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May 17, 2018

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

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

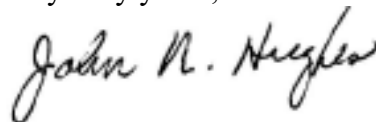
Dear Ms. Pinson:

Atmos Energy Corporation submits its Petition for Rehearing.

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

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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.
and Tariff Modifications) 2017-00349

ATMOS ENERGY CORPORATION'S MOTION FOR REHEARING

Atmos Energy Corporation (Atmos), by counsel, pursuant to KRS 278.400, moves for rehearing of the final order dated May 3, 2018. The purpose of the rehearing is to clarify the Commission's allowable annual Amortization of Excess Accumulated Deferred Income Taxes (ADIT). The clarification of this adjustment has no effect on the revenue requirement allowed or on the rates approved in the order. Atmos placed the allowed rates into effect on May 3, 2018 and the clarification requested will result in no change to those rates.

On pages 12 of the order, the Commission states:

Through rebuttal testimony, Atmos proposed a reduction in its revenue requirement of \$1,471,233 to reflect the estimated impact of the TCJA on its ADIT.⁴¹ Atmos proposed a 24-year amortization period for estimated excess ADIT of \$35,309,597, using the alternative method provided by the TCJA for utilities that do not keep vintage depreciation records necessary to utilize the Average Rate Assumption Method. ...

On page 13 the Commission states:

The Commission accepts Atmos's proposed amortization of estimated excess ADIT. Accordingly, the Commission will reduce the test-year federal income tax expense by \$1,471,233, which reduces the revenue requirement by \$1,981,192.

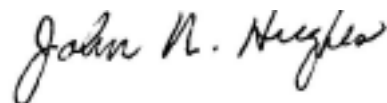
In Appendix A of the Order, the line item "Reduce Income Tax Expense to Amortize Excess ADIT" reduces the revenue requirement proposed by Atmos by \$1.981M. Atmos seeks clarification and confirmation that the allowable annual amortization of the excess ADIT is \$1,471,233, based on the commentary on pages 12 and 13 of the Order. Atmos has been unable to verify the source of the \$1.981M. It appears that revenue requirement calculation of the ADIT was grossed up for taxes. However, the \$1,471,233 was already grossed-up as reflected in Atmos' response to the Attorney General's post hearing data request, attachment 1.

The use of \$1.981M in the revenue requirement calculation has no significant impact on the allowed rates. However, because of the apparent inconsistency of the amount of allowable ADIT referenced in the order and in Appendix A, Atmos seeks clarification that \$1,471,233 is the correct amount of ADIT to be amortized annually.

For these reasons, Atmos seeks clarification of the final order as requested.

Submitted by:

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