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June 19, 2018

Gwen Pinson
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

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

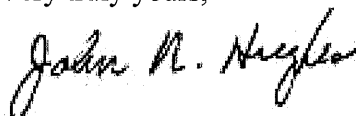
Dear Ms. Pinson:

Atmos Energy Corporation submits its responses to the Commission's rehearing data requests.

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 and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

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

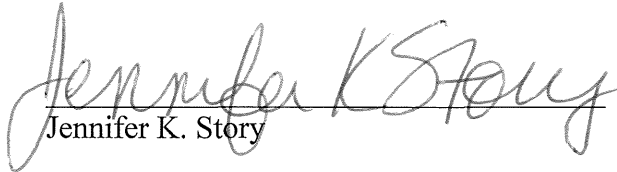
Attorneys for Atmos Energy
Corporation

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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

AFFIDAVIT

The Affiant, Jennifer K. Story, being duly sworn, deposes and states that the attached responses to Commission Staff's first request for information on rehearing are true and correct to the best of her knowledge and belief.


Jennifer K. Story

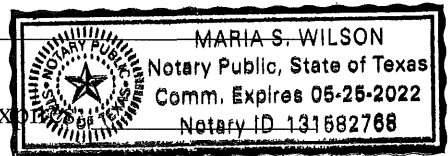
STATE OF TEXAS
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Jennifer K. Story on this the 19 day of June, 2018.



Notary Public

My Commission Expires



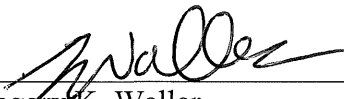
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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

AFFIDAVIT

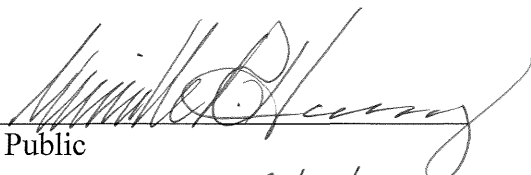
The Affiant, Gregory K. Waller, being duly sworn, deposes and states that the attached responses to Commission Staff's first request for information on rehearing are true and correct to the best of his knowledge and belief.



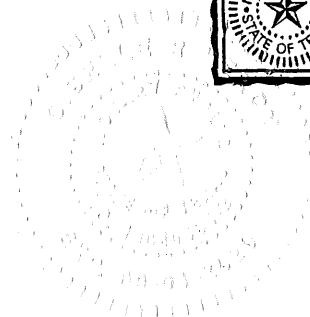
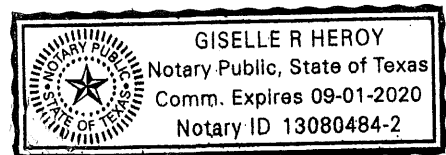
Gregory K. Waller

STATE OF Texas
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Gregory K. Waller on this the 19th day of June, 2018.



Notary Public
My Commission Expires: 9/01/20



Case No. 2017-00349
Atmos Energy Corporation, Kentucky Division
Staff Rehearing DR Set No. 1
Question No. 1-01
Page 1 of 1

REQUEST:

Refer to Atmos's response to the Attorney General's Post-Hearing Request for Information, Item 4, Attachment 1. In the same format, provide the excess accumulated deferred income taxes ("ADIT") excluding the gross-up used in the regulatory liability. Provide this response in Excel spreadsheet format, with formulas intact and unprotected, and all rows and columns accessible.

RESPONSE:

Please see Attachment 1.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Staff Rehearing_1-01_Att1 - Kentucky Regulatory Liability Analysis.xlsx, 2 Pages.

Respondent: Jennifer Story

Atmos Energy Corporation
Kentucky Regulatory Liability Analysis
Staff Rehearing Request Set 1
Attachment 1

Code	Reg Liability Category	Name	Kentucky Direct Regulated Liability Excl Gross Up			Regulatory Liability Excluding Gross Up from 002			Regulatory Liability Excluding Gross Up from 012			Regulatory Liability Excluding Gross Up from 091		
			Property	Non-Property	Total	Property	Non-Property	Total	Property	Non-Property	Total	Property	Non-Property	Total
ACC03	Non-Property	Directors Deferred Bonus	0	0	0	0	(3,586)	(3,586)	0	0	0	0	0	0
ACC04	Non-Property	MIP / VPP Accrual	0	9,703	9,703	0	(30,146)	(30,146)	0	17,365	17,365	0	(12,404)	(12,404)
ACC08	Non-Property	Self Insurance - Adjustment	0	0	0	0	(52,289)	(52,289)	0	0	0	0	0	0
ACC11	Non-Property	Vacation Accrual	0	0	0	0	(295)	(295)	0	(224)	(224)	0	944	944
ACC12	Non-Property	Worker's Comp Insurance Reserve	0	0	0	0	(2,231)	(2,231)	0	0	0	0	(79,315)	(79,315)
CAP01	Non-Property	Customer Advances	0	(108,649)	(108,649)	0	0	0	0	0	0	0	0	0
DTE09	Non-Property	Deferred Expense Projects	0	4,666	4,666	0	0	0	0	0	0	0	0	0
DVA05	Non-Property	RAR 91/93 Bond Cost Amortized	0	0	0	0	0	0	0	0	0	0	(5,549)	(5,549)
DVA18	Non-Property	DIG on Fixed Assets - UCG Storage	0	0	0	0	0	0	0	0	0	0	218,603	218,603
DVA26	Non-Property	RAR 86/90 Lease Expense Amortization	0	0	0	0	0	0	0	0	0	0	29,683	29,683
FXA01	Property	Fixed Asset Cost Adjustment	34,697,831	0	34,697,831	649,641	0	649,641	773,250	0	773,250	316,106	0	316,106
FXA02	Property	Depreciation Adjustment	6,741,636	0	6,741,636	(110,787)	0	(110,787)	(225,371)	0	(225,371)	(80,255)	0	(80,255)
FXA13	Property	Section 481(a) Cushion Gas	0	0	0	(10,657)	0	(10,657)	0	0	0	0	0	0
FXA14	Property	Section 481(a) Line Pack Gas	0	0	0	(1,293)	0	(1,293)	0	0	0	0	0	0
FXA26	Property	CWIP	99,173	0	99,173	1,731	0	1,731	15,301	0	15,301	(15,481)	0	(15,481)
FXA46	Property	Section 481(a) TPR	111,387	0	111,387	0	0	0	0	0	0	0	0	0
FXA47	Property	RWIP	310,134	0	310,134	77	0	77	3	0	3	51	0	51
GCA01	Non-Property	Deferred Gas Costs	0	1,525,445	1,525,445	0	0	0	0	0	0	0	0	0
GCA03	Non-Property	Over Recoveries of PGA	0	(573,082)	(573,082)	0	0	0	0	0	0	0	0	0
NBP03	Non-Property	SEBP Adjustment	0	0	0	0	(508,125)	(508,125)	0	0	0	0	(264,316)	(264,316)
NBP05	Non-Property	Restricted Stock Grant Plan	0	0	0	0	(26,857)	(26,857)	0	0	0	0	0	0
NBP06	Non-Property	Rabbi Trust	0	0	0	0	(27,990)	(27,990)	0	0	0	0	0	0
NBP13	Non-Property	Restricted Stock - MIP	0	0	0	0	(267,870)	(267,870)	0	0	0	0	0	0
NBP16	Non-Property	Director's Stock Awards	0	0	0	0	(134,722)	(134,722)	0	0	0	0	0	0
NTE11	Non-Property	UNICAP Section 263A Costs	0	0	0	0	0	0	0	0	0	0	(271,101)	(271,101)
ONT02	Non-Property	Allowance for Doubtful Accounts	0	(74,971)	(74,971)	0	(0)	(0)	0	0	0	0	(4,468)	(4,468)
ONT03	Non-Property	Clearing Account - Adjustment	0	0	0	0	26,556	26,556	0	0	0	0	0	0
ONT04	Non-Property	Charitable Contribution Carryover	0	0	0	0	(147,036)	(147,036)	0	0	0	0	0	0
ONT21	Non-Property	Union Gas - Non-Compete	0	0	0	0	0	0	0	0	0	0	(76,030)	(76,030)
ONT31	Non-Property	Prepayments	0	30,188	30,188	0	115,246	115,246	0	9,738	9,738	0	0	0
ONT52	Non-Property	WACOG to FIFO Adjustment	0	0	0	0	0	0	0	0	0	0	(6,961)	(6,961)
ONT61	Non-Property	Federal and State Tax Interest	0	0	0	0	(14,145)	(14,145)	0	0	0	0	0	0
PEN01	Non-Property	Pension Expense	0	0	0	0	254,215	254,215	0	0	0	0	0	0
PRB01	Non-Property	FAS 106 Adjustment	0	0	0	0	(180,464)	(180,464)	0	0	0	0	(43,526)	(43,526)
RGL04	Non-Property	Regulatory Liability - UCGC 109	0	0	0	0	0	0	0	0	0	0	48,919	48,919
RGL05	Non-Property	Regulatory Liability - UCGC Rate	0	0	0	0	0	0	0	0	0	0	(3,898)	(3,898)
TAX02OT	Non-Property	Federal Net Operating Loss - Other	0	0	0	0	(171,933)	(171,933)	0	0	0	0	0	0
TAX02U	Property	Federal Net Operating Loss - Regulated Entities	0	0	0	(15,064,023)	0	(15,064,023)	0	0	0	0	0	0
TAX04	Non-Property	State Net Operating Loss	0	361,760	361,760	0	0	0	0	0	0	0	0	0
TAX05	Non-Property	Federal FAS 115 Adjustment	0	0	0	0	77,502	77,502	0	0	0	0	0	0
TAX40	Non-Property	Federal Treasury Lock Adj - Realized	0	0	0	0	(194,958)	(194,958)	0	0	0	0	0	0
TAX41	Non-Property	Federal Treasury Lock Adj - Unrealized	0	0	0	0	(1,068,284)	(1,068,284)	0	0	0	0	0	0
TAX05	Property	State Bonus Depredation	656,976	0	656,976	0	0	0	0	0	0	0	0	0
TAX39	Non-Property	State Enterprise Zone ITC	0	0	0	0	13,346	13,346	0	0	0	0	0	0
TAX37	Non-Property	State Valuation Allowance	0	0	0	0	(877)	(877)	0	0	0	0	0	0
Total			42,617,137	1,175,059	43,792,196	(14,535,311)	(2,344,943)	(16,880,255)	563,183	26,879	590,062	220,421	(469,418)	(248,997)

Atmos Energy Corporation
 Kentucky Regulatory Liability Analysis
 Staff Rehearing Request Set 1
 Attachment 1

Code	Reg Liability Category	Name	Total Regulatory Liability Excluding Gross Up			Gross Up				Total Regulatory Liability Including Gross Up		
			Property	Non-Property	Total	Property	Non-Property	Total	Factor	Property	Non-Property	Total
ACC03	Non-Property	Directors Deferred Bonus	0	(3,586)	(3,586)	0	(1,060)	(1,060)	29.56221%	0	(4,646)	(4,646)
ACC04	Non-Property	MIP / VPP Accrual	0	(15,482)	(15,482)	0	(4,577)	(4,577)	29.56221%	0	(20,059)	(20,059)
ACC08	Non-Property	Self Insurance - Adjustment	0	(52,289)	(52,289)	0	(15,458)	(15,458)	29.56221%	0	(67,747)	(67,747)
ACC11	Non-Property	Vacation Accrual	0	425	425	0	126	126	29.56221%	0	551	551
ACC12	Non-Property	Worker's Comp Insurance Reserve	0	(81,545)	(81,545)	0	(24,107)	(24,107)	29.56221%	0	(105,652)	(105,652)
CAPO1	Non-Property	Customer Advances	0	(108,649)	(108,649)	0	(32,119)	(32,119)	29.56221%	0	(140,768)	(140,768)
DTE09	Non-Property	Deferred Expense Projects	0	4,666	4,666	0	1,379	1,379	29.56221%	0	6,046	6,046
DVA05	Non-Property	RAR 91/93 Bond Cost Amortized	0	(5,549)	(5,549)	0	(1,640)	(1,640)	29.56221%	0	(7,189)	(7,189)
DVA18	Non-Property	DIG on Fixed Assets - UCG Storage	0	218,603	218,603	0	64,624	64,624	29.56221%	0	283,227	283,227
DVA26	Non-Property	RAR 86/90 Lease Expense Amortization	0	29,683	29,683	0	8,775	8,775	29.56221%	0	38,459	38,459
FXA01	Property	Fixed Asset Cost Adjustment	36,436,828	0	36,436,828	10,771,531	0	10,771,531	29.56221%	47,208,360	0	47,208,360
FXA02	Property	Depreciation Adjustment	6,325,223	0	6,325,223	1,869,876	0	1,869,876	29.56221%	8,195,099	0	8,195,099
FXA13	Property	Section 481(a) Cushion Gas	(10,657)	0	(10,657)	(3,150)	0	(3,150)	29.56221%	(13,808)	0	(13,808)
FXA14	Property	Section 481(a) Line Pack Gas	(1,293)	0	(1,293)	(382)	0	(382)	29.56221%	(1,675)	0	(1,675)
FXA26	Property	CWIP	100,724	0	100,724	29,776	0	29,776	29.56221%	130,501	0	130,501
FXA46	Property	Section 481(a) TPR	111,387	0	111,387	32,929	0	32,929	29.56221%	144,316	0	144,316
FXA47	Property	RWIP	310,265	0	310,265	91,721	0	91,721	29.56221%	401,986	0	401,986
GCA01	Non-Property	Deferred Gas Costs	0	1,525,445	1,525,445	0	450,955	450,955	29.56221%	0	1,976,400	1,976,400
GCA03	Non-Property	Over Recoveries of PGA	0	(573,082)	(573,082)	0	(169,416)	(169,416)	29.56221%	0	(742,498)	(742,498)
NBP03	Non-Property	SEBP Adjustment	0	(772,441)	(772,441)	0	(228,351)	(228,351)	29.56221%	0	(1,000,792)	(1,000,792)
NBP05	Non-Property	Restricted Stock Grant Plan	0	(26,857)	(26,857)	0	(7,939)	(7,939)	29.56221%	0	(34,796)	(34,796)
NBP06	Non-Property	Rabbi Trust	0	(27,990)	(27,990)	0	(8,274)	(8,274)	29.56221%	0	(36,265)	(36,265)
NBP13	Non-Property	Restricted Stock - MIP	0	(267,870)	(267,870)	0	(79,188)	(79,188)	29.56221%	0	(347,058)	(347,058)
NBP16	Non-Property	Director's Stock Awards	0	(134,722)	(134,722)	0	(39,827)	(39,827)	29.56221%	0	(174,549)	(174,549)
NTE11	Non-Property	UNICAP Section 263A Costs	0	(271,101)	(271,101)	0	(80,144)	(80,144)	29.56221%	0	(351,245)	(351,245)
ONT02	Non-Property	Allowance for Doubtful Accounts	0	(79,439)	(79,439)	0	(23,484)	(23,484)	29.56221%	0	(102,923)	(102,923)
ONT03	Non-Property	Clearing Account - Adjustment	0	26,556	26,556	0	7,851	7,851	29.56221%	0	34,407	34,407
ONT04	Non-Property	Charitable Contribution Carryover	0	(147,036)	(147,036)	0	(43,467)	(43,467)	29.56221%	0	(190,503)	(190,503)
ONT21	Non-Property	Union Gas - Non-Compete	0	(76,030)	(76,030)	0	(22,476)	(22,476)	29.56221%	0	(98,506)	(98,506)
ONT31	Non-Property	Prepayments	0	155,172	155,172	0	45,872	45,872	29.56221%	0	201,044	201,044
ONT52	Non-Property	WACOG to FIFO Adjustment	0	(6,961)	(6,961)	0	(2,058)	(2,058)	29.56221%	0	(9,019)	(9,019)
ONT61	Non-Property	Federal and State Tax Interest	0	(14,145)	(14,145)	0	(4,182)	(4,182)	29.56221%	0	(18,326)	(18,326)
PEN01	Non-Property	Pension Expense	0	254,215	254,215	0	75,152	75,152	29.56221%	0	329,367	329,367
PRB01	Non-Property	FAS 106 Adjustment	0	(223,990)	(223,990)	0	(66,216)	(66,216)	29.56221%	0	(290,206)	(290,206)
RGL04	Non-Property	Regulatory Liability - UCGC 109	0	48,919	48,919	0	14,461	14,461	29.56221%	0	63,380	63,380
RGL05	Non-Property	Regulatory Liability - UCGC Rate	0	(3,898)	(3,898)	0	(1,152)	(1,152)	29.56221%	0	(5,050)	(5,050)
TAX02OT	Non-Property	Federal Net Operating Loss - Other	0	(171,933)	(171,933)	0	(50,827)	(50,827)	29.56221%	0	(222,760)	(222,760)
TAX02U	Property	Federal Net Operating Loss - Regulated Entities	(15,064,023)	0	(15,064,023)	(4,453,258)	0	(4,453,258)	29.56221%	(19,517,281)	0	(19,517,281)
TAX04	Non-Property	State Net Operating Loss	0	361,760	361,760	0	106,944	106,944	29.56221%	0	468,704	468,704
TAX06	Non-Property	Federal FAS 115 Adjustment	0	77,502	77,502	0	22,911	22,911	29.56221%	0	100,413	100,413
TAX40	Non-Property	Federal Treasury Lock Adj - Realized	0	(194,958)	(194,958)	0	(57,634)	(57,634)	29.56221%	0	(252,592)	(252,592)
TAX41	Non-Property	Federal Treasury Lock Adj - Unrealized	0	(1,068,284)	(1,068,284)	0	(315,808)	(315,808)	29.56221%	0	(1,384,092)	(1,384,092)
TAX05	Property	State Bonus Depreciation	656,976	0	656,976	194,217	0	194,217	29.56221%	851,193	0	851,193
TAX39	Non-Property	State Enterprise Zone ITC	0	13,346	13,346	0	3,945	3,945	29.56221%	0	17,291	17,291
TAX37	Non-Property	State Valuation Allowance	0	(877)	(877)	0	(259)	(259)	29.56221%	0	(1,136)	(1,136)
Total			28,865,430	(1,612,423)	27,253,007	8,533,259	(476,668)	8,056,591	29.56221%	37,398,689	(2,089,091)	35,309,598

amount per 12.31.2017 general ledger A2530-27909
 Difference due to rounding
 2

Case No. 2017-00349
Atmos Energy Corporation, Kentucky Division
Staff Rehearing DR Set No. 1
Question No. 1-02
Page 1 of 1

REQUEST:

Refer to Atmos's Petition for Rehearing ("Petition") at 1, which states, "[t]he clarification of this adjustment has no effect on the revenue requirement allowed or on the rates approved in the order." Refer also to the Petition at 2, which states, "[t]he use of \$1.981 M in the revenue requirement calculation has no significant impact on the allowed rates." Explain the reasoning behind these statements.

RESPONSE:

The Company included \$1,471,233 for the amortization of the regulatory liability established for excess ADIT as confirmed in the Company's response to Staff Rehearing DR No. 1-03. As stated in the Petition for Rehearing and illustrated in the Company's response to Staff Rehearing DR No. 1-01, that amount included the gross up for taxes. It is the Company's understanding that, as part of the overall revenue requirement and resulting rates included in the Commission's May 3, 2018 Order, the Commission accepted the Company's proposed amortization of estimated excess ADIT and applied the gross-up factor to it (Order at p. 13). Because the \$1,471,233 already included the gross-up, the result of the Commission's calculation is to include the gross-up on that amount twice. However, because the revenue requirement model used to calculate overall revenue requirement properly synchronizes income tax expense to rate base and operating income, the effect is negligible. As the model synchronizes income tax expense, the gross-up that is included twice is offset by current income tax expense. Therefore, the Company is not requesting a review of the rates ordered by the Commission but rather a clarification that \$1,471,233 is the appropriate amortization of the regulatory liability established for excess ADIT only.

Respondent: Greg Waller

Case No. 2017-00349
Atmos Energy Corporation, Kentucky Division
Staff Rehearing DR Set No. 1
Question No. 1-03
Page 1 of 1

REQUEST:

Confirm that \$1,471,233 is the amortization of the regulatory liability established for excess ADIT.

RESPONSE:

Confirmed.

Respondent: Jennifer Story

Case No. 2017-00349
Atmos Energy Corporation, Kentucky Division
Staff Rehearing DR Set No. 1
Question No. 1-04
Page 1 of 1

REQUEST:

Provide the gross-up factor used to calculate the regulatory liability for excess ADIT.

RESPONSE:

The regulatory liability recorded on the Company's general ledger in account 2530-27909 includes the tax gross up for the excess accumulated deferred income taxes ("EDIT"). This gross up is calculated based on the blended federal and state tax rate of 22.817% used to value the ADIT as of December 31, 2017. The resulting gross up factor used is 1.2956221.

Respondent: Jennifer Story