailers	-	5.4	P, S, T & D Plant			
190	39300	Stores Equipment	-	5.4	P, S, T & D Plant			
191	39400	Tools, Shop & Garage Equipment	1,761	5.4	P, S, T & D Plant	734	632	395
192	39500	Laboratory Equipment	-	5.4	P, S, T & D Plant			
193	39603	Ditchers	-	5.4	P, S, T & D Plant			
194	39604	Backhoes	-	5.4	P, S, T & D Plant			
195	39605	Welders	-	5.4	P, S, T & D Plant			
196	39700	Communication Equipment	27	5.4	P, S, T & D Plant	11	10	6
197	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant			
198	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant			
199	39705	Communication Equip. - Telemetry	-	5.4	P, S, T & D Plant			
200	39800	Miscellaneous Equipment	66	5.4	P, S, T & D Plant	28	24	15
201	39900	Other Tangible Property	-	5.4	P, S, T & D Plant			
202	39901	Other Tangible Property - Servers - H/W	98,033	5.4	P, S, T & D Plant	40,852	35,197	21,985
203	39902	Other Tangible Property - Servers - S/W	17,099	5.4	P, S, T & D Plant	7,125	6,139	3,835
204	39903	Other Tangible Property - Network - H/W	-	5.4	P, S, T & D Plant			
205	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant			
206	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant			
207	39906	Other Tang. Property - PC Hardware	4,989	5.4	P, S, T & D Plant	2,079	1,791	1,119
208	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant			
209	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant			
210	39908	Other Tang. Property - Application Software	1,937	5.4	P, S, T & D Plant	807	695	434
211	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant			
212								
213								
214		Total General Plant	157,695			65,714	56,617	35,365
215								
216		Shared Services Customer Support:						
217		General:						
218								
219								
220	37400	Land & Land Rights	-	5.4	P, S, T & D Plant			
221	39001	Structures Frame	-	5.4	P, S, T & D Plant			
222	36602	Structures & Improvements	36,407	5.4	P, S, T & D Plant	15,171	13,071	8,155
223	37503	Improvements	-	5.4	P, S, T & D Plant			
224	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant			
225	39009	Improvement to leased Premises	5,199	5.4	P, S, T & D Plant	2,166	1,866	1,166
226	39100	Office Furniture & Equipment	7,392	5.4	P, S, T & D Plant	3,080	2,654	1,658
227	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant			
228	39103	Office Machines	-	5.4	P, S, T & D Plant			
229	39200	Transportation Equipment	31	5.4	P, S, T & D Plant	13	11	7
230	39201	Trucks	-	5.4	P, S, T & D Plant			
231	39202	Trailers	-	5.4	P, S, T & D Plant			
232	39300	Stores Equipment	-	5.4	P, S, T & D Plant			
233	39500	Laboratory Equipment	679	5.4	P, S, T & D Plant	283	244	152
234	39600	Power Operated Equipment	55	5.4	P, S, T & D Plant	23	20	12
235	39603	Ditchers	-	5.4	P, S, T & D Plant			
236	39604	Backhoes	-	5.4	P, S, T & D Plant			
237	39605	Welders	-	5.4	P, S, T & D Plant			
238	39700	Communication Equipment	6,748	5.4	P, S, T & D Plant	2,812	2,423	1,513
239	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant			
240	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant			
241	39705	Communication Equip. - Telemetry	-	5.4	P, S, T & D Plant			
242	39800	Miscellaneous Equipment	838	5.4	P, S, T & D Plant	349	301	188
243	39900	Other Tangible Property	5,468	5.4	P, S, T & D Plant	2,279	1,963	1,226
244	39901	Other Tangible Property - Servers - H/W	50,062	5.4	P, S, T & D Plant	20,862	17,974	11,227
245	39902	Other Tangible Property - Servers - S/W	9,577	5.4	P, S, T & D Plant	3,991	3,438	2,148
246	39903	Other Tangible Property - Network - H/W	2,484	5.4	P, S, T & D Plant	1,039	895	559
247	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant			
248	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant			
249	39906	Other Tang. Property - PC Hardware	6,239	5.4	P, S, T & D Plant	2,600	2,240	1,395
250	39907	Other Tang. Property - PC Software	906	5.4	P, S, T & D Plant	377	325	203
251	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant			
252	39909	Other Tang. Property - Application Software	333,063	5.4	P, S, T & D Plant	138,792	119,578	74,693
253	39924	Other Tang. Property - General Startup Costs	31	5.4	P, S, T & D Plant	13	11	7
254								
255								
256		Total General Plant	466,191			193,851	167,016	104,324
257								
258		TOTAL DEPRECIATION EXPENSE	21,661,512			12,161,334	5,745,359	3,654,819

Atmos Energy Corporation, Kentucky/Mid-States Division						
Class Cost of Service - Demand/Commodity Study						
Forecasted Test Period: Twelve Months Ended March 31, 2019						
CLASSIFICATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX						
	Test Year	Classif.	Classif.	Customer	Demand	Commodity
	\$	Factor	Basis	\$	\$	\$
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						

Almos Energy Corporation, Kentucky/Mid-States Division						
Class Cost of Service - Demand/Commodity Study						
Forecasted Test Period: Twelve Months Ended March 31, 2019						
SUMMARY OF CLASSIFICATION						
	Test Year	Classif.	Classif.	Customer	Demand	Commodity
	\$	Factor	Basis	\$	\$	\$
1						
2						
3						
4						
5						
6						
7	Operating Revenues	170,729,276		39,737,649	29,983,706	101,007,921
8						
9	Operating Expenses:					
10						
11	Operating & Maintenance	104,873,148		11,115,833	8,824,657	84,932,657
12	Depreciation & Amortization	21,561,512		12,161,334	5,745,359	3,654,819
13	Taxes Other Than Income	6,566,445		2,304,067	1,978,402	2,283,976
14						
15	Total Operating Expenses	133,001,104		25,581,233	16,548,418	90,871,453
16						
17	Income Before Taxes	37,728,172		14,156,416	13,435,288	10,136,469
18						
19	Interest Expense	9,960,341		3,737,333	3,546,953	2,676,056
20						
21	Income Taxes:					
22						
23	State Income Taxes	1,666,070	6.00%	625,145	593,300	447,625
24	Federal Income Taxes	9,135,616	35.00%	3,427,878	3,253,262	2,454,476
25	Total Deferred Income Taxes	0		0	0	0
26	Amortization of ITC	0		0	0	0
27						
28	Total Income Taxes	10,801,686		4,053,023	3,846,562	2,902,101
29						
30	Net Income	26,926,486		10,103,392	9,588,725	7,234,368
31						
32	Total Rate Base	430,095,330		161,380,950	153,160,203	115,554,177
33						
34	Rate of Return	6.2606%		6.2606%	6.2606%	6.2606%

Almos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF PLANT IN SERVICE										
Customer										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1		Intangible Plant:								
2										
3	30100	Organization	6.2	P, S, T & D Plant - Customer	3,471	2,657	774	2	24	14
4	30200	Franchises & Consents	0.2	P, S, T & D Plant - Customer	49,941	38,233	11,131	33	348	198
5	30300	Misc Intangible Plant	99.0		0					
6										
7		Total Intangible Plant:			53,415	40,890	11,905	35	373	212
8										
9		Production Plant:								
10										
11	32520	Producing Leaseholds	99.0		0					
12	32540	Rights of Way	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	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	Gaslift 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	Compression 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	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	36800	Meas. & Reg. Equipment	99.0		0					
52	36901	Meas. & Reg. Equipment	99.0		0					
53										
54		Total Transmission Plant:			0	0	0	0	0	0
55										
56		Distribution:								
57										
58	37400	Land & Land Rights	2.0	Bills	0					
59	37401	Land	2.0	Bills	0					
60	37402	Land Rights	2.0	Bills	0					
61	37403	Land Other	2.0	Bills	0					
62	37500	Structures & Improvements	2.0	Bills	0					
63	37501	Structures & Improvements T.B.	2.0	Bills	0					
64	37502	Land Rights	2.0	Bills	0					
65	37503	Improvements	2.0	Bills	0					
66	37600	Mains Cathodic Protection	2.0	Bills	0					
67	37601	Mains - Steel	2.0	Bills	0					
68	37602	Mains - Plastic	2.0	Bills	0					
69	37600	Meas. & Reg. Sta. Equip - General	2.0	Bills	0					
70	37600	Meas. & Reg. Sta. Equip - City Gate	2.0	Bills	0					
71	37605	Meas. & Reg. Sta. Equipment T.B.	2.0	Bills	0					
72	36900	Services	2.0	Bills	136,868,620	124,521,484	15,162,788	9,374	98,753	56,242
73	38100	Meters	4.0	Meter Investment	41,724,895	26,873,925	13,614,787	58,118	622,734	354,659
74	38300	Meter Installations	4.0	Meter Investment	98,580,787	36,999,441	19,888,887	80,722	850,425	484,333
75	38300	House Regulators	4.0	Meter Investment	11,717,764	7,547,044	3,879,665	16,600	174,895	99,600
76	38400	House Reg. Installations	4.0	Meter Investment	240,552	160,728	82,625	354	3,725	2,121
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2	Non-Residential Bills	5,237,633		5,181,538	3,199	33,792	19,194
78	38600	Other Prop. On Cust. Prem	99.0		0					
79										
80		Total Distribution Plant:			255,779,281	195,602,301	57,067,249	160,358	1,784,223	1,016,149



Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2018									
ALLOCATION OF PLANT IN SERVICE									
176	Shared Services General Office:								
177	General:								
178	General:								
180									
181	27400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0				
182	39001	Structures Frame	6.2	P, S, T & D Plant - Customer	0				
183	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	89,611	68,668	19,972	59	625
184	37503	Improvements	6.2	P, S, T & D Plant - Customer	0				
185	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0				
186	39005	Improvement to Leased Premises	6.2	P, S, T & D Plant - Customer	0				
187	35100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	212,071	162,343	47,266	140	1,479
188	35102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	118,553	90,784	26,432	79	627
189	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0				
190	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	154	118	34	0	1
191	39201	Trucks	6.2	P, S, T & D Plant - Customer	0				
192	39202	Trailers	6.2	P, S, T & D Plant - Customer	0				
193	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0				
194	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	13,161	10,075	2,933	9	82
195	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0				
196	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0				
197	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0				
198	39605	Welders	6.2	P, S, T & D Plant - Customer	0				
199	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	36,995	28,851	8,691	26	272
200	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0				
201	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0				
202	39703	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0				
203	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	3,157	2,417	704	2	22
204	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	3,517	2,692	784	2	25
205	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	822,463	626,606	193,300	545	5,737
206	39902	Other Tangible Property - Servers - SAW	6.2	P, S, T & D Plant - Customer	437,700	338,065	97,553	290	3,053
207	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	78,532	60,117	17,503	52	546
208	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0				
209	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0				
210	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	51,354	39,320	11,440	34	358
211	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	31,667	24,410	7,107	21	222
212	39908	Other Tang. Property - Mainframe SAW	6.2	P, S, T & D Plant - Customer	1,598,945	1,222,482	355,922	1,057	11,140
213	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	621,153	356,948	116,153	345	3,635
214	39911	Other Tang. Property - ALGN	6.2	P, S, T & D Plant - Customer	0				
215		Total General Plant			4,019,304	3,076,828	895,809	2,661	26,037
216									
217									
218		CMP w/o AFUDC	6.2	P, S, T & D Plant - Customer	192,170	147,108	42,630	127	1,341
219									
220	Shared Services Customer Support:								
221	General:								
222	General:								
223									
224	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	86,264	66,037	19,228	57	602
225	39001	Structures Frame	6.2	P, S, T & D Plant - Customer	0				
226	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	300,994	283,518	111,660	332	3,495
227	37503	Improvements	6.2	P, S, T & D Plant - Customer	0				
228	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0				
229	39005	Improvement to Leased Premises	6.2	P, S, T & D Plant - Customer	0				
230	35100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	77,128	59,043	17,190	51	536
231	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0				
232	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0				
233	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	935	716	209	1	7
234	39201	Trucks	6.2	P, S, T & D Plant - Customer	0				
235	39202	Trailers	6.2	P, S, T & D Plant - Customer	0				
236	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0				
237	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	3,380	2,586	763	2	24
238	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	230	176	51	0	2
239	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0				
240	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0				
241	39605	Welders	6.2	P, S, T & D Plant - Customer	0				
242	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	48,070	36,798	10,714	32	335
243	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0				
244	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0				
245	39703	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0				
246	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	6,055	5,056	1,472	4	46
247	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	17,358	13,319	3,878	12	121
248	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	220,057	168,465	48,046	146	1,535
249	39902	Other Tangible Property - Servers - SAW	6.2	P, S, T & D Plant - Customer	44,895	34,211	9,993	30	312
250	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	14,870	11,393	3,314	10	104
251	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0				
252	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0				
253	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	24,713	18,916	5,908	16	172
254	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	5,087	4,353	1,267	4	40
255	39908	Other Tang. Property - Mainframe SAW	6.2	P, S, T & D Plant - Customer	2,127,321	1,626,491	474,130	1,409	14,839
256	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	200	153	45	0	1
257	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0				
258									
259		Total General Plant			3,245,198	2,484,241	723,279	2,149	22,637
260									
261		CMP w/o AFUDC	6.2	P, S, T & D Plant - Customer	78,935	61,911	17,916	53	559
262									
263		TOTAL PLANT IN SERVICE - CUSTOMER			273,867,331	209,725,496	61,060,943	161,401	1,911,997
264									
265		TOTAL CMP W/O AFUDC - CUSTOMER			11,456,799	6,770,326	2,853,454	7,586	79,916

Altoon Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF PLANT IN SERVICE										
Demand										
Line No.	Acct. No.	Description	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
266		Intangible Plant:								
267										
268	30100	Organization	6.4	P, S, T & D Plant - Demand	2,991	1,481	753	10	379	368
269	30200	Franchisee & Consents	6.4	P, S, T & D Plant - Demand	43,030	21,305	10,835	140	5,450	5,293
270	30300	Misc Intangible Plant	99.0		0	0	0	0	0	0
272		Total Intangible Plant:			46,021	22,786	11,589	156	5,828	5,661
273										
274		Production Plant:								
275	32520	Producing Leaseholds	3.0	Peak Day	0	0	0	0	0	0
277	32940	Rights of Way	3.0	Peak Day	0	0	0	0	0	0
278	33100	Production Gas Wells Equipment	3.0	Peak Day	0	0	0	0	0	0
279	33201	Field Lines	3.0	Peak Day	0	0	0	0	0	0
280	33202	Injurious Lines	3.0	Peak Day	0	0	0	0	0	0
281	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0	0	0	0	0	0
282	33600	Purification Equipment	3.0	Peak Day	0	0	0	0	0	0
283										
284		Total Production Plant:			0	0	0	0	0	0
285										
286		Storage Plant:								
287										
288	35010	Land	3.0	Peak Day	130,563	64,645	32,680	444	16,535	16,059
289	35020	Rights of Way	3.0	Peak Day	2,341	1,159	589	8	296	288
290	35100	Structures and Improvements	3.0	Peak Day	8,958	4,435	2,266	30	1,135	1,102
291	35102	Compressor Station Equipment	3.0	Peak Day	76,631	37,942	19,299	261	9,705	9,445
292	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	11,569	5,728	2,913	39	1,465	1,423
293	35104	Other Structures	3.0	Peak Day	68,721	34,025	17,306	234	8,703	8,433
294	35200	Wells & Rights of Way	3.0	Peak Day	3,715,167	1,838,463	935,593	12,634	470,516	458,962
295	35201	Well Construction	3.0	Peak Day	849,999	420,854	214,068	2,991	107,890	104,549
296	35202	Well Equipment	3.0	Peak Day	207,969	102,941	52,358	707	26,331	25,573
297	35203	Cushion Gas	3.0	Peak Day	847,416	418,576	213,405	2,862	107,303	104,251
298	35210	Leaseholds	3.0	Peak Day	89,265	44,197	22,480	304	11,305	10,980
299	35211	Storage Rights	3.0	Peak Day	27,307	13,520	6,877	93	3,458	3,369
300	35301	Field Lines	3.0	Peak Day	89,248	44,189	22,475	304	11,303	10,977
301	35302	Injurious Lines	3.0	Peak Day	194,729	97,854	49,374	658	24,264	23,662
302	35400	Compressor Station Equipment	3.0	Peak Day	461,723	228,036	116,276	1,570	58,478	56,791
303	35500	Meas. & Reg. Equipment	3.0	Peak Day	219,558	108,708	55,292	747	27,806	27,005
304	35600	Purification Equipment	3.0	Peak Day	207,332	102,665	52,212	705	26,288	25,502
305										
306		Total Storage Plant:			7,118,438	3,524,500	1,792,640	24,207	901,931	875,561
307										
308		Transmission:								
309										
310	36510	Land & Land Rights	3.0	Peak Day	26,070	13,354	6,792	92	3,416	3,317
311	36520	Rights of Way	3.0	Peak Day	897,772	429,654	218,531	2,951	109,901	106,735
312	36602	Structures & Improvements	3.0	Peak Day	49,002	24,282	12,340	167	6,206	6,027
313	36603	Other Structures	3.0	Peak Day	60,808	30,116	15,318	207	7,703	7,482
314	36700	Mains Cathodic Protection	3.0	Peak Day	158,925	78,698	40,022	540	20,127	19,648
315	36701	Mains - Steel	3.0	Peak Day	27,843,442	13,696,892	6,961,463	94,005	3,600,985	3,490,116
316	36800	Meas. & Reg. Equipment	3.0	Peak Day	791,467	362,166	184,206	2,487	92,638	89,970
317	36901	Meas. & Reg. Equipment	3.0	Peak Day	2,269,556	1,123,708	571,543	7,718	287,433	279,153
318										
319		Total Transmission Plant:			31,807,660	15,748,840	8,010,216	108,167	4,028,390	3,912,348
320										
321		Distribution:								
322										
323	37400	Land & Land Rights	3.0	Peak Day	308,924	152,955	77,797	1,051	39,124	37,997
324	37401	Land	3.0	Peak Day	21,769	10,749	5,467	74	2,749	2,670
325	37402	Land Rights	3.0	Peak Day	1,679,583	830,824	473,338	6,392	236,044	231,187
326	37403	Land Other	3.0	Peak Day	1,619	802	406	6	205	199
327	37500	Structures & Improvements	3.0	Peak Day	195,513	96,803	49,236	665	24,761	24,048
328	37501	Structures & Improvements T.B.	3.0	Peak Day	58,054	28,744	14,620	197	7,352	7,141
329	37502	Land Rights	3.0	Peak Day	26,907	13,322	6,776	92	3,408	3,310
330	37503	Improvements	3.0	Peak Day	2,329	1,153	587	8	295	287
331	37600	Mains Cathodic Protection	3.0	Peak Day	12,048,324	5,964,407	3,033,632	40,565	1,525,634	1,481,686
332	37601	Mains - Steel	3.0	Peak Day	81,707,347	40,489,252	20,876,498	277,857	10,349,035	10,049,947
333	37602	Mains - Plastic	3.0	Peak Day	72,722,791	36,009,652	18,313,797	247,903	9,210,129	8,944,620
334	37603	Meas. & Reg. Sta. Equip - General	3.0	Peak Day	7,919,381	3,921,069	1,994,345	26,931	1,002,989	974,077
335	37604	Meas. & Reg. Sta. Equip - City Gate	3.0	Peak Day	2,918,533	1,445,032	734,976	9,925	369,624	358,977
336	37605	Meas. & Reg. Sta. Equipment T.B.	3.0	Peak Day	1,634,971	808,511	411,738	5,560	207,095	201,100
337	38000	Services	99.0		0	0	0	0	0	0
338	38100	Meters	99.0		0	0	0	0	0	0
339	38200	Meter Installations	99.0		0	0	0	0	0	0
340	38300	House Regulators	99.0		0	0	0	0	0	0
341	38400	House Reg. Installations	99.0		0	0	0	0	0	0
342	38500	Ind. Meas. & Reg. Sta. Equipment	99.0		0	0	0	0	0	0
343	38600	Other Prop. On Cust. Prem	99.0		0	0	0	0	0	0
344										
345		Total Distribution Plant:			181,444,108	89,837,076	45,663,168	617,023	22,979,394	22,317,445

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF PLANT IN SERVICE									
Line	Account	Category	Plant	Cost	Value	Value	Value	Value	Value
347	General:								
348									
349	39900	Land & Land Rights	6.4 P, S, T & D Plant - Demand	435,031	215,394	109,554	1,479	55,095	53,608
350	39000	Structures & Improvements	6.4 P, S, T & D Plant - Demand	2,566,391	1,270,678	646,289	8,727	325,026	316,694
351	39001	Structures Frame	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
352	39002	Structures Brick	6.4 P, S, T & D Plant - Demand	62,153	30,773	15,652	211	7,871	7,645
353	39003	Improvements	6.4 P, S, T & D Plant - Demand	254,621	128,069	64,121	866	32,247	31,318
354	39004	Air Conditioning Equipment	6.4 P, S, T & D Plant - Demand	4,651	2,303	1,171	16	589	572
355	39009	Improvement to leased Premises	6.4 P, S, T & D Plant - Demand	447,416	221,526	112,673	1,521	56,894	55,032
356	39100	Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	544,315	319,015	162,258	2,191	81,601	79,250
357	39102	Remittance Processing Equip	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
358	39103	Office Machines	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
359	39200	Transportation Equipment	6.4 P, S, T & D Plant - Demand	79,340	39,283	19,980	270	10,048	9,759
360	39201	Trucks	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
361	39202	Trailers	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
362	39300	Stores Equipment	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
363	39400	Tools, Shop & Garage Equipment	6.4 P, S, T & D Plant - Demand	1,850,844	969,868	493,297	6,661	248,082	240,936
364	39600	Power Operated Equipment	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
365	39603	Ditchers	6.4 P, S, T & D Plant - Demand	14,221	7,041	3,581	49	1,801	1,749
366	39604	Backhoes	6.4 P, S, T & D Plant - Demand	22,628	11,154	5,673	77	2,853	2,771
367	39625	Welders	6.4 P, S, T & D Plant - Demand	6,375	3,453	1,758	24	883	858
368	39700	Communication Equipment	6.4 P, S, T & D Plant - Demand	129,879	63,810	32,455	438	16,322	15,852
369	39701	Communication Equipment - Mobile Radios	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
370	39702	Communication Equipment - Fixed Radios	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
371	39705	Communication Equip. - Telemetering	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
372	39800	Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	1,361,124	673,923	342,773	4,629	172,383	167,417
373	39900	Other Tangible Property	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
374	39901	Other Tangible Property - Servers - HW	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
375	39902	Other Tangible Property - Servers - SW	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
376	39903	Other Tangible Property - Network - HW	6.4 P, S, T & D Plant - Demand	48,328	23,927	12,170	164	6,120	5,944
377	39904	Other Tang. Property - CPU	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
378	39905	Other Tangible Property - MF - Hardware	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
379	39906	Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	935,659	514,720	190,078	2,162	80,594	78,185
380	39907	Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
381	39908	Other Tang. Property - Mainframe SW	6.4 P, S, T & D Plant - Demand	44,345	21,956	11,167	151	5,616	5,454
382	39909	Other Tang. Property - Application Software	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
383	39924	Other Tang. Property - General Startup Costs	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
384									
385		Total General Plant		6,714,817	4,314,903	2,194,657	29,636	1,103,707	1,071,914
386									
387		TOTAL DIRECT PLANT		229,191,342	113,448,103	57,702,270	779,190	29,618,850	28,182,926
388									
389		CWMP w/ AFUDC	6.4 P, S, T & D Plant - Demand	6,638,237	4,772,109	2,427,203	32,776	1,220,656	1,185,484
390									
391		Kentucky Mid-States General Office:							
392									
393		Intangible Plant:							
394									
395	30100	Organization	6.4 P, S, T & D Plant - Demand	33,433	15,553	8,419	114	4,234	4,112
396	30200	Franchises & Consents	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
397	30300	Misc Intangible Plant	6.4 P, S, T & D Plant - Demand	200,180	98,114	50,412	661	25,352	24,622
398									
399		Total Intangible Plant:		233,613	113,667	58,831	784	29,586	28,734
400									
401		General:							
402									
403	37400	Land & Land Rights	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
404	36001	Structures Frame	6.4 P, S, T & D Plant - Demand	32,285	16,029	8,148	110	4,058	3,969
405	36002	Structures & Improvements	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
406	36000	Land & Land Rights	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
407	39004	Air Conditioning Equipment	6.4 P, S, T & D Plant - Demand	2,775	1,374	699	9	352	341
408	39009	Improvement to leased Premises	6.4 P, S, T & D Plant - Demand	7,006	3,489	1,764	24	897	862
409	39100	Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	7,469	3,898	1,861	25	946	919
410	39102	Remittance Processing Equip	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
411	39103	Office Machines	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
412	39200	Transportation Equipment	6.4 P, S, T & D Plant - Demand	4,823	2,437	1,240	17	623	605
413	39201	Trucks	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
414	39202	Trailers	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
415	39300	Stores Equipment	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
416	39400	Tools, Shop & Garage Equipment	6.4 P, S, T & D Plant - Demand	32,802	16,241	8,261	112	4,154	4,035
417	39600	Power Operated Equipment	6.4 P, S, T & D Plant - Demand	3,701	1,833	932	13	469	455
418	39603	Ditchers	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
419	39624	Sachets	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
420	39625	Welders	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
421	39700	Communication Equipment	6.4 P, S, T & D Plant - Demand	9,791	4,848	2,466	33	1,240	1,204
422	39701	Communication Equipment - Mobile Radios	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
423	39702	Communication Equipment - Fixed Radios	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
424	39705	Communication Equip. - Telemetering	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
425	39800	Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	146,869	72,728	36,891	500	18,643	18,067
426	39900	Other Tangible Property	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
427	39901	Other Tangible Property - Servers - HW	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
428	39902	Other Tangible Property - Servers - SW	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
429	39903	Other Tangible Property - Network - HW	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
430	39904	Other Tang. Property - CPU	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
431	39905	Other Tangible Property - MF - Hardware	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
432	39906	Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	13,385	6,627	3,371	46	1,695	1,646
433	39907	Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	8,326	3,132	1,593	22	801	776
434	39908	Other Tang. Property - Mainframe SW	6.4 P, S, T & D Plant - Demand	149,476	74,029	37,543	508	18,931	18,385
435	39909	Other Tang. Property - Application Software	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
436	39924	Other Tang. Property - General Startup Costs	6.4 P, S, T & D Plant - Demand	0	0	0	0	0	0
437									
438		Total General Plant		416,898	206,415	104,988	1,419	52,799	51,278
439									
440		CWMP w/ AFUDC	6.4 P, S, T & D Plant - Demand	(1,893)	(938)	(477)	(6)	(240)	(233)

Alcoa Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Control Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF PLANT IN SERVICE									
441	Shared Services General Office:								
442	General								
443	General								
444	General								
445	Land & Land Rights								
446	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0				
447	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	0				
448	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	77,205	36,226	16,443	263	9,776
449	37503	Improvements	6.4	P, S, T & D Plant - Demand	0				
450	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0				
451	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	182,713	90,485	46,013	621	23,140
452	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	102,176	50,589	25,731	347	12,840
453	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0				
454	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0				
455	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	133	66	34	0	17
456	39201	Trucks	6.4	P, S, T & D Plant - Demand	0				
457	39202	Trailers	6.4	P, S, T & D Plant - Demand	0				
458	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0				
459	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	11,339	5,614	2,856	39	1,436
460	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0				
461	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0				
462	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0				
463	39605	Welders	6.4	P, S, T & D Plant - Demand	0				
464	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	33,697	16,635	8,461	114	4,255
465	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0				
466	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0				
467	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0				
468	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	2,720	1,347	685	9	344
469	39800	Other Tangible Property	6.4	P, S, T & D Plant - Demand	3,030	1,500	763	10	384
470	39901	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	708,606	350,847	178,449	2,410	89,743
471	39902	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	377,107	186,714	94,987	1,262	47,790
472	39903	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	67,660	33,900	17,039	230	8,569
473	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0				
474	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0				
475	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	44,254	21,911	11,144	150	5,605
476	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	27,472	13,802	6,919	93	3,479
477	39908	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	1,375,873	681,226	346,487	4,679	174,250
478	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	449,007	222,314	113,074	1,527	56,866
479	39931	Other Tang. Property - ALGN	6.4	P, S, T & D Plant - Demand	0				
480	Total General Plant								
481					3,462,892	1,714,556	872,062	11,776	430,586
482	CWP w/o AFUDC								
483					165,567	81,878	41,695	563	20,969
484	Shared Services Customer Support:								
485	General:								
486	General								
487	General								
488	Land & Land Rights								
489	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	74,322	36,759	18,717	253	9,413
490	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	0				
491	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	431,639	213,714	108,700	1,468	54,666
492	37503	Improvements	6.4	P, S, T & D Plant - Demand	0				
493	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0				
494	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	67,436	28,434	14,462	195	7,273
495	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	66,451	32,901	16,734	226	8,416
496	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0				
497	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0				
498	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	606	309	203	3	102
499	39201	Trucks	6.4	P, S, T & D Plant - Demand	0				
500	39202	Trailers	6.4	P, S, T & D Plant - Demand	0				
501	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0				
502	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	2,912	1,442	733	10	369
503	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	198	98	50	1	25
504	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0				
505	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0				
506	39605	Welders	6.4	P, S, T & D Plant - Demand	0				
507	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	41,418	20,506	10,430	141	5,245
508	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0				
509	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0				
510	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0				
511	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	5,890	2,817	1,433	19	721
512	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	14,890	7,422	3,775	51	1,898
513	39901	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	189,593	93,872	47,745	645	24,011
514	39902	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	38,504	19,064	9,695	131	4,876
515	39903	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	12,811	6,343	3,226	44	1,622
516	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0				
517	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0				
518	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	21,252	10,542	5,362	72	2,697
519	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	4,900	2,426	1,234	17	621
520	39908	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	1,832,625	907,473	461,561	6,233	231,123
521	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	172	85	43	1	22
522	39934	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0				
523	Total General Plant								
524					2,785,950	1,384,338	704,105	9,506	354,099
525	CWP w/o AFUDC								
526					88,669	34,099	17,343	234	8,722
527	TOTAL PLANT IN SERVICE - DEMAND								
528					236,040,684	116,868,090	59,442,256	802,686	26,893,901
529	TOTAL CWP w/o AFUDC - DEMAND								
530					9,870,778	4,887,245	2,485,763	33,567	1,260,107

Almos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF PLANT IN SERVICE										
Line No.	Acct. No.	Commodity	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
531		Intangible Plant:								
532										
533	30100	Organization	6.6	P, S, T & D Plant - Commodity	1,888	507	373	24	414	471
534	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	26,878	8,439	5,360	343	5,953	9,782
535	30300	Misc Intangible Plant	99.0		0					
537		Total Intangible Plant:			26,746	9,028	5,733	367	6,367	7,254
538		Production Plant:								
539										
540	32520	Producing Leaseholds	99.0		0					
542	32540	Rights of Ways	99.0		0					
543	33100	Production Gas Wells Equipment	99.0		0					
544	33201	Field Lines	99.0		0					
545	33202	Tributary Lines	99.0		0					
546	33420	Field Meas. & Reg. Sta. Equip	99.0		0					
547	33600	Purification Equipment	99.0		0					
548										
549		Total Production Plant:			0	0	0	0	0	0
550		Storage Plant:								
551										
552										
553	35010	Land	1.5	Winter Volumes	130,553	51,289	29,019	1,522	23,821	24,912
554	35020	Rights of Way	1.5	Winter Volumes	2,341	920	520	27	427	447
555	35100	Structures and Improvements	1.5	Winter Volumes	8,858	3,519	1,991	104	1,634	1,709
556	35102	Compressor Station Equipment	1.5	Winter Volumes	76,031	30,103	17,032	895	13,981	14,621
557	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	11,969	4,548	2,571	155	2,111	2,207
558	35104	Other Structures	1.5	Winter Volumes	68,721	26,996	15,274	801	12,539	13,112
559	35200	Wells & Rights of Way	1.5	Winter Volumes	3,715,157	1,459,428	825,743	43,306	677,829	708,891
560	35201	Well Construction	1.5	Winter Volumes	949,999	333,905	188,923	9,908	155,062	162,182
561	35202	Well Equipment	1.5	Winter Volumes	207,298	81,673	46,211	2,423	37,533	39,670
562	35203	Gaslift Cms	1.5	Winter Volumes	947,116	332,886	188,349	9,678	154,610	161,589
563	35210	Leaseholds	1.5	Winter Volumes	88,265	35,066	19,840	1,041	16,286	17,632
564	35211	Storage Rights	1.5	Winter Volumes	27,307	10,727	6,069	318	4,882	5,210
565	35301	Field Lines	1.5	Winter Volumes	89,246	35,059	19,837	1,040	16,283	17,029
566	35302	Tributary Lines	1.5	Winter Volumes	104,729	41,141	23,277	1,221	19,106	19,963
567	35400	Compressor Station Equipment	1.5	Winter Volumes	461,731	181,376	102,624	5,382	84,241	89,068
568	35500	Meas. & Reg. Equipment	1.5	Winter Volumes	219,558	86,249	48,800	2,559	40,058	41,892
569	35600	Purification Equipment	1.5	Winter Volumes	207,332	81,446	46,082	2,417	37,827	39,559
570		Total Storage Plant:			7,118,439	2,796,334	1,562,163	82,876	1,298,793	1,358,212
571										
572		Transmission:								
573										
574										
575	36510	Land & Land Rights	99.0		0					
576	36520	Rights of Way	99.0		0					
577	36602	Structures & Improvements	99.0		0					
578	36603	Other Structures	99.0		0					
579	36700	Mains Cathodic Protection	99.0		0					
580	36701	Mains - Steel	99.0		0					
581	36900	Meas. & Reg. Equipment	99.0		0					
582	36901	Meas. & Reg. Equipment	99.0		0					
583		Total Transmission Plant:			0	0	0	0	0	0
584										
585		Distribution:								
586										
587										
588	37400	Land & Land Rights	1.0	Mcf	222,243	69,823	44,045	2,649	49,699	56,827
589	37401	Land	1.0	Mcf	15,618	4,856	3,095	200	3,492	3,993
590	37402	Land Rights	1.0	Mcf	1,352,169	418,742	287,982	17,333	302,380	348,751
591	37403	Land Other	1.0	Mcf	1,165	361	231	15	260	298
592	37500	Structures & Improvements	1.0	Mcf	140,654	43,357	27,875	1,803	31,453	35,985
593	37501	Structures & Improvements T.B.	1.0	Mcf	41,764	12,933	8,277	535	9,339	10,679
594	37502	Land Rights	1.0	Mcf	19,357	5,994	3,855	246	4,329	4,850
595	37603	Improvements	1.0	Mcf	1,676	519	332	21	375	428
596	37600	Mains Cathodic Protection	1.0	Mcf	8,866,235	2,663,734	1,717,507	111,090	1,937,988	2,215,935
597	37601	Mains - Steel	1.0	Mcf	58,791,147	16,203,189	11,649,472	793,552	13,114,806	15,030,197
598	37602	Mains - Plastic	1.0	Mcf	52,317,868	16,201,486	10,369,455	670,644	11,869,358	13,377,425
599	37800	Meas. & Reg. Sta. Equip - General	1.0	Mcf	5,697,281	1,764,317	1,136,109	73,032	1,274,042	1,458,781
600	37900	Meas. & Reg. Sta. Equip - City Gate	1.0	Mcf	2,999,619	650,204	416,111	26,915	469,523	536,868
601	37905	Meas. & Reg. Sta. Equipment T.B.	1.0	Mcf	1,176,213	364,248	233,106	15,078	283,028	300,755
602	38000	Services	99.0		0					
603	38100	Meters	99.0		0					
604	38200	Meter Installations	99.0		0					
605	38300	House Regulators	99.0		0					
606	38400	House Reg. Installations	99.0		0					
607	38500	Ind. Meas. & Reg. Sta. Equipment	99.0		0					
608	38900	Other Prop. On Cust. Prem	99.0		0					
609										
610		Total Distribution Plant:			130,532,528	40,422,922	26,865,434	1,673,266	28,190,053	33,376,852

Alamos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF PLANT IN SERVICE										
611	General:									
612										
613										
614	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	271,735	85,318	54,192	3,467	60,189	68,570
615	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	1,603,056	593,323	319,696	20,453	355,067	404,518
616	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	38,823	0	12,189	7,742	485	8,599
617	39002	Structures-Brick	6.6	P, S, T & D Plant - Commodity	189,046	49,858	31,718	2,029	35,227	40,134
618	39003	Improvements	6.6	P, S, T & D Plant - Commodity	2,909	912	579	37	643	739
619	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	270,472	87,748	55,735	3,560	61,601	70,522
620	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	402,461	128,364	80,262	5,135	89,143	101,658
621	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
622	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
623	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
624	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	49,559	15,560	9,883	632	10,977	12,506
625	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
626	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
627	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
628	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	1,223,561	384,170	244,014	15,611	271,011	308,765
629	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
630	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	8,833	2,789	1,772	113	1,068	2,242
631	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	14,072	4,418	2,806	180	3,117	3,551
632	39605	Welders	6.6	P, S, T & D Plant - Commodity	4,357	1,369	869	59	965	1,099
633	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	89,501	26,276	16,054	1,027	17,831	20,314
634	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
635	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
636	39703	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
637	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	850,285	269,945	169,555	10,847	184,315	214,542
638	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
639	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
640	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
641	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	36,185	9,477	6,020	385	6,586	7,617
642	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
643	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
644	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	397,054	124,666	79,184	5,066	87,945	100,193
645	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
646	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	27,699	8,697	5,524	353	8,135	6,890
647	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
648	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
649	Total General Plant				5,443,573	1,709,157	1,085,606	69,453	1,205,716	1,373,640
650										
651										
652	TOTAL DIRECT PLANT				143,123,286	44,937,439	28,842,937	1,826,062	31,700,689	36,115,958
653										
654	654	CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	6,020,373	1,860,260	1,200,637	76,612	1,333,474	1,515,191
655										
656	Kentucky Mid-States General Office:									
657	Intangible Plant:									
658										
659										
660	30100	Organization	6.6	P, S, T & D Plant - Commodity	20,883	6,557	4,165	266	4,625	5,270
661	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
662	30300	Misc Intangible Plant	6.6	P, S, T & D Plant - Commodity	128,039	39,260	24,937	1,595	27,695	31,553
663	Total Intangible Plant:				148,922	45,816	29,101	1,862	32,321	36,822
664										
665										
666	General:									
667										
668	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
669	38901	Structures Frame	6.6	P, S, T & D Plant - Commodity	20,210	6,346	4,031	256	4,476	5,100
670	38902	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
671	38906	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
672	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	1,734	544	346	22	384	437
673	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	4,376	1,374	873	56	999	1,104
674	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	4,665	1,465	930	60	1,033	1,177
675	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
676	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
677	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	3,075	955	613	39	681	779
678	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
679	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
680	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
681	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	20,469	6,433	4,068	261	4,538	5,170
682	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	2,312	726	461	29	612	583
683	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
684	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
685	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
686	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	6,116	1,920	1,220	78	1,355	1,543
687	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
688	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
689	39703	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
690	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	91,751	28,608	18,296	1,171	20,322	23,183
691	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
692	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
693	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
694	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
695	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
696	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
697	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	8,381	2,625	1,657	107	1,852	2,110
698	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	3,951	1,241	788	50	875	997
699	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	93,368	29,315	18,620	1,191	20,680	23,561
700	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
701	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
702	Total General Plant				280,409	81,762	51,933	3,322	57,879	65,712
703										
704										
705	654	CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	(1,164)	(372)	(236)	(15)	(262)	(299)

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Services - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2018									
ALLOCATION OF PLANT IN SERVICE									
700		Shared Services General Office:							
708		General:							
710									
711	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0				
712	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	0				
713	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	46,226	15,142	9,618	615	10,682
714	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0				
715	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0				
716	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	114,129	35,834	22,761	1,456	25,279
717	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	63,822	20,039	12,728	814	14,138
718	39102	Renittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0				
719	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0				
720	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	63	26	17	1	18
721	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0				
722	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0				
723	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0				
724	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	7,083	2,224	1,413	90	1,569
725	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0				
726	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0				
727	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0				
728	39605	Welders	6.6	P, S, T & D Plant - Commodity	0				
729	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	20,986	6,589	4,185	268	4,648
730	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0				
731	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0				
732	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0				
733	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	1,699	533	339	22	376
734	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	1,833	554	377	24	419
735	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	442,619	138,972	88,271	5,647	98,037
736	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	235,554	73,959	46,976	3,605	52,174
737	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	42,263	13,270	8,428	539	9,381
738	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0				
739	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0				
740	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	27,642	8,579	5,513	353	6,123
741	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	17,160	5,388	3,422	219	3,801
742	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	859,417	269,837	171,393	10,965	190,355
743	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	280,465	86,060	55,933	3,578	83,121
744	39913	Other Tang. Property - ALOH	6.6	P, S, T & D Plant - Commodity	0				
745									
746		Total General Plant			2,163,041	679,145	431,373	27,598	479,100
747									
748		CWP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	103,419	32,471	20,625	1,519	22,507
749									
750		Shared Services Customer Support:							
751		General:							
752									
753									
754	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	46,424	14,576	9,258	592	10,293
755	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	0				
756	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	269,617	84,653	53,769	3,440	59,718
757	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0				
758	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0				
759	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	35,871	11,293	7,154	458	7,945
760	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	41,508	13,032	8,278	530	9,184
761	39102	Renittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0				
762	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0				
763	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	504	158	100	6	112
764	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0				
765	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0				
766	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0				
767	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	1,819	571	363	23	403
768	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	124	39	25	2	27
769	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0				
770	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0				
771	39605	Welders	6.6	P, S, T & D Plant - Commodity	0				
772	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	25,879	8,122	5,169	330	5,730
773	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0				
774	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0				
775	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0				
776	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	3,554	1,116	709	45	787
777	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	9,363	2,940	1,867	119	2,074
778	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	110,427	37,193	23,816	1,511	26,231
779	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	24,051	7,591	4,796	307	5,327
780	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	9,002	2,513	1,598	102	1,772
781	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0				
782	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0				
783	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	13,299	4,176	2,652	170	2,946
784	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	3,050	961	610	39	678
785	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	1,144,845	359,455	228,315	14,607	253,578
786	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	108	34	21	1	24
787	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0				
788									
789		Total General Plant			1,746,448	548,344	348,292	22,282	386,827
790									
791		CWP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	43,018	13,507	8,579	548	9,528
792									
793		TOTAL PLANT IN SERVICE - COMMODITY			147,439,104	46,292,508	29,403,636	1,881,126	42,656,815
794									
795		TOTAL CWP W/O AFUDC - COMMODITY			6,165,828	1,935,856	1,228,603	78,685	1,365,647

Alamos Energy Corporation, Kentucky/Mississippi Division									
Class Cost of Service - Demand/Conductivity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2018									
ALLOCATION OF PLANT IN SERVICE									
Total Plant in Service									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
788			Intangible Plant						
797									
798	30100		Organization	8,330	4,724	1,899	36	817	859
799	30200		Franchise & Consents	119,853	67,977	27,328	622	11,781	12,274
800	30300		Misc Intangible Plant	0					
801									
802			Total Intangible Plant	128,182	72,702	28,227	558	12,598	13,127
803									
804			Production Plant						
805									
806	32520		Producing Leaseholds	0					
807	32540		Rights of Way	0					
808	33100		Production Gas Wells Equipment	0					
809	33201		Field Lines	0					
810	33202		Tributary Lines	0					
811	33400		Field Meas. & Reg. Sta. Equip	0					
812	33600		Purification Equipment	0					
813									
814			Total Production Plant	0	0	0	0	0	0
815									
816			Storage Plant						
817									
818	35010		Land	261,127	115,924	61,889	1,688	40,357	40,671
819	35020		Rights of Way	4,682	2,079	1,110	35	724	735
820	35100		Structures and Improvements	17,616	7,954	4,247	135	2,768	2,811
821	35102		Compression Station Equipment	153,261	68,044	36,330	1,154	23,888	24,047
822	35103		Meas. & Reg. Sta. Structures	23,138	10,273	5,485	174	3,576	3,638
823	35104		Other Structures	137,443	61,621	32,580	1,035	21,241	21,595
824	35200		Wells / Rights of Way	7,430,334	3,288,891	1,761,335	55,940	1,148,344	1,166,823
825	35201		Well Construction	1,699,999	754,759	402,979	12,799	262,732	266,731
826	35202		Well Equipment	415,619	184,614	98,568	3,131	64,264	65,242
827	35203		Gaslift Gas	1,694,833	752,468	401,754	12,760	261,333	265,020
828	35210		Leaseholds	178,630	79,263	42,320	1,344	27,691	28,011
829	35211		Storage Rights	54,614	24,247	12,948	411	8,441	8,689
830	35301		Field Lines	178,497	79,248	42,312	1,344	27,588	28,005
831	35302		Tributary Lines	209,458	92,994	49,681	1,577	32,371	32,864
832	35400		Compressor Station Equipment	825,446	426,388	218,300	6,552	142,717	144,886
833	35500		Meas. & Reg. Equipment	438,117	194,857	104,091	3,306	67,665	68,898
834	35600		Purification Equipment	414,663	184,101	98,265	3,122	64,065	65,091
835									
836			Total Storage Plant	14,236,877	6,320,834	3,374,803	107,183	2,200,283	2,233,773
837									
838			Transmission						
839									
840	36510		Land & Land Rights	26,970	13,354	6,792	92	3,416	3,317
841	36520		Rights of Way	867,772	429,654	218,531	2,851	109,901	106,795
842	36602		Structures & Improvements	49,002	24,262	12,340	167	8,206	8,027
843	36603		Other Structures	60,829	30,116	15,318	227	7,703	7,462
844	36700		Main Cathodic Protection	158,525	78,683	40,022	540	20,127	19,548
845	36701		Mains - Steel	27,643,442	13,686,892	6,961,463	94,005	3,500,985	3,400,116
846	36900		Meas. & Reg. Equipment	731,467	362,186	184,206	2,487	52,638	50,970
847	36901		Meas. & Reg. Equipment	2,289,656	1,123,708	571,543	7,718	287,433	279,153
848									
849			Total Transmission Plant	31,807,960	15,746,640	8,010,216	108,187	4,028,330	3,912,348
850									
851			Distribution						
852									
853	37400		Land & Land Rights	531,167	221,779	121,841	3,859	88,823	84,834
854	37401		Land	37,328	15,683	8,562	274	8,242	8,664
855	37402		Land Rights	3,231,772	1,346,366	741,318	23,725	540,424	576,938
856	37403		Land Other	2,784	1,162	639	20	486	497
857	37500		Structures & Improvements	336,168	140,350	77,112	2,488	56,215	60,013
858	37501		Structures & Improvements T.B.	99,818	41,677	22,897	753	16,662	17,630
859	37502		Land Rights	46,264	19,317	10,612	940	7,736	8,239
860	37503		Improvements	4,668	1,672	919	29	670	715
861	37600		Main Cathodic Protection	20,712,659	8,848,141	4,751,140	152,056	3,463,602	3,697,621
862	37601		Mains - Steel	140,486,694	69,698,422	32,228,928	1,031,359	23,482,841	25,080,145
863	37602		Mains - Plastic	126,340,059	52,236,137	26,682,253	917,947	20,905,487	22,322,245
864	37603		Meas. & Reg. Sta. Equip - General	13,616,673	6,695,386	3,123,454	89,963	2,271,011	2,430,858
865	37604		Meas. & Reg. Sta. Equip - City Gate	5,016,152	2,095,235	1,151,066	36,839	859,147	865,844
866	37605		Meas. & Reg. Sta. Equipment T.B.	2,811,184	1,173,757	644,042	20,638	470,083	501,855
867	38000		Services	139,898,620	124,521,464	15,182,766	9,374	88,753	56,242
868	38100		Meters	41,724,895	26,873,625	13,814,767	59,110	623,734	354,689
869	38200		Meter Installations	86,980,797	38,699,441	18,865,867	80,722	850,425	464,333
870	38300		House Regulators	11,717,754	7,547,044	3,879,665	16,600	174,885	99,800
871	38400		House Reg. Installations	249,523	180,728	82,625	354	3,725	2,121
872	38500		Ind. Meas. & Reg. Sta. Equipment	5,237,633		5,181,538	3,189	33,702	18,164
873	38600		Other Prop. On Cust. Prem	0					
874									
875			Total Distribution Plant	587,795,915	326,062,268	128,969,851	2,459,648	53,853,671	56,716,446

Almos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
ALLOCATION OF PLANT IN SERVICE							
876							
877	General:						
878							
879	38900	Land & Land Rights	1,211,697	667,243	276,263	5,261	119,905
880	39000	Structures & Improvements	7,148,202	4,054,276	1,629,867	31,152	700,872
881	39001	Structures Frame					
882	39002	Structures-Elect	173,115	96,166	35,473	754	16,974
883	39003	Improvements	706,169	402,240	161,707	3,091	69,538
884	39004	Air Conditioning Equipment	12,955	7,348	2,954	56	1,270
885	39009	Improvement to leased Premises	1,246,194	706,809	284,149	5,431	122,186
886	39100	Office Furniture & Equipment	1,794,616	1,017,892	406,197	7,621	176,950
887	39102	Renittance Processing Equip	0	0	0	0	0
888	39103	Office Machines	0	0	0	0	0
889	39200	Transportation Equipment	220,997	126,338	50,368	963	21,667
890	39201	Trucks	0	0	0	0	0
891	39202	Trailers	0	0	0	0	0
892	39300	Stores Equipment	0	0	0	0	0
893	39400	Tools, Shop & Garage Equipment	5,455,993	3,094,499	1,244,040	23,778	534,653
894	39600	Power Operated Equipment	0	0	0	0	0
895	39603	Ditchers	36,610	22,466	9,032	173	3,884
896	39604	Backhoes	62,747	38,589	14,307	273	6,162
897	39605	Welders	19,427	11,019	4,430	85	1,905
898	39700	Communication Equipment	358,666	203,595	81,040	1,564	36,196
899	39701	Communication Equipment - Mobile Radios	0	0	0	0	0
900	39702	Communication Equipment - Fixed Radios	0	0	0	0	0
901	39705	Communication Equip. - Telemetering	0	0	0	0	0
902	39800	Miscellaneous Equipment	3,791,153	2,150,240	864,435	16,522	371,718
903	39900	Other Tangible Property	0	0	0	0	0
904	39901	Other Tangible Property - Servers - HW	0	0	0	0	0
905	39902	Other Tangible Property - Servers - SW	0	0	0	0	0
906	39903	Other Tangible Property - Network - HW	134,599	76,341	30,690	587	13,197
907	39904	Other Tang. Property - CPU	0	0	0	0	0
908	39905	Other Tangible Property - MF - Hardware	0	0	0	0	0
909	39906	Other Tang. Property - PC Hardware	1,770,509	1,004,167	403,700	7,716	173,596
910	39907	Other Tang. Property - PC Software	0	0	0	0	0
911	39908	Other Tang. Property - Mainframe SW	123,515	70,054	28,163	538	12,110
912	39909	Other Tang. Property - Application Software	0	0	0	0	0
913	39924	Other Tang. Property - General Startup Costs	0	0	0	0	0
914		Total General Plant	24,273,469	13,767,207	5,534,684	105,769	2,379,983
915							
916		TOTAL DIRECT PLANT	638,202,423	361,971,971	145,818,781	2,781,343	62,674,895
917							
918		CWP w/o AFUDC	26,845,505	15,226,078	6,121,136	116,985	2,632,166
919							
920							
921		Kentucky Mid-States General Office:					
922							
923		Intangible Plant:					
924							
925	30100	Organization	93,120	52,816	21,233	406	9,130
926	30200	Franchise & Consents	0	0	0	0	0
927	30300	Misc Intangible Plant	657,665	316,236	127,132	2,430	54,668
928							
929		Total Intangible Plant:	650,685	369,052	148,365	2,836	63,798
930							
931		General:					
932							
933	37400	Land & Land Rights	0	0	0	0	0
934	38001	Structures Frame	20,120	51,114	20,549	593	8,836
935	38002	Structures & Improvements	0	0	0	0	0
936	38900	Land & Land Rights	0	0	0	0	0
937	39004	Air Conditioning Equipment	7,731	4,385	1,763	34	799
938	39009	Improvement to leased Premises	19,515	11,088	4,450	85	1,913
939	39100	Office Furniture & Equipment	20,303	11,799	4,743	91	2,040
940	39102	Renittance Processing Equip	0	0	0	0	0
941	39103	Office Machines	0	0	0	0	0
942	39200	Transportation Equipment	13,711	7,776	3,126	60	1,344
943	39201	Trucks	0	0	0	0	0
944	39202	Trailers	0	0	0	0	0
945	39300	Stores Equipment	0	0	0	0	0
946	39400	Tools, Shop & Garage Equipment	91,364	51,819	20,832	390	8,859
947	39600	Power Operated Equipment	10,309	5,847	2,351	45	1,011
948	39603	Ditchers	0	0	0	0	0
949	39604	Backhoes	0	0	0	0	0
950	39605	Welders	0	0	0	0	0
951	39700	Communication Equipment	27,270	15,467	6,216	119	2,574
952	39701	Communication Equipment - Mobile Radios	0	0	0	0	0
953	39702	Communication Equipment - Fixed Radios	0	0	0	0	0
954	39705	Communication Equip. - Telemetering	0	0	0	0	0
955	39800	Miscellaneous Equipment	400,130	232,048	93,287	1,793	40,115
956	39900	Other Tangible Property	0	0	0	0	0
957	39901	Other Tangible Property - Servers - HW	0	0	0	0	0
958	39902	Other Tangible Property - Servers - SW	0	0	0	0	0
959	39903	Other Tangible Property - Network - HW	0	0	0	0	0
960	39904	Other Tang. Property - CPU	0	0	0	0	0
961	39905	Other Tangible Property - MF - Hardware	0	0	0	0	0
962	39906	Other Tang. Property - PC Hardware	37,281	21,145	8,501	162	3,655
963	39907	Other Tang. Property - PC Software	17,620	9,994	4,016	77	1,728
964	39908	Other Tang. Property - Mainframe SW	416,337	236,136	94,931	1,814	40,821
965	39909	Other Tang. Property - Application Software	0	0	0	0	0
966	39924	Other Tang. Property - General Startup Costs	0	0	0	0	0
967							
968		Total General Plant	1,161,191	658,597	264,767	5,061	113,893
969							
970		CWP w/o AFUDC	(6,277)	(2,693)	(1,203)	(23)	(517)

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF PLANT IN SERVICE										
971										
972		Shared Services General Office:								
973										
974		General:								
975										
976	37400	Land & Land Rights	0							
977	39001	Structures Frame	0							
978	36602	Structures & Improvements	215,041	121,896	49,032	937	21,085		22,021	
979	37503	Improvements	0							
980	39004	Air Conditioning Equipment	0							
981	39005	Improvement to leased Premises	508,913	288,642	116,039	2,218	49,898		52,115	
982	39100	Office Furniture & Equipment	284,591	161,412	64,893	1,240	27,904		29,144	
983	38102	Remittance Processing Equip	0							
984	39103	Office Machines	0							
985	39200	Transportation Equipment	371	210	85	2	36		38	
986	39201	Trucks	0							
987	39202	Trailers	0							
988	39300	Stores Equipment	0							
989	39400	Tools, Shop & Garage Equipment	31,583	17,913	7,201	139	3,087		3,234	
990	39600	Power Operated Equipment	0							
991	39903	Ditchers	0							
992	39604	Backhoes	0							
993	39605	Welders	0							
994	39700	Communication Equipment	63,578	63,075	21,337	408	6,175		6,583	
995	39701	Communication Equipment - Mobile Radios	0							
996	39702	Communication Equipment - Fixed Radios	0							
997	39705	Communication Equip. - Telemetering	0							
998	39900	Miscellaneous Equipment	7,375	4,297	1,727	33	743		776	
999	39900	Other Tangible Property	8,440	4,787	1,924	37	827		864	
1000	39901	Other Tangible Property - Servers - HW	1,073,689	1,118,425	450,028	8,602	183,518		202,117	
1001	39902	Other Tangible Property - Servers - SW	1,050,361	695,738	238,486	4,579	102,986		107,563	
1002	39903	Other Tangible Property - Network - HW	188,455	106,897	42,870	821	18,478		19,299	
1003	39904	Other Tang. Property - CPU	0							
1004	39905	Other Tangible Property - MF - Hardware	0							
1005	39906	Other Tang. Property - PC Hardware	123,260	69,910	28,105	537	12,085		12,623	
1006	39907	Other Tang. Property - PC Software	78,519	43,400	17,447	333	7,503		7,836	
1007	39908	Other Tang. Property - Mainframe SW	3,832,236	2,173,546	873,802	16,791	375,746		392,442	
1008	39909	Other Tang. Property - Application Software	1,250,625	709,329	285,158	5,458	122,822		128,271	
1009	39831	Other Tang. Property - ALGH	0							
1010										
1011		Total General Plant	9,645,237	5,470,530	2,109,244	42,035	945,703		987,725	
1012										
1013		CWIP w/o AFUDC	461,155	261,555	105,149	2,010	45,216		47,225	
1014										
1015		Shared Services Customer Support:								
1016		General:								
1017										
1018										
1019	37400	Land & Land Rights	207,011	117,411	47,201	902	20,297		21,199	
1020	39001	Structures Frame	0							
1021	36602	Structures & Improvements	1,202,250	681,885	274,129	5,240	117,879		123,117	
1022	37503	Improvements	0							
1023	39004	Air Conditioning Equipment	0							
1024	39005	Improvement to leased Premises	150,254	90,722	36,472	697	15,863		16,560	
1025	39100	Office Furniture & Equipment	185,087	104,976	42,202	807	18,147		18,954	
1026	39102	Remittance Processing Equip	0							
1027	39103	Office Machines	0							
1028	39200	Transportation Equipment	2,246	1,274	512	10	220		230	
1029	39201	Trucks	0							
1030	39202	Trailers	0							
1031	39300	Stores Equipment	0							
1032	39400	Tools, Shop & Garage Equipment	8,112	4,601	1,850	35	795		831	
1033	39600	Power Operated Equipment	551	313	126	2	54		56	
1034	39903	Ditchers	0							
1035	39604	Backhoes	0							
1036	39605	Welders	0							
1037	39700	Communication Equipment	115,358	85,427	26,303	503	11,310		11,813	
1038	39701	Communication Equipment - Mobile Radios	0							
1039	39702	Communication Equipment - Fixed Radios	0							
1040	39705	Communication Equip. - Telemetering	0							
1041	39900	Miscellaneous Equipment	15,849	8,988	3,614	69	1,554		1,623	
1042	39900	Other Tangible Property	41,751	23,680	9,520	182	4,094		4,276	
1043	39901	Other Tangible Property - Servers - HW	528,077	289,512	120,409	2,301	51,777		54,078	
1044	39902	Other Tangible Property - Servers - SW	107,245	60,827	24,453	467	10,515		10,982	
1045	39903	Other Tangible Property - Network - HW	35,683	20,238	8,138	156	3,488		3,644	
1046	39904	Other Tang. Property - CPU	0							
1047	39905	Other Tangible Property - MF - Hardware	0							
1048	39906	Other Tang. Property - PC Hardware	89,304	33,635	13,522	258	5,815		6,073	
1049	39907	Other Tang. Property - PC Software	13,647	7,740	3,112	59	1,338		1,398	
1050	39908	Other Tang. Property - Mainframe SW	5,104,992	2,895,420	1,164,007	22,248	500,538		522,776	
1051	39909	Other Tang. Property - Application Software	480	272	109	2	47		49	
1052	39924	Other Tang. Property - General Startup Costs	0							
1053										
1054		Total General Plant	7,787,594	4,416,922	1,775,677	33,839	769,569		797,462	
1055										
1056		CWIP w/o AFUDC	191,822	106,798	43,738	838	18,808		19,644	
1057										
1058		TOTAL PLANT IN SERVICE	8,571,240	4,924,642	2,063,092	78,506	1,816,966		1,926,528	
1059										
1060		TOTAL CWIP W/O AFUDC	27,493,203	15,593,437	6,266,622	119,818	2,695,072		2,815,455	

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2018									
ALLOCATION OF RESERVE FOR DEPRECIATION									
Customer									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1			Intangible Plant:						
2									
3	30100	6.2	P, S, T & D Plant - Customer	3,471	2,657	774	2	24	14
4	30200	6.2	Franchises & Consents	48,944	38,233	11,131	33	348	198
5	30300	99.0	Misc Intangible Plant	0					
6									
7			Total Intangible Plant	53,415	40,890	11,905	35	373	212
8									
9			Production Plant:						
10									
11	32520	99.0	Producing Leaseholds	0					
12	32540	99.0	Rights of Ways	0					
13	33100	99.0	Production Gas Wells Equipment	0					
14	33201	99.0	Field Lines	0					
15	33202	99.0	Tributary Lines	0					
16	33400	99.0	Field Meas. & Reg. Sta. Equip	0					
17	33900	99.0	Purification Equipment	0					
18									
19			Total Production Plant	0	0	0	0	0	0
20									
21			Storage Plant:						
22									
23	35010	99.0	Land	0					
24	35020	99.0	Rights of Way	0					
25	35100	99.0	Structures and Improvements	0					
26	35102	99.0	Compression Station Equipment	0					
27	35103	99.0	Meas. & Reg. Sta. Structures	0					
28	35104	99.0	Other Structures	0					
29	35200	99.0	Wells \ Rights of Way	0					
30	35201	99.0	Well Construction	0					
31	35202	99.0	Well Equipment	0					
32	35203	99.0	Quilish Gas	0					
33	35210	99.0	Leaseholds	0					
34	35211	99.0	Storage Rights	0					
35	35301	99.0	Field Lines	0					
36	35302	99.0	Tributary Lines	0					
37	35400	99.0	Compressor Station Equipment	0					
38	35500	99.0	Meas & Reg. Equipment	0					
39	35600	99.0	Purification Equipment	0					
40									
41			Total Storage Plant	0					
42									
43			Transmission:						
44									
45	36510	99.0	Land & Land Rights	0					
46	36520	99.0	Rights of Way	0					
47	36502	99.0	Structures & Improvements	0					
48	36503	99.0	Other Structures	0					
49	36700	88.0	Mains Cathodic Protection	0					
50	36701	99.0	Mains - Steel	0					
51	36900	99.0	Meas. & Reg. Equipment	0					
52	36901	99.0	Meas. & Reg. Equipment	0					
53									
54			Total Transmission Plant	0					
55									
56			Distribution:						
57									
58	37400	2.0	Land & Land Rights	0					
59	37401	2.0	Land	0					
60	37402	2.0	Land Rights	0					
61	37403	2.0	Land Other	0					
62	37500	2.0	Structures & Improvements	0					
63	37501	2.0	Structures & Improvements T.B.	0					
64	37502	2.0	Land Rights	0					
65	37503	2.0	Improvements	0					
66	37600	2.0	Mains Cathodic Protection	0					
67	37601	2.0	Mains - Steel	0					
68	37602	2.0	Mains - Plastic	0					
69	37800	2.0	Meas & Reg. Sta. Equip - General	0					
70	37800	2.0	Meas & Reg. Sta. Equip - City Gate	0					
71	37805	2.0	Meas & Reg. Sta. Equipment T.B.	0					
72	38000	2.0	Services	37,374,099	33,273,207	4,056,972	2,905	26,388	15,026
73	38100	4.0	Meter Investment	19,024,486	12,263,043	6,298,650	26,951	203,930	161,707
74	38200	4.0	Meter Installations	24,969,491	16,097,481	8,276,138	35,407	373,222	212,443
75	38300	4.0	House Regulators	3,972,556	2,558,618	1,315,294	5,628	69,280	33,767
76	38400	4.0	House Reg. Installations	87,939	56,638	29,116	125	1,312	747
77	38500	2.2	Non-Residential Bills	2,832,946			1,730	18,229	10,382
78	38600	99.0	Other Prop. On Cust. Prem	0					
79									
80			Total Distribution Plant	88,265,559	64,238,687	22,777,675	72,546	782,177	434,674

Alamosa Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
81	General:								
82									
83									
84	38900 Land & Land Rights	6.2	P, S, T & D Plant - Customer	0					
85	39000 Structures & Improvements	6.2	P, S, T & D Plant - Customer	412,222	315,581	91,675	273	2,876	1,635
86	39002 Structures - Bldg	6.2	P, S, T & D Plant - Customer	42,314	32,382	9,931	28	295	168
87	39003 Improvements	6.2	P, S, T & D Plant - Customer	111,670	85,465	24,688	74	778	444
88	39003 Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	1,850	1,417	412	1	13	7
89	39004 Improvement to Leased Premises	6.2	P, S, T & D Plant - Customer	510,762	380,995	113,837	338	3,563	2,029
90	39009 Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	412,097	316,466	91,847	273	2,875	1,637
91	39100 Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
92	39102 Office Machines	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
93	39103 Transportation Equipment	6.2	P, S, T & D Plant - Customer	37,838	28,965	8,433	25	284	150
94	39200 Trucks	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
95	39201 Trailers	6.2	P, S, T & D Plant - Customer	(1,063)	(813)	(237)	(1)	(7)	(4)
96	39202 Stores Equipment	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
97	39400 Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	492,259	378,631	109,719	326	3,434	1,958
98	39600 Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
99	39903 Ditchers	6.2	P, S, T & D Plant - Customer	16,260	12,447	3,624	11	113	65
100	39904 Backhoes	6.2	P, S, T & D Plant - Customer	25,716	19,686	5,732	17	179	102
101	39905 Welders	6.2	P, S, T & D Plant - Customer	7,852	5,781	1,953	5	53	30
102	39700 Communication Equipment	6.2	P, S, T & D Plant - Customer	83,852	64,189	18,689	56	585	333
103	39701 Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
104	39702 Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
105	39705 Communication Equip. - Telemetry	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
106	39900 Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	705,747	540,269	157,295	467	4,823	2,804
107	39904 Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
108	39901 Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	1,952	1,494	435	1	14	8
109	39902 Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
110	39903 Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	20,250	15,502	4,513	13	141	80
111	39904 Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
112	39905 Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
113	39906 Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	445,677	341,325	98,376	285	3,110	1,771
114	39907 Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
115	39908 Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
116	39909 Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	51,399	39,347	11,456	34	359	204
117	39909 Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
118	39909 Refinement Work In Progress	6.2	P, S, T & D Plant - Customer	(1,380,262)	(1,056,608)	(307,628)	(914)	(8,628)	(5,483)
119	AR 16 general plant amortization	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
120									
121	Total General Plant			1,698,284	1,529,719	445,373	1,323	13,939	7,939
122									
123	TOTAL DIRECT RESERVE FOR DEPRECIATION			90,337,268	85,809,597	23,235,253	73,704	776,489	442,225
124									
125	Kentucky Mid-States General Office:								
126									
127	Intangible Plant:								
128									
129	30100 Organization	99.0		0	0	0	0	0	0
130	30200 Franchises & Consents	99.0		0	0	0	0	0	0
131	30300 Misc Intangible Plant	99.0		0	0	0	0	0	0
132									
133	Total Intangible Plant			0	0	0	0	0	0
134									
135	General:								
136									
137	37400 Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
138	38001 Structures Frame	6.2	P, S, T & D Plant - Customer	21,143	16,185	4,712	14	147	84
139	38902 Structures & Improvements	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
140	38900 Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
141	39004 Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	1,905	1,459	425	1	13	8
142	39009 Improvement to Leased Premises	6.2	P, S, T & D Plant - Customer	8,132	6,225	1,812	5	57	32
143	39100 Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	8,989	6,636	1,932	6	60	34
144	39102 Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
145	39103 Office Machines	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
146	39200 Transportation Equipment	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
147	39201 Trucks	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
148	39202 Trailers	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
149	39300 Stores Equipment	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
150	39400 Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
151	39600 Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
152	39903 Ditchers	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
153	39904 Backhoes	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
154	39905 Welders	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
155	39700 Communication Equipment	6.2	P, S, T & D Plant - Customer	(1,851)	(1,264)	(368)	(1)	(12)	(7)
156	39701 Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
157	39702 Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
158	39705 Communication Equip. - Telemetry	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
159	39900 Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	148,628	111,480	32,457	96	1,016	579
160	39900 Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
161	39901 Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	(7,289)	(5,579)	(1,824)	(5)	(31)	(20)
162	39902 Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
163	39903 Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
164	39904 Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
165	39905 Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
166	39906 Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	15,539	11,866	3,463	10	106	62
167	39907 Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	4,639	3,551	1,034	3	32	18
168	39908 Other Tang. Property - Mainframe SAW	6.2	P, S, T & D Plant - Customer	173,493	132,811	38,668	115	1,210	689
169	39909 Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
170	39909 Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0	0	0	0	0	0
171	39909 Refinement Work In Progress	6.2	P, S, T & D Plant - Customer	10,997	8,419	2,451	7	77	44
172									
173	Total General Plant			381,206	291,818	84,982	252	2,889	1,814

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Community Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
174		Shared Services General Office:							
175		General:							
176		General:							
177		General:							
178	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0				
180	35000	Structures & Improvements	6.2	P, S, T & D Plant - Customer	34,353	26,297	7,656	23	240
181	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	0				
182	37503	Improvements	6.2	P, S, T & D Plant - Customer	0				
183	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0				
184	35007	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	207,805	159,077	46,315	138	1,450
185	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	0				
186	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0				
187	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0				
188	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	0				
189	39201	Trucks	6.2	P, S, T & D Plant - Customer	0				
190	39202	Trailers	6.2	P, S, T & D Plant - Customer	0				
191	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0				
192	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	0				
193	39900	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0				
194	39903	Ditchers	6.2	P, S, T & D Plant - Customer	0				
195	39904	Backhoes	6.2	P, S, T & D Plant - Customer	0				
196	39905	Welders	6.2	P, S, T & D Plant - Customer	0				
197	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	0				
198	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0				
199	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0				
200	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0				
201	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	0				
202	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	3,571	2,734	796	2	25
203	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	475,569	364,054	105,993	315	3,317
204	39902	Other Tangible Property - Servers - SAW	6.2	P, S, T & D Plant - Customer	361,433	278,682	80,595	239	2,521
205	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	48,858	36,163	11,111	33	348
206	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0				
207	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0				
208	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	35,135	26,886	7,831	23	245
209	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	53,890	41,246	12,009	36	376
210	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	915	698	263	6	6
211	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	635,472	716,116	208,495	619	6,526
212	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0				
213		Retirement Work In Progress	6.2	P, S, T & D Plant - Customer	0				
214		Total General Plant			2,157,693	1,651,964	499,964	1,429	15,053
215		Shared Services Customer Support:			568,057	434,853	126,607	376	3,953
216		General:							
217		General:							
218		General:							
219		General:							
220		General:							
221	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0				
222	39001	Structures Frame	6.2	P, S, T & D Plant - Customer	0				
223	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	73,764	56,487	16,440	49	515
224	37503	Improvements	6.2	P, S, T & D Plant - Customer	0				
225	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0				
226	35007	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	39,226	30,030	8,743	26	274
227	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	20,838	15,952	4,644	14	145
228	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0				
229	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0				
230	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	0				
231	39201	Trucks	6.2	P, S, T & D Plant - Customer	841	720	210	1	7
232	39202	Trailers	6.2	P, S, T & D Plant - Customer	0				
233	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0				
234	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	1,187	909	265	1	6
235	39500	Laboratory Equipment	6.2	P, S, T & D Plant - Customer	165	126	37	0	1
236	39503	Ditchers	6.2	P, S, T & D Plant - Customer	0				
237	39504	Backhoes	6.2	P, S, T & D Plant - Customer	0				
238	39505	Welders	6.2	P, S, T & D Plant - Customer	0				
239	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	26,706	20,443	5,952	18	186
240	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0				
241	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0				
242	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0				
243	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	1,881	1,440	419	1	13
244	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	11,203	8,645	2,517	7	79
245	39901	Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	118,715	90,878	26,459	79	828
246	39902	Other Tangible Property - Servers - SAW	6.2	P, S, T & D Plant - Customer	28,070	21,488	6,265	19	196
247	39903	Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	6,401	6,431	1,572	6	39
248	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0				
249	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0				
250	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	15,645	11,977	3,407	10	109
251	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	3,903	2,988	870	3	27
252	39908	Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	717,300	540,236	159,914	475	5,005
253	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	1,277	977	285	1	6
254	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0				
255		Retirement Work In Progress	6.2	P, S, T & D Plant - Customer	0				
256		Total General Plant			1,069,515	818,727	236,370	708	7,451
257		Shared Services Customer Support:							
258		General:							
259		TOTAL RESERVE FOR DEPRECIATION - CUSTOMER			83,845,872	66,572,106	24,039,549	76,084	801,682

Almos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF RESERVE FOR DEPRECIATION										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
260		Intangible Plant:								
261										
262	30100	Organization	6.4	P, S, T & D Plant - Demand	2,991	1,481	793	10	379	368
263	30200	Franchises & Consents	6.4	P, S, T & D Plant - Demand	43,030	21,305	10,836	146	5,450	5,293
264	30300	Misc Intangible Plant	99.0		0					
265										
266		Total Intangible Plant:			46,021	22,786	11,589	156	5,829	5,661
267										
268		Production Plant:								
269										
270	32520	Producing Leaseholds	3.0	Peak Day	0					
271	32540	Rights of Ways	3.0	Peak Day	0					
272	33100	Production Gas Wells Equipment	3.0	Peak Day	0					
273	33201	Field Lines	3.0	Peak Day	0					
274	33202	Tributary Lines	3.0	Peak Day	0					
275	33400	Field Meas. & Reg. Sta. Equip.	3.0	Peak Day	0					
276	33600	Purification Equipment	3.0	Peak Day	0					
277										
278		Total Production Plant			0	0	0	0	0	0
279										
280		Storage Plant:								
281										
282	35010	Land	3.0	Peak Day	0					
283	35020	Rights of Way	3.0	Peak Day	2,210	1,098	539	8	281	273
284	35100	Structures and Improvements	3.0	Peak Day	2,995	1,463	754	10	379	368
285	35102	Compression Station Equipment	3.0	Peak Day	55,910	27,663	14,080	190	7,091	6,977
286	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	10,136	5,019	2,533	34	1,284	1,247
287	35104	Other Structures	3.0	Peak Day	48,182	24,351	12,388	167	6,229	6,049
288	35200	Wells & Rights of Way	3.0	Peak Day	583,745	289,025	147,005	1,885	73,830	71,800
289	35201	Well Construction	3.0	Peak Day	696,876	345,040	175,405	2,370	88,258	85,718
290	35202	Well Equipment	3.0	Peak Day	229,073	113,419	57,688	779	29,011	28,176
291	35203	Clackon Gas	3.0	Peak Day	365,823	181,137	92,125	1,244	46,330	44,985
292	35210	Leaseholds	3.0	Peak Day	83,736	41,460	21,087	285	10,505	10,289
293	35211	Storage Rights	3.0	Peak Day	21,738	10,763	5,474	74	2,753	2,674
294	35301	Field Lines	3.0	Peak Day	70,110	34,713	17,656	238	8,879	8,623
295	35302	Tributary Lines	3.0	Peak Day	97,693	48,370	24,602	332	12,373	12,016
296	35400	Compressor Station Equipment	3.0	Peak Day	240,846	119,748	60,652	819	30,503	29,624
297	35500	Meas. & Reg. Equipment	3.0	Peak Day	94,212	46,646	23,725	320	11,832	11,588
298	35600	Purification Equipment	3.0	Peak Day	91,721	45,413	23,099	312	11,616	11,282
299										
300		Total Storage Plant			2,696,017	1,334,659	678,939	8,168	341,443	331,607
301										
302		Transmission:								
303										
304	36510	Land & Land Rights	3.0	Peak Day	0					
305	36520	Rights of Way	3.0	Peak Day	417,769	206,847	105,207	1,421	52,309	51,385
306	36602	Structures & Improvements	3.0	Peak Day	18,098	7,970	4,054	65	2,039	1,990
307	36603	Other Structures	3.0	Peak Day	52,147	26,818	13,132	177	6,504	6,414
308	36700	Mains Cathodic Protection	3.0	Peak Day	112,879	55,869	28,426	384	14,296	13,844
309	36701	Mains - Steel	3.0	Peak Day	18,657,065	9,237,549	4,698,426	63,446	2,362,869	2,294,804
310	36800	Meas. & Reg. Equipment	3.0	Peak Day	340,010	168,347	85,625	1,156	43,061	41,821
311	36901	Meas. & Reg. Equipment	3.0	Peak Day	1,732,491	857,795	436,294	5,892	219,415	213,595
312										
313		Total Transmission Plant			21,328,489	10,560,217	5,371,185	72,530	2,701,194	2,623,363
314										
315		Distribution:								
316										
317	37400	Land & Land Rights	3.0	Peak Day	0					
318	37401	Land	3.0	Peak Day	0					
319	37402	Land Rights	3.0	Peak Day	111,726	55,318	28,136	380	14,150	13,742
320	37403	Land Other	3.0	Peak Day	0					
321	37500	Structures & Improvements	3.0	Peak Day	52,361	30,878	15,704	212	7,888	7,670
322	37501	Structures & Improvements T.B.	3.0	Peak Day	42,437	20,021	10,183	138	5,121	4,974
323	37502	Land Rights	3.0	Peak Day	20,070	9,937	5,054	68	2,542	2,469
324	37503	Improvements	3.0	Peak Day	1,072	531	270	4	136	132
325	37600	Mains Cathodic Protection	3.0	Peak Day	7,325,345	3,628,844	1,844,746	24,911	927,735	901,010
326	37601	Mains - Steel	3.0	Peak Day	16,998,195	8,490,331	4,272,588	57,696	2,148,718	2,086,621
327	37602	Mains - Plastic	3.0	Peak Day	9,538,449	4,772,214	2,422,256	32,777	1,220,883	1,185,528
328	37600	Meas. & Reg. Sta. Equip - General	3.0	Peak Day	1,485,469	758,489	374,087	5,052	188,131	182,711
329	37900	Meas. & Reg. Sta. Equip - City Gate	3.0	Peak Day	546,435	270,552	137,509	1,858	69,204	67,211
330	37905	Meas. & Reg. Sta. Equipment T.B.	3.0	Peak Day	652,206	293,215	148,136	2,014	75,001	72,841
331	38000	Services	99.0		0					
332	38100	Meters	99.0		0					
333	38200	Meter Installations	99.0		0					
334	38300	House Regulators	99.0		0					
335	38400	House Reg. Installations	99.0		0					
336	38500	Ind. Meas. & Reg. Sta. Equipment	99.0		0					
337	38900	Other Prop. On Cust. Prem	99.0		0					
338										
339		Total Distribution Plant			30,780,735	18,215,429	8,264,779	128,108	4,690,318	4,525,101

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
341		General:							
342									
343	38900	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0				
344	39000	Structures & Improvements	6.4	P, S, T & D Plant - Demand	355,158	175,846	89,439	1,208	44,580
345	39002	Structures - Brick	6.4	P, S, T & D Plant - Demand	36,498	18,090	9,181	124	4,517
346	39003	Improvements	6.4	P, S, T & D Plant - Demand	99,211	47,656	24,229	327	12,055
347	39003	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	1,594	789	401	5	202
348	39004	Improvement to Leased Premises	6.4	P, S, T & D Plant - Demand	440,055	217,881	110,819	1,486	55,732
349	39006	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	355,049	176,793	89,412	1,207	44,666
350	39100	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0				
351	39102	Office Machines	6.4	P, S, T & D Plant - Demand	0				
352	39103	Transportation Equipment	6.4	P, S, T & D Plant - Demand	32,600	16,141	8,210	111	4,129
353	39200	Trucks	6.4	P, S, T & D Plant - Demand	0				
354	39201	Trailers	6.4	P, S, T & D Plant - Demand	(915)	(453)	(231)	(3)	(116)
355	39202	Stores Equipment	6.4	P, S, T & D Plant - Demand	0				
356	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	424,113	209,888	106,805	1,442	53,713
357	39500	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0				
358	39603	Ditchers	6.4	P, S, T & D Plant - Demand	14,069	6,936	3,528	48	1,774
359	39604	Backhoes	6.4	P, S, T & D Plant - Demand	22,156	10,970	5,580	75	2,826
360	39605	Welders	6.4	P, S, T & D Plant - Demand	6,507	3,222	1,639	22	824
361	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	72,244	35,769	18,193	246	9,149
362	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0				
363	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0				
364	39705	Communication Equip. - Telemetry	6.4	P, S, T & D Plant - Demand	0				
365	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	608,047	301,058	153,125	2,068	77,009
366	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0				
367	39901	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	1,683	833	424	6	213
368	39902	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	0				
369	39903	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	17,447	8,638	4,394	59	2,210
370	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0				
371	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0				
372	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	384,152	190,202	98,741	1,306	48,652
373	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0				
374	39908	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	0				
375	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	44,283	21,926	11,162	151	5,608
376		Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0				
377		Retirement Work In Progress	6.4	P, S, T & D Plant - Demand	(1,189,186)	(588,793)	(289,473)	(4,044)	(150,807)
378		AR 18 general plant amortization	6.4	P, S, T & D Plant - Demand	0				
379									
380		Total General Plant			1,721,660	852,433	433,567	5,855	218,044
381									
382		TOTAL DIRECT RESERVE FOR DEPRECIATION			62,581,922	30,985,723	15,760,039	212,918	7,925,827
383									
384		Kentucky Mid-States General Office:							
385									
386		Intangible Plant:							
387									
388	30100	Organization	99.0		0				
389	30200	Franchises & Consents	99.0		0				
390	30300	Misc Intangible Plant	99.0		0				
391									
392		Total Intangible Plant:							
393									
394		General:							
395									
396	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0				
397	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	18,216	9,015	4,567	62	2,367
398	39002	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0				
399	39000	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0				
400	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	1,641	813	413	6	208
401	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	7,906	3,469	1,764	24	887
402	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	7,468	3,698	1,881	25	946
403	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0				
404	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0				
405	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	0				
406	39201	Trucks	6.4	P, S, T & D Plant - Demand	0				
407	39202	Trailers	6.4	P, S, T & D Plant - Demand	0				
408	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0				
409	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	0				
410	39500	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0				
411	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0				
412	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0				
413	39605	Welders	6.4	P, S, T & D Plant - Demand	0				
414	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	(1,423)	(704)	(358)	(5)	(180)
415	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0				
416	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0				
417	39705	Communication Equip. - Telemetry	6.4	P, S, T & D Plant - Demand	0				
418	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	125,468	62,122	31,597	427	15,890
419	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0				
420	39901	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	(6,279)	(3,109)	(1,581)	(21)	(795)
421	39902	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	0				
422	39903	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	0				
423	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0				
424	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0				
425	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	13,388	6,629	3,372	46	1,696
426	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	3,995	1,979	1,006	14	506
427	39908	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	149,476	74,000	37,643	508	18,931
428	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0				
429	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0				
430		Retirement Work In Progress	6.4	P, S, T & D Plant - Demand	9,475	4,691	2,388	32	1,200
431									
432		Total General Plant			328,434	162,615	82,710	1,117	41,585

Almona Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
434	Shared Services General Office:								
435	General:								
436	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0					
437	Structures & Improvements	6.4	P, S, T & D Plant - Demand	28,587	14,854	7,463	101	3,748	3,640
440	Improvements	6.4	P, S, T & D Plant - Demand	0					
441	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0					
442	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	179,037	88,945	45,067	609	22,675	22,021
443	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	0					
444	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0					
445	Office Machines	6.4	P, S, T & D Plant - Demand	0					
446	Transportation Equipment	6.4	P, S, T & D Plant - Demand	0					
447	Trucks	6.4	P, S, T & D Plant - Demand	0					
448	Trailers	6.4	P, S, T & D Plant - Demand	0					
449	Stores Equipment	6.4	P, S, T & D Plant - Demand	0					
450	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	0					
451	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0					
452	Ditchers	6.4	P, S, T & D Plant - Demand	0					
453	Backhoes	6.4	P, S, T & D Plant - Demand	0					
454	Welders	6.4	P, S, T & D Plant - Demand	0					
455	Communication Equipment	6.4	P, S, T & D Plant - Demand	0					
456	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0					
457	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0					
458	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0					
459	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	0					
460	Other Tangible Property	6.4	P, S, T & D Plant - Demand	3,077	1,523	775	10	390	378
461	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	408,734	202,898	103,183	1,393	51,692	50,997
462	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	311,398	154,160	76,420	1,099	39,436	38,302
463	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	42,951	21,296	10,816	146	5,440	5,283
464	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0					
465	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0					
466	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	30,271	14,989	7,623	103	3,834	3,723
467	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	46,421	22,984	11,680	158	5,879	5,710
468	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	797	389	199	3	100	97
469	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	805,970	399,864	202,988	2,741	102,074	99,134
470	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0					
471	Retirement Work In Progress	6.4	P, S, T & D Plant - Demand	0					
472	Total General Plant			1,859,243	920,553	466,214	6,323	235,468	228,885
473	Shared Services Customer Support:								
474	General:								
475	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0					
476	Structures & Improvements	6.4	P, S, T & D Plant - Demand	63,552	31,466	16,004	216	8,648	7,817
477	Improvements	6.4	P, S, T & D Plant - Demand	0					
478	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0					
479	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	33,796	18,794	9,511	116	4,280	4,157
480	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	17,954	8,869	4,521	61	2,274	2,203
481	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0					
482	Office Machines	6.4	P, S, T & D Plant - Demand	0					
483	Transportation Equipment	6.4	P, S, T & D Plant - Demand	810	401	204	3	103	100
484	Trucks	6.4	P, S, T & D Plant - Demand	0					
485	Trailers	6.4	P, S, T & D Plant - Demand	0					
486	Stores Equipment	6.4	P, S, T & D Plant - Demand	0					
487	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	1,023	506	258	3	130	126
488	Laboratory Equipment	6.4	P, S, T & D Plant - Demand	142	70	36	0	18	17
489	Ditchers	6.4	P, S, T & D Plant - Demand	0					
490	Backhoes	6.4	P, S, T & D Plant - Demand	0					
491	Welders	6.4	P, S, T & D Plant - Demand	0					
492	Communication Equipment	6.4	P, S, T & D Plant - Demand	23,069	11,362	5,794	78	2,814	2,830
493	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0					
494	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0					
495	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0					
496	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	1,621	803	406	8	295	199
497	Other Tangible Property	6.4	P, S, T & D Plant - Demand	9,729	4,817	2,450	33	1,232	1,197
498	Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	102,261	50,842	25,758	348	12,554	12,580
499	Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	24,184	11,974	6,090	82	3,063	2,975
500	Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	7,236	3,584	1,823	25	917	890
501	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0					
502	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0					
503	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	13,480	6,674	3,399	46	1,707	1,658
504	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	3,383	1,665	847	11	426	414
505	Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	618,173	306,071	153,675	2,102	79,290	79,035
506	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	1,100	545	277	4	139	135
507	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0					
508	Retirement Work In Progress	6.4	P, S, T & D Plant - Demand	0					
509	Total General Plant			921,457	456,234	232,051	3,134	116,700	113,338
510	TOTAL RESERVE FOR DEPRECIATION - DEMAND			45,691,058	32,525,126	16,543,014	223,381	8,319,580	8,079,935

ALLOCATION OF RESERVE FOR DEPRECIATION										
Commodity										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
519		Intangible Plant:								
520										
521	30100	Organization	6.6	P, S, T & D Plant - Commodity	1,898	587	373	24	414	471
522	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	26,878	8,439	5,360	343	5,853	6,782
523	30300	Misc Intangible Plant	99.0		0					
524										
525		Total Intangible Plant:			28,746	9,026	5,733	367	6,367	7,254
526										
527		Production Plant:								
528										
529	32520	Producing Leaseholds	99.0		0					
530	32540	Rights of Way	99.0		0					
531	33100	Production Gas Wells Equipment	99.0		0					
532	33201	Field Lines	99.0		0					
533	33202	Tributary Lines	1.2	Sales Mef	0					
534	33400	Field Meas. & Reg. Sta. Equip	1.2	Sales Mef	0					
535	33500	Purification Equipment	99.0		0					
536										
537		Total Production Plant:			0	0	0	0	0	0
538										
539		Storage Plant:								
540										
541	35010	Land	1.5	Winter Volumes	0					
542	35020	Rights of Way	1.5	Winter Volumes	2,218	671	493	26	405	423
543	35100	Structures and Improvements	1.5	Winter Volumes	2,955	1,177	666	35	546	571
544	35102	Compression Station Equipment	1.5	Winter Volumes	55,910	21,983	12,427	652	10,291	10,668
545	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	10,135	3,992	2,253	118	1,849	1,934
546	35104	Other Structures	1.5	Winter Volumes	49,162	19,320	10,931	573	8,073	8,384
547	35200	Wells & Rights of Way	1.5	Winter Volumes	583,745	229,312	129,745	6,604	106,504	111,280
548	35201	Well Construction	1.5	Winter Volumes	696,079	273,754	154,890	6,123	127,145	132,956
549	35202	Well Equipment	1.5	Winter Volumes	229,079	89,587	50,914	2,670	41,764	43,708
550	35203	Quabbin Gas	1.5	Winter Volumes	395,821	143,798	81,308	4,264	66,744	69,000
551	35210	Leaseholds	1.5	Winter Volumes	83,736	32,894	18,611	976	15,278	15,977
552	35211	Storage Rights	1.5	Winter Volumes	21,738	8,539	4,831	253	3,666	4,146
553	35301	Field Lines	1.5	Winter Volumes	70,110	27,541	15,583	817	12,791	13,377
554	35302	Tributary Lines	1.5	Winter Volumes	97,693	36,377	21,714	1,139	17,824	18,640
555	35400	Compressor Station Equipment	1.5	Winter Volumes	240,346	94,812	53,531	2,897	43,642	45,954
556	35500	Meas. & Reg. Equipment	1.5	Winter Volumes	84,212	37,006	20,940	1,086	17,169	17,976
557	35600	Purification Equipment	1.5	Winter Volumes	91,721	36,031	20,389	1,099	16,734	17,501
558										
559		Total Storage Plant:			2,696,017	1,059,076	699,224	31,426	491,688	514,408
560										
561		Transmission:								
562										
563	36510	Land & Land Rights	99.0		0					
564	36520	Rights of Way	99.0		0					
565	36602	Structures & Improvements	99.0		0					
566	36603	Other Structures	99.0		0					
567	36700	Main Cathodic Protection	99.0		0					
568	36701	Mains - Steel	99.0		0					
569	36900	Meas. & Reg. Equipment	99.0		0					
570	36901	Meas. & Reg. Equipment	99.0		0					
571										
572		Total Transmission Plant:			0					
573										
574		Distribution:								
575										
576	37400	Land & Land Rights	99.0		0					
577	37401	Land	99.0		0					
578	37402	Land Rights	1.0	Mef	80,377	24,881	15,829	1,030	17,974	20,552
579	37403	Land Other	99.0		0					
580	37500	Structures & Improvements	1.0	Mef	44,863	13,893	8,891	575	10,032	11,471
581	37501	Structures & Improvements T.D.	1.0	Mef	28,091	8,009	5,785	373	6,505	7,438
582	37502	Land Rights	1.0	Mef	14,439	4,471	2,862	185	3,228	3,692
583	37603	Improvements	1.0	Mef	771	239	153	10	172	197
584	37600	Main Cathodic Protection	1.0	Mef	5,269,919	1,631,973	1,044,413	67,554	1,178,474	1,347,506
585	37601	Mains - Steel	1.0	Mef	12,205,812	3,779,797	2,418,995	156,461	2,729,454	3,120,948
586	37602	Mains - Plastic	1.0	Mef	6,933,988	2,147,286	1,374,204	88,685	1,559,598	1,773,004
587	37800	Meas. & Reg. Sta. Equip - General	1.0	Mef	1,069,650	330,539	211,791	13,689	238,077	273,254
588	37900	Meas. & Reg. Sta. Equip - City Gate	1.0	Mef	393,110	121,737	77,508	5,039	87,608	100,517
589	37903	Meas. & Reg. Sta. Equipment T.D.	1.0	Mef	428,038	131,834	84,434	5,491	95,272	108,937
590	38000	Services	99.0		0					
591	38100	Meters	99.0		0					
592	38200	Meter Installations	99.0		0					
593	38300	House Regulators	99.0		0					
594	38400	House Reg. Installations	99.0		0					
595	38500	Ind. Meas. & Reg. Sta. Equipment	99.0		0					
596	38600	Other Prop. On Cust. Prem	99.0		0					
597										
598		Total Distribution Plant:			26,466,868	8,166,180	5,245,305	338,273	5,918,596	6,787,814

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
589									
590	General								
601									
602	38900 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0					
603	39000 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	221,843	69,654	44,242	2,830	49,137	55,980
604	39002 Structures - brick	6.6	P, S, T & D Plant - Commodity	22,772	7,150	4,541	291	5,044	5,745
605	39003 Improvements	6.6	P, S, T & D Plant - Commodity	80,097	18,869	11,995	787	13,311	15,165
606	39003 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	966	313	199	13	221	251
607	39004 Improvement to Leased Premises	6.6	P, S, T & D Plant - Commodity	274,973	86,304	54,818	3,507	60,883	69,362
608	39006 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	221,775	66,632	44,228	2,830	49,122	55,963
609	39100 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
610	39102 Office Machines	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
611	39103 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	20,383	8,393	4,061	260	4,510	5,136
612	39200 Trucks	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
613	39201 Trailers	6.6	P, S, T & D Plant - Commodity	(672)	(180)	(114)	(7)	(127)	(144)
614	39202 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
615	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	264,916	93,178	52,932	3,380	58,677	66,849
616	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
617	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	8,750	2,747	1,745	112	1,639	2,206
618	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	13,640	4,345	2,760	177	3,065	3,492
619	39605 Welders	6.6	P, S, T & D Plant - Commodity	4,064	1,376	811	52	900	1,026
620	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	45,126	14,198	8,999	575	9,995	11,967
621	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
622	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
623	39705 Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
624	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	378,807	119,261	75,745	4,846	84,125	95,841
625	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
626	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	1,051	330	210	13	233	265
627	39902 Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
628	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	10,898	3,422	2,173	139	2,414	2,750
629	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
630	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
631	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	299,955	75,340	47,654	3,062	53,149	60,551
632	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
633	39908 Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
634	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	27,661	8,685	5,516	353	6,127	6,980
635	39909 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
636	39909 Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	(742,806)	(233,224)	(146,137)	(9,477)	(164,527)	(187,441)
637	AR 16 general plant amortization	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
638									
639	Total General Plant			1,075,468	337,654	214,468	13,721	238,196	271,370
640									
641	TOTAL DIRECT RESERVE FOR DEPRECIATION			30,267,039	9,601,935	6,064,729	384,786	8,855,045	7,960,544
642									
643	Kentucky Mid-States General Office:								
644									
645	Intangible Plant:								
646									
647	30100 Organization	99.0		0					
648	30200 Franchises & Consents	99.0		0					
649	30300 Misc Intangible Plant	99.0		0					
650	Total Intangible Plant:			0					
651									
652	General:								
653									
654									
655	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0					
656	39001 Structures Frame	6.6	P, S, T & D Plant - Commodity	11,578	3,573	2,269	145	2,620	2,974
657	39002 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
658	39500 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
659	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	1,025	322	204	13	227	259
660	39009 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	4,376	1,374	873	56	969	1,104
661	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	4,665	1,465	930	60	1,033	1,177
662	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
663	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
664	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
665	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
666	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
667	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
668	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
669	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
670	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
671	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
672	39605 Welders	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
673	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	(899)	(279)	(177)	(11)	(187)	(224)
674	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
675	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
676	39705 Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
677	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	78,372	24,607	16,630	1,000	17,358	19,778
678	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
679	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	(3,922)	(1,231)	(782)	(50)	(669)	(890)
680	39902 Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
681	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
682	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
683	39906 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
684	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	8,363	2,626	1,668	107	1,852	2,110
685	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	2,495	784	498	32	553	630
686	39908 Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	33,368	28,315	16,620	1,191	20,680	23,561
687	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
688	39909 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
689	39909 Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	5,918	1,858	1,180	76	1,311	1,493
690									
691	Total General Plant			295,151	64,413	40,913	2,617	45,240	51,768

Alamos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF RESERVE FOR DEPRECIATION										
682	Shared Services General Office:									
684	General:									
685	General:									
686	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0					
687	38000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	18,467	5,805	3,687	238	4,095	4,655
688	38602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0					
689	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0					
690	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0					
691	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	111,833	35,113	22,303	1,427	24,770	28,220
692	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	0					
693	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0					
694	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0					
695	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	0					
696	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0					
697	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0					
698	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0					
699	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	0					
700	39500	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0					
701	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0					
702	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0					
703	39605	Welders	6.6	P, S, T & D Plant - Commodity	0					
704	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	0					
705	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0					
706	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0					
707	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0					
708	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	0					
709	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	1,922	603	383	25	426	485
710	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	255,934	80,357	51,041	3,285	58,888	64,583
711	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	194,510	61,072	38,791	2,462	49,083	49,083
712	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	26,825	8,424	5,350	342	5,942	5,770
713	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0					
714	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0					
715	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	18,908	5,937	3,771	241	4,188	4,771
716	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	28,996	9,104	5,783	370	6,422	7,317
717	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	491	154	98	6	168	124
718	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	503,437	158,068	100,400	6,423	111,508	127,538
719	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0					
720	39924	Retirement Work In Progress	6.6	P, S, T & D Plant - Commodity	0					
721	732	Total General Plant			1,161,347	364,035	231,806	14,817	267,231	293,056
722	734	Shared Services Customer Support:			365,707	95,985	60,987	3,800	67,712	77,143
723	737	General:								
724	738	General:								
725	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0					
726	38001	Structures Frame	6.6	P, S, T & D Plant - Commodity	0					
727	38602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	38,697	12,464	7,917	506	8,703	10,017
728	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0					
729	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0					
730	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	21,111	6,628	4,210	269	4,676	5,327
731	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	11,214	3,521	2,236	143	2,384	2,830
732	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0					
733	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0					
734	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	806	159	101	6	112	128
735	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0					
736	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0					
737	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0					
738	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	639	201	127	8	141	161
739	39500	Laboratory Equipment	6.6	P, S, T & D Plant - Commodity	89	28	18	1	20	22
740	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0					
741	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0					
742	39605	Welders	6.6	P, S, T & D Plant - Commodity	0					
743	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	14,372	4,512	2,866	183	3,183	3,627
744	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0					
745	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0					
746	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0					
747	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	1,013	318	202	13	224	256
748	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	6,077	1,908	1,212	78	1,346	1,584
749	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	63,888	20,659	12,741	815	14,151	16,122
750	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	15,106	4,743	3,013	183	3,346	3,812
751	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	4,521	1,420	902	58	1,001	1,141
752	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0					
753	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0					
754	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	3,420	2,644	1,679	107	1,885	2,125
755	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	2,101	660	419	27	495	530
756	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	386,132	121,237	77,036	4,927	83,526	97,437
757	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	687	216	137	9	182	173
758	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0					
759	39924	Retirement Work In Progress	6.6	P, S, T & D Plant - Commodity	0					
760	775	Total General Plant			575,579	180,717	114,786	7,344	127,490	145,241
761	776									
762	777	TOTAL RESERVE FOR DEPRECIATION - COMMODITY			32,209,111	10,211,701	6,462,035	409,585	7,085,201	8,050,808

Alamos Energy Corporation, Kentucky/Mid-States Division Class Cost of Service - Demand/Commodity Study Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
Total Reserve for Depreciation									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
778									
779									
780	30100	Organization		8,330	4,724	1,899	36	817	853
781	30200	Franchises & Consents		110,853	67,977	27,328	522	11,761	12,274
782	30300	Misc Intangible Plant		0					
783									
784		Total Intangible Plant		128,182	72,702	29,227	558	12,598	13,127
785									
786		Production Plant:							
787									
788	32520	Producing Leaseholds		0					
789	32540	Rights of Ways		0					
790	33100	Production Gas Wells Equipment		0					
791	33201	Field Lines		0					
792	33202	Tributary Lines		0					
793	33400	Field Meas. & Reg. Sta. Equip		0					
794	33600	Purification Equipment		0					
795									
796		Total Production Plant		0	0	0	0	0	0
797									
798		Storage Plant:							
799									
800	39010	Land		0					
801	39020	Rights of Way		4,436	1,970	1,052	33	696	606
802	39100	Structures and Improvements		5,980	2,560	1,420	45	926	940
803	39102	Compression Station Equipment		111,821	49,846	26,507	842	17,262	17,545
804	39103	Meas. & Reg. Sta. Structures		20,273	9,201	4,806	153	3,133	3,161
805	39104	Other Structures		88,364	43,671	23,317	741	15,202	15,433
806	39200	Wells & Rights of Way		1,167,490	518,338	276,749	8,790	180,433	183,160
807	39201	Well Construction		1,393,756	618,794	330,385	10,493	215,402	218,681
808	39202	Well Equipment		488,146	203,406	108,602	3,449	70,808	71,993
809	39300	Injection Gas		731,846	324,833	173,434	5,509	113,076	114,796
810	39310	Leaseholds		167,473	74,354	38,699	1,261	25,833	26,277
811	39311	Storage Rights		43,475	18,302	10,300	327	6,718	6,821
812	39301	Field Lines		140,220	62,254	33,239	1,059	21,671	22,001
813	39302	Tributary Lines		195,387	86,747	46,316	1,471	30,197	30,666
814	39400	Compressor Station Equipment		481,692	213,688	114,184	3,626	74,445	75,578
815	39500	Meas. & Reg. Equipment		189,424	83,656	44,665	1,419	28,121	29,564
816	39600	Purification Equipment		183,442	81,444	43,464	1,381	28,351	29,782
817									
818		Total Storage Plant		5,392,034	2,393,935	1,278,183	40,594	833,328	846,013
819									
820		Transmission:							
821									
822	36510	Land & Land Rights		0					
823	36520	Rights of Way		417,769	206,847	105,207	1,421	52,909	51,385
824	36502	Structures & Improvements		16,086	7,970	4,054	55	2,539	1,989
825	36803	Other Structures		52,147	26,919	13,132	177	5,604	6,414
826	36760	Mainline Cathodic Protection		112,879	55,869	28,426	384	14,296	13,864
827	36701	Mainline - Steel		18,657,095	9,237,549	4,696,426	63,446	2,362,899	2,294,604
828	36900	Meas. & Reg. Equipment		340,010	168,347	85,625	1,156	43,061	41,621
829	36901	Meas. & Reg. Equipment		1,732,491	857,795	436,294	5,892	219,415	213,965
830									
831		Total Transmission Plant		21,328,469	10,660,217	5,371,165	72,530	2,701,194	2,623,383
832									
833		Distribution:							
834									
835	37400	Land & Land Rights		0					
836	37401	Land		0					
837	37402	Land Rights		192,103	80,209	44,065	1,410	32,124	34,294
838	37403	Land Other		0					
839	37500	Structures & Improvements		107,224	44,789	24,595	767	17,930	19,142
840	37501	Structures & Improvements T.B.		89,527	28,030	15,949	510	11,627	12,412
841	37502	Land Rights		34,509	14,408	7,916	253	5,771	6,161
842	37503	Improvements		1,843	770	423	14	308	329
843	37600	Mainline Cathodic Protection		12,595,285	5,258,917	2,689,168	92,485	2,106,209	2,248,516
844	37601	Mainline - Steel		29,171,777	12,180,129	6,091,953	214,157	4,878,171	5,207,767
845	37602	Mainline - Plastic		16,572,437	6,819,510	3,691,469	121,652	2,771,281	2,958,224
846	37800	Meas. & Reg. Sta. Equip - General		2,834,130	1,058,429	565,074	18,750	427,107	455,965
847	37900	Meas. & Reg. Sta. Equip - City Gate		636,546	282,289	215,517	6,897	157,113	167,728
848	37905	Meas. & Reg. Sta. Equipment T.B.		1,018,245	425,149	233,570	7,475	170,273	181,776
849	39000	Services		37,374,099	33,273,207	4,058,972	2,505	26,388	15,028
850	38100	Meters		19,024,468	12,253,043	6,296,859	26,351	283,536	161,797
851	38200	Meter Installations		24,883,491	16,097,491	8,278,139	35,407	373,022	212,443
852	38300	House Regulators		3,972,595	2,558,618	1,315,294	5,626	58,290	33,767
853	38400	House Reg. Installations		87,039	56,838	28,116	126	1,312	747
854	38500	Ind. Meas. & Reg. Sta. Equipment		2,832,946		2,802,695	1,730	18,229	10,392
855	38600	Other Prop. On Cust. Prem		0					
856									
857		Total Distribution Plant		151,642,162	80,650,586	37,288,059	536,726	11,340,691	11,726,689

Almon Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Connectivity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
<b>ALLOCATION OF RESERVE FOR DEPRECIATION</b>							
858							
859	General:						
860							
861	36600 Land & Land Rights	0					
862	39000 Structures & Improvements	993,222	561,061	225,556	4,311	96,992	101,302
863	39002 Structures - Brick	101,841	57,591	23,153	443	8,958	10,388
864	39003 Improvements	267,979	165,991	61,103	1,168	28,275	27,443
865	39003 Air Conditioning Equipment	4,441	2,519	1,013	19	435	455
866	39004 Improvement to Leased Premises	1,225,690	695,180	279,474	5,342	120,177	125,517
867	39009 Office Furniture & Equipment	886,921	560,891	225,467	4,310	96,882	101,271
868	39100 Remittance Processing Equip	0					
869	39102 Office Machines	0					
870	39103 Transportation Equipment	90,800	51,500	20,704	395	8,903	9,298
871	39200 Trucks	0					
872	39201 Trailers	(2,550)	(1,448)	(581)	(11)	(280)	(261)
873	39202 Stores Equipment	0					
874	39400 Tools, Shop & Garage Equipment	1,181,289	669,996	269,350	5,148	116,824	120,970
875	39600 Power Operated Equipment	0					
876	39603 Ditchers	39,019	22,131	8,897	170	3,826	3,998
877	39604 Backhoes	61,712	35,002	14,071	260	6,051	6,320
878	39605 Welders	18,123	10,279	4,132	79	1,777	1,858
879	39700 Communication Equipment	201,221	114,127	45,881	877	19,729	20,606
880	39701 Communication Equipment - Mobile Radios	0					
881	39702 Communication Equipment - Fixed Radios	0					
882	39705 Communication Equip. - Telemetering	0					
883	39800 Miscellaneous Equipment	1,693,602	960,567	386,164	7,381	166,055	173,434
884	39900 Other Tangible Property	0					
885	39901 Other Tangible Property - Servers - HW	4,665	2,657	1,068	20	459	480
886	39902 Other Tangible Property - Servers - SAW	0					
887	39903 Other Tangible Property - Network - HW	48,565	27,582	11,080	212	4,765	4,978
888	39904 Other Tang. Property - CPU	0					
889	39905 Other Tangible Property - MF - Hardware	0					
890	39906 Other Tang. Property - PC Hardware	1,069,964	606,887	243,971	4,663	104,911	109,572
891	39907 Other Tang. Property - PC Software	0					
892	39908 Other Tang. Property - Mainframe SAW	0					
893	39909 Other Tang. Property - Application Software	123,343	69,957	28,124	538	12,094	12,631
894	Other Tang. Property - General Startup Costs	0					
895	Retirement Work in Progress	(3,312,285)	(1,878,625)	(755,239)	(14,435)	(324,782)	(339,193)
896	AR 15 general plant amortization	0					
897							
898	Total General Plant	4,795,362	2,719,806	1,093,407	20,899	470,178	491,071
899							
900	TOTAL DIRECT RESERVE FOR DEPRECIATION	183,196,229	106,397,265	45,060,022	671,308	15,387,361	15,700,263
901							
902	Kentucky Mid-States General Office:						
903							
904	Intangible Plant:						
905							
906	30100 Organization	0					
907	30200 Franchises & Consents	0					
908	30300 Misc Intangible Plant	0					
909							
910	Total Intangible Plant:						
911							
912	General:						
913							
914	37400 Land & Land Rights	0					
915	39001 Structures Frame	50,737	28,777	11,569	221	4,875	5,196
916	39002 Structures & Improvements	0					
917	39500 Land & Land Rights	0					
918	39004 Air Conditioning Equipment	4,571	2,593	1,042	20	448	468
919	39009 Improvement to Leased Premises	18,515	11,068	4,450	85	1,913	1,998
920	39100 Office Furniture & Equipment	20,803	11,799	4,743	81	2,040	2,130
921	39102 Remittance Processing Equip	0					
922	39103 Office Machines	0					
923	39200 Transportation Equipment	0					
924	39201 Trucks	0					
925	39202 Trailers	0					
926	39300 Stores Equipment	0					
927	39400 Tools, Shop & Garage Equipment	0					
928	39600 Power Operated Equipment	0					
929	39603 Ditchers	0					
930	39604 Backhoes	0					
931	39605 Welders	0					
932	39700 Communication Equipment	(3,962)	(2,247)	(903)	(17)	(388)	(404)
933	39701 Communication Equipment - Mobile Radios	0					
934	39702 Communication Equipment - Fixed Radios	0					
935	39705 Communication Equip. - Telemetering	0					
936	39800 Miscellaneous Equipment	349,467	198,209	79,683	1,623	34,283	35,787
937	39900 Other Tangible Property	0					
938	39901 Other Tangible Property - Servers - HW	(17,490)	(8,920)	(3,888)	(76)	(1,715)	(1,791)
939	39902 Other Tangible Property - Servers - SAW	0					
940	39903 Other Tangible Property - Network - HW	0					
941	39904 Other Tang. Property - CPU	0					
942	39905 Other Tangible Property - MF - Hardware	0					
943	39906 Other Tang. Property - PC Hardware	37,291	21,150	8,503	163	3,656	3,819
944	39907 Other Tang. Property - PC Software	11,131	6,313	2,538	49	1,091	1,140
945	39908 Other Tang. Property - Mainframe SAW	416,337	236,136	94,931	1,814	40,821	42,635
946	39909 Other Tang. Property - Application Software	0					
947	39904 Other Tang. Property - General Startup Costs	0					
948	Retirement Work in Progress	28,351	14,988	6,017	115	2,588	2,703
949							
950	Total General Plant	914,791	510,846	208,585	3,687	85,894	89,680

Nimco Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF RESERVE FOR DEPRECIATION									
951		Shared Services General Office:							
952		General:							
953									
954									
955									
956	37400	Land & Land Rights	0						
957	39000	Structures & Improvements	02,437	46,756	18,797	359	8,083	8,442	
958	39602	Structures & Improvements	0						
959	37503	Improvements	0						
960	39004	Air Conditioning Equipment	0						
961	39009	Improvement to leased Premises	498,674	282,835	113,705	2,173	48,864	51,067	
962	39100	Office Furniture & Equipment	0						
963	39102	Remittance Processing Equip	0						
964	39103	Office Machines	0						
965	39200	Transportation Equipment	0						
966	39201	Trucks	0						
967	39202	Trailers	0						
968	39300	Stores Equipment	0						
969	39400	Tools, Shop & Garage Equipment	0						
970	39600	Power Operated Equipment	0						
971	39603	Ditchers	0						
972	39604	Backhoes	0						
973	39605	Welders	0						
974	39700	Communication Equipment	0						
975	39701	Communication Equipment - Mobile Radios	0						
976	39702	Communication Equipment - Fixed Radios	0						
977	39705	Communication Equip. - Telemetry	0						
978	39800	Miscellaneous Equipment	0						
979	39900	Other Tangible Property	8,570	4,661	1,554	37	640	878	
980	39901	Other Tangible Property - Servers - HW	1,141,237	647,280	260,217	4,974	111,897	116,869	
981	39902	Other Tangible Property - Servers - SAN	867,341	491,934	197,766	3,780	85,042	88,821	
982	39903	Other Tangible Property - Network - HW	119,633	67,893	27,378	521	11,730	12,251	
983	39904	Other Tang. Property - CPU	0						
984	39905	Other Tangible Property - MF - Hardware	0						
985	39906	Other Tang. Property - PC Hardware	84,315	47,621	19,225	367	8,267	8,634	
986	39907	Other Tang. Property - PC Software	129,287	73,334	20,481	563	12,677	13,241	
987	39908	Other Tang. Property - Mainframe SW	2,191	1,243	500	10	215	224	
988	39909	Other Tang. Property - Application Software	2,244,878	1,273,237	511,983	9,783	220,107	230,889	
989	39924	Other Tang. Property - General Startup Costs	0						
990		Retirement Work in Progress	0						
991									
992		Total General Plant	5,178,574	2,837,154	1,180,785	22,569	507,792	530,314	
993									
994		Shared Services Customer Support:							
995		General:							
996									
997									
998	37400	Land & Land Rights	0						
999	39001	Structures & Improvements	0						
1000	39602	Structures & Improvements	177,012	100,367	40,361	771	17,395	18,127	
1001	37503	Improvements	0						
1002	39004	Air Conditioning Equipment	0						
1003	39009	Improvement to leased Premises	94,137	53,392	21,465	410	9,230	9,640	
1004	39100	Office Furniture & Equipment	50,007	28,362	11,462	218	4,953	5,121	
1005	39102	Remittance Processing Equip	0						
1006	39103	Office Machines	0						
1007	39200	Transportation Equipment	2,267	1,260	515	10	221	231	
1008	39201	Trucks	0						
1009	39202	Trailers	0						
1010	39300	Stores Equipment	0						
1011	39400	Tools, Shop & Garage Equipment	2,848	1,615	649	12	279	292	
1012	39600	Laboratory Equipment	395	224	90	2	39	40	
1013	39603	Ditchers	0						
1014	39604	Backhoes	0						
1015	39605	Welders	0						
1016	39700	Communication Equipment	64,086	30,348	14,613	279	6,284	6,563	
1017	39701	Communication Equipment - Mobile Radios	0						
1018	39702	Communication Equipment - Fixed Radios	0						
1019	39705	Communication Equip. - Telemetry	0						
1020	39800	Miscellaneous Equipment	4,815	2,561	1,029	20	443	462	
1021	39900	Other Tangible Property	27,100	15,370	6,179	116	2,657	2,775	
1022	39901	Other Tangible Property - Servers - HW	284,885	161,579	64,939	1,242	27,933	29,174	
1023	39902	Other Tangible Property - Servers - SAN	67,360	38,205	15,359	294	6,805	7,099	
1024	39903	Other Tangible Property - Network - HW	20,161	11,435	4,597	88	1,977	2,065	
1025	39904	Other Tang. Property - CPU	0						
1026	39905	Other Tangible Property - MF - Hardware	0						
1027	39906	Other Tang. Property - PC Hardware	37,545	21,294	8,561	164	3,681	3,845	
1028	39907	Other Tang. Property - PC Software	9,367	5,313	2,136	41	918	959	
1029	39908	Other Tang. Property - Mainframe SW	1,721,805	976,564	392,595	7,504	168,821	176,322	
1030	39909	Other Tang. Property - Application Software	3,064	1,736	698	13	300	314	
1031	39924	Other Tang. Property - General Startup Costs	0						
1032		Retirement Work in Progress	0						
1033									
1034		Total General Plant	2,986,545	1,455,679	585,207	11,185	261,846	262,828	
1035									
1036		TOTAL RESERVE FOR DEPRECIATION	191,846,139	111,306,933	47,034,588	708,049	18,206,453	18,587,105	

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF OTHER RATE BASE									
Customer									
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
1	Rate Base Additions:								
2									
3	7.2	Materials and Supplies - KY Direct	(28,673)	(22,577)	(5,821)	(28)	(158)	(90)	
4	7.2	Materials and Supplies - KY Mid-States GO	54,432	42,858	11,050	53	300	171	
5	7.2	Materials and Supplies - Shared Services GO	0	-	-	-	-	-	
6	7.2	Materials and Supplies - Shared Services CS	0	-	-	-	-	-	
7	99.0	Gas Storage Inventory	0	-	-	-	-	-	
8	7.2	Prepayments - KY Direct	7,366	5,753	1,483	7	40	23	
9	7.2	Prepayments - KY Mid-States GO	250	187	51	0	1	1	
10	7.2	Prepayments - Shared Services GO	188,127	130,804	33,725	181	915	522	
11	7.2	Prepayments - Shared Services CS	9,679	7,821	1,865	9	53	30	
12	7.2	Cash Working Capital	346,651	272,843	70,373	338	1,910	1,088	
13	7.2	Regulatory Assets	24,952	19,647	5,066	24	138	76	
14									
15		Total Rate Base Additions	580,724	457,246	117,892	583	3,200	1,823	
16									
17	Rate Base Deductions:								
18									
19									
20	2.0	Customer Advances - KY Direct	(1,457,537)	(1,279,802)	(156,045)	(98)	(1,015)	(576)	
21	2.0	Customer Advances - KY Mid-States GO	0	-	-	-	-	-	
22	2.0	Customer Advances - Shared Services GO	0	-	-	-	-	-	
23	2.0	Customer Advances - Shared Services CS	0	-	-	-	-	-	
24	9.2	ADIT - KY Direct	(47,223,119)	(36,874,791)	(9,760,109)	(27,842)	(283,329)	(167,053)	
25	9.2	ADIT - KY Mid-States GO	16,536,633	13,026,163	3,436,472	8,809	103,357	58,653	
26	9.2	ADIT - Shared Services GO	(663,315)	(499,719)	(115,808)	(333)	(3,480)	(1,982)	
27	9.2	ADIT - Shared Services CS	2,031,675	1,580,762	419,908	1,198	12,620	7,187	
28	9.2	Change In Net Operating Loss Carryforward	(125,271)	(98,085)	(25,891)	(74)	(778)	(443)	
29									
30		Total Rate Base Deductions	(30,677,932)	(24,174,488)	(6,189,472)	(17,336)	(182,640)	(104,017)	
31									
32									
33		TOTAL OTHER RB - CUSTOMER	(30,097,208)	(23,717,222)	(6,081,679)	(16,773)	(179,440)	(102,194)	
34									
35	2.0	Interest on Customer Deposits	0	-	-	-	-	-	

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF OTHER RATE BASE									
Demand									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
35	Rate Base Additions:								
36									
37	Materials and Supplies - KY Direct	7.4	Allocated O&M Expenses - Demand	(22,763)	(11,271)	(5,733)	(77)	(2,889)	(2,800)
38	Materials and Supplies - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	43,213	21,368	10,892	147	5,473	5,315
39	Materials and Supplies - Shared Services GO	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
40	Materials and Supplies - Shared Services CS	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
41	Gas Storage Inventory	99.0		0	-	-	-	-	-
42	Prepayments - KY Direct	7.4	Allocated O&M Expenses - Demand	5,900	2,872	1,461	29	735	713
43	Prepayments - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	199	98	50	1	25	24
44	Prepayments - Shared Services GO	7.4	Allocated O&M Expenses - Demand	131,885	65,289	33,213	448	16,793	16,222
45	Prepayments - Shared Services CS	7.4	Allocated O&M Expenses - Demand	7,684	3,805	1,835	26	973	945
46	Cash Working Capital	7.4	Allocated O&M Expenses - Demand	275,200	136,259	69,304	935	34,853	33,849
47	Regulatory Assets	7.4	Allocated O&M Expenses - Demand	19,809	9,908	4,969	67	2,508	2,436
48									
49	Total Rate Base Additions			461,026	228,264	116,100	1,568	58,368	56,706
50									
51	Rate Base Deductions:								
52									
53									
54	Customer Advances - KY Direct	99.0		0	-	-	-	-	-
55	Customer Advances - KY Mid-States GO	99.0		0	-	-	-	-	-
56	Customer Advances - Shared Services GO	99.0		0	-	-	-	-	-
57	Customer Advances - Shared Services CS	99.0		0	-	-	-	-	-
58	ADIT - KY Direct	9.4	Allocated Net Plant - Demand	(44,446,698)	(22,006,559)	(11,193,034)	(151,147)	(5,629,650)	(5,456,899)
59	ADIT - KY Mid-States GO	9.4	Allocated Net Plant - Demand	15,359,561	7,752,676	3,943,286	53,249	1,969,106	1,925,960
60	ADIT - Shared Services GO	9.4	Allocated Net Plant - Demand	(527,372)	(261,144)	(132,809)	(1,783)	(66,790)	(64,866)
61	ADIT - Shared Services CS	9.4	Allocated Net Plant - Demand	1,912,225	946,788	481,557	6,503	242,178	235,202
62	Change in Net Operating Loss Carryforward	9.4	Allocated Net Plant - Demand	(117,806)	(58,378)	(29,692)	(401)	(14,932)	(14,502)
63									
64	Total Rate Base Deductions			(27,521,239)	(13,626,387)	(6,930,689)	(93,589)	(3,485,469)	(3,286,095)
65									
66									
67	TOTAL OTHER RB - DEMAND			(27,060,213)	(13,398,123)	(6,814,589)	(92,022)	(3,427,101)	(3,329,379)
68									
69	Interest on Customer Deposits	3.0 Peak Day		0	-	-	-	-	-

Altros Energy Corporation, Kentucky-Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF OTHER RATE BASE									
Commodity									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
69	Rate Base Additions:								
70									
71	Materials and Supplies - KY Direct	7.6	Allocated O&M Expenses - Comm	(219,085)	(126,364)	(81,184)	(3,918)	(3,568)	(4,071)
72	Materials and Supplies - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	415,899	239,882	154,078	7,437	6,774	7,728
73	Materials and Supplies - Shared Services GO	7.6	Allocated O&M Expenses - Comm	0	0	0	0	0	0
74	Materials and Supplies - Shared Services CS	7.6	Allocated O&M Expenses - Comm	0	0	0	0	0	0
75	Gas Storage Inventory	1.0	Mcf	8,259,601	2,557,808	1,636,919	105,878	1,847,035	2,111,960
76	Prepayments - KY Direct	7.6	Allocated O&M Expenses - Comm	55,828	32,139	20,632	998	909	1,037
77	Prepayments - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	1,908	1,100	707	34	31	36
78	Prepayments - Shared Services GO	7.6	Allocated O&M Expenses - Comm	1,269,324	732,120	470,245	22,698	20,675	23,586
79	Prepayments - Shared Services CS	7.6	Allocated O&M Expenses - Comm	73,857	42,657	27,399	1,322	1,205	1,374
80	Cash Working Capital	7.6	Allocated O&M Expenses - Comm	2,648,653	1,627,689	981,244	47,363	43,141	49,216
81	Regulatory Assets	7.6	Allocated O&M Expenses - Comm	190,652	109,904	70,631	3,409	3,105	3,543
82									
83	Total Rate Base Additions			12,696,734	5,117,057	3,280,739	185,222	1,919,307	2,194,410
84									
85	Rate Base Deductions:								
86									
87									
88	Customer Advances - KY Direct	99.0		0	0	0	0	0	0
89	Customer Advances - KY Mid-States GO	99.0		0	0	0	0	0	0
90	Customer Advances - Shared Services GO	99.0		0	0	0	0	0	0
91	Customer Advances - Shared Services CS	99.0		0	0	0	0	0	0
92	ADIT - KY Direct	9.6	Allocated Net Plant - Comm	(29,939,079)	(9,375,825)	(5,963,657)	(362,323)	(6,843,376)	(7,573,867)
93	ADIT - KY Mid-States GO	9.6	Allocated Net Plant - Comm	10,547,492	3,303,089	2,100,891	134,882	2,540,451	2,868,269
94	ADIT - Shared Services GO	9.6	Allocated Net Plant - Comm	(355,235)	(111,247)	(70,760)	(4,836)	(78,625)	(89,866)
95	ADIT - Shared Services CS	9.6	Allocated Net Plant - Comm	1,288,086	403,375	256,574	16,449	285,817	325,850
96	Change in Net Operating Loss Carryforward	9.6	Allocated Net Plant - Comm	(79,421)	(24,872)	(15,820)	(1,014)	(17,623)	(20,092)
97									
98	Total Rate Base Deductions			(19,538,177)	(5,805,480)	(3,682,682)	(236,733)	(4,113,656)	(4,689,725)
99									
100									
101	TOTAL OTHER RB - COMMODITY			(5,841,442)	(688,423)	(411,943)	(51,512)	(2,194,249)	(2,495,316)
102									
103	Interest on Customer Deposits	1.0	Mcf	0	0	0	0	0	0

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF OTHER RATE BASE									
Total Other Rate Base									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
103	Rate Base Additions:								
104									
105	Materials and Supplies - KY Direct			(270,522)	(160,211)	(92,716)	(4,023)	(6,609)	(6,961)
106	Materials and Supplies - KY Mid-States GO			513,644	304,136	176,010	7,637	12,547	13,214
107	Materials and Supplies - Shared Services GO			0	-	-	-	-	-
108	Materials and Supplies - Shared Services CS			0	-	-	-	-	-
109	Gas Storage Inventory			8,259,601	2,557,805	1,636,919	105,878	1,847,035	2,111,960
110	Prepayments - KY Direct			68,933	40,824	23,629	1,029	1,894	1,774
111	Prepayments - KY Mid-States GO			2,356	1,395	807	35	58	61
112	Prepayments - Shared Services GO			1,567,335	928,223	537,183	23,307	38,293	40,329
113	Prepayments - Shared Services CS			91,320	54,083	31,289	1,358	2,231	2,390
114	Cash Working Capital			3,270,504	1,936,890	1,120,921	48,635	79,905	84,154
115	Regulatory Assets			235,413	139,419	80,685	3,501	5,752	6,057
116									
117	Total Rate Base Additions			13,739,485	5,802,867	3,514,732	187,353	1,980,895	2,252,938
118									
119									
120	Rate Base Deductions:								
121									
122	Customer Advances - KY Direct			(1,437,537)	(1,278,802)	(156,045)	(88)	(1,015)	(578)
123	Customer Advances - KY Mid-States GO			0	-	-	-	-	-
124	Customer Advances - Shared Services GO			0	-	-	-	-	-
125	Customer Advances - Shared Services CS			0	-	-	-	-	-
126	ADIT - KY Direct			(121,608,885)	(68,357,175)	(26,916,809)	(561,312)	(12,965,749)	(13,207,839)
127	ADIT - KY Mid-States GO			42,842,627	24,082,130	9,462,751	197,749	4,426,895	4,653,022
128	ADIT - Shared Services GO			(1,442,821)	(811,076)	(319,375)	(6,880)	(148,056)	(158,714)
129	ADIT - Shared Services CS			5,231,985	2,940,823	1,158,039	24,149	540,615	588,239
130	Change in Net Operating Loss Carryforward			(322,588)	(181,335)	(71,404)	(1,489)	(33,334)	(35,037)
131									
132	Total Rate Base Deductions			(79,737,348)	(43,606,335)	(16,822,843)	(347,689)	(7,781,895)	(8,178,827)
133									
134									
135	TOTAL OTHER RB			(62,998,864)	(37,803,768)	(13,308,111)	(160,336)	(5,800,790)	(5,925,889)
136									
137	Interest on Customer Deposits			0	-	-	-	-	-

Alamos Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Demand/Commodity Study  
Forecasted Test Period: Twelve Months Ending March 31, 2019

**ALLOCATION OF O&M EXPENSES**

Line No.	Acct. No.	Customer	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interservice	Transport Firm	Transport Interservice
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 Expenses	99.0		0					
7	7550	Field Compressor Sta. Fuel & Pow.	99.0		0					
8	7560	Field Meas. & Regul. Station Exp.	99.0		0					
9	7570	Purification Expense	99.0		0					
10	7580	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 Other	99.0		0					
20		Total Production & Gathering			0	0	0	0	0	0
21		Other Gas Supply Expenses:								
22		Operation								
23		Intercompany Gas Well-head Purchases	99.0		0					
24	8001	Natural Gas City Gate Purchases	99.0		0					
25	8045	Transportation to City Gate	99.0		0					
26	8050	Transmission-Operation supervision and engineering	99.0		0					
27	8051	Other Gas Purchases / Gas Cost Adjustments	99.0		0					
28	8052	PGA for Commercial	99.0		0					
29	8053	PGA for Industrial	99.0		0					
30	8054	PGA for Public Authority	99.0		0					
31	8057	PGA for Transportation Sales	99.0		0					
32	8058	Unbilled PGA Costs	99.0		0					
33	8059	PGA Offset to Unrecovered Gas Cost	99.0		0					
34	8060	Excessing Gas	99.0		0					
35	8081	Gas Withdrawn From Storage - Debit	99.0		0					
36	8082	Gas Delivered to Storage	99.0		0					
37	8120	Gas Used for Other Utility Operations	99.0		0					
38	8130	Other Gas Supply Expenses	99.0		0					
39		Maintenance								
40	8190	Maint. Of Purch. Gas Meas. Sta.	99.0		0					
41		Total Other Gas Supply Expenses			0	0	0	0	0	0
42		Underground Storage:								
43		Operation								
44		Op. Sup. & Eng.	99.0		0					
45	8140	Maps & Records	99.0		0					
46	8150	Wells Expense	99.0		0					
47	8160	Lease Expenses	99.0		0					
48	8170	Compressor Station Expenses	99.0		0					
49	8180	Compressor Station Fuel & Power	99.0		0					
50	8190	Meas. & Regul. Station Expenses	99.0		0					
51	8200	Purification Expenses	99.0		0					
52	8210	Exploration & Development	99.0		0					
53	8220	Gas Losses	99.0		0					
54	8240	Other Expenses	99.0		0					
55	8250	Storage Well Royalties	99.0		0					
56	8260	Rents	99.0		0					
57		Maintenance								
58	8300	Maint. Sup. & Eng.	99.0		0					
59	8310	Structures and Improvements	99.0		0					
60	8320	Reservoir & Wells Maintenance	99.0		0					
61	8330	Line Maintenance	99.0		0					
62	8340	Compressor Station Equip. Maint.	99.0		0					
63	8350	Meas. & Regul. Station Equip. Maint.	99.0		0					
64	8360	Purification Equipment Maintenance	99.0		0					
65	8370	Other Equipment Maintenance	99.0		0					
66		Total Underground Storage Expense			0	0	0	0	0	0
67		Transmission:								
68		Operation								
69		Op. Sup. & Eng.	99.0		0					
70	8510	System Control & Load Dispatching	99.0		0					
71	8520	Communication Systems Expense	99.0		0					
72	8530	Compressor Station Labor Expense	99.0		0					
73	8540	Compressor Station Fuel Gas	99.0		0					
74	8550	Compressor Station Fuel & Power	99.0		0					
75	8560	Main Expenses	99.0		0					
76	8570	Meas. & Regul. Station Expenses	99.0		0					
77	8580	LDC Payment	99.0		0					
78	8590	LDC Payment - F&G	99.0		0					
79	8600	Other Expenses	99.0		0					
80	8610	Rents	99.0		0					
81		Maintenance								
82	8620	Maint. Sup. & Eng.	99.0		0					
83	8630	Structures and Improvements	99.0		0					
84	8640	Main	99.0		0					
85	8650	Compressor Station Equip. Maint.	99.0		0					
86	8660	Meas. & Regul. Station Equip. Maint.	99.0		0					
87	8670	Communication Equipment Maintenance	99.0		0					
88	8680	Other Equipment Maintenance	99.0		0					
89		Total Transmission Expense			0	0	0	0	0	0

Alinta Energy Corporation, Kentucky/Ark-States Division						
Class Cost of Service - Demand/Commodity Study						
Forecasted Test Period: Twelve Months Ended March 31, 2019						
ALLOCATION OF O&M EXPENSES						
93						
94	Operation					
95	Distribution					
96	8700 Supervision and Engineering	10.2 Composite of Accts. 871-879 & 886-893 - Cust	286,437	186,277	90,649	354
97	8710 Distribution Load Dispatching	89.0 -	0	0	0	0
98	8711 Out-of-phase	99.0 -	0	0	0	0
99	8720 Compressor Station Labor & Expenses	11.2 Composite of Accts. 376 & 380 - Cust	0	0	0	0
100	8740 Maint. & Services	12.2 Composite of Accts. 374-379 - Cust	0	0	0	0
101	8750 Measuring and Regulating Station Exp. - Gen	11.2 Composite of Accts. 376 & 380 - Cust	0	0	0	0
102	8770 Measuring and Regulating Sta. Exp. - City Gas	2.0 Non-Residential Bils	30,793	30,484	19	133
103	8780 Meter and House Regulator Expense	11.2 Composite of Accts. 376 & 380 - Cust	0	0	0	0
104	8790 Customer Installations Expense	13.2 Composite of Accts. 381-383 - Cust	630,879	606,850	311,251	1,335
105	8800 Other Expense	2.0 Bils	4,184	3,725	434	3
106	8810 Rents	10.2 Composite of Accts. 871-879 & 886-893 - Cust	30,860	10,224	10,977	43
107	Maintenance	10.2 Composite of Accts. 871-879 & 886-893 - Cust	73,083	45,933	25,870	101
108	8850 Maintenance Supervision and Engineering	10.2 Composite of Accts. 871-879 & 886-893 - Cust	287	164	105	0
109	8859 Maintenance of Structures and Improvements	12.2 Composite of Accts. 374-379 - Cust	0	0	0	0
110	8870 Maintenance of Meters	12.2 Composite of Accts. 374-379 - Cust	0	0	0	0
111	8890 Maintenance of compressor station equipment	99.0 -	0	0	0	0
112	8900 Maint. of Measuring and Regulating Station Equip. - General	12.2 Composite of Accts. 374-379 - Cust	0	0	0	0
113	8910 Maint. of Measuring and Regulating Station Equip. - Industrial	2.2 Non-Residential Bils	9,170	9,072	5	59
114	8920 Maint. of Measuring and Regulating Station Equip. - City Gas	12.2 Composite of Accts. 374-379 - Cust	0	0	0	0
115	8930 Maintenance of Services	14.2 Account 380 - Cust	106	95	12	0
116	8940 Maintenance of Meters and House Regulators	13.2 Composite of Accts. 381-383 - Cust	90,413	86,232	29,935	129
117	8950 Maintenance of Other Equipment	10.2 Composite of Accts. 871-879 & 886-893 - Cust	2,238	1,421	612	31
118	Total Distribution		1,438,402	893,411	510,150	1,987
119	Customer Accounts					
120	5010 Supervision	2.0 Bils	0	0	0	0
121	5020 Meter Reading Expense	2.0 Bils	421	375	46	0
122	5030 Customer Records and Collection Expenses	2.0 Bils	1,281,833	1,114,475	135,867	84
123	5040 Uncollectible Accounts	9.0 Customer Deposit Balances	0	0	0	0
124	5050 Miscellaneous Customer Accounts Expenses	2.0 Bils	622,142	221,083	136,003	4,967
125	Total Customer Accounts		3,378,268	2,804,954	483,245	5,169
126	Customer Service and Information					
127	9070 Supervision	2.0 Bils	0	0	0	0
128	9080 Customer Assistance Expenses	2.0 Bils	0	0	0	0
129	9090 Informational and Instructional Advertising Expenses	2.0 Bils	133,614	118,953	14,504	9
130	9100 Miscellaneous Customer Service and Informational Expenses	2.0 Bils	0	0	0	0
131	Total Customer Service and Information		133,614	118,953	14,504	9
132	Sales					
133	8110 Supervision	2.0 Bils	265,662	237,665	28,979	18
134	8120 Demonstrating and Selling Expenses	2.0 Bils	131,290	116,884	14,232	9
135	8130 Advertising Expenses	2.0 Bils	45,483	40,492	4,957	3
136	9160 Miscellaneous Sales Expenses	2.0 Bils	365,659	271,159	94,498	69
137	Total Sales		808,094	666,100	148,666	109
138	Administrative & General					
139	8200 Operating					
140	8201 Administrative and General Salaries	17.2 Composite of Accts. 870-802, 905-916, 924 & 928-930.1 - Cust	(486,843)	(376,954)	(104,472)	(209)
141	8202 Office Supplies and Expenses	17.2 Composite of Accts. 870-802, 905-916, 924 & 928-930.1 - Cust	1,250	868	288	8
142	8203 Administrative Expenses Transferred - Customer Support	2.0 Bils	0	0	0	0
143	8204 Administrative Expenses Transferred - General	17.2 Composite of Accts. 870-802, 905-916, 924 & 928-930.1 - Cust	5,381,868	4,176,022	1,187,069	3,418
144	8205 Outside Services Employed	17.2 Composite of Accts. 870-802, 905-916, 924 & 928-930.1 - Cust	28,876	20,817	5,769	17
145	8206 Property Insurance	0.2 Allocated Meter Plant - Cust	2,189	1,693	446	1
146	8207 Injuries and Damages	17.2 Composite of Accts. 870-802, 905-916, 924 & 928-930.1 - Cust	8,904	5,348	1,482	7
147	8208 Employee Pensions and Benefits	17.2 Composite of Accts. 870-802, 905-916, 924 & 928-930.1 - Cust	703,263	549,185	152,203	410
148	8209 Franchise Requirements	2.0 Bils	1,468	1,208	61	1
149	8210 Regulatory Commission Expenses	2.0 Bils	166,642	136,721	17,039	11
150	8301 General Advertising Expenses	2.0 Bils	0	0	0	0
151	8302 Miscellaneous General Expense	17.2 Composite of Accts. 870-802, 905-916, 924 & 928-930.1 - Cust	(4,819)	(3,823)	(1,036)	(5)
152	8310 Rents	17.2 Composite of Accts. 870-802, 905-916, 924 & 928-930.1 - Cust	(814)	(3,805)	1,033	(3)
153	Maintenance		0	0	0	0
154	8320 Maintenance of General Plant	17.2 Composite of Accts. 870-802, 905-916, 924 & 928-930.1 - Cust	0	0	0	0
155	Total A/G		6,009,982	4,817,063	1,229,054	3,690
156	TOTAL O&M EXPENSE - CUSTOMER		11,115,833	8,752,290	2,256,613	10,778

Allegheny Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Demand/Concomitant Study  
Forecasted Test Period: Twelve Months Ending March 31, 2016

**ALLOCATION OF O&M EXPENSES**

Line No.	Account No.	Description	Allocation Factor	Allocation Basis	Utility Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interservice	Transport Firm	Transport Interservice
162		Production & Gathering								
163		Operation								
164	7500	Op. Sup. & Eng.	85.0		0					
165	7510	Production Maps & Records	50.0		0					
166	7530	Field Line Expenses	99.0		0					
167	7540	Field Compressor Station Expenses	99.0		0					
168	7550	Field Compressor Sta. Fuel & Pow.	99.0		0					
169	7560	Field Meas. & Regul. Station Exp.	99.0		0					
170	7570	Purification Expenses	99.0		0					
171	7590	Other Expenses	99.0		0					
172		Maintenance								
173	7610	Maint. Sup. & Eng.	99.0		0					
174	7630	Structures and Improvements	99.0		0					
175	7640	Field Line Maintenance	99.0		0					
176	7650	Compressor Station Equip. Maint.	99.0		0					
177	7660	Meas. & Regul. Station Equip. Maint.	99.0		0					
178	7670	Purification Equipment Maintenance	99.0		0					
179	7680	Other Equipment Maintenance	99.0		0					
180	7690	Gas Processed By Others	99.0		0					
181		Total Production & Gathering			0	0	0	0	0	0
182		Other Gas Supply Expenses:								
183		Operation								
185	8001	Intercompany Gas Withdrawal Purchases	99.0		0					
186	8040	Natural Gas City Gas Purchases	99.0		0					
187	8045	Transportation to City Gate	99.0		0					
188	8050	Transmission-Operation supervision and engineering	99.0		0					
189	8051	Other Gas Purchases / Gas Cost Adjustments	99.0		0					
190	8052	PGA for Commercial	99.0		0					
191	8053	PGA for Industrial	99.0		0					
192	8054	PGA for Public Authority	99.0		0					
193	8057	PGA for Transportation Sales	99.0		0					
194	8058	Unbilled PGA Costs	99.0		0					
195	8059	PGA Offset to Unrecovered Gas Cost	99.0		0					
196	8060	Exchange Gas	99.0		0					
197	8091	Gas Withdrawn From Storage - Debit	99.0		0					
198	8082	Gas Delivered to Storage	99.0		0					
199	8120	Gas Used for Other Utility Operations	99.0		0					
200	8130	Other Gas Supply Expenses	99.0		0					
201		Maintenance								
202	8330	Maint. Of Purch. Gas Meas. Sta.	99.0		0					
203		Total Other Gas Supply Expenses			0	0	0	0	0	0
204		Underground Storage:								
205		Operation								
207	8140	Op. Sup. & Eng.	3.0 Peak Day		0					
208	8150	Maps & Records	3.0 Peak Day		0					
209	8160	Wells Expense	3.0 Peak Day		67,975	33,858	17,116	231	6,609	6,361
210	8170	Line Expense	3.0 Peak Day		17,607	8,668	4,400	59	2,217	2,153
211	8180	Compressor Station Expenses	3.0 Peak Day		17,816	8,621	4,487	61	2,206	2,191
212	8190	Compressor Station Fuel & Power	3.0 Peak Day		502	248	126	2	61	62
213	8200	Meas. & Regul. Station Expenses	3.0 Peak Day		1243	613	430	6	221	214
214	8210	Purification Expenses	3.0 Peak Day		22,987	6,430	3,271	44	1,645	1,607
215	8220	Exploration & Development	3.0 Peak Day		0					
216	8230	Gas Losses	3.0 Peak Day		0					
217	8240	Other Expenses	3.0 Peak Day		0					
218	8250	Storage Well Royalties	3.0 Peak Day		4,694	2,324	1,162	16	594	577
219	8290	Rents	3.0 Peak Day		0					
220		Maintenance								
221	8300	Maint. Sup. & Eng.	3.0 Peak Day		0					
222	8310	Structures and Improvements	3.0 Peak Day		8,124	4,022	2,048	28	1,029	996
223	8320	Reservoirs & Well Maintenance	3.0 Peak Day		0					
224	8330	Line Maintenance	3.0 Peak Day		0					
225	8340	Compressor Station Equip. Maint.	3.0 Peak Day		5,945	2,943	1,497	20	763	731
226	8350	Meas. & Regul. Station Equip. Maint.	3.0 Peak Day		0					
227	8350	Purification Equipment Maintenance	3.0 Peak Day		0					
228	8370	Other Equipment Maintenance	3.0 Peak Day		65,188	32,281	16,419	222	8,267	8,019
229		Total Underground Storage Expense			202,421	100,258	50,933	609	25,945	24,906
230		Transmission:								
231		Operation								
233	8500	Op. Sup. & Eng.	3.0 Peak Day		0					
234	8510	System Control & Load Dispatching	3.0 Peak Day		0					
235	8520	Communication Systems Expense	3.0 Peak Day		0					
236	8530	Compressor Station Labor Expense	3.0 Peak Day		0					
237	8540	Compressor Station Fuel Gas	3.0 Peak Day		0					
238	8550	Compressor Station Fuel & Power	3.0 Peak Day		287	147	75	38	37	37
239	8560	Meas. Expenses	3.0 Peak Day		255,790	126,948	64,416	870	32,305	31,462
240	8570	Meas. & Regul. Station Expenses	3.0 Peak Day		11,082	5,487	2,781	38	1,404	1,363
241	8580	LDC Payment	3.0 Peak Day		0					
242	8590	LDC Payment - ASG	3.0 Peak Day		0					
243	8590	Other Expenses	3.0 Peak Day		0					
244	8600	Rents	3.0 Peak Day		0					
245		Maintenance								
246	8610	Maint. Sup. & Eng.	3.0 Peak Day		0					
247	8620	Structures and Improvements	3.0 Peak Day		0					
248	8630	Maint.	3.0 Peak Day		3,081	1,531	776	11	392	380
249	8640	Compressor Station Equip. Maint.	3.0 Peak Day		0					
250	8650	Meas. & Regul. Station Equip. Maint.	3.0 Peak Day		412	204	104	1	32	31
251	8660	Communication Equipment Maintenance	3.0 Peak Day		0					
252	8670	Other Equipment Maintenance	3.0 Peak Day		0					
253		Total Transmission Expense			270,673	134,018	68,184	920	34,280	33,292

AEP Energy Corporation, Kentucky/RRA-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF O&M EXPENSES									
254									
255	Distribution:								
256	Overhead:								
257	8700 Supervision and Engineering	10.4	Composite of Accts. 871-879 & 886-893 - Demand	592,882	273,745	139,233	1,690	70,221	68,004
258	8710 Distribution Load Dispatching	99.0		0	0	0	0	0	0
259	8711 Outcasts	99.0		0	0	0	0	0	0
260	8720 Compressor Station Labor & Expenses	11.4	Composite of Accts. 376 & 389 - Demand	0	0	0	0	0	0
261	8740 Main & Services	12.4	Composite of Accts. 374-379 - Demand	2,009,843	892,010	504,869	6,813	293,748	246,459
262	8750 Measuring and Regulating Station Exp. - Gen	12.4	Composite of Accts. 374-379 - Demand	261,779	139,515	70,251	953	35,687	34,639
263	8770 Measuring and Regulating Station Exp. - Ind.	99.0		0	0	0	0	0	0
264	8780 Measuring and Regulating Sta. Exp. - City Gas	12.4	Composite of Accts. 374-379 - Demand	12,977	6,425	3,268	44	1,644	1,596
265	8790 Meters and House Regulator Expenses	13.4	Composite of Accts. 381-383 - Demand	0	0	0	0	0	0
266	8900 Customer Installations Expense	99.0		0	0	0	0	0	0
267	8900 Other Expense	10.4	Composite of Accts. 871-879 & 886-893 - Demand	66,728	33,039	16,824	227	8,451	8,208
268	8910 Rents	10.4	Composite of Accts. 871-879 & 886-893 - Demand	157,568	78,018	39,690	538	19,955	19,381
269	Maintenance:								
270	8950 Maintenance Supervision and Engineering	10.4	Composite of Accts. 871-879 & 886-893 - Demand	640	317	161	2	81	79
271	8960 Maintenance of Structures and Improvements	12.4	Composite of Accts. 374-379 - Demand	180	88	45	23	11	11
272	8970 Maintenance of Meters	12.4	Composite of Accts. 374-379 - Demand	17,461	8,645	4,297	59	2,211	2,146
273	8980 Maintenance of compressor station equipment	99.0		0	0	0	0	0	0
274	8990 Maint. of Measuring and Regulating Station Equip. - Genera	12.4	Composite of Accts. 374-379 - Demand	22	11	6	0	3	3
275	8990 Maint. of Measuring and Regulating Station Equip. - Industrial	99.0		0	0	0	0	0	0
276	8990 Maint. of Meters and House Regulators	14.4	Composite of Accts. 374-379 - Demand	2,427	1,217	619	6	311	302
277	8990 Maintenance of Structures	14.4	Account 380 - Demand	0	0	0	0	0	0
278	8990 Maintenance of Meters and House Regulators	13.4	Composite of Accts. 381-383 - Demand	0	0	0	0	0	0
279	8990 Maintenance of Other Equipment	10.4	Composite of Accts. 871-879 & 886-893 - Demand	4,934	2,443	1,242	17	625	607
280	Total Distribution			3,101,212	1,835,480	780,980	10,545	392,760	381,416
281	Customer Accounts:								
282	8010 Supervision	99.0		0	0	0	0	0	0
283	8020 Meter Reading Expense	99.0		0	0	0	0	0	0
284	8030 Customer Records and Collection Expenses	99.0		0	0	0	0	0	0
285	8040 Uncollectible Accounts	99.0		0	0	0	0	0	0
286	8090 Miscellaneous Customer Accounts Expenses	99.0		0	0	0	0	0	0
287	Total Customer Accounts			0	0	0	0	0	0
288	Customer Service and Information:								
289	8070 Supervision	99.0		0	0	0	0	0	0
290	8080 Customer Assistance Expenses	99.0		0	0	0	0	0	0
291	8090 Informational and Instructional Advertising Expenses	99.0		0	0	0	0	0	0
292	8100 Miscellaneous Customer Service and Informational Expenses	99.0		0	0	0	0	0	0
293	Total Customer Service and Information			0	0	0	0	0	0
294	Sales:								
295	8110 Supervision	99.0		0	0	0	0	0	0
296	8120 Demonstrating and Selling Expenses	99.0		0	0	0	0	0	0
297	8130 Advertising Expenses	99.0		0	0	0	0	0	0
298	8150 Miscellaneous Sales Expenses	99.0		0	0	0	0	0	0
299	Total Sales			0	0	0	0	0	0
300	Administrative & General:								
301	8200 Administration								
302	8200 Administrative and General Salaries	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(482,274)	(223,031)	(113,899)	(1,538)	(57,278)	(55,679)
303	8210 Office Supplies and Expenses	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	1,161	578	292	2	147	143
304	8220 Administrative Expenses Transferred - Customer Support	99.0		0	0	0	0	0	0
305	8230 Administrative Expenses Transferred - General	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	5,009,099	2,480,116	1,381,244	17,034	524,388	516,114
306	8230 Outside Services Employed	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	24,970	12,383	6,288	85	3,162	3,071
307	8240 Property Insurance	9.4	Allocated Rate (Level) - Demand	3,232	1,608	812	7	297	290
308	8250 Injuries and Damages	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	8,414	3,178	1,615	22	812	789
309	8260 Employee Payroll and Benefits	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	658,900	326,236	185,931	2,241	83,448	81,041
310	8270 Franchise Requirements	99.0		0	0	0	0	0	0
311	8280 Regulatory Commodity Expenses	99.0		0	0	0	0	0	0
312	830.1 General Advertising Expenses	99.0		0	0	0	0	0	0
313	830.2 Miscellaneous General Expense	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(4,889)	(2,270)	(1,145)	(18)	(681)	(666)
314	8310 Rents	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	4,882	2,266	1,150	16	578	552
315	8320 Maintenance			0	0	0	0	0	0
316	8330 Maintenance of General Plant	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	0	0	0	0	0	0
317	Total Admin			6,250,261	2,899,533	1,722,181	17,651	684,934	645,779
318	TOTAL O&M EXPENSE - DEMAND			8,824,657	4,369,287	2,722,218	30,069	1,117,818	1,095,421

Altoona Energy Corporation, Kentucky/MSA States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF O&M EXPENSES										
Commodity										
Line No.	Account No.	Description	Allocation Factor	Allocation Basis	Total Commodity	Residential Sales	Non-Res Sales Firm	Non-Res Sales Intermittent	Transport Firm	Transport Intermittent
323		Production & Gathering:								
324		Operation	90.0		0					
325	7500	Op. Sup. & Eng.	90.0		0					
326	7510	Production Maps & Records	90.0		0					
327	7530	Field Lines Expenses	90.0		0					
328	7540	Field Compressor Station Expense	90.0		0					
329	7550	Field Compressor Sta. Fuel & Pwr.	90.0		0					
330	7560	Field Maint. & Regul. Station Exp.	10.4	Gas Costs	0					
331	7570	Purification Expense	90.0		0					
332	7590	Other Expenses	90.0		0					
333		Maintenance:								
334	7610	Maint. Sup. & Eng.	90.0		0					
335	7620	Structures and Improvements	90.0		0					
336	7640	Field Line Maintenance	90.0		0					
337	7650	Compressor Station Equip. Maint.	90.0		0					
338	7680	Maint. & Regul. Station Equip. Maint.	90.0		0					
339	7670	Purification Equipment Maintenance	90.0		0					
340	7680	Other Equipment Maintenance	90.0		0					
341	7690	Gas Purchased By Others	90.0		0					
342		Total Production & Gathering			0	0	0	0	0	0
343		Other Gas Supply Expenses:								
344		Operation:								
345	8001	Intercompany Gas Well-head Purchases	10.4	Gas Costs	81,272	45,578	31,211	1,484		
347	8040	Natural Gas City Gate Purchases	10.4	Gas Costs	56,991,989	34,063,276	21,850,006	1,642,104		
348	8045	Transportation to City Gate	10.4	Gas Costs	0	0	0	0		
349	8050	Transmission-Operation supervision and engineering	10.4	Gas Costs	(17,632)	(10,491)	(0,740)	(321)		
350	8051	Other Gas Purchases / Gas Cost Adjustments	10.4	Gas Costs	45,436,442	27,155,697	17,449,935	830,810		
351	8052	PGA for Commercial	10.4	Gas Costs	23,451,442	14,016,386	9,056,947	28,612		
352	8053	PGA for Industrial	10.4	Gas Costs	6,473,298	3,659,056	2,465,976	118,367		
353	8054	PGA for Public Authority	10.4	Gas Costs	4,562,018	2,720,674	1,748,109	83,234		
354	8057	PGA for Transportation Sales	10.4	Gas Costs	0	0	0	0		
355	8058	Unbilled PGA Costs	10.4	Gas Costs	(1,182,255)	(705,617)	(454,021)	(21,618)		
356	8059	PGA Offset to Unrecovered Gas Cost	10.4	Gas Costs	(92,631,831)	(53,378,645)	(35,581,039)	(1,694,147)		
357	8060	Exchange Gas	10.4	Gas Costs	6,250,280	3,735,743	2,400,323	114,288		
358	8081	Gas Withdrawn From Storage - Debit	10.4	Gas Costs	15,070,658	9,007,201	5,787,570	275,561		
359	8082	Gas Delivered to Storage	10.4	Gas Costs	(17,546,751)	(10,481,437)	(6,738,470)	(320,844)		
360	8120	Gas Used for Other Utility Operations	10.4	Gas Costs	(21,939)	(13,107)	(8,422)	(401)		
361	8130	Other Gas Supply Expenses	10.4	Gas Costs	31,821,676	19,079,492	12,220,529	561,066		
362		Maintenance:								
363	8360	Maint. Of Purch. Gas Meas. Sta.	10.4	Gas Costs	0	0	0	0		
364		Total Other Gas Supply Expenses			78,709,117	47,643,269	30,226,625	1,439,203	0	0
365		Underground Storage:								
366		Operation:								
367	8140	Op. Sup. & Eng.	1.5	Winter Volumes	0	0	0	0	0	0
368	8150	Maps & Records	1.5	Winter Volumes	0	0	0	0	0	0
370	8160	Wells Expense	1.5	Winter Volumes	67,979	25,703	15,108	782	12,502	12,976
371	8170	Lease Expense	1.5	Winter Volumes	17,207	6,877	3,631	204	3,194	3,349
372	8180	Compressor Station Expense	1.5	Winter Volumes	17,416	6,999	3,960	208	3,251	3,359
373	8190	Compressor Station Fuel & Power	1.5	Winter Volumes	502	197	112	6	92	96
374	8200	Maint. & Regul. Station Expenses	1.5	Winter Volumes	1,743	681	387	28	316	332
375	8210	Purification Expenses	1.5	Winter Volumes	12,687	5,102	2,887	151	2,358	2,479
376	8220	Exploration & Development	1.5	Winter Volumes	0	0	0	0	0	0
377	8230	Gas Losses	1.5	Winter Volumes	0	0	0	0	0	0
378	8240	Other Expenses	1.5	Winter Volumes	0	0	0	0	0	0
379	8250	Storage Well Royalties	1.5	Winter Volumes	4,894	1,844	1,043	55	555	609
380	8260	Rents	1.5	Winter Volumes	0	0	0	0	0	0
381		Maintenance:								
382	8300	Maint. Sup. & Eng.	1.5	Winter Volumes	0	0	0	0	0	0
383	8310	Structures and Improvements	1.5	Winter Volumes	8,124	3,191	1,806	65	1,482	1,650
384	8320	Reservoir & Well Maintenance	1.5	Winter Volumes	0	0	0	0	0	0
385	8330	Line Maintenance	1.5	Winter Volumes	0	0	0	0	0	0
386	8340	Compressor Station Equip. Maint.	1.5	Winter Volumes	5,945	2,335	1,321	69	1,085	1,134
387	8350	Maint. & Regul. Station Equip. Maint.	1.5	Winter Volumes	0	0	0	0	0	0
388	8360	Purification Equipment Maintenance	1.5	Winter Volumes	0	0	0	0	0	0
389	8370	Other Equipment Maintenance	1.5	Winter Volumes	85,198	25,612	14,491	760	11,805	12,449
390	8370	Other Equipment Maintenance	1.5	Winter Volumes	202,491	79,544	45,056	2,393	36,844	38,636
391		Total Underground Storage Expense			202,491	79,544	45,056	2,393	36,844	38,636
392		Transmission:								
393		Operation:								
394	8500	Op. Sup. & Eng.	90.0		0					
395	8510	System Control & Load Dispatching	90.0		0					
396	8520	Communication Systems Expense	90.0		0					
397	8530	Compressor Station Labor Expense	90.0		0					
398	8540	Compressor Station Fuel Gas	90.0		0					
399	8550	Compressor Station Fuel & Power	90.0		0					
400	8560	Maint. Expenses	90.0		0					
401	8570	Maint. & Regul. Station Expenses	90.0		0					
402	8580	LDC Payment	90.0		0					
403	8590	LDC Payment - A&B	90.0		0					
404	8590	Other Expenses	90.0		0					
405	8600	Rents	90.0		0					
406		Maintenance:								
407	8610	Maint. Sup. & Eng.	90.0		0					
408	8620	Structures and Improvements	90.0		0					
409	8630	Maint.	90.0		0					
410	8640	Compressor Station Equip. Maint.	90.0		0					
411	8650	Maint. & Regul. Station Equip. Maint.	90.0		0					
412	8660	Communication Equipment Maintenance	90.0		0					
413	8670	Other Equipment Maintenance	90.0		0					
414		Total Transmission Expense			0	0	0	0	0	0

Alamos Energy Corporation, Kentucky Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF O&M EXPENSES										
416										
417	Distribution:									
418	8700	Supervision and Engineering	10.6	Composite of Accts. 871-879 & 886-903 - Comm	398,820	123,444	70,000	5,119	89,741	101,936
419	8710	Distribution Load Dispatching	1.0	Md	985	395	195	19	221	252
420	8711	Outlets	1.6	Md	2,670	827	679	34	897	693
420	8720	Compressor Station Labor & Expenses	99.0	-	0	0	0	0	0	0
421	8740	Meters A Services	12.6	Composite of Accts. 374-379 - Comm	1,441,995	449,367	285,661	16,477	322,329	358,561
422	8750	Measuring and Regulating Station Exp. - Gen	12.6	Composite of Accts. 374-379 - Comm	222,715	62,778	40,176	2,599	45,332	51,634
423	8760	Measuring and Regulating Station Exp. - Ind.	99.0	-	0	0	0	0	0	0
424	8770	Measuring and Regulating Sta. Exp. - City Grid	12.6	Composite of Accts. 374-379 - Comm	9,339	2,891	1,850	120	2,088	2,387
425	8780	Meters and House Regulator Expenses	99.0	-	0	0	0	0	0	0
426	8790	Customer Installation Expense	99.0	-	0	0	0	0	0	0
427	8800	Other Expense	10.6	Composite of Accts. 871-879 & 886-903 - Comm	49,111	14,899	9,535	617	10,759	12,302
428	8810	Rents	10.6	Composite of Accts. 871-879 & 886-903 - Comm	113,604	35,161	22,514	1,456	25,454	29,048
429		Maintenance:								
430	8850	Maintenance Supervision and Engineering	10.6	Composite of Accts. 871-879 & 886-903 - Comm	462	143	91	8	103	118
431	8860	Maintenance of Structures and Improvements	12.6	Composite of Accts. 374-379 - Comm	129	40	26	2	29	33
432	8870	Maintenance of Meters	12.6	Composite of Accts. 374-379 - Comm	12,562	3,899	2,499	161	2,859	3,212
433	8890	Maintenance of compressor station equipment	1.0	Md	0	0	0	0	0	0
434	8900	Maint. of Measuring and Regulating Station Equip. - General	12.6	Composite of Accts. 374-379 - Comm	16	5	3	0	4	4
435	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	5.0	Direct to Transport	0	0	0	0	0	0
436	8920	Maint. of Measuring and Regulating Station Equip. - City Grid	12.6	Composite of Accts. 374-379 - Comm	1,788	547	350	23	395	452
437	8930	Maintenance of Services	14.6	Account 380 - Comm	0	0	0	0	0	0
438	8940	Maintenance of Meters and House Regulators	10.6	Composite of Accts. 871-879 & 886-903 - Comm	0	0	0	0	0	0
439	8950	Maintenance of Other Equipment	10.6	Composite of Accts. 871-879 & 886-903 - Comm	3,567	1,102	705	48	795	910
440		Total Distribution			2,235,830	692,416	449,128	28,662	606,605	671,722
441		Customer Accounts:								
442		Customer Accounts:								
443	9010	Supervision	99.0	-	0	0	0	0	0	0
444	9020	Meter Reading Expense	99.0	-	0	0	0	0	0	0
445	9030	Customer Records and Collection Expenses	99.0	-	0	0	0	0	0	0
446	9040	Uncollectible Accounts	99.0	-	0	0	0	0	0	0
447	9050	Miscellaneous Customer Accounts Expenses	99.0	-	0	0	0	0	0	0
448		Total Customer Accounts			0	0	0	0	0	0
449		Customer Service and Information:								
450		Customer Service and Information:								
451	9070	Supervision	99.0	-	0	0	0	0	0	0
452	9080	Customer Assistance Expenses	99.0	-	0	0	0	0	0	0
453	9090	Informational and Instructional Advertising Expenses	99.0	-	0	0	0	0	0	0
454	9100	Miscellaneous Customer Service and Informational Expenses	99.0	-	0	0	0	0	0	0
455		Total Customer Service and Information			0	0	0	0	0	0
456		Sales:								
457		Sales:								
458	9110	Supervision	99.0	-	0	0	0	0	0	0
459	9120	Demonstrating and Selling Expenses	99.0	-	0	0	0	0	0	0
460	9130	Advertising Expenses	99.0	-	0	0	0	0	0	0
461	9160	Miscellaneous Sales Expenses	99.0	-	0	0	0	0	0	0
462		Total Sales			0	0	0	0	0	0
463		Administrative & General:								
464		Administrative & General:								
465		Operative:								
466	9200	Administrative and General Services	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	(326,069)	(100,977)	(64,622)	(4,180)	(73,916)	(83,374)
467	9210	Office Supplies and Expenses	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	837	258	166	11	187	214
468	9220	Administrative Expenses Transferred - Customer Support	99.0	-	0	0	0	0	0	0
469	9230	Administrative Expenses Transferred - General	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	3,611,334	1,118,358	715,710	48,293	807,673	923,403
470	9230	Outside Services Employed	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	18,002	5,575	3,598	231	4,026	4,603
471	9240	Property Insurance	9.6	Allocated Net Plant - Comm	1,309	428	273	17	394	568
472	9250	Injuries and Damages	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	4,824	1,432	916	59	1,034	1,192
473	9260	Employee Payments and Benefits	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	475,037	147,100	94,145	6,088	106,229	121,665
474	9270	Financial Requirements	99.0	-	0	0	0	0	0	0
475	9280	Regulatory Compliance Expenses	99.0	-	0	0	0	0	0	0
476	930.1	General Advertising Expenses	99.0	-	0	0	0	0	0	0
477	930.2	Miscellaneous General Expense	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	(3,209)	(1,024)	(653)	(42)	(739)	(849)
478	9310	Rents	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	3,291	1,018	652	42	736	842
479		Maintenance:								
480	9330	Maintenance of General Plant	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	0	0	0	0	0	0
481		Total AEG			9,785,119	1,172,172	750,153	48,200	846,433	957,636
482										
483		TOTAL O&M EXPENSE - COMMODITY			84,932,657	48,887,427	31,484,909	1,818,746	1,363,282	1,578,193

Alcoa Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Demand/Commodity Study  
Forecasted Test Period: Twelve Months Ended March 31, 2019

ALLOCATION OF O&M EXPENSES

Line No.	Account No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interservice	Transport Firm	Transport Interservice
Total O&M Expenses									
484	Production & Gathering								
485	Operation								
486	7550 Op. Sup. & Eng.			0	0	0	0	0	0
487	7510 Production Maps & Records			0	0	0	0	0	0
488	7530 Field Line Expenses			0	0	0	0	0	0
489	7540 Field Compressor Station Expense			0	0	0	0	0	0
490	7550 Field Compressor Sta. Fuel & Pow.			0	0	0	0	0	0
491	7560 Field Meas. & Regul. Station Exp.			0	0	0	0	0	0
492	7570 Purification Expense			0	0	0	0	0	0
493	7590 Other Expenses			0	0	0	0	0	0
494	Maintenance								
495	7610 Maint. Sup. & Eng.			0	0	0	0	0	0
496	7620 Structures and Improvements			0	0	0	0	0	0
497	7640 Field Line Maintenance			0	0	0	0	0	0
498	7650 Compressor Station Equip. Maint.			0	0	0	0	0	0
499	7660 Meas. & Regul. Station Equip. Maint.			0	0	0	0	0	0
500	7670 Purification Equipment Maintenance			0	0	0	0	0	0
501	7680 Other Equipment Maintenance			0	0	0	0	0	0
502	7690 Gas Processed By Others			0	0	0	0	0	0
503	Total Production & Gathering			0	0	0	0	0	0
504									
505	Other Gas Supply Expenses:								
506	Intercompany Gas Work-Order Purchases			81,272	48,575	31,211	1,488	0	0
508	Natural Gas City Gas Purchases			56,991,809	34,093,278	21,889,006	1,041,191	0	0
509	Transportation to City Gate			0	0	0	0	0	0
510	Transmission-Operation supervision and engineering			(17,552)	(10,461)	(6,740)	(321)	0	0
511	Other Gas Purchases / Gas Cost Adjustments			45,438,442	27,156,697	17,448,935	830,810	0	0
512	PGA for Commercial			23,451,445	14,016,588	9,099,047	428,512	0	0
513	PGA for Industrial			6,473,508	3,869,058	2,488,976	118,267	0	0
514	PGA for Public Authority			4,592,018	2,720,674	1,748,109	83,234	0	0
515	PGA for Transmission Sales			0	0	0	0	0	0
516	Unified PGA Costs			(1,182,295)	(708,617)	(454,671)	(21,619)	0	0
517	PGA Offset to Unrecovered Gas Cost			(82,851,831)	(51,376,649)	(35,581,038)	(1,694,147)	0	0
518	Exchange Gas			6,250,990	3,735,748	2,490,223	114,288	0	0
519	Gas Withdrawn From Storage - Debit			(15,070,859)	(9,000,591)	(5,787,070)	(276,665)	0	0
520	Gas Delivered to Storage			(17,846,751)	(10,487,437)	(6,738,479)	(320,844)	0	0
521	Gas Used for Other Utility Operations			(21,830)	(13,107)	(8,422)	(401)	0	0
522	Other Gas Supply Expenses			31,821,875	18,010,489	12,220,539	581,900	0	0
523	Maintenance								
524	6350 Maint. Of Purch. Gas Meas. Sta.			0	0	0	0	0	0
525	Total Other Gas Supply Expenses			76,769,117	47,043,289	30,226,625	1,439,263	0	0
526									
527	Underground Storage:								
528	Operation								
529	8140 Op. Sup. & Eng.			0	0	0	0	0	0
530	8150 Maps & Records			0	0	0	0	0	0
531	8180 Wells Expense			139,850	60,358	32,226	1,024	21,911	21,931
532	8170 Line Expense			35,614	15,545	8,360	281	5,111	5,694
533	8190 Compressor Station Expense			35,633	15,810	8,447	269	5,507	5,991
534	8190 Compressor Station Fuel & Power			1,003	445	238	81	155	157
535	8200 Meas. & Regul. Station Expenses			2,485	1,341	626	25	529	549
536	8210 Purification Expenses			0	0	0	0	0	0
537	8230 Exploration & Development			28,974	11,832	6,157	198	4,814	4,075
538	8250 Gas Losses			0	0	0	0	0	0
539	8240 Other Expenses			0	0	0	0	0	0
540	8290 Storage Well Royalties			9,388	4,108	2,225	71	1,451	1,473
541	8290 Rents			0	0	0	0	0	0
542	Maintenance								
543	6300 Maint. Sup. & Eng.			0	0	0	0	0	0
544	6310 Structures and Improvements			16,248	7,214	3,852	125	2,511	2,549
545	6320 Reservoirs & Well Maintenance			0	0	0	0	0	0
546	6330 Line Maintenance			0	0	0	0	0	0
547	6340 Compressor Station Equip. Maint.			11,889	5,278	2,818	90	1,637	1,895
548	6350 Meas. & Regul. Station Equip. Maint.			0	0	0	0	0	0
549	6360 Purification Equipment Maintenance			0	0	0	0	0	0
550	6370 Other Equipment Maintenance			130,387	57,893	30,910	982	20,163	20,459
551	Total Underground Storage Expense			484,691	179,602	95,999	3,048	62,889	63,542
552									
553	Transmission:								
554	Operation								
555	6500 Op. Sup. & Eng.			0	0	0	0	0	0
556	6510 System Control & Load Dispatching			0	0	0	0	0	0
557	6520 Communication Systems Expense			0	0	0	0	0	0
558	6530 Compressor Station Labor Expense			0	0	0	0	0	0
559	6540 Compressor Station Fuel Gas			0	0	0	0	0	0
560	6550 Compressor Station Fuel & Power			297	147	75	28	38	37
561	6560 Line Expense			265,920	126,649	64,416	276	32,385	31,962
562	6570 Meas. & Regul. Station Expense			11,082	5,497	2,791	38	1,404	1,363
563	6580 LDC Payment			0	0	0	0	0	0
564	6580 LDC Payment - ASG			0	0	0	0	0	0
565	6590 Other Expenses			0	0	0	0	0	0
566	6590 Rents			0	0	0	0	0	0
567	Maintenance								
568	6610 Maint. Sup. & Eng.			0	0	0	0	0	0
569	6620 Structures and Improvements			0	0	0	0	0	0
570	6630 Meas.			3,091	1,531	778	11	392	386
571	6640 Compressor Station Equip. Maint.			0	0	0	0	0	0
572	6650 Meas. & Regul. Station Equip. Maint.			412	204	104	12	32	31
573	6660 Communication Equipment Maintenance			0	0	0	0	0	0
574	6670 Other Equipment Maintenance			0	0	0	0	0	0
575	Total Transmission Expense			270,673	134,018	68,194	320	34,280	33,293

Allegheny Energy Corporation, Kentucky/Mid-States Division						
Class Cost of Service - Demand/Conformity Study						
Forecasted Test Period: Twelve Months Ended March 31, 2019						
ALLOCATION OF O&M EXPENSES						
576						
576	Operation					
576	3700	Supervision and Engineering				
580	6710	Distribution Load Dispatching	1,207,840	558,468	309,182	7,344
581	6711	Outlets	966	305	195	13
581	6720	Compressor Station Labor & Expenses	2,670	827	629	34
582	6740	Maint. & Services	0	0	0	0
583	6750	Measuring and Regulating Station Equip. - Gen	3,444,978	1,438,388	760,224	28,200
584	6760	Measuring and Regulating Station Equip. - Int	454,484	202,291	111,135	3,657
585	6770	Measuring and Regulating Sta. Exp. - City Cells	30,793	0	30,464	19
586	6780	Meters and House Regulator Expenses	22,313	9,318	5,118	184
587	6790	Customer Installation Expense	940,678	609,890	311,451	1,333
588	6800	Other Expense	4,184	3,725	1,554	0
588	6810	Rents	145,791	67,162	37,216	886
590		Maintenance	344,255	168,588	88,118	2,092
591	6850	Maintenance Supervision and Engineering	1,589	844	358	9
592	6860	Maintenance of Structures and Improvements	309	129	71	2
593	6870	Maintenance of Mains	30,623	12,838	6,487	225
594	6890	Maintenance of compressor station equipment	0	0	0	0
595	6900	Maint. of Measuring and Regulating Station Equip. - General	38	18	9	0
596	6910	Maint. of Measuring and Regulating Station Equip. - Industrial	9,170	0	8,672	6
597	6920	Maint. of Measuring and Regulating Station Equip. - City Cells	4,228	1,794	999	37
598	6930	Maintenance of Services	106	85	12	0
599	6840	Maintenance of Meters and House Regulator	30,413	50,232	29,938	128
600	6850	Maintenance of Other Equipment	10,719	4,865	2,769	68
601		Total Distribution	6,775,544	3,121,907	1,734,295	41,193
602		Customer Accounts				
604	9010	Supervision	421	378	46	0
605	9020	Meter Reading Expense	1,281,832	1,114,475	135,887	84
606	9030	Customer Readings and Collection Expenses	1,762,399	1,269,019	151,990	113
607	9040	Uncollectible Accounts	922,112	221,083	139,003	4,967
608	9050	Miscellaneous Customer Accounts Expenses	0	0	0	0
609		Total Customer Accounts	3,376,768	2,904,955	453,245	5,168
610		Customer Service and Information				
611	9070	Supervision	0	0	0	0
612	9080	Customer Assistance Expenses	0	0	0	0
613	9090	Informational and Instructional Advertising Expenses	133,614	118,953	14,804	94
614	9100	Miscellaneous Customer Service and Informational Expenses	0	0	0	0
615	9105	Miscellaneous Customer Service and Informational Expenses	0	0	0	0
616		Total Customer Service and Information	133,614	118,953	14,804	94
617		Sales				
618	9110	Supervision	285,902	237,669	20,679	16
619	9120	Demonstrating and Selling Expenses	131,290	116,881	14,252	9
620	9130	Advertising Expenses	45,483	40,492	4,937	3
621	9160	Miscellaneous Sales Expenses	68,868	77,166	6,498	89
622		Total Sales	531,543	472,208	46,366	117
623		Administrative & General				
624	9200	Supervision	1,265,185	701,872	282,590	6,026
625	9210	Office Supplies and Expenses	3,249	1,802	727	15
626	9220	Administrative Expenses Transferred - Customer Support	0	0	0	0
627	9230	Administrative Expenses Transferred - General	14,012,401	7,773,494	3,134,223	65,742
628	9240	Outside Services Employed	68,850	38,750	15,624	333
629	9250	Property Insurance	3,560	3,125	1,231	26
630	9260	Injuries and Damages	17,941	9,953	4,013	85
631	9270	Employee Pensions and Benefits	1,845,199	1,022,530	412,278	6,778
632	9280	Franchise Requirements	1,463	1,303	151	6
633	9290	Regulatory Compliance Expenses	158,842	138,721	17,636	11
634	9301	General Advertising Expenses	0	0	0	0
635	9302	Miscellaneous General Expense	12,827	7,119	2,869	61
636	9310	Rents	12,771	7,985	2,867	61
637	9320	Maintenance of General Plant	0	0	0	0
638		Total AEC	14,645,383	8,280,793	3,302,289	69,894
639		Total O&M Expense	104,873,146	62,189,004	35,943,840	1,559,524
640						
641						
642						
643						
644						

Alamos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF DEPRECIATION EXPENSE										
Customer										
Line No.	Acct No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
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	Compressor 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	36800	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	Bills	0					
59	37401	Land	2.0	Bills	0					
60	37402	Land Rights	2.0	Bills	0					
61	37403	Land Other	2.0	Bills	0					
62	37500	Structures & Improvements	2.0	Bills	0					
63	37501	Structures & Improvements T.B.	2.0	Bills	0					
64	37502	Land Rights	2.0	Bills	0					
65	37503	Improvements	2.0	Bills	0					
66	37600	Mains Cathodic Protection	2.0	Bills	0					
67	37601	Mains - Steel	2.0	Bills	0					
68	37602	Mains - Plastic	2.0	Bills	0					
69	37603	Meas. & Reg. Sta. Equip - General	2.0	Bills	0					
70	37604	Meas. & Reg. Sta. Equip - City Gate	2.0	Bills	0					
71	37605	Meas. & Reg. Sta. Equipment T.B.	2.0	Bills	0					
72	38000	Services			4,683,872	4,347,987	530,146	327	3,448	1,664
73	38100	Meters	4.0	Meter Investment	3,498,396	2,253,203	1,166,281	4,956	52,213	29,738
74	38200	Meter Installations	4.0	Meter Investment	2,355,880	1,517,344	780,012	3,337	35,161	20,025
75	38300	House Regulators	4.0	Meter Investment	369,153	237,759	122,223	523	5,510	3,138
76	38400	House Reg. Installations	4.0	Meter Investment	5,908	3,805	1,958	8	88	50
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2	Non-Residential Bills	142,017		140,498	87	914	520
78	38600	Other Prop. On Cust. Prem	99.0		0					
79										
80		Total Distribution Plant			11,255,228	8,360,058	2,733,125	8,239	97,333	55,433



Atlas Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Readiness Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF DEPRECIATION EXPENSE									
173:									
174:	Shared Services General Office:								
175:									
176:	General:								
177:									
178:	37400 Land & Land Rights	6.2	P, S, T & D Plant - Customer	0					
179:	38000 Structures & Improvements	6.2	P, S, T & D Plant - Customer	2,697	2,065	601	2	19	11
180:	36602 Structures & Improvements	6.2	P, S, T & D Plant - Customer	0					
181:	37503 Improvements	6.2	P, S, T & D Plant - Customer	0					
182:	38004 Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0					
183:	39009 Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	6,904	5,265	1,539	5	48	27
184:	39100 Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	4,477	3,427	999	3	31	18
185:	39102 Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0					
186:	39103 Office Machines	6.2	P, S, T & D Plant - Customer	0					
187:	39200 Transportation Equipment	6.2	P, S, T & D Plant - Customer	0					
188:	39201 Trucks	6.2	P, S, T & D Plant - Customer	0					
189:	39202 Trailers	6.2	P, S, T & D Plant - Customer	0					
190:	39300 Storage Equipment	6.2	P, S, T & D Plant - Customer	0					
191:	39400 Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	734	562	164	0	5	3
192:	39500 Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0					
193:	39603 Ditchers	6.2	P, S, T & D Plant - Customer	0					
194:	39604 Backhoes	6.2	P, S, T & D Plant - Customer	0					
195:	39605 Welders	6.2	P, S, T & D Plant - Customer	0					
196:	39700 Communication Equipment	6.2	P, S, T & D Plant - Customer	0					
197:	39701 Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0					
198:	39702 Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0					
199:	39705 Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0					
200:	39800 Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	28	21	6	0	0	0
201:	39900 Other Tangible Property	6.2	P, S, T & D Plant - Customer	0					
202:	39901 Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	40,852	31,273	9,165	27	285	162
203:	39902 Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	7,125	5,454	1,588	5	50	28
204:	39903 Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	0					
205:	39904 Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0					
206:	39905 Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0					
207:	39906 Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	2,079	1,591	483	1	15	8
208:	39907 Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0					
209:	39908 Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	0					
210:	39909 Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	607	618	160	1	6	3
211:	39924 Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0					
212:									
213:									
214:	Total General Plant			65,714	60,305	14,646	44	458	261
215:									
216:	Shared Services Customer Support:								
217:									
218:	General:								
219:									
220:	37400 Land & Land Rights	6.2	P, S, T & D Plant - Customer	0					
221:	38001 Structures & Improvements	6.2	P, S, T & D Plant - Customer	0					
222:	36602 Structures & Improvements	6.2	P, S, T & D Plant - Customer	15,171	11,614	3,361	10	108	60
223:	37503 Improvements	6.2	P, S, T & D Plant - Customer	0					
224:	38004 Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0					
225:	39009 Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	2,166	1,659	483	1	15	9
226:	39100 Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	3,080	2,359	687	2	21	12
227:	39102 Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0					
228:	39103 Office Machines	6.2	P, S, T & D Plant - Customer	0					
229:	39200 Transportation Equipment	6.2	P, S, T & D Plant - Customer	0					
230:	39201 Trucks	6.2	P, S, T & D Plant - Customer	13	10	3	0	0	0
231:	39202 Trailers	6.2	P, S, T & D Plant - Customer	0					
232:	39300 Storage Equipment	6.2	P, S, T & D Plant - Customer	0					
233:	39400 Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	283	217	63	0	2	1
234:	39500 Power Operated Equipment	6.2	P, S, T & D Plant - Customer	23	18	5	0	0	0
235:	39603 Ditchers	6.2	P, S, T & D Plant - Customer	0					
236:	39604 Backhoes	6.2	P, S, T & D Plant - Customer	0					
237:	39605 Welders	6.2	P, S, T & D Plant - Customer	0					
238:	39700 Communication Equipment	6.2	P, S, T & D Plant - Customer	0					
239:	39701 Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	2,812	2,153	627	2	20	11
240:	39702 Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0					
241:	39705 Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0					
242:	39800 Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	349	267	78	0	2	1
243:	39900 Other Tangible Property	6.2	P, S, T & D Plant - Customer	2,279	1,744	508	2	18	9
244:	39901 Other Tangible Property - Servers - HW	6.2	P, S, T & D Plant - Customer	20,862	15,970	4,650	14	146	83
245:	39902 Other Tangible Property - Servers - SW	6.2	P, S, T & D Plant - Customer	3,991	3,055	889	3	28	16
246:	39903 Other Tangible Property - Network - HW	6.2	P, S, T & D Plant - Customer	1,039	796	232	1	7	4
247:	39904 Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0					
248:	39905 Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0					
249:	39906 Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	2,600	1,990	579	2	18	10
250:	39907 Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	377	289	84	0	3	1
251:	39908 Other Tang. Property - Mainframe SW	6.2	P, S, T & D Plant - Customer	0					
252:	39909 Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	138,792	106,247	30,933	32	988	551
253:	39924 Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	13	10	3	0	0	0
254:									
255:									
256:	Total General Plant			193,851	148,398	43,205	128	1,352	770
257:									
258:	TOTAL DEPRECIATION EXPENSE - CUSTOMER			12,161,334	8,053,733	2,935,074	8,839	103,854	59,033

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Concomitancy Study										
Forecasted Test Period: Twelve Months Ended March 31, 2019										
ALLOCATION OF DEPRECIATION EXPENSE										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
259		Intangible Plant								
261	30100	Organization	99.0		0					
262	30200	Franchises & Consents	99.0		0					
263	30300	Misc Intangible Plant	99.0		0					
264										
265		Total Intangible Plant			0					
266										
267		Production Plant								
268										
269	32520	Producing Leaseholds	3.0	Peak Day	0					
270	32540	Rights of Ways	3.0	Peak Day	0					
271	33100	Production Gas Wells Equipment	3.0	Peak Day	0					
272	33201	Field Lines	3.0	Peak Day	0					
273	33202	Tributary Lines	3.0	Peak Day	0					
274	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0					
275	33600	Purification Equipment	3.0	Peak Day	0					
276										
277		Total Production Plant			0					
278										
279		Storage Plant								
280										
281	35010	Land	3.0	Peak Day	0					
282	35020	Rights of Way	3.0	Peak Day	6	3			1	1
283	35100	Structures and Improvements	3.0	Peak Day	150	74			38	18
284	35102	Compression Station Equipment	3.0	Peak Day	965	470			122	119
285	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	109	53			13	13
286	35104	Other Structures	3.0	Peak Day	693	442			113	110
287	35200	Wells & Rights of Way	3.0	Peak Day	71,703	35,502	18,057		244	8,819
288	35201	Well Construction	3.0	Peak Day	12,835	6,355	3,232		44	1,579
289	35202	Well Equipment	3.0	Peak Day	0					
290	35203	Cushion Gas	3.0	Peak Day	15,263	7,552	3,841		52	1,876
291	35210	Leaseholds	3.0	Peak Day	312	155	79		1	40
292	35211	Storage Rights	3.0	Peak Day	240	119	61		1	30
293	35301	Field Lines	3.0	Peak Day	723	358	182		2	92
294	35302	Tributary Lines	3.0	Peak Day	848	420	214		3	107
295	35400	Compressor Station Equipment	3.0	Peak Day	8,311	4,115	2,093		26	1,053
296	35500	Meas. & Reg. Equipment	3.0	Peak Day	1,134	562	286		4	144
297	35600	Purification Equipment	3.0	Peak Day	4,250	2,104	1,070		14	538
298										
299		Total Storage Plant			117,731	58,281	29,648		400	14,910
300										
301		Transmission								
302										
303	36510	Land & Land Rights	3.0	Peak Day	0					
304	36520	Rights of Way	3.0	Peak Day	11,541	5,714	2,908		39	1,462
305	36602	Structures & Improvements	3.0	Peak Day	872	432	220		5	110
306	36603	Other Structures	3.0	Peak Day	1,083	536	273		4	137
307	36700	Mains Cathodic Protection	3.0	Peak Day	7,946	3,934	2,001		27	1,006
308	36701	Mains - Steel	3.0	Peak Day	522,461	259,682	131,572		1,777	68,188
309	36800	Meas. & Reg. Equipment	3.0	Peak Day	15,653	7,750	3,942		53	1,982
310	36801	Meas. & Reg. Equipment	3.0	Peak Day	48,658	24,047	12,231		165	6,191
311										
312		Total Transmission Plant			608,126	301,097	153,145		2,068	77,017
313										
314		Distribution								
315										
316	37400	Land & Land Rights	3.0	Peak Day	0					
317	37401	Land	3.0	Peak Day	0					
318	37402	Land Rights	3.0	Peak Day	27,695	13,712	6,974		94	3,508
319	37403	Land Other	3.0	Peak Day	0					
320	37500	Structures & Improvements	3.0	Peak Day	4,028	1,994	1,014		14	510
321	37501	Structures & Improvements T.B.	3.0	Peak Day	1,196	592	301		4	151
322	37502	Land Rights	3.0	Peak Day	554	274	140		2	70
323	37503	Improvements	3.0	Peak Day	48	24	12		0	6
324	37600	Mains Cathodic Protection	3.0	Peak Day	602,097	298,112	151,626		2,048	78,254
325	37601	Mains - Steel	3.0	Peak Day	1,708,305	845,820	430,203		5,809	216,352
326	37602	Mains - Plastic	3.0	Peak Day	1,532,659	759,557	385,819		5,210	194,031
327	37603	Meas. & Reg. Sta. Equip - General	3.0	Peak Day	231,337	114,540	58,268		787	29,298
328	37900	Meas. & Reg. Sta. Equip - City Gate	3.0	Peak Day	84,085	41,634	21,176		285	10,650
329	37905	Meas. & Reg. Sta. Equipment T.B.	3.0	Peak Day	47,425	23,481	11,943		161	6,006
330	38000	Services	99.0		0					
331	38100	Meters	99.0		0					
332	38200	Water Installations	99.0		0					
333	38300	House Regulators	99.0		0					
334	38400	House Reg. Installations	99.0		0					
335	38500	Ind. Meas. & Reg. Sta. Equipment	99.0		0					
336	38600	Other Prep. On Cust. Prem.	99.0		0					
337										
338		Total Distribution Plant			4,238,834	2,098,742	1,067,468		14,415	536,857



Alamos Energy Corporation, KentuckyMid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2010									
ALLOCATION OF DEPRECIATION EXPENSE									
431									
432									
433									
434									
435									
436	37400	Land & Land Rights	6.4 P, S, T & D Plant - Demand	0					
437	35000	Structures & Improvements	6.4 P, S, T & D Plant - Demand	2,324	1,161	585	8	294	286
438	35602	Structures & Improvements	6.4 P, S, T & D Plant - Demand	0					
439	37503	Improvements	6.4 P, S, T & D Plant - Demand	0					
440	35004	Air Conditioning Equipment	6.4 P, S, T & D Plant - Demand	0					
441	35009	Improvement to leased Premises	6.4 P, S, T & D Plant - Demand	5,848	2,945	1,498	20	753	732
442	39100	Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	3,857	1,910	971	13	489	474
443	39102	Remittance Processing Equip	6.4 P, S, T & D Plant - Demand	0					
444	39103	Office Machines	6.4 P, S, T & D Plant - Demand	0					
445	35200	Transportation Equipment	6.4 P, S, T & D Plant - Demand	0					
446	35201	Trucks	6.4 P, S, T & D Plant - Demand	0					
447	35202	Trailers	6.4 P, S, T & D Plant - Demand	0					
448	35300	Stores Equipment	6.4 P, S, T & D Plant - Demand	0					
449	35400	Tools, Shop & Garage Equipment	6.4 P, S, T & D Plant - Demand	632	313	159	2	80	78
450	35500	Power Operated Equipment	6.4 P, S, T & D Plant - Demand	0					
451	35503	Ditchers	6.4 P, S, T & D Plant - Demand	0					
452	35604	Backhoes	6.4 P, S, T & D Plant - Demand	0					
453	35605	Welders	6.4 P, S, T & D Plant - Demand	0					
454	35700	Communication Equipment	6.4 P, S, T & D Plant - Demand	10	5	2	0	1	1
455	35701	Communication Equipment - Mobile Radios	6.4 P, S, T & D Plant - Demand	0					
456	35702	Communication Equipment - Fixed Radios	6.4 P, S, T & D Plant - Demand	0					
457	35705	Communication Equip. - Telemetering	6.4 P, S, T & D Plant - Demand	0					
458	35800	Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	24	12	6	0	3	3
459	35900	Other Tangible Property	6.4 P, S, T & D Plant - Demand	0					
460	35901	Other Tangible Property - Servers - HW	6.4 P, S, T & D Plant - Demand	35,197	17,427	8,664	120	4,458	4,328
461	35902	Other Tangible Property - Servers - SW	6.4 P, S, T & D Plant - Demand	6,139	3,039	1,516	21	777	755
462	35903	Other Tangible Property - Network - HW	6.4 P, S, T & D Plant - Demand	0					
463	35904	Other Tang. Property - CPU	6.4 P, S, T & D Plant - Demand	0					
464	35905	Other Tangible Property - MF - Hardware	6.4 P, S, T & D Plant - Demand	0					
465	35906	Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	1,791	887	451	6	227	220
466	35907	Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	0					
467	35908	Other Tang. Property - Mainframe SW	6.4 P, S, T & D Plant - Demand	0					
468	35909	Other Tang. Property - Application Software	6.4 P, S, T & D Plant - Demand	685	344	175	2	88	88
469	35924	Other Tang. Property - General Startup Costs	6.4 P, S, T & D Plant - Demand	0					
470									
471									
472		Total General Plant		56,617	28,032	14,256	193	7,170	6,964
473									
474		Shared Services Customer Support							
475									
476		General:							
477									
478	37400	Land & Land Rights	6.4 P, S, T & D Plant - Demand	0					
479	35001	Structures Frames	6.4 P, S, T & D Plant - Demand	0					
480	35602	Structures & Improvements	6.4 P, S, T & D Plant - Demand	13,071	6,472	3,262	44	1,655	1,608
481	37503	Improvements	6.4 P, S, T & D Plant - Demand	0					
482	35004	Air Conditioning Equipment	6.4 P, S, T & D Plant - Demand	0					
483	35009	Improvement to leased Premises	6.4 P, S, T & D Plant - Demand	1,866	924	470	6	239	230
484	39100	Office Furniture & Equipment	6.4 P, S, T & D Plant - Demand	2,654	1,314	668	9	336	326
485	39102	Remittance Processing Equip	6.4 P, S, T & D Plant - Demand	0					
486	39103	Office Machines	6.4 P, S, T & D Plant - Demand	0					
487	35200	Transportation Equipment	6.4 P, S, T & D Plant - Demand	11	6	3	0	1	1
488	35201	Trucks	6.4 P, S, T & D Plant - Demand	0					
489	35202	Trailers	6.4 P, S, T & D Plant - Demand	0					
490	35300	Stores Equipment	6.4 P, S, T & D Plant - Demand	0					
491	35400	Tools, Shop & Garage Equipment	6.4 P, S, T & D Plant - Demand	244	121	61	1	31	30
492	35500	Power Operated Equipment	6.4 P, S, T & D Plant - Demand	20	10	5	0	3	2
493	35503	Ditchers	6.4 P, S, T & D Plant - Demand	0					
494	35604	Backhoes	6.4 P, S, T & D Plant - Demand	0					
495	35605	Welders	6.4 P, S, T & D Plant - Demand	0					
496	35700	Communication Equipment	6.4 P, S, T & D Plant - Demand	2,423	1,200	610	8	307	298
497	35701	Communication Equipment - Mobile Radios	6.4 P, S, T & D Plant - Demand	0					
498	35702	Communication Equipment - Fixed Radios	6.4 P, S, T & D Plant - Demand	0					
499	35705	Communication Equip. - Telemetering	6.4 P, S, T & D Plant - Demand	0					
500	35800	Miscellaneous Equipment	6.4 P, S, T & D Plant - Demand	301	149	75	1	39	37
501	35900	Other Tangible Property	6.4 P, S, T & D Plant - Demand	1,963	972	494	7	249	241
502	35901	Other Tangible Property - Servers - HW	6.4 P, S, T & D Plant - Demand	17,974	8,889	4,526	61	2,276	2,211
503	35902	Other Tangible Property - Servers - SW	6.4 P, S, T & D Plant - Demand	3,438	1,702	868	12	435	423
504	35903	Other Tangible Property - Network - HW	6.4 P, S, T & D Plant - Demand	685	443	225	3	113	110
505	35904	Other Tang. Property - CPU	6.4 P, S, T & D Plant - Demand	0					
506	35905	Other Tangible Property - MF - Hardware	6.4 P, S, T & D Plant - Demand	0					
507	35906	Other Tang. Property - PC Hardware	6.4 P, S, T & D Plant - Demand	2,240	1,109	564	8	284	276
508	35907	Other Tang. Property - PC Software	6.4 P, S, T & D Plant - Demand	325	161	82	1	41	40
509	35908	Other Tang. Property - Mainframe SW	6.4 P, S, T & D Plant - Demand	0					
510	35909	Other Tang. Property - Application Software	6.4 P, S, T & D Plant - Demand	119,578	59,206	30,113	407	15,144	14,708
511	35924	Other Tang. Property - General Startup Costs	6.4 P, S, T & D Plant - Demand	11	6	3	0	1	1
512									
513									
514		Total General Plant		187,019	82,693	42,080	568	21,152	20,543
515									
516									
517		TOTAL DEPRECIATION EXPENSE - DEMAND		5,745,359	2,844,657	1,446,857	19,536	727,834	706,674

Ames Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Demand/Commodity Study  
Forecasted Test Period: Twelve Months Ended March 31, 2019

ALLOCATION OF DEPRECIATION EXPENSE

Commodity										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Intermunicipal	Transport Firm	Transport Interruptible
517		Intangible Plant								
518										
519	30100	Organization	99.0		0					
520	30200	Franchises & Consents	99.0		0					
521	30300	Misc Intangible Plant	99.0		0					
522										
523		Total Intangible Plant			0					
524										
525		Production Plant								
526										
527	32520	Producing Leaseholds	99.0		0					
528	32540	Rights of Ways	99.0		0					
529	33100	Production Gas Wells Equipment	99.0		0					
530	33201	Field Lines	99.0		0					
531	33202	Tributary Lines	99.0		0					
532	33400	Field Meas. & Reg. Sta. Equip	99.0		0					
533	33500	Purification Equipment	99.0		0					
534										
535		Total Production Plant			0					
536										
537		Storage Plant								
538										
539	35010	Land	1.5	Winter Volumes	0					
540	35020	Rights of Way	1.5	Winter Volumes	6	2	1	0	1	1
541	35100	Structures and Improvements	1.5	Winter Volumes	150	59	33	2	27	29
542	35103	Compression Station Equipment	1.5	Winter Volumes	666	379	215	11	76	84
543	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	105	42	24	1	19	20
544	35104	Other Structures	1.5	Winter Volumes	653	351	199	10	163	170
545	35200	Wells & Rights of Way	1.5	Winter Volumes	71,703	28,167	15,937	836	13,082	13,881
546	35201	Well Construction	1.5	Winter Volumes	12,835	5,042	2,853	150	2,342	2,449
547	35202	Well Equipment	1.5	Winter Volumes	0					
548	35203	Cushion Gas	1.5	Winter Volumes	15,253	5,992	3,390	178	2,783	2,910
549	35210	Leaseholds	1.5	Winter Volumes	312	123	69	4	57	60
550	35211	Storage Rights	1.5	Winter Volumes	240	84	53	3	44	46
551	35301	Field Lines	1.5	Winter Volumes	723	284	161	9	132	138
552	35302	Tributary Lines	1.5	Winter Volumes	848	333	189	10	155	162
553	35400	Compressor Station Equipment	1.5	Winter Volumes	8,311	3,265	1,847	97	1,516	1,586
554	35500	Meas & Reg. Equipment	1.5	Winter Volumes	1,134	445	252	13	207	216
555	35600	Purification Equipment	1.5	Winter Volumes	4,250	1,670	945	50	775	811
556										
557		Total Storage Plant			117,731	46,248	26,167	1,372	21,480	22,483
558										
559		Transmission								
560										
561	36510	Land & Land Rights	99.0		0					
562	36520	Rights of Way	99.0		0					
563	36602	Structures & Improvements	99.0		0					
564	36603	Other Structures	99.0		0					
565	36700	Mains Cathodic Protection	99.0		0					
566	36701	Mains - Steel	99.0		0					
567	36900	Meas. & Reg. Equipment	99.0		0					
568	36901	Meas. & Reg. Equipment	99.0		0					
569		Total Transmission Plant			0					
570										
571		Distribution								
572										
573										
574	37400	Land & Land Rights	99.0		0					
575	37401	Land	99.0		0					
576	37402	Land Rights	1.0	Mcf	19,924	6,170	3,948	255	4,455	5,095
577	37403	Land Other	99.0		0					
578	37500	Structures & Improvements	1.0	Mcf	2,697	897	574	37	648	741
579	37501	Structures & Improvements T.B.	1.0	Mcf	660	266	171	11	192	220
580	37502	Land Rights	1.0	Mcf	399	123	79	5	89	102
581	37503	Improvements	1.0	Mcf	35	11	7	0	8	9
582	37600	Mains Cathodic Protection	1.0	Mcf	433,154	134,138	85,844	5,552	96,893	110,756
583	37601	Mains - Steel	1.0	Mcf	1,228,970	380,584	243,562	15,754	274,826	314,245
584	37602	Mains - Plastic	1.0	Mcf	1,102,177	341,319	218,434	14,129	246,472	281,624
585	37603	Meas & Reg. Sta. Equip - General	1.0	Mcf	198,426	61,538	32,893	2,133	37,217	42,555
586	37600	Meas & Reg. Sta. Equip - City Gate	1.0	Mcf	60,494	18,734	11,989	775	13,528	15,468
587	37605	Meas & Reg. Sta. Equipment T.B.	1.0	Mcf	34,118	10,566	6,762	437	7,630	8,724
588	38000	Services	99.0		0					
589	38100	Meters	99.0		0					
590	38200	Meter Installations	99.0		0					
591	38300	House Regulators	99.0		0					
592	38400	House Reg. Installations	99.0		0					
593	38500	Ind. Meas. & Reg. Sta. Equipment	99.0		0					
594	38600	Other Prop. On Cust. Prem	99.0		0					
595										
596		Total Distribution Plant			3,048,455	944,346	604,363	38,080	681,828	778,738

Alamos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF DEPRECIATION EXPENSE									
587	General:								
588									
589									
600	39500	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
601	39500	Structures Frame	6.6	P, S, T & D Plant - Commodity	60,277	18,926	12,021	769	13,351
602	38001	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	1,460	453	261	19	323
603	39002	Improvements	6.6	P, S, T & D Plant - Commodity	5,890	1,878	1,193	76	1,325
604	39003	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	109	34	22	1	24
605	39004	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	21,787	6,841	4,345	278	4,826
606	39006	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	26,844	8,428	5,354	342	5,946
607	38100	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
608	38102	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
609	39103	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	7,503	2,356	1,496	96	1,662
610	39200	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
611	39201	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
612	38202	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
613	39300	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	77,526	24,341	15,461	989	17,172
614	39400	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
615	38600	Ditchers	6.6	P, S, T & D Plant - Commodity	721	226	144	9	160
616	38603	Backhoes	6.6	P, S, T & D Plant - Commodity	522	164	104	7	116
617	38604	Welders	6.6	P, S, T & D Plant - Commodity	323	101	64	4	72
618	38605	Communication Equipment	6.6	P, S, T & D Plant - Commodity	2,452	773	489	31	543
619	38700	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
620	38701	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
621	38702	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
622	38705	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	42,483	13,339	8,472	542	9,410
623	39800	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
624	39900	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	323	101	64	4	71
625	39901	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
626	39902	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	3,019	948	602	39	669
627	39903	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
628	39904	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
629	39905	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	80,138	25,182	15,982	1,022	17,750
630	39906	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
631	39907	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
632	39908	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	482	145	92	6	102
633	40600	Amortization of gas plant acquisition adjustments	6.6	P, S, T & D Plant - Commodity	11,119	3,491	2,217	142	2,463
634									
635	Total General Plant								
636					343,047	107,709	68,413	4,377	75,983
637									86,668
638	TOTAL DIRECT DEPRECIATION EXPENSE				3,510,233	1,058,303	698,833	44,836	779,390
639									
640	Kentucky Mid-States General Office:								
641									
642	Intangible Plant								
643									
644	30100	Organization	98.0	-	0	-	-	-	-
645	30200	Franchises & Consents	98.0	-	0	-	-	-	-
646	30300	Misc Intangible Plant	98.0	-	0	-	-	-	-
647									
648	Total Intangible Plant:								
649									
650	General:								
651									
652	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
653	38201	Structures Frame	6.6	P, S, T & D Plant - Commodity	542	170	108	7	120
654	38602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
655	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
656	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	127	40	25	2	28
657	39006	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
658	38100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
659	38102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
660	38103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
661	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	84	29	19	1	21
662	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
663	38202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
664	38300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
665	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	318	100	63	4	70
666	38600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	2	1	0	0	1
667	38603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
668	38604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
669	38605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
670	38700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	152	80	38	2	43
671	38701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
672	38702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
673	38705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
674	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	3,184	1,000	635	41	705
675	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
676	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
677	39902	Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
678	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
679	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
680	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
681	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
682	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	439	138	86	6	97
683	39908	Other Tang. Property - Mainframe SW	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
684	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
685	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
686									
687	Total General Plant								
688					4,887	1,538	977	62	1,065
689									1,236
690	Shared Services General Office:								

Atlas Energy Corporation, Kentucky/Mid-States Division						
Class Cost of Service - Demand/Commodity Study						
Forecasted Test Period: Twelve Months Ended March 31, 2019						
ALLOCATION OF DEPRECIATION EXPENSE						
691						
692	General:					
693						
694	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0		
695	39300 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	1,452	456	289
696	35600 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0		19
697	37500 Improvements	6.6	P, S, T & D Plant - Commodity	0		322
698	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0		366
699	39008 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	3,715	1,167	741
700	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	2,409	756	460
701	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0		47
702	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0		823
703	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	0		534
704	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0		608
705	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0		
706	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0		
707	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	395	124	79
708	39500 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0		5
709	39600 Ditchers	6.6	P, S, T & D Plant - Commodity	0		87
710	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0		100
711	39605 Welders	6.6	P, S, T & D Plant - Commodity	0		
712	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	0		
713	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	2	1
714	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0		0
715	39705 Communication Equip. - Telemetry	6.6	P, S, T & D Plant - Commodity	0		1
716	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	15	5	3
717	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0		0
718	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	21,985	6,903	4,384
719	39902 Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	3,835	1,204	765
720	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	0		49
721	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0		849
722	39905 Other Tang. Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0		988
723	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	0		
724	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	1,119	351	223
725	39908 Other Tang. Property - Mainframe SAW	6.6	P, S, T & D Plant - Commodity	0		14
726	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0		248
727	39924 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	434	136	87
728				0		6
729	Total General Plant			35,985	11,104	7,053
730						451
731	Shared Services Customer Support					7,833
732						8,924
733	General:					
734						
735						
736	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0		
737	39001 Structures Frame	6.6	P, S, T & D Plant - Commodity	0		
738	39302 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	8,165	2,584	1,628
739	37500 Improvements	6.6	P, S, T & D Plant - Commodity	0		104
740	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0		1,808
741	39008 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	1,166	366	232
742	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	1,658	520	331
743	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0		21
744	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0		367
745	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	7	2	1
746	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0		0
747	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0		2
748	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0		
749	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	152	48	30
750	39500 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	12	4	2
751	39600 Ditchers	6.6	P, S, T & D Plant - Commodity	0		0
752	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0		3
753	39605 Welders	6.6	P, S, T & D Plant - Commodity	0		3
754	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	1,513	475	302
755	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0		19
756	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0		335
757	39705 Communication Equip. - Telemetry	6.6	P, S, T & D Plant - Commodity	0		382
758	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	188	59	37
759	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	1,226	385	245
760	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	11,227	3,525	2,239
761	39902 Other Tangible Property - Servers - SW	6.6	P, S, T & D Plant - Commodity	2,148	674	428
762	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	559	178	112
763	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0		7
764	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0		124
765	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	1,398	439	279
766	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	293	84	41
767	39908 Other Tang. Property - Mainframe SAW	6.6	P, S, T & D Plant - Commodity	0		18
768	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	74,683	23,452	14,896
769	39924 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	7	2	1
770						0
771	Total General Plant			104,324	32,755	20,805
772						1,331
773	TOTAL DEPRECIATION EXPENSE - COMMODITY			3,654,818	1,143,700	727,769
774						46,684
						81,415
						925,252

Atmos Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Demand/Convenience Study  
Forecasted Test Period: Twelve Months Ended March 31, 2010

ALLOCATION OF DEPRECIATION EXPENSE

Total Depreciation Expense

Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
775			Intangible Plant						
776									
777	30100		Organization	0					
778	30200		Franchisees & Consents	0					
779	30300		Misc Intangible Plant	0					
780									
781			Total Intangible Plant	0					
782									
783			Production Plant:						
784									
785	32520		Producing Leaseholds	0					
788	32540		Rights of Ways	0					
787	33100		Production Gas Wells Equipment	0					
788	33201		Field Lines	0					
789	33202		Tributary Lines	0					
790	33400		Field Meas. & Reg. Sta. Equip	0					
791	33600		Purification Equipment	0					
792									
793			Total Production Plant	0					
794									
795			Storage Plant:						
796									
797	35010		Land	0					
798	35020		Rights of Way	12	5	3	0	2	2
799	35100		Structures and Improvements	268	133	71	2	46	47
800	35102		Compression Station Equipment	1,331	857	459	15	298	303
801	35103		Meas. & Reg. Sta. Structures	213	95	50	2	33	33
802	35104		Other Structures	1,787	783	424	13	276	280
803	35200		Wells & Rights of Way	143,405	63,669	33,984	1,080	22,163	22,500
804	35201		Well Construction	25,670	11,387	6,085	193	3,867	4,028
805	35202		Well Equipment	0					
806	35203		Cushion Gas	30,507	13,544	7,232	230	4,715	4,767
807	35210		Leaseholds	625	277	148	5	97	98
808	35211		Storage Rights	461	213	114	4	74	75
809	35301		Field Lines	1,446	642	343	11	223	227
810	35302		Tributary Lines	1,697	753	402	13	282	286
811	35400		Compressor Station Equipment	16,622	7,380	3,840	125	2,569	2,608
812	35500		Meas. & Reg. Equipment	2,268	1,007	538	17	351	356
813	35600		Purification Equipment	8,501	3,774	2,015	64	1,314	1,334
814									
815			Total Storage Plant	235,463	104,540	55,816	1,773	36,390	36,944
816									
817			Transmission:						
818									
819	36510		Land & Land Rights	0					
820	36520		Rights of Way	11,541	5,714	2,908	39	1,462	1,420
821	36602		Structures & Improvements	672	432	220	3	110	107
822	36603		Other Structures	1,063	536	273	4	137	133
823	36700		Mains Cathodic Protection	7,948	3,934	2,001	27	1,006	977
824	36701		Mains - Steel	522,461	258,662	131,572	1,777	66,188	64,262
825	36800		Meas. & Reg. Equipment	15,653	7,750	3,842	33	1,582	1,525
826	36801		Meas. & Reg. Equipment	48,668	24,047	12,231	165	6,151	5,974
827									
828			Total Transmission Plant	608,126	301,097	153,145	2,068	77,017	74,790
829									
830			Distribution:						
831									
832	37400		Land & Land Rights	0					
833	37401		Land	0					
834	37402		Land Rights	47,619	19,883	10,923	350	7,863	6,501
835	37403		Land Other	0					
836	37500		Structures & Improvements	6,925	2,891	1,588	61	1,158	1,236
837	37601		Structures & Improvements T.B.	2,056	859	472	15	344	367
838	37602		Land Rights	953	388	219	7	159	170
839	37603		Improvements	83	34	19	1	14	15
840	37600		Mains Cathodic Protection	1,035,250	492,249	237,470	7,600	173,117	184,814
841	37601		Mains - Steel	2,837,275	1,236,404	673,765	21,563	491,178	524,384
842	37602		Mains - Plastic	2,634,237	1,088,878	604,253	19,339	440,503	470,268
843	37600		Meas. & Reg. Sta. Equip - General	397,764	160,079	81,241	2,620	68,515	71,009
844	37600		Meas. & Reg. Sta. Equip - City Gate	144,584	60,368	33,185	1,061	24,178	25,811
845	37605		Meas. & Reg. Sta. Equipment T.B.	81,544	34,047	18,705	599	13,636	14,557
846	38000		Services	4,883,672	4,347,987	530,146	327	3,446	1,984
847	38100		Meters	3,498,398	2,253,203	1,158,291	4,956	52,213	29,736
848	38200		Water Installations	2,365,980	1,517,344	780,012	3,337	35,161	20,026
849	38300		House Regulators	369,153	237,759	122,223	523	5,510	3,138
850	38400		House Reg. Installations	5,908	3,805	1,956	8	88	50
851	38500		Int. Meas. & Reg. Sta. Equipment	142,017		140,496	87	914	520
852	38600		Other Prop. On Cust. Prem	0					
853									
854			Total Distribution Plant	18,543,517	11,403,186	4,404,945	62,744	1,316,098	1,356,544

Alamos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Concessions Study							
Forecasted Test Period: Twelve Months Ended March 31, 2019							
ALLOCATION OF DEPRECIATION EXPENSE							
855	General:						
856							
857							
858	39000	Land & Land Rights	0				
859	39001	Structures Frame	288,781	152,448	61,269	1,171	26,354
860	39001	Structures & Improvements	6,528	3,892	1,484	28	538
861	39002	Improvements	26,688	15,124	6,089	116	2,618
862	39003	Air Conditioning Equipment	487	276	111	2	46
863	39004	Improvement to leased Premises	97,151	55,162	22,162	423	9,526
864	39009	Office Furniture & Equipment	119,701	67,891	27,293	522	11,737
865	39100	Remittance Processing Equip	0				
866	39102	Office Machines	0				
867	39103	Transportation Equipment	33,457	18,976	7,629	148	3,280
868	39200	Trucks	0				
869	39201	Trailers	0				
870	39202	Stores Equipment	0				
871	39300	Tools, Shop & Garage Equipment	345,698	196,071	78,824	1,507	33,885
872	39400	Power Operated Equipment	0				
873	39600	Ditchers	3,213	1,623	733	14	315
874	39603	Backhoes	2,327	1,320	531	10	238
875	39604	Welders	1,441	817	328	6	141
876	39605	Communication Equipment	10,934	6,201	2,493	48	1,072
877	39700	Communication Equipment - Mobile Radios	0				
878	39701	Communication Equipment - Fixed Radios	0				
879	39702	Communication Equip. - Telemetering	0				
880	39705	Miscellaneous Equipment	189,434	107,442	43,194	826	18,574
881	39800	Other Tangible Property	0				
882	39900	Other Tangible Property - Servers - HW	1,439	816	328	6	141
883	39901	Other Tangible Property - Servers - SW	0				
884	39902	Other Tangible Property - Network - HW	13,460	7,634	3,069	59	1,320
885	39903	Other Tang. Property - CPU	0				
886	39904	Other Tangible Property - MF - Hardware	0				
887	39905	Other Tang. Property - PC Hardware	357,344	202,677	81,479	1,557	35,037
888	39906	Other Tang. Property - PC Software	0				
889	39907	Other Tang. Property - Mainframe SW	0				
890	39908	Other Tang. Property - Application Software	2,060	1,169	470	9	202
891	40600	Amortization of gas plant acquisition adjustments	49,681	28,121	11,305	216	4,861
892							
893							
894	Total General Plant		1,629,683	867,597	348,798	6,866	148,983
895							
896	TOTAL DIRECT DEPRECIATION EXPENSE		20,916,788	12,676,420	4,962,694	73,251	1,578,489
897							
898	Kentucky Mid-States General Office:						
899							
900	Intangible Plant:						
901							
902	30100	Organization	0				
903	30200	Franchises & Concessions	0				
904	30300	Misc Intangible Plant	0				
905							
906	Total Intangible Plant:		0				
907							
908	General:						
909							
910	37400	Land & Land Rights	0				
911	38001	Structures Frame	2,415	1,370	551	11	237
912	38002	Structures & Improvements	0				
913	38000	Land & Land Rights	0				
914	38004	Air Conditioning Equipment	567	321	129	2	56
915	38009	Improvement to leased Premises	0				
916	38100	Office Furniture & Equipment	0				
917	38102	Remittance Processing Equip	0				
918	38103	Office Machines	0				
919	38200	Transportation Equipment	418	237	95	2	41
920	38201	Trucks	0				
921	38202	Trailers	0				
922	38300	Stores Equipment	0				
923	38400	Tools, Shop & Garage Equipment	1,419	805	324	6	139
924	38600	Power Operated Equipment	9	6	2	0	1
925	38603	Ditchers	0				
926	38604	Backhoes	0				
927	38605	Welders	0				
928	38700	Communication Equipment	558	486	195	4	84
929	38701	Communication Equipment - Mobile Radios	0				
930	38702	Communication Equipment - Fixed Radios	0				
931	38705	Communication Equip. - Telemetering	0				
932	38900	Miscellaneous Equipment	14,197	8,052	3,237	62	1,392
933	39900	Other Tangible Property	0				
934	39901	Other Tangible Property - Servers - HW	0				
935	39902	Other Tangible Property - Servers - SW	0				
936	39903	Other Tangible Property - Network - HW	0				
937	39904	Other Tang. Property - CPU	0				
938	39905	Other Tangible Property - MF - Hardware	0				
939	39906	Other Tang. Property - PC Hardware	0				
940	39907	Other Tang. Property - PC Software	1,858	1,110	448	9	182
941	39908	Other Tang. Property - Mainframe SW	0				
942	39909	Other Tang. Property - Application Software	0				
943	39924	Other Tang. Property - General Startup Costs	0				
944							
945							
946	Total General Plant		21,836	12,366	4,979	95	2,141
947							
948	Shared Services General Office:						

Atmos Energy Corporation, Kentucky/Mid-States Division  
Class Cost of Service - Demand/Commodity Study  
Forecasted Test Period: Twelve Months Ended March 31, 2019

ALLOCATION OF DEPRECIATION EXPENSE							
949							
950	General:						
951							
952	37400 Land & Land Rights	0					
953	39500 Structures & Improvements	6,473	3,671	1,476	28	635	663
954	36602 Structures & Improvements	0					
955	37503 Improvements	0					
956	39004 Air Conditioning Equipment	0					
957	39009 Improvement to leased Premises	16,567	9,397	3,778	72	1,624	1,697
958	38100 Office Furniture & Equipment	10,743	6,099	2,450	47	1,059	1,100
959	38102 Remittance Processing Equip	0					
960	39103 Office Machines	0					
961	39200 Transportation Equipment	0					
962	39201 Trucks	0					
963	39202 Trailers	0					
964	39300 Stores Equipment	0					
965	39400 Tools, Shop & Garage Equipment	1,781	989	402	8	173	180
966	39600 Power Operated Equipment	0					
967	39603 Ditchers	0					
968	39604 Backhoes	0					
969	39605 Welders	0					
970	39700 Communication Equipment	27	15	6	0	3	3
971	39701 Communication Equipment - Mobile Radios	0					
972	39702 Communication Equipment - Fixed Radios	0					
973	39705 Communication Equip. - Telemetering	0					
974	39800 Miscellaneous Equipment	66	38	15	0	7	7
975	39900 Other Tangible Property	0					
976	39901 Other Tangible Property - Servers - HW	56,033	55,602	22,353	427	9,812	10,039
977	39902 Other Tangible Property - Servers - SAW	17,089	9,698	3,899	75	1,676	1,751
978	39903 Other Tangible Property - Network - HW	0					
979	39904 Other Tang. Property - CPU	0					
980	39905 Other Tangible Property - MF - Hardware	0					
981	39906 Other Tang. Property - PC Hardware	4,989	2,830	1,138	22	489	511
982	39907 Other Tang. Property - PC Software	0					
983	39908 Other Tang. Property - Mainframe SAW	0					
984	39909 Other Tang. Property - Application Software	1,937	1,099	442	8	190	188
985	39924 Other Tang. Property - General Startup Costs	0					
986							
987							
988	Total General Plant	157,695	89,441	35,957	687	15,482	16,149
989							
990	Shared Services Customer Support:						
991							
992	General:						
993							
994	37400 Land & Land Rights	0					
995	39001 Structures Frame	0					
996	36602 Structures & Improvements	36,407	20,649	8,301	159	3,570	3,728
997	37503 Improvements	0					
998	39004 Air Conditioning Equipment	0					
999	39009 Improvement to leased Premises	5,199	2,848	1,185	23	510	532
1000	38100 Office Furniture & Equipment	7,382	4,193	1,686	32	725	757
1001	38102 Remittance Processing Equip	0					
1002	39103 Office Machines	0					
1003	39200 Transportation Equipment	31	18	7	0	3	3
1004	39201 Trucks	0					
1005	39202 Trailers	0					
1006	39300 Stores Equipment	0					
1007	39400 Tools, Shop & Garage Equipment	679	385	155	3	67	70
1008	39600 Power Operated Equipment	55	31	13	0	5	6
1009	39603 Ditchers	0					
1010	39604 Backhoes	0					
1011	39605 Welders	0					
1012	39700 Communication Equipment	6,748	3,827	1,539	29	662	691
1013	39701 Communication Equipment - Mobile Radios	0					
1014	39702 Communication Equipment - Fixed Radios	0					
1015	39705 Communication Equip. - Telemetering	0					
1016	39800 Miscellaneous Equipment	838	476	191	4	82	86
1017	39900 Other Tangible Property	5,488	3,101	1,247	24	536	560
1018	39901 Other Tangible Property - Servers - HW	50,062	28,394	11,415	218	4,909	5,127
1019	39902 Other Tangible Property - Servers - SAW	9,577	5,432	2,184	42	939	981
1020	39903 Other Tangible Property - Network - HW	2,484	1,415	569	11	245	255
1021	39904 Other Tang. Property - CPU	0					
1022	39905 Other Tangible Property - MF - Hardware	0					
1023	39906 Other Tang. Property - PC Hardware	6,239	3,539	1,423	27	612	639
1024	39907 Other Tang. Property - PC Software	908	514	207	4	89	93
1025	39908 Other Tang. Property - Mainframe SAW	0					
1026	39909 Other Tang. Property - Application Software	333,063	188,904	75,943	1,452	32,656	34,107
1027	39924 Other Tang. Property - General Startup Costs	31	18	7	0	3	3
1028							
1029							
1030	Total General Plant	485,191	263,844	106,070	2,027	45,611	47,638
1031							
1032	TOTAL DEPRECIATION EXPENSE	21,561,512	13,042,691	5,109,889	78,061	1,842,703	1,890,858

Athos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Connectivity Study									
Forecasted Test Period, Twelve Months Ended March 31, 2019									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Customer									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Taxes Other Than Income								
2									
3	Non Revenue Related:								
4	Payroll Related	7.2	Allocated O&M Expenses - Cust	90,291	71,093	19,330	88	498	283
5	Property Related	6.2	P, S, T & D Plant - Customer	2,205,055	1,687,897	491,455	1,460	15,382	3,760
6	DOT transmission User Tax	7.2	Allocated O&M Expenses - Cust	8,721	6,867	1,770	8	48	27
7	Other	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
8	Total Non Revenue Related:			2,304,067	1,765,957	511,556	1,556	15,927	9,071
9									
10	Revenue Related:								
11	State Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
12	Local Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
13	Public Service Commission Assessment	99.0	-	0	-	-	-	-	-
14	Total Revenue Related:			0	-	-	-	-	-
15									
16	Total Taxes, Other Than Income			2,304,067	1,765,957	511,556	1,556	15,927	9,071
17									
18									
19	Interest Expense	19.2	Rate Base - Cust	3,737,333	2,922,747	775,652	2,226	23,388	13,320

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Demand									
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
20:	Taxes Other Than Income								
21:									
22:	Non Revenue Related:								
23:	7.4	Allocated O&M Expenses - Demand	71,680	35,491	18,051	244	9,078	9,817	
24:	6.4	P, S, T & D Plant - Demand	1,899,798	940,833	478,427	6,481	240,604	233,673	
25:	7.4	Allocated O&M Expenses - Demand	6,824	3,428	1,744	24	877	852	
26:	7.4	Other	0						
27:	Total Non Revenue Related:								
28:			1,978,402	979,552	498,222	6,728	250,559	243,341	
29:	Revenue Related:								
30:	99.0	State Gross Receipts - Tax	0						
31:	99.0	Local Gross Receipts - Tax	0						
32:	99.0	Public Service Commission Assessment	0						
33:	Total Revenue Related:								
34:			0						
35:	Total Taxes, Other Than Income								
36:			1,978,402	979,552	498,222	6,728	250,559	243,341	
37:									
38:	19.4	Rate Base - Demand	3,546,953	1,756,177	883,231	12,062	449,212	438,272	

Alcoa Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period, Twelve Months Ended March 31, 2019									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Commodity									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
39	Taxes Other Than Income								
40									
41	Non Revenue Related:								
42	Payroll Related	7.5	Allocated O&M Expenses - Comm	689,886	397,912	255,591	12,338	11,237	12,819
43	Property Related	6.6	P, S, T & D Plant - Commodity	1,189,679	372,980	236,658	15,140	262,842	299,448
44	OCT transmission User Tax	7.6	Allocated O&M Expenses - Comm	95,636	38,434	24,687	1,192	1,955	1,238
45	Other			0					
46	Total Non Revenue Related:	7.6	Allocated O&M Expenses - Comm	1,943,201	809,336	516,926	29,669	275,164	313,506
47									
48	Revenue Related:								
49	State Gross Receipts - Tax	68.0		0					
50	Local Gross Receipts - Tax	68.0		0					
51	Public Service Commission Assessment	1.0	Mcf	340,776	105,530	67,536	4,368	76,205	87,136
52	Total Revenue Related:			340,776	105,530	67,536	4,368	76,205	87,136
53									
54	Total Taxes, Other Than Income			2,283,976	914,467	584,462	33,037	351,369	400,641
55									
56									
57	Interest Expense	19.6	Rate Base - Comm	2,678,058	864,464	550,459	34,708	573,010	653,414

Alcoa Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Total Taxes Other									
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
58:	Taxes Other Than Income								
59:									
60:	Non Revenue Related:								
61:	Payroll Related		851,857	504,495	291,962	12,668	20,813	21,919	
62:	Property Related		5,291,532	3,001,220	1,206,541	23,061	519,628	541,892	
63:	DOT transmission User Tax		82,281	48,729	28,201	1,224	2,010	2,117	
64:	Other		0						
65:	Total Non Revenue Related:		6,225,670	3,554,445	1,526,704	36,953	541,650	568,918	
66:	Revenue Related:								
67:	State Gross Receipts - Tax		0						
68:	Local Gross Receipts - Tax		0						
70:	Public Service Commission Assessment		340,776	105,530	67,536	4,368	78,205	87,196	
71:	Total Revenue Related:		340,776	105,530	67,536	4,368	78,205	87,196	
72:									
73:	Total Taxes, Other Than Income		6,566,446	3,659,975	1,594,240	41,321	617,856	653,054	
74:									
75:									
76:	Interest Expense		9,960,341	5,543,387	2,219,343	48,996	1,045,610	1,103,006	

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2019									
ALLOCATION OF REVENUES									
Total Revenues									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Schedule Revenue:								
2									
3	Base Revenues	Input		87,642,069	51,334,630	20,685,197	420,153	7,938,800	7,263,289
4	Base Revenue Increase	Input		0					
5	Gas Costs	1.2	Sales Mcf	78,709,117	47,043,289	30,226,626	1,439,203		
6	Rider FF and Rider Tax	Input		0					
7									
8	Total Rate Schedule Revenue			166,351,186	98,377,919	50,911,821	1,859,357	7,938,800	7,263,289
9									
10	Other Revenue:								
11									
12	Forfeited Discounts	18.6	Total Rate Schedule Revenues	1,297,954	767,599	397,242	14,508	61,943	56,672
13	Misc. Service Revenues	18.6	Total Rate Schedule Revenues	805,054	476,680	245,693	9,010	38,457	35,194
14	NTB	18.2	Base Revenues	12	7	3	0		
15	Other Gas Revenue	18.2	Base Revenues	2,274,060	1,331,066	536,721	10,802	205,989	188,461
16									
17	Total Non-Rate Revenue			4,376,090	2,576,282	1,180,660	34,419	306,400	280,329
18									
19	TOTAL REVENUE			170,727,276	100,954,201	52,092,481	1,893,776	8,245,200	7,543,618

Atmos Energy Corporation, Kentucky/Mid-States Division						
Class Cost of Service - Demand/Commodity Study						
Forecasted Test Period: Twelve Months Ended March 31, 2019						
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	1,000,000	0,000,000	0,581,595	0,418,405
4.0	Mains (Peak and Average)	%	100.0000%	0.0000%	58.1595%	41.8405%
	Internally Generated	Values	330,396,364	102,494,521	132,546,613	95,355,230
4.1	Mains & Services	%	100.0000%	31.0217%	40.1175%	28.8609%
	Internally Generated	Values	613,800,752	255,779,281	220,370,504	137,650,967
5.4	P, S, T & D Plant	%	100.0000%	41.6714%	35.9026%	22.4260%
	Internally Generated	Values	493,094,193	191,478,158	180,220,416	121,395,620
5.7	Net Plant	%	100.0000%	38.8320%	36.5489%	24.6192%
	Internally Generated	Values	104,873,146	11,115,833	8,824,657	84,932,657
9.1	Allocated O&M Expenses	%	100.0000%	10.5993%	8.4146%	80.9861%
	Internally Generated	Values	5,065,381	1,075,346	2,318,459	1,671,576
10.0	Composite of Accts. 871-879 & 886-893	%	100.0000%	21.2293%	45.7707%	33.0000%
	Internally Generated	Values	248,720,031	-	144,654,371	104,065,661
12.0	Composite of Accts. 374-379	%	100.0000%	0.0000%	58.1595%	41.8405%
	Internally Generated	Values	430,095,330	161,380,950	153,160,203	115,554,177
13.0	Rate Base	%	100.0000%	37.5221%	35.6108%	26.8671%
	Internally Generated	Values	8,680,983	3,340,440	3,103,244	2,237,299
17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	%	100.0000%	38.4800%	35.7476%	25.7724%
		Values	0	0	0	0
99.0	-	%	0.0000%	0.0000%	0.0000%	0.0000%

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2019								
ALLOCATION FACTORS								
			Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1.0	Input Mcf	Value %	32,376,914 100.0000%	10,026,385 30.9677%	6,416,580 19.8184%	415,032 1.2819%	7,240,217 22.3623%	8,278,699 25.5698%
1.2	Input Sales Mcf	Value %	16,857,998 100.0000%	10,026,385 59.4755%	6,416,580 38.0625%	415,032 2.4619%	0.0000%	0.0000%
1.5	Input Winter Volumes	Value %	19,705,407 100.0000%	7,740,669 39.2830%	4,379,776 22.2263%	229,696 1.1657%	3,595,233 18.2449%	3,759,632 19.0602%
2.0	Input Bills	Value %	2,118,860 100.0000%	1,886,367 89.0274%	230,003 10.8550%	142 0.0067%	1,496 0.0706%	852 0.0402%
2.2	Input Non-Residential Bills	Value %	232,493 100.0000%	0 0.0000%	230,003 98.9290%	142 0.0611%	1,496 0.6435%	852 0.3666%
3.0	Input Peak Day	Value %	259,256 100.0000%	128,364 49.5123%	65,289 25.1831%	882 0.3401%	32,834 12.6647%	31,888 12.2899%
4.0	Input Meter Investment	Value %	42,360,723 100.0000%	27,283,141 64.4667%	14,025,285 33.1092%	60,011 0.1417%	632,224 1.4926%	360,063 0.8500%
4.2	Input Direct to Residential	Value %	1 100.0000%	1 100.0000%	0 0.0000%	0 0.0000%	0 0.0000%	0 0.0000%
4.4	Input Direct to Commercial	Value %	1 100.0000%	0 0.0000%	1 100.0000%	0 0.0000%	0 0.0000%	0 0.0000%
4.6	Input Direct to Industrial	Value %	1 100.0000%	0 0.0000%	0 0.0000%	1 100.0000%	0 0.0000%	0 0.0000%
4.8	Input Direct to Public Authority	Value %	1 100.0000%	0 0.0000%	0 0.0000%	0 0.0000%	1 100.0000%	0 0.0000%
5.0	Input Direct to Transport	Value %	0 0.0000%	0 0.0000%	0 0.0000%	0 0.0000%	0 0.0000%	0 0.0000%
6.0	Internally Generated P, S, T & D Plant	Value %	613,800,752 100.0000%	348,131,972 56.7174%	139,954,870 22.8014%	2,674,998 0.4358%	60,182,344 9.8049%	62,856,567 10.2402%
6.2	Internally Generated P, S, T & D Plant - Customer	Value %	255,779,281 100.0000%	195,802,301 76.5513%	57,007,249 22.2877%	169,358 0.0662%	1,784,223 0.6976%	1,016,149 0.3973%
6.4	Internally Generated P, S, T & D Plant - Demand	Value %	220,370,504 100.0000%	109,110,415 49.5123%	55,498,024 25.1831%	749,388 0.3401%	27,909,315 12.6647%	27,105,354 12.2899%
6.6	Internally Generated P, S, T & D Plant - Commodity	Value %	137,650,967 100.0000%	43,219,256 31.3977%	27,451,597 19.9429%	1,756,243 1.2759%	30,488,806 22.1494%	34,735,065 25.2424%
7.0	Internally Generated Allocated O&M Expenses	Value %	104,873,146 100.0000%	62,106,004 59.2230%	35,843,840 34.2796%	1,559,534 1.4871%	2,562,255 2.4432%	2,698,513 2.5731%
7.2	Internally Generated Allocated O&M Expenses - Cust	Value %	11,115,833 100.0000%	8,752,290 78.7372%	2,256,613 20.3009%	10,778 0.0970%	61,255 0.5511%	34,866 0.3139%
7.4	Internally Generated Allocated O&M Expenses - Demand	Value %	8,824,657 100.0000%	4,389,267 49.5123%	2,222,318 25.1831%	30,009 0.3401%	1,117,618 12.6647%	1,065,424 12.2899%
7.6	Internally Generated Allocated O&M Expenses - Comm	Value %	84,932,657 100.0000%	48,987,427 57.6780%	31,464,909 37.0469%	1,518,746 1.7882%	1,383,382 1.6288%	1,578,193 1.8582%
8.0	Input Customer Deposit Balances	Value %	26,564,782 100.0000%	16,218,920 61.0542%	9,977,280 37.5583%	364,381 1.3717%	2,193 0.0083%	2,007 0.0076%
9.0	Internally Generated Allocated Net Plant	Value %	493,094,193 100.0000%	277,171,576 56.2107%	109,141,058 22.1339%	2,275,982 0.4616%	50,951,031 10.3329%	53,554,545 10.8609%
9.2	Internally Generated Allocated Net Plant - Cust	Value %	191,478,158 100.0000%	149,923,705 78.2981%	39,574,847 20.6881%	112,683 0.0590%	1,189,353 0.6211%	677,359 0.3533%
9.4	Internally Generated Allocated Net Plant - Demand	Value %	180,220,416 100.0000%	89,231,199 49.5123%	45,385,005 25.1831%	612,852 0.3401%	22,824,417 12.6647%	22,166,833 12.2899%
9.6	Internally Generated Allocated Net Plant - Comm	Value %	121,395,620 100.0000%	38,016,672 31.3163%	24,181,206 19.9193%	1,550,227 1.2770%	26,937,261 22.1896%	30,710,254 25.2977%
10.0	Internally Generated Composite of Accts. 871-879 & 886-893	Value %	5,065,381 100.0000%	2,333,482 46.073%	1,296,525 25.5958%	30,767 0.6080%	583,078 13.4852%	721,498 14.2437%
10.2	Internally Generated Composite of Accts. 871-879 & 886-893 - Cust	Value %	1,075,346 100.0000%	687,912 62.1114%	381,387 35.4665%	1,485 0.1381%	15,649 1.4553%	8,912 0.8288%
10.4	Internally Generated Composite of Accts. 871-879 & 886-893 - Demand	Value %	2,318,459 100.0000%	1,147,921 49.5123%	593,859 25.1831%	7,694 0.3401%	293,626 12.6647%	285,168 12.2899%
10.6	Internally Generated Composite of Accts. 871-879 & 886-893 - Comm	Value %	1,671,576 100.0000%	517,649 30.9677%	331,279 19.8184%	21,428 1.2819%	373,803 22.3623%	427,418 25.5698%
11.0	Internally Generated Composite of Accts. 376 & 380	Value %	330,396,364 100.0000%	186,404,401 56.4184%	63,402,665 19.1900%	1,679,947 0.5085%	38,182,833 11.5589%	40,726,410 12.3265%
11.2	Internally Generated Composite of Accts. 376 & 380 - Cust	Value %	102,494,521 100.0000%	91,248,257 89.0274%	11,125,816 10.8550%	6,889 0.0067%	72,366 0.0706%	41,213 0.0402%
11.4	Internally Generated Composite of Accts. 376 & 380 - Demand	Value %	132,546,813 100.0000%	65,626,822 49.5123%	33,379,285 25.1831%	450,741 0.3401%	16,786,662 12.6647%	16,303,102 12.2899%



## SUMMARY OF ALTERNATIVE CLASS COST OF SERVICE STUDIES

Line No.		Return at Present Rates	Relative Return at Present Rates	Customer/Demand Study	
				Increase Needed for Equalized Proposed Return	Customer-Related Costs
1	Total Company	6.26%	1.00	\$ 10,416,381	\$ 28.81
2	Residential Sales	4.45%	0.71	\$ 15,622,817	\$ 26.09
3	Non-Residential Firm Sales	7.77%	1.24	\$ (58,027)	\$ 49.27
4	Non-Residential Interruptible Sales	23.86%	3.81	\$ (244,882)	\$ 232.77
5	Firm Transport	14.11%	2.25	\$ (2,693,227)	\$ 196.00
6	Interruptible Transport	13.13%	2.10	\$ (2,210,301)	\$ 191.77

Line No.		Return at Present Rates	Relative Return at Present Rates	Demand-Only Study	
				Increase Needed for Equalized Proposed Return	Customer-Related Costs
7	Total Company	6.26%	1.00	\$ 10,416,381	\$ 20.60
8	Residential Sales	5.68%	0.91	\$ 8,704,907	\$ 17.87
9	Non-Residential Firm Sales	6.26%	1.00	\$ 2,450,374	\$ 41.10
10	Non-Residential Interruptible Sales	17.28%	2.76	\$ (186,521)	\$ 227.94
11	Firm Transport	8.56%	1.37	\$ (488,379)	\$ 194.08
12	Interruptible Transport	7.84%	1.25	\$ (64,001)	\$ 193.69

Line No.		Return at Present Rates	Relative Return at Present Rates	Demand/Commodity Study	
				Increase Needed for Equalized Proposed Return	Customer-Related Costs
13	Total Company	6.26%	1.00	\$ 10,416,381	\$ 20.60
14	Residential Sales	6.55%	1.05	\$ 4,643,452	\$ 17.86
15	Non-Residential Firm Sales	6.92%	1.11	\$ 1,275,454	\$ 41.09
16	Non-Residential Interruptible Sales	7.16%	1.14	\$ 19,746	\$ 231.34
17	Firm Transport	5.53%	0.88	\$ 1,635,490	\$ 197.40
18	Interruptible Transport	4.11%	0.66	\$ 2,842,239	\$ 201.66

## SUMMARY OF ALTERNATIVE CLASS COST OF SERVICE STUDIES

## Revenue Increase Needed for Equalized Proposed Return

Line No.		Minimum	Maximum	Average Revenue Increase Indicated	Proposed Revenue Increase
		Revenue Increase Indicated	Revenue Increase Indicated		
1	Total Company	\$ 10,416,381	\$ 10,416,381	\$ 10,416,381	\$ 10,416,024
2	Residential Sales	\$ 4,643,452	\$ 15,622,817	\$ 9,657,059	\$ 5,675,759
3	Non-Residential Firm Sales	\$ (58,027)	\$ 2,450,374	\$ 1,222,600	\$ 2,466,261
4	Non-Residential Interruptible Sales	\$ (244,882)	\$ 19,746	\$ (137,219)	\$ 54,886
5	Firm Transport	\$ (2,693,227)	\$ 1,635,490	\$ (515,372)	\$ 1,208,356
6	Interruptible Transport	\$ (2,210,301)	\$ 2,842,239	\$ 189,312	\$ 1,010,762

## Customer-Related Costs at Equalized Proposed Return

	Minimum	Maximum	Average Customer-	Proposed
	Customer-Related Cost Indicated	Customer-Related Cost Indicated	Related Cost Indicated	Customer-Related Cost
7 Total Company	\$ 20.60	\$ 28.81	\$ 23.34	-
8 Residential Sales	\$ 17.86	\$ 26.09	\$ 20.61	\$ 20.50
9 Non-Residential Firm Sales	\$ 41.09	\$ 49.27	\$ 43.82	\$ 52.50
10 Non-Residential Interruptible Sales	\$ 227.94	\$ 232.77	\$ 230.69	\$ 400.00
11 Firm Transport	\$ 194.08	\$ 197.40	\$ 195.82	\$ 400.00
12 Interruptible Transport	\$ 191.77	\$ 201.66	\$ 195.71	\$ 400.00