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January 22, 2019

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

Re: Atmos Energy Corporation:
Case No. 2018-00281

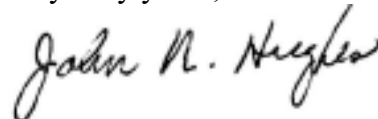
Dear Ms. Pinson:

Atmos Energy Corporation submits its response to the Commission's Order of January 14, 2019.

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

Atmos Energy Corporation
Kentucky Properties
Existing and Proposed Parameters
Depreciation Study as of September 30, 2017

Account	Description	Plant Balance	EXISTING					PROPOSED					
			Iowa		Gross	Cost of	Net	Iowa		Gross	Cost of	Net	
			ASL	Curve	Salvage	Removal	Salvage	ASL	Curve	Salvage	Removal	Salvage	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
<u>DISTRIBUTION PLANT</u>													
37402	Land Rights	2,371,406.31	70	R5	0%	0%	0%	75	R5	0%	0%	0%	
37500	Structures & Improvements	336,167.54	57	R2.5	0%	10%	-10%	66	R3	0%	10%	-10%	
37501	Struct. & Improv. - T	99,818.13	57	R2.5	0%	10%	-10%	66	R3	0%	10%	-10%	
37502	Land Rights	46,264.19	57	R2.5	0%	10%	-10%	66	R3	0%	10%	-10%	
37503	Improvements	4,005.08	57	R2.5	0%	10%	-10%	66	R3	0%	10%	-10%	
37600	Mains - Cathodic Protection	2,326,532.18	20	SQ	0%	0%	0%	25	R4	0%	0%	0%	
37601	Mains - Steel	146,469,840.87	55	R3	0%	5%	-5%	70	L0	0%	5%	-5%	
37602	Mains - Plastic	100,659,874.85	55	R3	0%	5%	-5%	70	L0	0%	5%	-5%	
37603	Mains - Anodes	4,392,139.28	20	SQ	0%	0%	0%	20	SQ	0%	0%	0%	
37604	Mains - Leak Clamps	14,313,691.11	20	SQ	0%	0%	0%	20	SQ	0%	0%	0%	
37800	Meas. And Reg. Sta. Equipment	9,659,648.27	49	R1.5	0%	19%	-19%	50	R1.5	0%	15%	-15%	
37900	Meas & Reg Station Equipment	3,941,078.12	49	R1.5	0%	19%	-19%	50	R1.5	0%	15%	-15%	
37905	Meas & Reg Sta Eq - City	1,652,639.35	49	R1.5	0%	19%	-19%	50	R1.5	0%	15%	-15%	
38000	Services	117,564,972.19	40	R1.5	0%	20%	-20%	45	R1.5	0%	18%	-18%	
38100	Meters	31,440,206.71	20	R0.5	0%	50%	-50%	20	R0.5	0%	11%	-11%	
38200	Meter Installations	55,250,692.16	42	R1.5	0%	50%	-50%	43	L1	0%	35%	-35%	
38300	House Regulators	10,759,407.20	31	S6	0%	0%	0%	43	L1	0%	35%	-35%	
38400	House Regulator Installations	200,274.50	42	R1.5	0%	0%	0%	43	L1	0%	35%	-35%	
38500	Industrial Measuring	5,165,445.65	42	L5	0%	12%	-12%	53	R4	0%	8%	-8%	
	Total Distribution	506,654,103.69											
<u>GENERAL PLANT</u>													
39000	Structures & Improvements	7,141,677.47	40	R2	0%	10%	-10%	45	R2	0%	10%	-10%	
39002	Structures - Brick	173,114.85	40	R2	0%	10%	-10%	45	R2	0%	10%	-10%	
39003	Improvements	709,199.18	40	R2	0%	10%	-10%	45	R2	0%	10%	-10%	
39004	Air Conditioning Equipment	12,954.74	40	R2	0%	10%	-10%	25	R2	0%	10%	-10%	
39009	Improvements - Leased	1,246,194.18	20	R3	0%	0%	0%	20	R3	0%	0%	0%	
39100	Office Furniture And Equipment	1,749,085.61	15	SQ	0%	0%	0%	20	SQ	0%	0%	0%	
39200	Transportation Equipment	220,986.90	8	L5	10%	0%	10%	20	L4	10%	0%	10%	
39202	Wkg Trailers	-	20	L3	14%	0%	14%	20	L4	10%	0%	10%	
39400	Tools Shop And Garage	3,207,557.31	16	SQ	0%	0%	0%	16	SQ	0%	0%	0%	
39603	Ditchers	39,610.08	14	S4	8%	0%	8%	20	S4	16%	0%	16%	
39604	Backhoes	62,747.29	14	S4	8%	0%	8%	20	S4	16%	0%	16%	
39605	Welders	19,427.23	14	S4	8%	0%	8%	20	S4	16%	0%	16%	
39700	Communication Equipment	438,830.96	15	SQ	0%	0%	0%	15	SQ	0%	0%	0%	
39800	Miscellaneous Equipment	3,897,155.54	20	SQ	0%	0%	0%	20	SQ	0%	0%	0%	

Atmos Energy Corporation - Kentucky Properties
Comparison of Depreciation Expense
Existing vs Proposed Depreciation Accrual Rates
As of September 30, 2017

Account (a)	Description (b)	Plant Balance (c)	Existing		Proposed		Change in Depreciation Expense (h)
			Annual Accrual Rate (d)	Annual Accrual (e)	Annual Accrual Rate (f)	Annual Accrual (g)	
STORAGE PLANT							
35020	Rights-Of-Way	\$ 4,681.58	0.25%	\$ 11.78	0.36%	\$ 16.83	\$ 5.06
35100	Structures And Improvements	17,916.19	1.67%	299.64	1.60%	287.35	(12.29)
35102	Compressor Station Eq	153,261.30	1.26%	1,931.44	1.18%	1,807.15	(124.29)
35103	Measuring And Reg. Station	23,138.38	0.92%	212.60	0.79%	183.16	(29.44)
35104	Other Structures	137,442.53	1.30%	1,787.00	1.20%	1,655.44	(131.56)
35200	Wells	8,353,042.61	1.93%	161,063.46	1.90%	158,715.98	(2,347.48)
35201	Well Construction	1,699,998.54	1.51%	25,740.01	1.42%	24,215.35	(1,524.65)
35202	Well Equipment	449,309.06	0.93%	4,164.67	1.09%	4,901.92	737.24
35203	Cushion Gas	1,694,832.96	1.80%	30,472.58	1.36%	23,061.49	(7,411.08)
35210	Storage Leaseholds An	178,530.09	0.35%	630.45	0.15%	259.74	(370.71)
35211	Storage Rights	54,614.27	0.88%	480.44	0.78%	425.89	(54.55)
35301	Storage Field Lines	175,350.37	0.81%	1,413.12	1.12%	1,956.16	543.04
35302	Storage Tributary Lines	209,318.90	0.81%	1,686.87	1.12%	2,335.11	648.23
35400	Compressor Station Eq	923,446.05	1.80%	16,654.90	1.64%	15,124.96	(1,529.94)
35500	Measuring And Regulating	273,084.38	0.51%	1,386.73	1.71%	4,657.31	3,270.59
35600	Purification Equipment	414,663.45	2.05%	8,481.41	1.95%	8,097.84	(383.56)
	Total Storage	\$ 14,762,630.66	1.74%	\$ 256,417.09	1.68%	\$ 247,701.69	\$ (8,715.40)
TRANSMISSION PLANT							
36520	Rights-Of-Way	\$ 867,772.00	1.33%	\$ 11,525.96	0.74%	\$ 6,394.03	\$ (5,131.93)
36602	Meas. & Reg. Sta. Structures	49,001.72	1.78%	874.32	0.71%	348.09	(526.24)
36603	Other Structures	60,826.29	1.78%	1,085.30	0.71%	432.08	(653.22)
36700	Mains - Cathodic Protection	47,232.93	5.00%	2,361.65	3.28%	1,551.07	(810.58)
36701	Mains - Steel	27,638,493.47	1.89%	523,135.94	1.16%	320,901.59	(202,234.35)
36703	Mains - Anodes	92,404.75	5.00%	4,620.24	5.00%	4,620.24	-
36900	Measuring And Reg. Station	731,466.64	2.14%	15,648.84	1.25%	9,150.07	(6,498.77)
36901	Measuring And Reg. Station	2,269,555.91	2.14%	48,554.39	1.25%	28,390.34	(20,164.04)
	Total Transmission	\$ 31,756,753.71	1.91%	\$ 607,806.64	1.17%	\$ 371,787.51	\$ (236,019.13)
DISTRIBUTION PLANT							
37402	Land Rights	\$ 2,371,406.31	1.46%	\$ 34,511.69	1.29%	\$ 30,595.85	\$ (3,915.84)
37500	Structures & Improvements	336,167.54	2.06%	6,930.64	1.25%	4,208.34	(2,722.30)
37501	Struct. & Improv. - T	99,818.13	2.06%	2,057.91	1.25%	1,249.58	(808.33)
37502	Land Rights	46,264.19	2.06%	953.81	1.25%	579.16	(374.65)
37503	Improvements	4,005.08	2.06%	82.57	1.25%	50.14	(32.43)
37600	Mains - Cathodic Protection	2,326,532.18	5.00%	116,326.61	3.42%	79,592.45	(36,734.16)
37601	Mains - Steel	146,469,840.87	2.09%	3,068,428.47	1.43%	2,093,398.22	(975,030.25)
37602	Mains - Plastic	100,659,874.85	2.09%	2,108,745.56	1.43%	1,438,666.16	(670,079.40)
37603	Mains - Anodes	4,392,139.28	5.00%	219,606.96	5.00%	219,606.96	-
37604	Mains - Leak Clamps	14,313,691.11	5.00%	715,684.56	5.00%	715,684.56	-
37800	Measuring & Regulating Eq	9,659,648.27	2.89%	279,118.23	2.10%	202,405.85	(76,712.38)
37900	Measuring & Regulating Eq	3,941,078.12	2.86%	112,905.83	1.99%	78,300.20	(34,605.63)
37905	Measuring & Regulating Eq - City	1,652,639.35	2.86%	47,345.58	1.99%	32,834.16	(14,511.42)
38000	Services	117,564,972.19	3.47%	4,079,289.71	2.25%	2,642,294.57	(1,436,995.14)

Atmos Energy Corporation - Kentucky Properties
Comparison of Depreciation Expense
Existing vs Proposed Depreciation Accrual Rates
As of September 30, 2017

Account (a)	Description (b)	Plant Balance (c)	Existing		Proposed		Change in Depreciation Expense (h)
			Annual Accrual Rate (d)	Annual Accrual (e)	Annual Accrual Rate (f)	Annual Accrual (g)	
38100	Meters	31,440,206.71	8.30%	2,609,256.74	4.54%	1,426,566.28	(1,182,690.46)
38200	Meter Installations	55,250,692.16	4.13%	2,283,386.98	2.69%	1,485,904.11	(797,482.87)
38300	House Regulators	10,759,407.20	3.14%	337,924.59	2.76%	296,923.58	(41,001.01)
38400	House Regulator Installations	200,274.50	2.35%	4,708.91	2.44%	4,887.26	178.35
38500	Industrial Measuring	5,165,445.65	2.71%	139,762.88	1.38%	71,413.28	(68,349.60)
	Total Distribution	\$ 506,654,103.69	3.19%	\$ 16,167,028.25	2.14%	\$ 10,825,160.71	\$ (5,341,867.54)
GENERAL PLANT - DEPRECIATED							
39000	Structures & Improvements	\$ 7,141,677.47	3.76%	\$ 268,599.77	2.49%	\$ 177,816.56	\$ (90,783.21)
39002	Structures - Brick	173,114.85	3.76%	6,510.88	2.49%	4,310.29	(2,200.59)
39003	Improvements	709,199.18	3.76%	26,673.11	2.49%	17,657.95	(9,015.16)
39004	Air Conditioning Equipment	12,954.74	3.76%	487.23	5.01%	649.13	161.90
39009	Improvements - Leased	1,246,194.18	18.71%	233,102.79	12.37%	154,171.47	(78,931.32)
39200	Transportation Equipment	220,986.90	15.14%	33,465.94	4.70%	10,384.39	(23,081.55)
39202	Transportation - Trailers	-	9.95%	-	4.70%	-	-
39603	Power Operated -Ditchers	39,610.08	19.47%	7,713.99	8.75%	3,467.22	(4,246.77)
39604	Power Operated - Backhoes	62,747.29	19.47%	12,219.92	8.75%	5,492.51	(6,727.40)
39605	Power Operated - Welders	19,427.23	19.47%	3,783.42	8.75%	1,700.54	(2,082.88)
	Total General Depreciated	\$ 9,625,911.92	6.16%	\$ 592,557.04	3.90%	\$ 375,650.07	\$ (216,906.98)
	Total Depreciated Plant	\$ 562,799,399.98	3.13%	\$ 17,623,809.03	2.10%	\$ 11,820,299.98	\$ (5,803,509.05)
GENERAL PLANT - AMORTIZED							
39100	Office Furniture And Equipment	\$ 1,749,085.61	6.67%	\$ 116,605.71	5.00%	\$ 87,454.28	\$ (29,151.43)
39400	Tools Shop And Garage	3,175,404.51	6.25%	198,462.78	6.25%	198,462.78	-
39700	Communication Equipment	438,830.96	6.67%	29,255.40	6.67%	29,255.40	-
39800	Miscellaneous Equipment	3,897,155.54	5.00%	194,857.78	5.00%	194,857.78	-
39901	Servers Hardware	14,389.76	10.00%	1,438.98	14.29%	2,055.68	616.70
39903	Network Hardware	134,598.86	10.00%	13,459.89	10.00%	13,459.89	-
39906	PC Hardware	1,068,402.71	20.00%	213,680.54	20.00%	213,680.54	-
39907	PC Software	-	14.29%	-	14.29%	-	-
39908	Application Software	65,605.80	6.67%	4,373.72	8.33%	5,467.15	1,093.43
	Total General Amortized	\$ 10,543,473.75	7.32%	\$ 772,134.79	7.06%	\$ 744,693.49	\$ (27,441.29)
	Total General	\$ 20,169,385.67	6.77%	\$ 1,364,691.83	5.55%	\$ 1,120,343.56	\$ (244,348.27)
	TOTAL PLANT IN STUDY	\$ 573,342,873.73	3.21%	\$ 18,395,943.82	2.19%	\$ 12,564,993.48	\$ (5,830,950.34) ALG Calculated
					3.20%	18,357,649.83	(38,293.99) Change as originally filed with ELG
							\$ (5,792,656.35) Additional decrease from filed
	Total Non Depreciable/Excluded	2,199,253.87					
	TOTAL PLANT IN SERVICE	575,542,127.60					
	GL	575,632,189.43					
	Difference	(90,061.83)					
	AR 15 Retirements	90,061.83					
	Reconciled Difference	(0.00)					

Atmos Energy Corporation - Kentucky Properties
Comparison of Depreciation Expense
Existing vs Proposed Depreciation Accrual Rates
As of September 30, 2017

<u>Account</u> (a)	<u>Description</u> (b)	<u>Plant Balance</u> (c)	<u>Existing</u>		<u>Proposed</u>		<u>Change in Depreciation Expense</u> (h)
			<u>Annual Accrual Rate</u> (d)	<u>Annual Accrual</u> (e)	<u>Annual Accrual Rate</u> (f)	<u>Annual Accrual</u> (g)	
	TOTAL PLANT IN STUDY	573,342,873.73	3.21%	18,395,943.82	3.20%	18,357,649.83	(38,293.99) CK

ATMOS ENERGY - KENTUCKY PROPERTIES
COMPUTATION OF DEPRECIATION ACCRUAL RATE
AT SEPTEMBER 30, 2017

Using Average Life Group

Account	Description	Plant In Service	Allocated Book Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Annual Accrual Amount	Annual Accrual Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
STORAGE PLANT									
35020	Rights-Of-Way	\$ 4,681.58	\$ 4,359.77	0%	\$ -	\$ 321.81	19.12	\$ 16.83	0.36%
35100	Structures And Improvements	17,916.19	5,889.36	-5%	(895.81)	12,922.64	44.97	287.35	1.60%
35102	Compressor Station Eq	153,261.30	113,895.32	-5%	(7,663.07)	47,029.04	26.02	1,807.15	1.18%
35103	Measuring And Reg. Station	23,138.38	20,852.24	-5%	(1,156.92)	3,443.06	18.80	183.16	0.79%
35104	Other Structures	137,442.53	100,123.37	-5%	(6,872.13)	44,191.29	26.69	1,655.44	1.20%
35200	Wells	8,353,042.61	1,039,246.78	-30%	(2,505,912.78)	9,819,708.61	61.87	158,715.98	1.90%
35201	Well Construction	1,699,998.54	1,423,961.97	-30%	(509,999.56)	786,036.13	32.46	24,215.35	1.42%
35202	Well Equipment	449,309.06	464,753.64	-30%	(134,792.72)	119,348.13	24.35	4,901.92	1.09%
35203	Cushion Gas	1,694,832.96	553,289.05	0%	0.00	1,141,543.91	49.50	23,061.49	1.36%
35210	Storage Leaseholds An	178,530.09	174,756.85	0%	0.00	3,773.24	14.53	259.74	0.15%
35211	Storage Rights	54,614.27	44,812.42	0%	0.00	9,801.85	23.01	425.89	0.78%
353 C	Storage Field & Tributary Lines	384,669.27	255,614.03	-5%	(19,233.46)	148,288.70	34.56	4,291.27	1.12%
35400	Compressor Station Eq	923,446.05	468,850.49	-5%	(46,172.30)	500,767.86	33.11	15,124.96	1.64%
35500	Measuring And Regulating	273,084.38	148,675.20	-4%	(10,923.38)	135,332.55	29.06	4,657.31	1.71%
35600	Purification Equipment	414,663.45	180,684.83	-3%	(12,439.90)	246,418.52	30.43	8,097.84	1.95%
	Total Storage	\$ 14,762,630.66	\$ 4,999,765.33		\$ (3,256,062.03)	\$ 13,018,927.36		\$ 247,701.69	1.68%
TRANSMISSION PLANT									
36520	Rights-Of-Way	\$ 867,772.00	\$ 571,633.26	0%	\$ -	\$ 296,138.74	46.31	\$ 6,394.03	0.74%
366 C	Meas. & Reg. Sta. Structures	109,828.01	88,404.72	-3%	(3,294.84)	24,718.13	31.68	780.17	0.71%
36700	Mains - Cathodic Protection	47,232.93	16,158.17	0%	0.00	31,074.76	20.03	1,551.07	3.28%
36701	Mains - Steel	27,638,493.47	17,639,735.83	-20%	(5,527,698.69)	15,526,456.33	48.38	320,901.59	1.16%
36703	Mains - Anodes	92,404.75	72,038.75	0%	0.00	20,366.00	4.41	4,620.24	5.00%
369 C	Measuring And Reg. Station	3,001,022.55	2,300,659.27	-15%	(450,153.38)	1,150,516.66	30.65	37,540.41	1.25%
	Total Transmission	\$ 31,756,753.71	\$ 20,688,630.00		\$ (5,981,146.92)	\$ 17,049,270.63		\$ 371,787.51	1.17%
DISTRIBUTION PLANT									
37402	Land Rights	\$ 2,371,406.31	\$ 212,132.36	0%	\$ -	\$ 2,159,273.95	70.57	\$ 30,595.85	1.29%
375 C	Structures & Improvements	486,254.94	263,875.42	-10%	(48,625.49)	271,005.01	44.52	6,087.22	1.25%
37600	Mains - Cathodic Protection	2,326,532.18	772,677.31	0%	0.00	1,553,854.87	19.52	79,592.45	3.42%
37601-02	Mains - Steel & Plastic	247,129,715.72	32,958,390.92	-5%	(12,356,485.79)	226,527,810.58	64.13	3,532,064.38	1.43%
37603	Mains - Anodes	4,392,139.28	2,635,974.04	0%	0.00	1,756,165.24	8.00	219,606.96	5.00%
37604	Mains - Leak Clamps	14,313,691.11	8,834,833.14	0%	0.00	5,478,857.97	7.66	715,684.56	5.00%
37800	Meas. And Reg. Sta. Equipment	9,659,648.27	2,476,963.50	-15%	(1,448,947.24)	8,631,632.01	42.65	202,405.85	2.10%
379 C	Meas & Reg Station Equipment	5,593,717.47	2,036,641.67	-15%	(839,057.62)	4,396,133.42	39.56	111,134.36	1.99%
38000	Services	117,564,972.19	45,615,750.74	-18%	(21,161,694.99)	93,110,916.45	35.24	2,642,294.57	2.25%
38100	Meters	31,440,206.71	13,821,874.66	-11%	(3,458,422.74)	21,076,754.78	14.77	1,426,566.28	4.54%
38200	Meter Installations	55,250,692.16	24,591,178.48	-35%	(19,337,742.26)	49,997,255.94	33.65	1,485,904.11	2.69%
38300	House Regulators	10,759,407.20	4,183,228.08	-35%	(3,765,792.52)	10,341,971.64	34.83	296,923.58	2.76%
38400	House Regulator Installations	200,274.50	123,591.86	-35%	(70,096.08)	146,778.71	30.03	4,887.26	2.44%
38500	Industrial Measuring	5,165,445.65	3,247,094.48	-8%	(413,235.65)	2,331,586.82	32.65	71,413.28	1.38%
	Total Distribution	\$ 506,654,103.69	\$ 141,774,206.68		\$ (62,900,100.38)	\$ 427,779,997.39		\$ 10,825,160.71	2.14%
GENERAL PLANT DEPRECIATED									
390 C	Structures & Improvements	\$ 8,023,991.50	\$ 745,699.91	-10%	\$ (802,399.15)	\$ 8,080,690.74	40.45	\$ 199,784.80	2.49%
39004	Air Conditioning	12,954.74	5,436.97	-10%	(1,295.47)	8,813.25	13.58	649.13	5.01%
39009	Improvements - Leased	1,246,194.18	935,856.99	0%	0.00	310,337.19	2.01	154,171.47	12.37%
39200	Transportation Equipment	220,986.90	35,118.28	10%	22,098.69	163,769.93	15.77	10,384.39	4.70%
396 C	Power Operated Equipment	121,784.60	74,138.55	16%	19,485.54	28,160.52	2.64	10,660.28	8.75%
	Total General Depreciated	\$ 9,625,911.92	\$ 1,796,250.69		\$ (762,110.40)	\$ 8,591,771.63		\$ 375,650.07	3.90%
	Total Study Depreciated	\$ 562,799,399.98	\$ 169,258,852.70		\$ (72,899,419.72)	\$ 466,439,967.00		\$ 11,820,299.98	2.10%

*This account includes 39202.

Total General Amortized	10,543,473.75	4,422,007.87
Total Depreciated and Amortized	573,342,873.73	173,680,860.57
Non Depreciable/Excluded	2,199,253.87	128,182.41
Total Plant and Reserve Balances	575,542,127.60	173,809,042.98
GL	575,632,189.43	173,899,104.81
Difference	(90,061.83)	(90,061.83)
AR 15 Retirements Assets > ASL	90,061.83	90,061.83
Reconciled differences	<u>(0.00)</u>	<u>(0.00)</u>

ATMOS ENERGY - KENTUCKY PROPERTIES
COMPUTATION OF DEPRECIATION ACCRUAL RATE
AT SEPTEMBER 30, 2017

Account (a)	Description (b)	Plant Balance (c)	Allocated Reserve (d)	Theoretical Reserve 9/30/2017 (e)	Reserve (Deficit)/Surplus (f)	Assets Greater than ASL (g)
GENERAL PLANT - AMORTIZED						
	39100 Office Furniture and Equipment - All	\$ 1,749,085.61	\$ 760,016.12	\$ 760,016.12	0.00	\$ -
	39400 Tools, Shop, and Garage Equipment	3,207,557.31	969,997.70	969,997.70	0.00	32,152.80
	39700 Communication Equipment	438,830.96	220,507.03	220,507.03	0.00	-
	39800 Miscellaneous Equipment	3,897,155.54	1,873,554.01	1,873,554.01	0.00	-
	39901 Servers Hardware	14,389.76	5,139.20	5,139.20	0.00	-
	39903 Network Hardware	134,598.86	39,115.33	39,115.33	0.00	-
	39906 PC Hardware	1,068,402.71	550,294.80	550,294.80	0.00	-
	39907 PC Software	-	-	-	0.00	-
	39908 Application Software	123,514.83	93,445.51	93,445.51	0.00	57,909.03
	Total General Amortized	<u>\$ 10,633,535.58</u>	<u>\$ 4,512,069.70</u>	<u>\$ 4,512,069.70</u>	<u>-</u>	<u>\$ 90,061.83</u>

After Retirements of Assets With Age > Average Service Life

Account	Description	Plant Balance	Allocated Reserve	Annual Amortization Amount	Annual Amortization %
	3910C Office Furniture and Equipment - All	\$ 1,749,085.61	\$ 760,016.12	\$ 87,454.28	5.00%
	39400 Tools, Shop, and Garage Equipment	3,175,404.51	937,844.90	198,462.78	6.25%
	39700 Communication Equipment	438,830.96	220,507.03	29,255.40	6.67%
	39800 Miscellaneous Equipment	3,897,155.54	1,873,554.01	194,857.78	5.00%
	39901 Servers Hardware	14,389.76	5,139.20	2,055.68	14.29%
	39903 Network Hardware	134,598.86	39,115.33	13,459.89	10.00%
	39906 PC Hardware	1,068,402.71	550,294.80	213,680.54	20.00%
	39907 PC Software	-	-	-	14.29%
	39908 Application Software	65,605.80	35,536.48	5,467.15	8.33%
	Total General Amortized After Ret	<u>\$ 10,543,473.75</u>	<u>\$ 4,422,007.87</u>	<u>\$ 744,693.49</u>	<u>7.06%</u>
	AR 15 Retirements > ASL	<u>\$ 90,061.83</u>	<u>\$ 90,061.83</u>		

Account	Vintage	Age	Balance 9-30-14	ASL	RL	%	0% Salvage	w/NS	Factor	Reserve	Life Reserve	COR Reserve	Test	Accrual	\$ Yrs RL	Avg RL	Asset to Ret > ASL Amortized Accounts	
39000-Structures & Improvements Total			7,141,677.47				493,714.36	543,085.80		453,483.94	412,258.11	41,225.84	158,703.94	158,703.94	299,158,339.82	41.89	390 Combined	-
39002-Structures - Brick Total			173,114.85				99,044.99	108,949.49		90,974.29	82,703.90	8,270.38	3,847.00	3,847.00	3,333,143.76	19.25	RL Calculated	-
39003-Improvements Total			709,199.18				219,094.65	241,004.11		201,241.68	182,946.98	18,294.70	15,759.98	15,759.98	22,054,703.93	31.10	40.45	-
39004-Air Conditioning Equipment Total			12,954.74				5,919.30	6,511.23		5,436.97	4,942.69	494.27	518.19	518.19	175,885.94	13.58		-
39005-Improv. to Leased Premises Total			1,246,194.18				1,120,768.77	1,120,768.77		935,856.99	935,857.00	-	62,309.71	62,309.71	2,508,508.28	2.01		-
39100-Office Furniture & Equipment Total			1,749,085.61				760,016.12	760,016.12		760,016.12	760,016.11	-	87,454.28	87,454.28	19,781,389.79	11.31		-
39200-Transportation Equipment Total			220,986.90				46,730.15	42,057.14		35,118.28	39,020.31	(3,902.03)	11,049.35	11,049.35	3,485,134.94	15.77		-
39400-Tools, Shop, & Garage Equip. Total			3,207,557.31				969,997.70	969,997.70		969,997.70	969,997.70	-	200,472.33	200,472.33	35,800,953.72	11.16		32,152.80
396 C Total			121,784.60				105,699.10	88,787.25		74,138.55	88,260.17	(14,121.62)	6,089.23	6,089.23	321,709.91	2.64		-
39700-Communication Equipment Total			438,830.96				220,507.03	220,507.03		220,507.03	220,507.02	-	29,255.40	29,255.40	3,274,858.93	7.46		-
39800-Miscellaneous Equipment Total			3,897,155.54				1,873,554.01	1,873,554.01		1,873,554.01	1,873,554.03	-	194,857.78	194,857.78	40,472,030.51	10.39		-
39901-Oth Tang Prop - Servers - HW Total			14,389.76				5,139.20	5,139.20		5,139.20	5,139.20	-	2,055.68	2,055.68	64,753.92	4.50		-
39903-Oth Tang Prop - Network - HW Total			134,598.86				39,115.33	39,115.33		39,115.33	39,115.33	-	13,459.89	13,459.89	954,835.31	7.09		-
39906-Oth Tang Prop - PC Hardware Total			1,068,402.71				550,294.80	550,294.80		550,294.80	550,294.80	(0.01)	213,680.54	213,680.54	2,590,539.55	2.42		-
39908-Oth Tang Prop - Appl Software Total			123,514.83				93,445.51	93,445.51		93,445.51	93,445.51	-	10,292.90	10,292.90	360,831.90	2.92		57,909.03
Grand Total			20,259,447.50				6,603,041.03	6,663,233.49		6,308,320.39	6,258,058.86	50,261.53	1,009,806.19	1,009,806.19	434,337,620.20	21.44		90,061.83
								Book		6,308,320.39	-							
								TR		6,663,233.49								
								PAF		0.84								
Total Depreciation Study			829,753,474.25								173,770,922.40							
Less Combined Accounts			256,320,538.69															
Excluded/Non Depreciable			2,199,253.87															
Total Plant In Service			575,632,189.43								128,182.41							
GL			575,632,189.43								173,899,104.81							
Difference			-								-							

Kentucky Direct
Reserve Balances as of September 30, 2014

company_id	bus_segment_id	depr_group_id	end_reserve		
050 Mid-States Division	009 - WKG Division	050.009.30100:Organization Grp	8,329.72		
050 Mid-States Division	009 - WKG Division	050.009.30200:Franch & Consent Grp	119,852.69	128,182.41	Intangibles
050 Mid-States Division	009 - WKG Division	050.009.32540:Rights-Of-Way			
050 Mid-States Division	009 - WKG Division	050.009.33201:Field Lines			
050 Mid-States Division	009 - WKG Division	050.009.33202:Tributary Lines			
050 Mid-States Division	009 - WKG Division	050.009.33400:Field Measuring And R			
050 Mid-States Division	009 - WKG Division	050.009.33600:Purification Equipmen		0.00	0.00
050 Mid-States Division	009 - WKG Division	050.009.35020:Rights-Of-Way	4,424.74		
050 Mid-States Division	009 - WKG Division	050.009.35100:Structures And Improv	5,691.12		
050 Mid-States Division	009 - WKG Division	050.009.35102:Compressor Station Eq	109,889.89		
050 Mid-States Division	009 - WKG Division	050.009.35103:Measuring And Reg. St	20,059.73		
050 Mid-States Division	009 - WKG Division	050.009.35104:Other Structures	96,577.33		
050 Mid-States Division	009 - WKG Division	050.009.35200:Rights Of Way	868,482.07		
050 Mid-States Division	009 - WKG Division	050.009.35201:Well Construction	1,368,085.55		
050 Mid-States Division	009 - WKG Division	050.009.35202:Well Equipment	448,222.77		
050 Mid-States Division	009 - WKG Division	050.009.35203:Cushion Gas Grp	701,139.03		
050 Mid-States Division	009 - WKG Division	050.009.35210:Storage Leaseholds An	166,847.71		
050 Mid-States Division	009 - WKG Division	050.009.35211:Storage Rights	42,994.41		
050 Mid-States Division	009 - WKG Division	050.009.35301:Storage Field Lines	135,614.64		
050 Mid-States Division	009 - WKG Division	050.009.35302:Storage Tributary Lin	193,550.33		
050 Mid-States Division	009 - WKG Division	050.009.35400:Compressor Station Eq	465,070.35		
050 Mid-States Division	009 - WKG Division	050.009.35500:Measuring and Regulat	198,174.21		
050 Mid-States Division	009 - WKG Division	050.009.35600:Purification Equipmen	174,941.45	4,999,765.33	Storage
050 Mid-States Division	009 - WKG Division	050.009.36520:Rights-Of-Way	406,227.72		
050 Mid-States Division	009 - WKG Division	050.009.36602:Meas. & Reg. Sta. Str	15,225.31		
050 Mid-States Division	009 - WKG Division	050.009.36603:Other Structures	51,064.68		
050 Mid-States Division	009 - WKG Division	050.009.36700:Mains - Cathodic Prot	85,162.66		
050 Mid-States Division	009 - WKG Division	050.009.36701:Mains - Steel	18,122,670.28		
		050.009.36703:Mains - Anodes			
050 Mid-States Division	009 - WKG Division	050.009.36900:Measuring And Reg. St	324,356.79		
050 Mid-States Division	009 - WKG Division	050.009.36901:Measuring And Reg. St	1,683,922.56	20,688,630.00	Transmission
050 Mid-States Division	009 - WKG Division	050.009.37400:Land & Land Right Grp	0.00		
050 Mid-States Division	009 - WKG Division	050.009.37402:Land Rights	148,286.17		
050 Mid-States Division	009 - WKG Division	050.009.37500:Structures & Improvem	100,298.85		
050 Mid-States Division	009 - WKG Division	050.009.37501:Struct. & Improv. - T	67,471.19		

050 Mid-States Division	009 - WKG Division	050.009.37502:Land Rights	33,555.73	
050 Mid-States Division	009 - WKG Division	050.009.37503:Improvements	1,760.60	
050 Mid-States Division	009 - WKG Division	050.009.37600:Mains - Cathodic Prot	12,276,338.89	
050 Mid-States Division	009 - WKG Division	050.009.37601:Mains - Steel	28,766,556.87	
050 Mid-States Division	009 - WKG Division	050.009.37602:Mains - Plastic	14,394,951.22	
		050.009.37603:Mains - Anodes		
		050.009.37604:Mains - Leak Clamps		
050 Mid-States Division	009 - WKG Division	050.009.37800:Meas. And Reg. Sta. E	2,050,993.68	
050 Mid-States Division	009 - WKG Division	050.009.37900:Meas & Reg Station Eq	804,097.06	
050 Mid-States Division	009 - WKG Division	050.009.37905:Meas & Reg Sta Eq - C	949,797.34	
050 Mid-States Division	009 - WKG Division	050.009.38000:Services	35,698,086.52	
050 Mid-States Division	009 - WKG Division	050.009.38100:Meters	16,429,016.87	
050 Mid-States Division	009 - WKG Division	050.009.38200:Meter Installations	23,736,561.52	
050 Mid-States Division	009 - WKG Division	050.009.38300:House Regulators	3,542,250.18	
050 Mid-States Division	009 - WKG Division	050.009.38400:House Regulator Insta	82,454.84	
050 Mid-States Division	009 - WKG Division	050.009.38500:Industrial Measuring	2,691,729.15	141,774,206.68 Distribution
050 Mid-States Division	009 - WKG Division	050.009.39000:Structure & Improv	720,411.87	
050 Mid-States Division	009 - WKG Division	050.009.39002:Structure-Brick Grp	95,031.88	
050 Mid-States Division	009 - WKG Division	050.009.39003:Improvements Grp	241,312.96	
050 Mid-States Division	009 - WKG Division	050.009.39004:Air Condition Eq Grp	3,953.44	
050 Mid-States Division	009 - WKG Division	050.009.39009:Imprvment-Leased Grp	1,034,377.16	
050 Mid-States Division	009 - WKG Division	050.009.39100:Office Furniture And	846,219.21	
050 Mid-States Division	009 - WKG Division	050.009.39200:Transp Equip-Group	57,911.13	
050 Mid-States Division	009 - WKG Division	050.009.39202:Wkg Trailers - Group	(2,529.39)	
050 Mid-States Division	009 - WKG Division	050.009.39400:Tools Shop And Garage	840,941.63	
050 Mid-States Division	009 - WKG Division	050.009.39603:Ditchers - Group	32,691.38	
050 Mid-States Division	009 - WKG Division	050.009.39604:Backhoes - Group	51,688.27	
050 Mid-States Division	009 - WKG Division	050.009.39605:Welders - Group	14,413.09	
050 Mid-States Division	009 - WKG Division	050.009.39700:Communication Equipme	185,275.46	
050 Mid-States Division	009 - WKG Division	050.009.39705:Communication Equip.		
050 Mid-States Division	009 - WKG Division	050.009.39800:Miscellaneous Equipme	1,550,205.23	
		050.009.39901:Serviers Hardware	3,305.15	
050 Mid-States Division	009 - WKG Division	050.009.39903:Network Hardware	35,769.00	
050 Mid-States Division	009 - WKG Division	050.009.39906:Pc Hardware	484,128.31	
050 Mid-States Division	009 - WKG Division	050.009.39907:Pc Software		
050 Mid-States Division	009 - WKG Division	050.009.39908:Application Software	113,214.61	6,308,320.39 General
			173,899,104.81	
				173,899,104.81

end_month	company	bus Segement	depr_group	end_bal
09/2017	050 Mid-States Division	009 - WKG Division	050.009.30100:Organization Grp	8,329.72
09/2017	050 Mid-States Division	009 - WKG Division	050.009.30200:Franch & Consent Grp	119,852.69
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35020:Rights-Of-Way	4,424.74
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35100:Structures And Improv	5,691.12
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35102:Compressor Station Eq	109,889.89
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35103:Measuring And Reg. St	20,059.73
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35104:Other Structures	96,577.33
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35200:Rights Of Way	868,482.07
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35201:Well Construction	1,368,085.55
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35202:Well Equipment	448,222.77
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35203:Cushion Gas Grp	701,139.03
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35210:Storage Leaseholds An	166,847.71
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35211:Storage Rights	42,994.41
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35301:Storage Field Lines	135,614.64
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35302:Storage Tributary Lin	193,550.33
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35400:Compressor Station Eq	465,070.35
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35500:Measuring and Regulat	198,174.21
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35600:Purification Equipmen	174,941.45
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36520:Rights-Of-Way	406,227.72
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36602:Meas. & Reg. Sta. Str	15,225.31
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36603:Other Structures	51,064.68
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36700:Mains - Cathodic Prot	85,162.66
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36701:Mains - Steel	18,122,670.28
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36900:Measuring And Reg. St	324,356.79
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36901:Measuring And Reg. St	1,683,922.56
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37402:Land Rights	148,286.17
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37500:Structures & Improvem	100,298.85
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37501:Struct. & Improv. - T	67,471.19

09/2017	050 Mid-States Division	009 - WKG Division	050.009.37502:Land Rights	33,555.73
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37503:Improvements	1,760.60
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37600:Mains - Cathodic Prot	12,276,338.89
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37601:Mains - Steel	28,766,556.87
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37602:Mains - Plastic	14,394,951.22
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37800:Meas. And Reg. Sta. E	2,050,993.68
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37900:Meas & Reg Station Eq	804,097.06
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37905:Meas & Reg Sta Eq - C	949,797.34
09/2017	050 Mid-States Division	009 - WKG Division	050.009.38000:Services	35,698,086.52
09/2017	050 Mid-States Division	009 - WKG Division	050.009.38100:Meters	16,429,016.87
09/2017	050 Mid-States Division	009 - WKG Division	050.009.38200:Meter Installations	23,736,561.52
09/2017	050 Mid-States Division	009 - WKG Division	050.009.38300:House Regulators	3,542,250.18
09/2017	050 Mid-States Division	009 - WKG Division	050.009.38400:House Regulator Insta	82,454.84
09/2017	050 Mid-States Division	009 - WKG Division	050.009.38500:Industrial Measuring	2,691,729.15
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39000:Structure & Improv	720,411.87
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39002:Structure-Brick Grp	95,031.88
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39003:Improvements Grp	241,312.96
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39004:Air Condition Eq Grp	3,953.44
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39009:Imprvment-Leased Grp	1,034,377.16
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39100:Office Furniture And	846,219.21
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39200:Transp Equip-Group	57,911.13
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39202:Wkg Trailers - Group	(2,529.39)
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39400:Tools Shop And Garage	840,941.63
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39603:Ditchers - Group	32,691.38
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39604:Backhoes - Group	51,688.27
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39605:Welders - Group	14,413.09
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39700:Communication Equipme	185,275.46
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39800:Miscellaneous Equipme	1,550,205.23
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39901:Servers Hardware	3,305.15
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39903:Network Hardware	35,769.00
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39906:Pc Hardware	484,128.31
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39908:Application Software	113,214.61
				173,899,104.81

Company	Business Segment	Utility Account	Retirement Unit	Vintage	Activity Cost
		30100-Organization Total			8,329.72
		30200-Franchises & Consents Total			119,852.69
		35010-Land Total			261,126.69
		35020-Rights of Ways Total			4,681.58
		35100-Structures & Improvements Total			17,916.19
		35102-Compressor Station Equipment Total			153,261.30
		35103-Meas. & Reg. Sta. Structures Total			23,138.38
		35104-Other Structures Total			137,442.53
		35200-Wells Total			8,353,042.61
		35201-Well Construction Total			1,699,998.54
		35202-Well Equipment Total			449,309.06
		35203-Cushion Gas Total			1,694,832.96
		35210-Leaseholds Total			178,530.09
		35211-Storage Rights Total			54,614.27
		35301-Field Lines Total			175,350.37
		35302-Tributary Lines Total			209,318.90
		35400-Compressor Station Equipment Total			923,446.05
		35500-Meas. & Reg. Equipment Total			273,084.38
		35600-Purification Equipment Total			414,663.45
		36510-Land & Land Rights Total			26,970.37
		36520-Rights-Of-Way Total			867,772.00
		36602-Structures & Improvements Total			49,001.72
		36603-Other Structures Total			60,826.29
		36700-Mains - Cathodic Protection Total			139,637.68
		36701-Mains - Steel Total			27,638,493.47
		36900-Meas. & Reg. Sta. Equipment Total			731,466.64
		36901-Meas. & Reg. Sta. Equipment Total			2,269,555.91
		37400-Land & Land Rights Total			531,166.79
		37401-Land Total			37,326.42
		37402-Land Rights Total			2,371,406.31
		37403-Land Other Total			2,783.89
		37500-Structures & Improvements Total			336,167.54
		37501-Structures & Improvements T.B Total			99,818.13
		37502-Land Rights Total			46,264.19
		37503-Improvements Total			4,005.08
		37600-Mains - Cathodic Protection Total			20,986,308.71
		37601-Mains - Steel Total			146,515,894.73
		37602-Mains - Plastic Total			100,659,874.85
		37800-Meas. & Reg. Sta. Eq-General Total			9,659,648.27

Company	Business Segment	Utility Account	Retirement Unit	Vintage	Activity Cost
		37900-Meas. & Reg. - City Gate Total			3,941,078.12
		37905-Meas. & Reg. Sta. Equip T.B. Total			1,652,639.35
		38000-Services Total			117,564,972.19
		38100-Meters Total			31,440,206.71
		38200-Meter Installations Total			55,250,692.16
		38300-House Regulators Total			10,759,407.20
		38400-House Reg. Installations Total			200,274.50
		38500-Ind. Meas. & Reg. Sta. Equip Total			5,165,445.65
		38900-Land & Land Rights Total			1,211,697.30
		39000-Structures & Improvements Total			7,141,677.47
		39002-Structures - Brick Total			173,114.85
		39003-Improvements Total			709,199.18
		39004-Air Conditioning Equipment Total			12,954.74
		39009-Improv. to Leased Premises Total			1,246,194.18
		39100-Office Furniture & Equipment Total			1,749,085.61
		39200-Transportation Equipment Total			220,986.90
		39400-Tools, Shop, & Garage Equip. Total			3,207,557.31
		39603-Ditchers Total			39,610.08
		39604-Backhoes Total			62,747.29
		39605-Welders Total			19,427.23
		39700-Communication Equipment Total			438,830.96
		39800-Miscellaneous Equipment Total			3,897,155.54
		39901-Oth Tang Prop - Servers - H/W Total			14,389.76
		39903-Oth Tang Prop - Network - H/W Total			134,598.86
		39906-Oth Tang Prop - PC Hardware Total			1,068,402.71
		39908-Oth Tang Prop - Appl Software Total			123,514.83
		Grand Total			575,632,189.43

CK \$ 575,632,189.43

Excluded from Study

30100-Organization Total	8,329.72
30200-Franchises & Consents Total	119,852.69
35010-Land Total	261,126.69
36510-Land & Land Rights Total	26,970.37
37400-Land & Land Rights Total	531,166.79
37401-Land Total	37,326.42
37403-Land Other Total	2,783.89
38900-Land & Land Rights Total	1,211,697.30

Company	Business Segment	Utility Account	Retirement Unit	Vintage	Activity Cost
			Excluded/Non Depreciable		<u>2,199,253.87</u>
			Total Depreciation Study		573,432,935.56

end_month	company	bus Segment	depr_group	end_bal
09/2017	050 Mid-States Division	009 - WKG Division	050.009.30100:Organization Grp	8,329.72
09/2017	050 Mid-States Division	009 - WKG Division	050.009.30200:Franch & Consent Grp	119,852.69
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35020:Rights-Of-Way	4,424.74
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35100:Structures And Improv	5,691.12
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35102:Compressor Station Eq	109,889.89
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35103:Measuring And Reg. St	20,059.73
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35104:Other Structures	96,577.33
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35200:Rights Of Way	868,482.07
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35201:Well Construction	1,368,085.55
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35202:Well Equipment	448,222.77
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35203:Cushion Gas Grp	701,139.03
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35210:Storage Leaseholds An	166,847.71
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35211:Storage Rights	42,994.41
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35301:Storage Field Lines	135,614.64
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35302:Storage Tributary Lin	193,550.33
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35400:Compressor Station Eq	465,070.35
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35500:Measuring and Regulat	198,174.21
09/2017	050 Mid-States Division	009 - WKG Division	050.009.35600:Purification Equipmen	174,941.45
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36520:Rights-Of-Way	406,227.72
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36602:Meas. & Reg. Sta. Str	15,225.31
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36603:Other Structures	51,064.68
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36700:Mains - Cathodic Prot	85,162.66
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36701:Mains - Steel	18,122,670.28
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36900:Measuring And Reg. St	324,356.79
09/2017	050 Mid-States Division	009 - WKG Division	050.009.36901:Measuring And Reg. St	1,683,922.56
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37402:Land Rights	148,286.17
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37500:Structures & Improvem	100,298.85
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37501:Struct. & Improv. - T	67,471.19
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37502:Land Rights	33,555.73
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37503:Improvements	1,760.60
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37600:Mains - Cathodic Prot	12,276,338.89
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37601:Mains - Steel	28,766,556.87
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37602:Mains - Plastic	14,394,951.22
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37800:Meas. And Reg. Sta. E	2,050,993.68
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37900:Meas & Reg Station Eq	804,097.06
09/2017	050 Mid-States Division	009 - WKG Division	050.009.37905:Meas & Reg Sta Eq - C	949,797.34
09/2017	050 Mid-States Division	009 - WKG Division	050.009.38000:Services	35,698,086.52
09/2017	050 Mid-States Division	009 - WKG Division	050.009.38100:Meters	16,429,016.87
09/2017	050 Mid-States Division	009 - WKG Division	050.009.38200:Meter Installations	23,736,561.52

end_month	company	bus Segement	depr_group	end_bal
09/2017	050 Mid-States Division	009 - WKG Division	050.009.38300:House Regulators	3,542,250.18
09/2017	050 Mid-States Division	009 - WKG Division	050.009.38400:House Regulator Insta	82,454.84
09/2017	050 Mid-States Division	009 - WKG Division	050.009.38500:Industrial Measuring	2,691,729.15
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39000:Structure & Improv	720,411.87
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39002:Structure-Brick Grp	95,031.88
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39003:Improvements Grp	241,312.96
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39004:Air Condition Eq Grp	3,953.44
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39009:Imprvment-Leased Grp	1,034,377.16
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39100:Office Furniture And	846,219.21
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39200:Transp Equip-Group	57,911.13
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39202:Wkg Trailers - Group	(2,529.39)
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39400:Tools Shop And Garage	840,941.63
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39603:Ditchers - Group	32,691.38
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39604:Backhoes - Group	51,688.27
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39605:Welders - Group	14,413.09
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39700:Communication Equipme	185,275.46
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39800:Miscellaneous Equipme	1,550,205.23
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39901:Servers Hardware	3,305.15
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39903:Network Hardware	35,769.00
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39906:Pc Hardware	484,128.31
09/2017	050 Mid-States Division	009 - WKG Division	050.009.39908:Application Software	113,214.61
				173,899,104.81

Atmos Energy Corporation
Kentucky Mid-States General Office Property
Comparison of Depreciation Expense
Existing vs Proposed Depreciation Accrual Rates
As of September 30, 2017

Account (a)	Description (b)	Plant Balance (c)	Existing		Proposed		Change in Depreciation Expense (h)
			Annual Accrual Rate (d)	Annual Accrual (e)	Annual Accrual Rate (f)	Annual Accrual (g)	
GENERAL PLANT DEPRECIABLE							
39001	Structures & Improvements	\$ 179,338.52	2.68%	\$ 4,806.27	2.47%	\$ 4,429.66	\$ (376.61)
39004	Air Conditioning	15,383.91	7.33%	1,127.64	6.43%	989.19	(138.46)
39200	Transportation Equipment	27,284.69	6.67%	1,819.89	5.41%	1,476.10	(343.79)
39400	Tools Shop And Garage	175,867.44	3.40%	5,979.49	4.82%	8,476.81	2,497.32
39600	Power Operated Equipment	20,515.69	4.36%	894.48	5.02%	1,029.89	135.40
39700	Communication Equipment	37,541.00	3.13%	1,175.03	8.26%	3,100.89	1,925.85
39800	Miscellaneous Equipment	814,166.88	3.47%	28,251.59	2.66%	21,656.84	(6,594.75)
39907	Pc Software	35,063.77	11.11%	3,895.58	12.45%	4,365.44	469.85
	Total Depreciable Plant	\$ 1,305,161.90	3.67%	\$ 47,949.99	3.49%	\$ 45,524.81	\$ (2,425.18) ALG Calculated
*Accounts are fully accrued. Recommend the following whole life (1-NS%/ASL) rates until a new study is perform:					3.88%	50,637.13	2,687.14 As Filed Originally
	39009 Improvements - Leased	38,834.00			5.00%		
	39100 Office Furniture And Equipment	41,397.21			5.00%		(5,112.32) Change
	39906 #REF!	74,189.62			20.00%		
	39908 Application Software	828,509.36			8.33%		
	Total Fully Accrued	982,930.19					
	Total Plant In Service	\$ 2,288,092.09					
	GL	3,582,953.04					
	Difference	1,294,860.95					
	Non Depreciable	1,294,860.95					
	Reconciled Difference	0.00					
Total Depreciable Plant		1,305,161.90	3.67%	47,949.99	3.88%	50,637.13	2,687.14 Original Filed

**ATMOS ENERGY - KENTUCKY MID-STATES GENERAL OFFICE
COMPUTATION OF DEPRECIATION ACCRUAL RATE
AT SEPTEMBER 30, 2017**

Using Average Life Group

Account	Description	Plant in Service	Allocated Reserve	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Annual Accrual Amount	Annual Accrual Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
GENERAL PLANT DEPRECIATED									
39001	Structures & Improvements	\$ 179,338.52	\$ 77,619.37	-10%	\$ (17,933.85)	\$ 119,653.00	26.97	\$ 4,436.01	2.47%
39004	Air Conditioning	15,383.91	7,582.43	-10%	(1,538.39)	9,339.87	9.44	989.72	6.43%
39200	Transportation Equipment	27,284.69	9,570.45	10%	2,728.47	14,985.77	10.16	1,474.80	5.41%
39400	Tools Shop And Garage	175,867.44	132,187.87	0%	0.00	43,679.57	5.16	8,471.55	4.82%
39600	Power Operated Equipment	20,515.69	6,906.83	16%	3,282.51	10,326.35	10.02	1,030.16	5.02%
39700	Communication Equipment	37,541.00	1,887.84	0%	0.00	35,653.16	11.50	3,100.13	8.26%
39800	Miscellaneous Equipment	814,166.88	644,969.50	0%	0.00	169,197.38	7.81	21,675.39	2.66%
39907	Pc Software	35,063.77	16,192.58	0%	0.00	18,871.19	4.32	4,363.95	12.45%
Total Depreciated Plant		\$ 1,305,161.90	\$ 896,916.86		\$ (13,461.26)	\$ 421,706.30		\$ 45,541.71	3.49%

*Accounts are fully accrued. Recommend the following whole life (1-NS%/ASL) rates until a new study is performed.

ACCOUNTS FULLY ACCRUED

39009	Improvements - Leased	\$ 38,834.00	\$ 38,834.00						5.00%
39100	Office Furniture And Equipment	41,397.21	41,397.21						5.00%
39906	Pc Hardware	74,189.62	74,189.62						20.00%
39908	Application Software	828,509.36	828,509.36						8.33%
Total Plant Fully Depreciated		\$ 982,930.19	\$ 982,930.19						
Total Study Balances		\$ 2,288,092.09	\$ 1,879,847.05						
Intangibles Excluded		\$ 1,294,860.95	-						
Total Plant In Service		\$ 3,582,953.04	\$ 1,879,847.05						
GL		3,582,953.04	1,879,847.05						
Difference		-	-						

end_month	company	bus Segement	depr_group	end_bal	
09/2017	050 Mid-States Division	091 - Brentwood Division	050.091.39001:Struc - Frame Grp	96,161.03	
09/2017	050 Mid-States Division	091 - Brentwood Division	050.091.39004:Air Condit Equip Grp	7,969.05	
09/2017	050 Mid-States Division	091 - Brentwood Division	050.091.39009:Improve - Leased Grp	38,834.00	FD
09/2017	050 Mid-States Division	091 - Brentwood Division	050.091.39100:Office Furniture And	41,397.21	FD
09/2017	050 Mid-States Division	091 - Brentwood Division	050.091.39200:Transp Equip- Group	14,259.34	
09/2017	050 Mid-States Division	091 - Brentwood Division	050.091.39400:Tools Shop And Garage	130,426.59	
09/2017	050 Mid-States Division	091 - Brentwood Division	050.091.39600:Power Op Equip-Group	6,836.84	
09/2017	050 Mid-States Division	091 - Brentwood Division	050.091.39700:Communication Equipme	(9,431.25)	
09/2017	050 Mid-States Division	091 - Brentwood Division	050.091.39800:Miscellaneous Equipme	667,186.76	
09/2017	050 Mid-States Division	091 - Brentwood Division	050.091.39901:Servers Hardware	(34,765.77)	
09/2017	050 Mid-States Division	091 - Brentwood Division	050.091.39906:Pc Hardware	74,207.98	74189.62
09/2017	050 Mid-States Division	091 - Brentwood Division	050.091.39907:Pc Software	18,255.91	
09/2017	050 Mid-States Division	091 - Brentwood Division	050.091.39908:Application Software	828,509.36	FD
				1,879,847.05	
				982,930.19	FD Reserves
				896,916.86	To be allocated

Company Id	Bus Segment Id	Depr Group Id	Life Rate	Cost Of Removal Rate	Depreciation Rate
050 Mid-States Division	091 - Brentwood Division	050.091.30100:Organization Grp	0.00%	0.00%	0.00%
050 Mid-States Division	091 - Brentwood Division	050.091.30300:Intangibles Grp	0.00%	0.00%	0.00%
050 Mid-States Division	091 - Brentwood Division	050.091.39001:Struc - Frame Grp	2.43%	0.25%	2.68%
050 Mid-States Division	091 - Brentwood Division	050.091.39004:Air Condit Equip Grp	6.66%	0.67%	7.33%
050 Mid-States Division	091 - Brentwood Division	050.091.39009:Improve - Leased Grp	5.00%	0.00%	5.00%
050 Mid-States Division	091 - Brentwood Division	050.091.39100:Office Furniture And	5.00%	0.00%	5.00%
050 Mid-States Division	091 - Brentwood Division	050.091.39101:Office Furniture And	5.00%	0.00%	5.00%
050 Mid-States Division	091 - Brentwood Division	050.091.39103:Office Machines	5.00%	0.00%	5.00%
050 Mid-States Division	091 - Brentwood Division	050.091.39200:Transp Equip- Group	6.67%	0.00%	6.67%
050 Mid-States Division	091 - Brentwood Division	050.091.39300:Stores Equipment	8.10%	0.00%	8.10%
050 Mid-States Division	091 - Brentwood Division	050.091.39400:Tools Shop And Garage	3.40%	0.00%	3.40%
050 Mid-States Division	091 - Brentwood Division	050.091.39500:Laboratory Equipment	4.14%	0.00%	4.14%
050 Mid-States Division	091 - Brentwood Division	050.091.39600:Power Op Equip-Group	4.36%	0.00%	4.36%
050 Mid-States Division	091 - Brentwood Division	050.091.39700:Communication Equipme	3.13%	0.00%	3.13%
050 Mid-States Division	091 - Brentwood Division	050.091.39701:Communication Equip.	3.13%	0.00%	3.13%
050 Mid-States Division	091 - Brentwood Division	050.091.39702:Communication Equip.	3.13%	0.00%	3.13%
050 Mid-States Division	091 - Brentwood Division	050.091.39800:Miscellaneous Equipme	3.47%	0.00%	3.47%
050 Mid-States Division	091 - Brentwood Division	050.091.39900:Other Tangible Equip	10.00%	0.00%	10.00%
050 Mid-States Division	091 - Brentwood Division	050.091.39901:Servers Hardware	6.30%	0.00%	6.30%
050 Mid-States Division	091 - Brentwood Division	050.091.39902:Servers Software	14.29%	0.00%	14.29%
050 Mid-States Division	091 - Brentwood Division	050.091.39903:Network Hardware	10.00%	0.00%	10.00%
050 Mid-States Division	091 - Brentwood Division	050.091.39906:Pc Hardware	4.37%	0.00%	4.37%
050 Mid-States Division	091 - Brentwood Division	050.091.39907:Pc Software	11.11%	0.00%	11.11%
050 Mid-States Division	091 - Brentwood Division	050.091.39908:Application Software	0.17%	0.00%	0.17%