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April 6, 2018

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

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

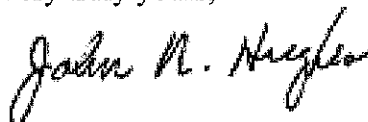
Dear Ms. Pinson:

Atmos Energy Corporation submits its response to the Attorney General's post-hearing request for information.

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

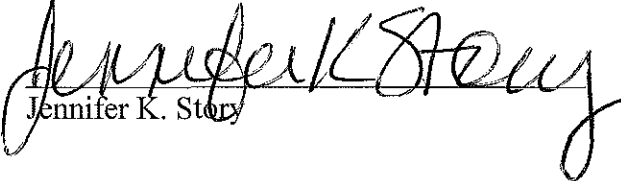
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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


AFFIDAVIT

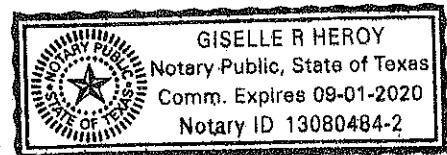
The Affiant, Jennifer K. Story, being duly sworn, deposes and states that the attached responses to the Office of the Attorney General's post-hearing first request for information are true and correct to the best of her knowledge and belief.


Jennifer K. Story

STATE OF Texas
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Jennifer K. Story on this the 6th day of April, 2018.


Notary Public
My Commission Expires: 9/01/2020



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 the Office of the Attorney General's post-hearing first request for information are true and correct to the best of his knowledge and belief.



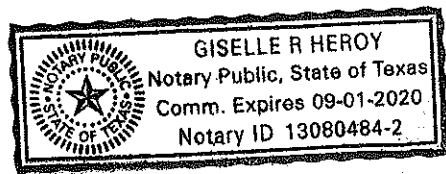
Gregory K. Waller

STATE OF Texas
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Gregory K. Waller on this the 3rd day of April, 2018.



Notary Public
My Commission Expires: 9/01/2020



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, Dane A. Watson, being duly sworn, deposes and states that the attached responses to the Office of the Attorney General's post-hearing first request for information are true and correct to the best of his knowledge and belief.

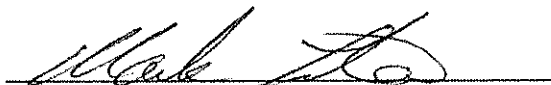


Dane A. Watson

STATE OF TEXAS
COUNTY OF COLLIN

SUBSCRIBED AND SWORN to before me by Dane A. Watson on this the 4th day of April, 2018.




Notary Public

My Commission Expires: 07-01-2019

Case No. 2017-00349
Atmos Energy Corporation, Kentucky Division
AG Post-Hearing DR Set No. 1
Question No. 1-01
Page 1 of 1

REQUEST:

Video transcript of Evidence ["VTE"] at 9:21. Referring to AG Exhibit 2, pg. 3, line 99, provide the actual ROE being earned during the base period and the updated projected ROE for the forecasted period, using Kentucky-specific numbers if available.

RESPONSE:

Please see Attachment 1. Attachment 1 contains calculations for both the required base period update (with pre-Tax Reform amounts) as well as the ROE calculations submitted by the Company as part of rebuttal testimony in Exhibit GKW-R-1 (post-Tax Reform amounts). The base and test period numbers on the updated Schedule K are Kentucky specific while the historical years continue to be for Atmos Energy Corporation.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG Post-Hearing_1-01_Att1 - Base and Forecast Return.xlsx, 8 Pages.

Respondent: Greg Waller

Atrnos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2017-00349
13 Month Average Capital Structure
Base Period: Twelve Months Ended December 31, 2017
Forecasted Test Period: Twelve Months Ended March 31, 2019

Data: Base Period Forecasted Period
Type of Filing: Original Updated Revised
Workpaper Reference No(s):

FR 16(8)(j)
Schedule J-1
Witness: Christian

PROPOSED RATES

Line No.	Class of Capital	Workpaper Reference (A)	Base Period			Forecasted Period				
			Amount (B) \$000	Percent of Total (C) %	Cost Rate (D) %	Weighted Cost (E) %	Amount (F) \$000	Percent of Total (G) %	Cost Rate (H) %	Weighted Cost (I) %
1	SHORT-TERM DEBT		524,449	6.43%	2.20%	0.14%	242,504	3.48%	1.99%	0.07%
2	LONG-TERM DEBT		3,067,469	37.61%	5.20%	1.96%	3,066,734	43.95%	5.11%	2.25%
3	Total DEBT		3,591,918	44.04%		2.10%	3,309,239	47.43%		2.32%
4	PREFERRED STOCK		0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
5	COMMON EQUITY		4,563,620	55.96%	10.30%	5.76%	3,668,227	52.57%	10.30%	5.41%
6	Other Capital		0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
7	Total Capital		8,155,538	100.00%		7.86%	6,977,466	100.00%		7.73%

CURRENT RATES

Line No.	Class of Capital	Workpaper Reference (A)	Base Period			Forecasted Period				
			Amount (B) \$000	Percent of Total (C) %	Cost Rate (D) %	Weighted Cost (E) %	Amount (F) \$000	Percent of Total (G) %	Cost Rate (H) %	Weighted Cost (I) %
8	SHORT-TERM DEBT		524,449	6.43%	2.20%	0.14%	242,504	3.48%	1.99%	0.07%
9	LONG-TERM DEBT		3,067,469	37.61%	5.20%	1.96%	3,066,734	43.95%	5.11%	2.25%
10	Total DEBT		3,591,918	44.04%		2.10%	3,309,239	47.43%		2.32%
11	PREFERRED STOCK		0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
12	COMMON EQUITY		4,563,620	55.96%	9.76%	5.46%	3,668,227	52.57%	7.51%	3.95%
13	Other Capital		0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
14	Total Capital		8,155,538	100.00%		7.56%	6,977,466	100.00%		6.27%

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2017-00349
Comparative Financial Data
Base Period: Twelve Months Ended December 31, 2017
Forecasted Test Period: Twelve Months Ended March 31, 2019
and 10 Most Recent Calendar Years

Data: Base Period Forecasted Period
Type of Filing: Original Updated Revised
Workpaper Reference No(s):

FR 16(8)(k)
Schedule K
Witness: Gillham, Martin, and Waller

Line No.	Description	Forecasted Period	Base Period	Most Recent Ten Calendar Years - as Reported									
				2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
1	<u>Plant Data: (\$000)</u>												
2	Plant in Service by functional class:												
3	Intangible Plant	779	779	128	128	128	128	128	128	128	128	128	128
4	Production & Gathering Plant	0	0	0	0	636	901	901	901	901	901	901	901
5	Underground Storage	14,280	15,024	12,454	11,560	10,792	9,630	10,104	9,388	7,731	7,540	6,950	6,878
6	Transmission Plant	31,808	31,784	31,814	31,808	31,877	32,962	32,836	33,144	31,189	31,202	28,807	28,746
7	Distribution Plant	588,244	517,179	472,849	413,302	381,623	340,200	323,036	296,493	283,474	271,463	260,621	251,843
8	General Plant	44,021	39,867	21,271	18,126	16,683	15,589	15,238	16,000	15,103	14,696	15,422	15,165
9	Acquisition Adjustments			3,279	3,279	3,279	3,279	3,279	3,279	3,337	3,337	3,337	3,337
10													
11	Gross Plant	679,132	604,632	541,795	478,203	445,018	402,689	385,522	359,333	341,863	329,267	316,166	306,998
12	Less: Accumulated depreciation	199,949	189,077	167,228	165,298	160,839	158,300	151,849	150,795	147,462	144,016	139,212	134,463
13	Net plant in Service	479,183	415,555	374,567	312,905	284,179	244,389	233,673	208,538	194,401	185,251	176,954	172,535
14													
15	Construction Work in Progress	27,493	32,864	10,146	26,310	12,708	16,578	6,006	3,306	7,197	4,851	5,215	1,897
16													
17	Total CWIP	27,493	32,864	10,146	26,310	12,708	16,578	6,006	3,306	7,197	4,851	5,215	1,897
18													
19	Total	<u>506,676</u>	<u>448,419</u>	<u>384,713</u>	<u>339,215</u>	<u>296,887</u>	<u>260,967</u>	<u>239,679</u>	<u>211,844</u>	<u>201,598</u>	<u>190,102</u>	<u>182,169</u>	<u>174,432</u>
20													
21	% of Construction financed internally	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
22													
23													
24	<u>Capital structure: (Total Company)</u>												
25	<u>(based on year-end accounts)</u>												
26	Short-term debt (\$000)	242,504	524,449	829,811	457,927	196,695	367,984	570,929	206,396	126,100	72,550	350,542	150,599
27	Long-term debt (\$000)	3,066,734	3,067,469	2,438,779	2,437,515	2,455,986	2,455,671	1,956,305	2,206,117	1,809,551	2,169,400	2,119,792	2,126,315
28	Preferred stock (\$000)			0	0	0	0	0	0	0	0	0	0
29	Common equity (\$000)	3,668,227	4,563,620	3,463,059	3,194,797	3,086,232	2,580,409	2,359,243	2,255,421	2,178,348	2,176,761	2,052,492	1,965,754
30													
31	Total	<u>6,977,466</u>	<u>8,155,538</u>	<u>6,731,649</u>	<u>6,090,239</u>	<u>5,738,913</u>	<u>5,404,064</u>	<u>4,886,477</u>	<u>4,667,934</u>	<u>4,113,999</u>	<u>4,418,711</u>	<u>4,522,826</u>	<u>4,242,668</u>
32													
33	<u>Condensed Income Statement data: (\$000)</u>												
34	Operating Revenues	170,729	164,102	147,431	170,468	196,882	162,968	134,778	149,662	156,816	190,356	244,308	203,287
35	Operating Expenses (excludes Federal and State Taxes, includes gas cost)	132,952	124,246	113,447	141,526	166,452	139,358	112,027	126,219	136,649	176,587	224,348	187,733
36	State Income Tax (current)			0	0	0	0	0	0	0	0	0	0
37	Federal Income Tax (current)			0	0	0	0	0	0	0	0	0	0
38	Federal and State Income Tax - net	11,799	13,536	9,516	9,884	9,671	7,060	8,157	8,094	5,654	2,889	6,985	4,307
39	Investment tax credits	0	0	0	0	0	0	0	0	0	0	0	0
40	Operating Income	25,979	26,320	24,468	19,058	20,759	16,550	14,594	15,349	14,513	10,880	12,976	11,247
41	AFUDC	0	0	179	182	139	88	101	22	286	199	160	94
42													

Atmos Energy Corporation, Kentucky/Mid-States Division
 Kentucky Jurisdiction Case No. 2017-00349
 Comparative Financial Data
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 and 10 Most Recent Calendar Years

Data: Base Period Forecasted Period
 Type of Filing: Original Updated Revised
 Workpaper Reference No(s):

FR 16(8)(k)
 Schedule K
 Witness: Gillham, Martin, and Waller

Line No.	Description	Forecasted Period	Base Period	Most Recent Ten Calendar Years - as Reported									
				2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
43	Other Income net	2,514	2,514	2,087	2,063	2,019	2,033	2,046	2,657	1,748	2,278	2,529	1,547
44	Income available for fixed charges	28,492	28,834	26,734	21,303	22,917	18,671	16,741	18,028	16,547	13,357	15,665	12,888
45	Interest charges	9,960	7,573	7,556	6,926	6,559	6,524	5,612	5,792	6,270	6,633	6,138	6,155
46	Net Income	18,533	21,261	19,178	14,377	16,358	12,147	11,129	12,236	10,277	6,724	9,527	6,733
47	Preferred dividends accrual	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
48	Earnings available for common equity	<u>18,533</u>	<u>21,261</u>	<u>19,178</u>	<u>14,377</u>	<u>16,358</u>	<u>12,147</u>	<u>11,129</u>	<u>12,236</u>	<u>10,277</u>	<u>6,724</u>	<u>9,527</u>	<u>6,733</u>
49													
50	AFUDC - % of Net Income	0.00%	0.00%	0.93%	1.27%	0.85%	0.72%	0.91%	0.18%	2.78%	2.96%	1.68%	1.40%
51	AFUDC - % of earnings available for												
52	common equity	0.00%	0.00%	0.93%	1.27%	0.85%	0.72%	0.91%	0.18%	2.78%	2.96%	1.68%	1.40%
53													
54													
55													
56	<u>Costs of Capital (1)</u>												
57	Embedded cost of short-term debt (%)	1.99%	2.20%	1.12%	1.09%	1.49%	1.17%	1.22%	1.03%	3.23%	6.80%	4.40%	5.60%
58	Embedded cost of long-term debt (%)	5.11%	5.20%	5.89%	5.90%	6.03%	6.26%	6.51%	6.75%	6.88%	6.90%	6.10%	6.10%
59	Embedded cost of preferred stock (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
60													
61	<u>Fixed Charge Coverage: (1)</u>												
62	Pre-Tax Interest Coverage	4.05	5.59	5.75	5.39	4.69	3.91	3.06	2.97	3.00	2.84	3.06	2.75
63	Pre-Tax Interest Coverage (Excluding AFUDC)	4.05	5.59	5.77	5.41	4.70	3.92	3.04	2.95	2.99	2.80	3.12	2.81
64	After Tax Interest Coverage	2.86	3.81	3.24	3.71	3.24	2.89	2.36	2.26	2.23	2.20	2.26	2.12
65	SEC Coverage	4.01	5.51	5.17	4.89	4.32	3.60	2.84	2.78	2.78	2.55	2.76	2.69
66	After Tax Interest Coverage (Excluding AFUDC)	2.86	3.81	4.04	3.73	3.25	2.81	2.35	2.24	2.21	2.16	2.31	2.16
67	Indenture Provision Coverage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
68	After Tax Fixed Charge Coverage	6.22	8.61	3.65	3.39	3.02	2.60	2.21	2.13	2.08	2.18	2.15	2.04
69													
70	<u>Stock and Bond Ratings: (1)</u>												
71	Moody's Bond Rating	N/A	A2	A2	A2	A2	Baa1	Baa1	Baa1	Baa2	Baa2	Baa3	Baa3
72	S&P Bond Rating	N/A	A	A	A-	A-	A-	BBB+	BBB+	BBB+	BBB+	BBB	BBB
73	Moody's Preferred Stock Rating	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
74	S&P Preferred Stock Rating	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
75													
76	<u>Common Stock Related Data: (1)</u>												
77	Shares Outstanding Year End (000)	N/A	N/A	103,931	101,479	100,388	90,640	90,240	90,296	90,164	92,552	90,814	89,326
78	Shares Outstanding - Weighted	N/A	N/A	0	0	0	0	0	0	0	0	0	0
79	Average (Monthly) (000)	N/A	N/A	103,524	101,892	97,608	91,711	91,172	90,652	92,422	91,620	89,941	87,486
80	Earnings Per Share - Weighted Avg. (\$)	N/A	N/A	3.38	3.09	2.96	2.64	2.37	2.27	2.20	2.07	1.99	1.91
81	Dividends Paid Per Share (\$)	N/A	N/A	1.68	1.56	1.48	1.40	1.38	1.36	1.34	1.32	1.30	1.28
82	Dividends Declared Per Share (\$)	N/A	N/A	1.68	1.56	1.48	1.40	1.38	1.36	1.34	1.32	1.30	1.28
83	Dividend Payout Ratio (Declared	N/A	N/A										
84	Basis) (%)	N/A	N/A	50%	50%	50%	53%	58%	60%	61%	64%	65%	67%
85	Market Price - High (Low)	N/A	N/A										

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Workpaper Reference No(s):

FR 16(8)(k)
Schedule K
Witness: Gillham, Martin, and Waller

Line No.	Description	Forecasted Period	Base Period	Most Recent Ten Calendar Years - as Reported									
				2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
86	1st Quarter - High (\$)	N/A	N/A	64.250	58.080	47.060	36.860	35.400	31.720	30.060	27.880	29.460	33.010
87	1st Quarter - Low (\$)	N/A	N/A	57.820	47.350	41.080	33.200	30.970	29.100	27.390	21.170	26.110	28.450
88	2nd Quarter - High (\$)	N/A	N/A	74.330	58.810	48.010	42.690	33.150	34.980	29.520	25.950	28.960	33.000
89	2nd Quarter - Low (\$)	N/A	N/A	61.740	52.020	44.190	35.110	30.600	31.510	26.520	20.200	25.090	30.630
90	3rd Quarter - High (\$)	N/A	N/A	81.320	56.410	53.400	44.870	35.070	34.940	29.980	26.370	28.540	33.110
91	3rd Quarter - Low (\$)	N/A	N/A	70.600	51.280	46.940	38.590	30.910	31.340	26.410	22.810	25.810	29.380
92	4th Quarter - High (\$)	N/A	N/A	81.160	58.180	52.680	45.190	36.940	34.320	29.810	28.800	28.250	30.660
93	4th Quarter - Low (\$)	N/A	N/A	71.880	51.480	47.010	39.400	34.940	28.870	26.820	24.650	25.490	26.470
94	Book Amount Per Share (Year-end) (\$)	N/A	N/A	33.450	31.350	31.620	28.140	25.877	24.880	23.570	23.759	22.820	22.469
95													
96	(1) Based on fiscal year-end of parent company												
97													
98	<u>Rate of Return Measures (1)</u>												
99	Return On Common Equity (Average)*	7.5%	9.8%	10.5%	10.0%	10.2%	9.8%	8.3%	8.6%	8.7%	8.7%	8.8%	8.8%
100	Return On Total Capital (Average)	0.4%	0.3%	5.5%	5.2%	5.2%	4.8%	4.0%	4.3%	4.4%	4.3%	4.3%	4.3%
101	Return On Net Plant in Service (Average)	5.4%	6.3%	4.5%	4.5%	4.5%	4.3%	3.6%	3.6%	4.1%	4.3%	4.5%	4.5%
102													
103	<u>Other Financial and Operating Data:</u>												
104	Mix of Sales: (MMcf)												
105	Residential	10,026	8,350	9,094	9,826	11,729	10,695	8,433	10,187	10,735	10,261	10,855	10,385
106	Commercial	4,896	4,416	4,538	4,845	5,650	5,143	3,972	4,642	5,049	4,659	5,017	4,793
107	Industrial	973	1,265	1,048	693	810	811	995	821	724	960	1,715	1,757
108	Public authority & Other Sales	963	825	916	1,025	1,234	1,179	980	1,111	1,192	1,176	1,253	1,195
109	Unbilled	0	0										
110	Total Mix of Sales	16,858	14,856	15,596	16,389	19,423	17,828	14,380	16,761	17,700	17,056	18,839	18,130
111													
112	Mix of Fuel: (MMcf)												
113	Other	0	0	0	0	0	0	0	0	0	0	0	0
114		17,178	15,138	15,417	18,606	21,324	18,367	17,441	16,748	17,596	17,034	18,790	19,493
115													
116	Total MIX of Fuel (2)	17,178	15,138	15,417	18,606	21,324	18,367	17,441	16,748	17,596	17,034	18,790	19,493
117													
118	Composite Depreciation Rate	3.17%	2.96%	3.33%	3.66%	3.50%	3.31%	3.49%	3.58%	3.40%	3.43%	3.17%	3.48%

*Forecasted and Base Period Rate of Return is sourced from Schedule C.1 and reflects total rate of return.

(1) Based on fiscal year-end of parent company, except for Base Period & Test Period which are based on Atmos Energy Corporation, Kentucky.

(2) Kentucky gas purchases by accounting month.

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2017-00349
13 Month Average Capital Structure
Base Period: Twelve Months Ended December 31, 2017
Forecasted Test Period: Twelve Months Ended March 31, 2019

Data: Base Period Forecasted Period
Type of Filing: Original Updated Revised
Workpaper Reference No(s): _____

FR 16(8)(j)
Schedule J-1
Witness: Christian

PROPOSED RATES

Line No.	Class of Capital	Workpaper Reference (A)	Base Period			Forecasted Period				
			Amount (B) \$000	Percent of Total (C) %	Cost Rate (D) %	Weighted Cost (E) %	Amount (F) \$000	Percent of Total (G) %	Cost Rate (H) %	Weighted Cost (I) %
1	SHORT-TERM DEBT		242,504	3.36%	1.99%	0.07%	242,504	3.48%	1.99%	0.07%
2	LONG-TERM DEBT		3,066,734	42.53%	5.13%	2.18%	3,066,734	43.95%	5.09%	2.24%
3	Total DEBT		3,309,239	45.89%		2.25%	3,309,239	47.43%		2.31%
4	PREFERRED STOCK		0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
5	COMMON EQUITY		3,901,710	54.11%	10.30%	5.57%	3,668,227	52.57%	10.30%	5.41%
6	Other Capital		0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
7	Total Capital		7,210,949	100.00%		7.82%	6,977,466	100.00%		7.72%

CURRENT RATES

Line No.	Class of Capital	Workpaper Reference (A)	Base Period			Forecasted Period				
			Amount (B) \$000	Percent of Total (C) %	Cost Rate (D) %	Weighted Cost (E) %	Amount (F) \$000	Percent of Total (G) %	Cost Rate (H) %	Weighted Cost (I) %
8	SHORT-TERM DEBT		242,504	3.36%	1.99%	0.07%	242,504	3.48%	1.99%	0.07%
9	LONG-TERM DEBT		3,066,734	42.53%	5.13%	2.18%	3,066,734	43.95%	5.09%	2.24%
10	Total DEBT		3,309,239	45.89%		2.25%	3,309,239	47.43%		2.31%
11	PREFERRED STOCK		0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
12	COMMON EQUITY		3,901,710	54.11%	12.41%	6.72%	3,668,227	52.57%	9.23%	4.85%
13	Other Capital		0	0.00%	0.00%	0.00%	0	0.00%	0.00%	0.00%
14	Total Capital		7,210,949	100.00%		8.96%	6,977,466	100.00%		7.16%

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2017-00349
Comparative Financial Data
Base Period: Twelve Months Ended December 31, 2017
Forecasted Test Period: Twelve Months Ended March 31, 2019
and 10 Most Recent Calendar Years

Data: X Base Period X Forecasted Period
Type of Filing: Original Updated X Revised
Workpaper Reference No(s):

FR 16(8)(k)
Schedule K
Witness: Gillham, Martin, and Waller

Line No.	Description	Forecasted Period	Base Period	Most Recent Ten Calendar Years - as Reported									
				2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
1	Plant Data: (\$000)												
2	Plant in Service by functional class:												
3	Intangible Plant	779	779	128	128	128	128	128	128	128	128	128	128
4	Production & Gathering Plant	0	0	0	0	636	901	901	901	901	901	901	901
5	Underground Storage	14,280	14,142	12,454	11,560	10,792	9,630	10,104	9,388	7,731	7,540	6,950	6,878
6	Transmission Plant	31,808	31,808	31,814	31,808	31,877	32,962	32,836	33,144	31,189	31,202	28,807	28,746
7	Distribution Plant	588,244	522,190	472,849	413,302	381,623	340,200	323,036	296,493	263,474	271,463	260,621	251,843
8	General Plant	44,021	40,686	21,271	18,126	16,683	15,589	15,238	16,000	15,103	14,696	15,422	15,165
9	Acquisition Adjustments			3,279	3,279	3,279	3,279	3,279	3,279	3,337	3,337	3,337	3,337
10													
11	Gross Plant	679,132	609,604	541,795	478,203	445,018	402,689	385,522	359,333	341,863	329,267	316,166	306,998
12	Less: Accumulated depreciation	199,949	191,190	167,228	165,298	160,839	158,300	151,849	150,795	147,462	144,016	139,212	134,463
13	Net plant in Service	479,183	418,413	374,567	312,905	284,179	244,389	233,673	208,538	194,401	185,251	176,954	172,535
14													
15	Construction Work in Progress	27,493	27,493	10,146	26,310	12,708	16,578	6,006	3,306	7,197	4,851	5,215	1,897
16													
17	Total CWIP	27,493	27,493	10,146	26,310	12,708	16,578	6,006	3,306	7,197	4,851	5,215	1,897
18													
19	Total	<u>506,676</u>	<u>445,907</u>	<u>384,713</u>	<u>339,215</u>	<u>296,887</u>	<u>260,967</u>	<u>239,679</u>	<u>211,844</u>	<u>201,598</u>	<u>190,102</u>	<u>182,169</u>	<u>174,432</u>
20													
21	% of Construction financed internally	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
22													
23													
24	Capital structure: (Total Company)												
25	(based on year-end accounts)												
26	Short-term debt (\$000)	242,504	242,504	829,811	457,927	196,695	367,984	570,929	206,396	126,100	72,550	350,542	150,599
27	Long-term debt (\$000)	3,066,734	3,066,734	2,438,779	2,437,515	2,455,986	2,455,671	1,956,305	2,206,117	1,809,551	2,169,400	2,119,792	2,126,315
28	Preferred stock (\$000)			0	0	0	0	0	0	0	0	0	0
29	Common equity (\$000)	3,668,227	3,901,710	3,463,059	3,194,797	3,086,232	2,580,409	2,359,243	2,255,421	2,178,348	2,176,761	2,052,492	1,965,754
30													
31	Total	<u>6,977,466</u>	<u>7,210,949</u>	<u>6,731,649</u>	<u>6,090,239</u>	<u>5,738,913</u>	<u>5,404,064</u>	<u>4,886,477</u>	<u>4,667,934</u>	<u>4,113,999</u>	<u>4,418,711</u>	<u>4,522,826</u>	<u>4,242,668</u>
32													
33	Condensed Income Statement data: (\$000)												
34	Operating Revenues	170,729	156,713	147,431	170,468	196,882	162,968	134,778	149,662	156,816	190,356	244,308	203,287
35	Operating Expenses (excludes Federal			0	0	0	0	0	0	0	0	0	0
36	and State Taxes, includes gas cost)	132,952	116,188	113,447	141,526	166,452	139,358	112,027	126,219	136,649	176,587	224,348	187,733
37	State Income Tax (current)			0	0	0	0	0	0	0	0	0	0
38	Federal Income Tax (current)			0	0	0	0	0	0	0	0	0	0
39	Federal and State Income Tax - net	7,725	8,891	9,516	9,884	9,671	7,060	8,157	8,094	5,654	2,889	6,985	4,307
40	Investment tax credits	0	0	0	0	0	0	0	0	0	0	0	0
41	Operating income	<u>30,053</u>	<u>31,634</u>	<u>24,468</u>	<u>19,058</u>	<u>20,759</u>	<u>16,550</u>	<u>14,594</u>	<u>15,349</u>	<u>14,513</u>	<u>10,880</u>	<u>12,976</u>	<u>11,247</u>
42	AFUDC	0	0	179	182	139	88	101	22	286	199	160	94

Atmos Energy Corporation, Kentucky/Mid-States Division
 Kentucky Jurisdiction Case No. 2017-00349
 Comparative Financial Data
 Base Period: Twelve Months Ended December 31, 2017
 Forecasted Test Period: Twelve Months Ended March 31, 2019
 and 10 Most Recent Calendar Years

Data: Base Period Forecasted Period
 Type of Filing: Original Updated Revised
 Workpaper Reference No(s):

FR 16(8)(k)
 Schedule K
 Witness: Gillham, Martin, and Waller

Line No.	Description	Forecasted Period	Base Period	Most Recent Ten Calendar Years - as Reported									
				2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
43	Other Income net	2,087	2,087	2,087	2,063	2,019	2,033	2,046	2,657	1,748	2,278	2,529	1,547
44	Income available for fixed charges	32,140	33,721	26,734	21,303	22,917	18,671	16,741	18,028	16,547	13,357	15,665	12,888
45	Interest charges	9,855	8,070	7,556	6,926	6,559	6,524	5,612	5,792	6,270	6,633	6,138	6,155
46	Net Income	22,286	25,651	19,178	14,377	16,358	12,147	11,129	12,236	10,277	6,724	9,527	6,733
47	Preferred dividends accrual	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
48	Earnings available for common equity	22,286	25,651	19,178	14,377	16,358	12,147	11,129	12,236	10,277	6,724	9,527	6,733
49													
50	AFUDC - % of Net Income	0.00%	0.00%	0.93%	1.27%	0.85%	0.72%	0.91%	0.18%	2.78%	2.96%	1.68%	1.40%
51	AFUDC - % of earnings available for common equity	0.00%	0.00%	0.93%	1.27%	0.85%	0.72%	0.91%	0.18%	2.78%	2.96%	1.68%	1.40%
52													
53													
54													
55													
56	<u>Costs of Capital (1)</u>												
57	Embedded cost of short-term debt (%)	1.99%	1.99%	1.12%	1.09%	1.49%	1.17%	1.22%	1.03%	3.23%	6.80%	4.40%	5.60%
58	Embedded cost of long-term debt (%)	5.09%	5.13%	5.89%	5.90%	6.03%	6.26%	6.51%	6.75%	6.88%	6.90%	6.10%	6.10%
59	Embedded cost of preferred stock (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
60													
61	<u>Fixed Charge Coverage: (1)</u>												
62	Pre-Tax Interest Coverage	4.05	5.28	5.75	5.39	4.69	3.91	3.06	2.97	3.00	2.84	3.06	2.75
63	Pre-Tax Interest Coverage (Excluding AFUDC)	4.05	5.28	5.77	5.41	4.70	3.92	3.04	2.95	2.99	2.80	3.12	2.81
64	After Tax Interest Coverage	3.26	4.18	3.24	3.71	3.24	2.89	2.36	2.26	2.23	2.20	2.26	2.12
65	SEC Coverage	4.01	5.21	5.17	4.89	4.32	3.60	2.84	2.78	2.78	2.55	2.76	2.69
66	After Tax Interest Coverage (Excluding AFUDC)	3.26	4.18	4.04	3.73	3.25	2.81	2.35	2.24	2.21	2.16	2.31	2.16
67	Indenture Provision Coverage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
68	After Tax Fixed Charge Coverage	5.12	8.12	3.65	3.39	3.02	2.60	2.21	2.13	2.08	2.18	2.15	2.04
69													
70	<u>Stock and Bond Ratings: (1)</u>												
71	Moody's Bond Rating	N/A	A2	A2	A2	A2	Baa1	Baa1	Baa1	Baa2	Baa2	Baa3	Baa3
72	S&P Bond Rating	N/A	A	A	A-	A-	A-	BBB+	BBB+	BBB+	BBB+	BBB	BBB
73	Moody's Preferred Stock Rating	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
74	S&P Preferred Stock Rating	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
75													
76	<u>Common Stock Related Data: (1)</u>												
77	Shares Outstanding Year End (000)	N/A	N/A	103,931	101,479	100,388	90,640	90,240	90,296	90,164	92,552	90,814	89,326
78	Shares Outstanding - Weighted Average (Monthly) (000)	N/A	N/A	0	0	0	0	0	0	0	0	0	0
79	Earnings Per Share - Weighted Avg. (\$)	N/A	N/A	3.38	3.09	2.96	2.64	2.37	2.27	2.20	2.07	1.99	1.91
80	Dividends Paid Per Share (\$)	N/A	N/A	1.68	1.56	1.48	1.40	1.38	1.36	1.34	1.32	1.30	1.28
81	Dividends Declared Per Share (\$)	N/A	N/A	1.68	1.56	1.48	1.40	1.38	1.36	1.34	1.32	1.30	1.28
82	Dividend Payout Ratio (Declared Basis) (%)	N/A	N/A	50%	50%	50%	53%	58%	60%	61%	64%	65%	67%
83	Market Price - High (Low)	N/A	N/A										
84													
85													

Atmos Energy Corporation, Kentucky/Mid-States Division
Kentucky Jurisdiction Case No. 2017-00349
Comparative Financial Data
Base Period: Twelve Months Ended December 31, 2017
Forecasted Test Period: Twelve Months Ended March 31, 2019
and 10 Most Recent Calendar Years

Data: Base Period Forecasted Period
Type of Filing: Original Updated Revised
Workpaper Reference No(s):

FR 16(8)(k)
Schedule K
Witness: Gillham, Martin, and Waller

Line No.	Description	Forecasted Period	Base Period	Most Recent Ten Calendar Years - as Reported									
				2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
86	1st Quarter - High (\$)	N/A	N/A	64,250	58,080	47,060	36,860	35,400	31,720	30,060	27,880	29,460	33,010
87	1st Quarter - Low (\$)	N/A	N/A	57,820	47,350	41,080	33,200	30,970	29,100	27,390	21,170	26,110	28,450
88	2nd Quarter - High (\$)	N/A	N/A	74,330	58,810	48,010	42,690	33,150	34,980	29,520	25,950	28,960	33,000
89	2nd Quarter - Low (\$)	N/A	N/A	61,740	52,020	44,190	35,110	30,600	31,510	26,520	20,200	25,090	30,630
90	3rd Quarter - High (\$)	N/A	N/A	81,320	56,410	53,400	44,870	35,070	34,940	29,980	26,370	28,540	33,110
91	3rd Quarter - Low (\$)	N/A	N/A	70,600	51,280	46,940	38,590	30,910	31,340	26,410	22,810	25,810	29,380
92	4th Quarter - High (\$)	N/A	N/A	81,160	58,180	52,680	45,190	36,940	34,320	29,810	28,800	28,250	30,660
93	4th Quarter - Low (\$)	N/A	N/A	71,880	51,480	47,010	39,400	34,940	28,870	26,820	24,650	25,490	26,470
94	Book Amount Per Share (Year-end) (\$)	N/A	N/A	33.450	31.350	31.620	28.140	25.877	24.880	23.570	23.759	22.820	22.469
95													
96	(1) Based on fiscal year-end of parent company												
97													
98	<u>Rate of Return Measures (1)</u>												
99	Return On Common Equity (Average)	9.2%	12.4%	10.5%	10.0%	10.2%	9.8%	8.3%	8.6%	8.7%	8.7%	8.8%	8.8%
100	Return On Total Capital (Average)	0.4%	0.4%	5.5%	5.2%	5.2%	4.8%	4.0%	4.3%	4.4%	4.3%	4.3%	4.3%
101	Return On Net Plant in Service (Average)	6.3%	7.6%	4.5%	4.5%	4.5%	4.3%	3.6%	3.8%	4.1%	4.3%	4.5%	4.5%
102													
103	<u>Other Financial and Operating Data:</u>												
104	Mix of Sales: (MMcf)												
105	Residential	10,026	9,997	9,094	9,826	11,729	10,695	8,433	10,187	10,735	10,261	10,855	10,385
106	Commercial	4,896	4,896	4,538	4,845	5,650	5,143	3,972	4,642	5,049	4,659	5,017	4,793
107	Industrial	973	973	1,048	693	810	811	995	821	724	960	1,715	1,757
108	Public authority & Other Sales	963	963	916	1,025	1,234	1,179	980	1,111	1,192	1,176	1,253	1,195
109	Unbilled	0	0										
110	Total Mix of Sales	16,858	16,829	15,596	16,389	19,423	17,828	14,380	16,761	17,700	17,056	18,839	18,130
111													
112	Mix of Fuel: (MMcf)												
113		0	0	0	0	0	0	0	0	0	0	0	0
114	Other	17,178	17,149	15,417	18,606	21,324	18,367	17,441	16,748	17,596	17,034	18,790	19,493
115													
116	Total MIX of Fuel (2)	17,178	17,149	15,417	18,606	21,324	18,367	17,441	16,748	17,596	17,034	18,790	19,493
117													
118	Composite Depreciation Rate	3.17%	2.96%	3.33%	3.66%	3.50%	3.31%	3.49%	3.58%	3.40%	3.43%	3.17%	3.48%

(1) Based on fiscal year-end of parent company, except for Base Period & Test Period which are based on Atmos Energy Corporation, Kentucky.
(2) Kentucky gas purchases by accounting month.

Case No. 2017-00349
Atmos Energy Corporation, Kentucky Division
AG Post-Hearing DR Set No. 1
Question No. 1-02
Page 1 of 1

REQUEST:

VTE at 11:24. Provide the amount of net salvage in Atmos' rates prior to the final order in Atmos' 2015 rate case, 2015-00343.

RESPONSE:

Based on how the Company is interpreting this request, please see the Company's response to AG DR No. 2-23, Attachment 1, folder, "Appendices", file, "Appendix C". The existing net salvage parameters shown on Appendix C were utilized to calculate the approved depreciation rates prior to Case No. 2015-00343. The proposed net salvage parameters were utilized to calculate the current depreciation rates approved in Case No. 2015-00343.

Respondent: Dane Watson

Case No. 2017-00349
Atmos Energy Corporation, Kentucky Division
AG Post-Hearing DR Set No. 1
Question No. 1-03
Page 1 of 1

REQUEST:

VTE at 1:50. Provide the number of new Atmos customers over the last three years.

RESPONSE:

Please see Attachment 1. The top half of Attachment 1 lists new customer additions (new facility installations). The bottom half of Attachment 1 lists annual net customer growth (new additions net of customer losses).

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG Post-Hearing_1-03_Att1 - Customer Additions.xlsx, 1 Page.

Respondent: Mark Martin

New Customer Additions		
Fiscal Year	Installation Type	Total
FY15	COMMERCIAL	248
	MOBILE HOME	1
	Other	4
	RESIDENTIAL	1,371
FY15 Total		1,624
FY16	COMMERCIAL	269
	RESIDENTIAL	1,180
FY16 Total		1,449
FY17	COMMERCIAL	284
	MOBILE HOME	3
	Other	1
	RESIDENTIAL	1,237
FY17 Total		1,525

Net Customer Growth			
Fiscal Year	Installation Type	Average Customers	Net Growth
FY15	COMMERCIAL	17,329	(11)
	RESIDENTIAL	155,209	(82)
FY16	COMMERCIAL	17,351	22
	RESIDENTIAL	155,637	428
FY17	COMMERCIAL	17,391	39
	RESIDENTIAL	156,272	635

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Atmos Energy Corporation, Kentucky Division
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Question No. 1-04
Page 1 of 2

REQUEST:

VTE at 3:21 - 3:26. Provide the excess ADITs amounts, broken out between protected and unprotected, as defined under the Tax Cuts and Jobs Act.

- a. For the amounts provided above, also provide these by account as well as by depreciation-related and property-related. If Atmos does not have the excess ADIT amounts in the above-mentioned detail, provide such amounts in the most detailed way Atmos has the information.
- b. Provide the amount of non-plant benefit-related ADIT that may be subject to a regulatory asset.

RESPONSE:

	Property Related	Non Property Related	Total
Total Regulatory Liability	\$37,398,689	\$(2,089,093)	\$35,309,596
		A2530-27909	\$35,309,597
		Difference	\$(1)

- a. Atmos Energy Corporation does not have the vintage level accumulated depreciation required and necessary to use the Average Rate Assumption Method ("ARAM"). Pursuant to TCJA, Section 13001(d)(2), Atmos Energy must use the alternative method to calculate the amortization of the excess tax reserve. TCJA Section 13001(d)(3)(C)(i) defines the excess tax reserve when using the alternative method that is subject to the normalization provisions as all public utility property included in the plant account.

Atmos Energy properly included all public utility property related excess deferrals in the "Property Related" total above. These include the ADIT codes listed below:

- FXA01 - Fixed Asset Cost Adjustment
- FXA02 - Depreciation Adjustment
- FXA13 - Section 481(a) Cushion Gas
- FXA14 - Section 481(a) Line Pack Gas
- FXA26 - CWIP
- FXA46 - Section 481(a) TPR
- FXA47 - RWIP
- TAX05 - State Bonus Depreciation

Case No. 2017-00349
Atmos Energy Corporation, Kentucky Division
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Question No. 1-04
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The adjustment code labeled "FXA02 - Depreciation Adjustment" does not reflect excess deferred taxes resulting solely and entirely from IRC Section 167 or 168 differences, commonly referred to as "method life differences." This ADIT item is calculated by comparing total book accumulated depreciation to tax accumulated depreciation, excluding bonus depreciation, as reflected on the Company's tax returns. The tax accumulated depreciation included in this adjustment code does not include bonus depreciation under 168(k), rather that adjustment is included in FXA01 - Fixed Asset Cost Adjustment since it reduces the tax cost available to depreciate. In addition to the cost basis adjustment for bonus depreciation, other cost basis adjustments include but are not limited to: (1) adjustments for CIAC; (2) capitalized overhead; (3) and capitalized interest, which are included in FXA01 - Fixed Asset Cost Adjustment. These cost basis adjustments reduce the tax cost available to depreciate. Since all differences between book and accelerated tax depreciation, excluding bonus depreciation, are included in FXA02 - Depreciation Adjustment, this ADIT item includes depreciation differences resulting both from cost basis differences and from method life differences.

In addition, Atmos Energy included the excess deferreds for the federal net operating loss carryover ("NOLC") deferred tax asset in the total amount protected by the normalization provisions. At the direction of this Commission, Atmos Energy requested and received an IRS Public Letter Ruling (PLR), Number 201534001, confirming the NOLC must be taken into account in calculating the amount of the reserve for deferred taxes in order to comply with the normalization provisions. This PLR confirms that the Company's NOLC is protected by the normalization provisions. Therefore, all excess ADIT for the NOLC resulting from the TCJA must be treated as protected and amortized over the same period as the underlying plant related excess deferred income taxes. A copy of the PLR received by the Company was included in the rebuttal testimony of Jennifer K. Story.

- b. Please see Attachment 1 for the regulatory liability detail broken out by ADIT item.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, AG Post-Hearing_1-04_Att1 - Kentucky Regulatory Liability Analysis.xlsx, 1 Page.

Respondent: Jennifer Story

