

JOHN N. HUGHES
ATTORNEY AT LAW
PROFESSIONAL SERVICE CORPORATION
124 WEST TODD STREET
FRANKFORT, KENTUCKY 40601

TELEPHONE: (502) 227-7270

JNHUGHES@JOHNNHUGHESPSC.COM

September 28, 2018

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

Re: Atmos Energy Corporation
Case No. 2018-00281

Dear Ms. Pinson:

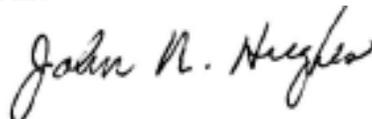
Atmos Energy Corporation submits its petition for adjustment of rates. I certify that the electronic documents are true and correct copies of the original documents.

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

Submitted By:

Mark R. Hutchinson
Wilson, Hutchinson and Littlepage
611 Frederica St.
Owensboro, KY 42301
270 926 5011
randy@whplawfirm.com

And



John N. Hughes
124 West Todd St.
Frankfort, KY 40601
502 227 7270
jnhughes@jnhughes@johnnhughespsc.com

Attorneys for Atmos Energy Corporation

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

IN THE MATTER OF:

**Application of Atmos Energy Corporation)
for an Adjustment of Rates) Case No. 2018-00281
and Tariff Modifications)**

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

1. Atmos Energy Corporation (“Atmos Energy”), by counsel, pursuant to KRS 278.180, KRS 278.190, 807 KAR 5:001(14) and (16) and 807 KAR 5:011 submits the attached revised tariffs and proposes that certain gas rates and revised tariff provisions for its Kentucky Division become effective on October 28, 2018. This Application and the attached supporting exhibits contain the facts on which the relief being requested is based, a request for the relief sought and references to the particular provisions of law requiring or providing for the relief sought as specified in 807 KAR 5:001. Correspondence and communications with respect to this Application should be directed to:

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

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

270 926 5011 Ph
(270) 926-9394 fax
(randy@whplawfirm.com)

And

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

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

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

Atmos Energy Corporation
5430 LBJ Freeway
1800 Three Lincoln Centre
Dallas, TX 75240
P.O. Box 650205
Dallas, Texas 75265-0205
www.atmosenergy.com

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

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

4. Atmos Energy was initially incorporated in Texas on February 6, 1981 and in Virginia on July 21, 1997. Its articles of incorporation were filed in Case No. 2017-00349. Applicant attests that it is a foreign corporation in good standing to operate in Kentucky. Atmos Energy does not operate under an assumed name in Kentucky.

5. Atmos Energy serves approximately 176,800 customers in central and western Kentucky. The customer base includes residential, commercial and industrial customers. Residential class customers account for the majority of meters of approximately 157,100. Atmos Energy's natural gas deliveries totaled approximately 47.6 Bcf during the 12-month period ending June, 2018.

6. Atmos Energy's Annual Reports including the 2017 report are on file with the Commission as required by 807 KAR 5:006§4(1 and 2).

7. Notice of Intent to file a rate application was delivered to the Executive Director and the Attorney General on August 21, 2018. A copy of that notice is filed as FR 16(2)(c) in Volume 3.

8. In this Application, Atmos Energy proposes rates that will result in an overall approximate increase in the amount of \$14,455,538 annually or 15.8% with increases of approximately \$8,349,681 or 16.5% for residential consumers,

and \$3,224,373 or 16.1% for commercial and public authority consumers, and approximately \$2,777,316 or 17.2% for industrial and transportation consumers. Charges from other gas revenue will increase \$104,167 or 4.9%. The average monthly bill for residential consumers will increase approximately \$4.41 or 8.6%. The average monthly bill for commercial and public authority consumers will increase approximately \$14.45 or 6.6%. The average monthly bill for industrial and transportation customers will increase approximately \$909.82 or 15.8%. The actual increases by amount and percentage for each customer class are listed in the schedule attached as FR 17(4)(a)(b) and (c) in Volume 7.

9. Pursuant to KRS 278.192(1), this filing is based upon a fully forecasted test year using a base period January 1, 2018 through December 31, 2018 (“Base Period”) and the forecasted test period is April 1, 2019 through March 31, 2020 (“Test Period”). As required by KRS 278.192(2), within 45 days after the end of base period, the actual results for the estimated months will be filed.

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

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

11. In addition to the adjustment of distribution rates, Atmos Energy is proposing certain tariff proposals are as follows:

1) Delete the current Pipeline Replacement Program (PRP) tariff to align the Company's commitment to replace bare steel pipe with the provisions of the order in Case No. 2017-00349.

2) Minor text changes to the DSM tariff

12. Atmos Energy is providing notice of this filing to its customers and interested parties by publication in newspapers of general circulation and posting in each of Atmos Energy local offices for public inspection as well as posting on its website. A copy of the notice is in contained in FR 17 (1)(a-c) Volume 7.

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

14. Atmos Energy also requests a deviation pursuant to 807 KAR 5:006(28) and 807 KAR 5:001(22) from any rule, regulation or other requirement that might otherwise delay or impede the review and approval of this Application.

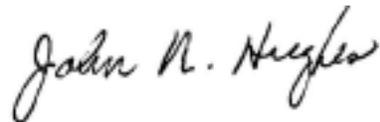
15. All filing requirements (FR) of 807 KAR 5:001 are listed in the table attached to this application.

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

proposed tariff revisions and granting all other appropriate relief.

Submitted by:

Mark R. Hutchinson
Wilson, Hutchinson & Littlepage
611 Frederica St.
Owensboro, KY 42303
270 926 5011 Ph.
(270) 926-9394 fax
randy@whplawfirm.com

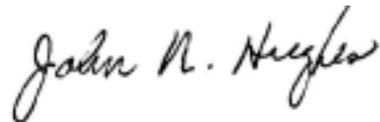


John N. Hughes
124 West Todd Street
Frankfort, KY 40601
(502) 227 7270 Ph.
No fax
jnhughes@johnnhughespsc.com

Attorneys for Atmos Energy Corporation

CERTIFICATE

In accordance with the requirements of 807 KAR 5:001(8), I certify that this electronic filing is a true and accurate copy of the documents to be filed in paper medium; that the electronic filing has been transmitted to the Commission on September 28, 2018; that an original of the filing will be delivered to the Commission within two days of September 28, 2018; and that no party has been excused from participation by electronic means.



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

Law/Regulation	Filing Requirement	Witness	Volume No.
	factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported;		
Section 10(7)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period;	Waller	3
Section 16(7)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing: <ol style="list-style-type: none"> 1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and 2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and 3. That productivity and efficiency gains are included in the forecast; 	Martin	3
Section 16(7)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed: <ol style="list-style-type: none"> 1. Date project began or estimated starting date; 2. Estimated completion date; 3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During Construction ("AFUDC") or Interest During Construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit; 	Waller	3
Section 16(7)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection;	Smith, Waller	3
Section 16(7)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:		
	1. Operating income statement (exclusive of dividends per share or earnings per share);	Densman, Waller	3
	2. Balance sheet;	Waller	3
	3. Statement of cash flows;	Waller	3
	4. Revenue requirements necessary to support the forecasted rate of return;	Waller	3
	5. Load forecast including energy and demand (electric);	N/A	3
	6. Access line forecast (telephone);	N/A	3
	7. Mix of generation (electric);	N/A	3
	8. Mix of gas supply (gas);	Densman	3
	9. Employee level;	Waller	3
	10. Labor cost changes;	Waller	3
	11. Capital structure requirements;	Christian	3
	12. Rate base;	Waller	3
	13. Gallons of water projected to be sold (water);	N/A	3
	14. Customer forecast (gas, water);	Densman	3
	15. MCF sales forecasts (gas);	Densman	3
	16. Toll and access forecast of number of calls and number of minutes (telephone); and	N/A	3

Law/Regulation	Filing Requirement	Witness	Volume No.
	17. A detailed explanation of other information provided, if applicable;	N/A	3
Section 16(7)(i)	Most recent FERC or FCC audit reports;	Martin	3
Section 16(7)(j)	Prospectuses of most recent stock or bond offerings;	Christian	3
Section 16(7)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or the Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone);	Gillham	3
Section 16(7)(l)	The annual report to shareholders or members and the statistical supplements covering the most recent two (2) years from the application filing date;	Gillham	3, 4
Section 16(7)(m)	Current chart of accounts if more detailed than Uniform System of Accounts chart;	Gillham	4
Section 16(7)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast;	Waller	4
Section 16(7)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available;	Gillham, Waller	4
Section 16(7)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters;	Gillham	5, 6, 7
Section 16(7)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls;	Gillham	7
Section 16(7)(r)	Quarterly reports to the stockholders for the most recent 5 quarters;	Gillham	7
Section 16(7)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style;	Watson	7
Section 16(7)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program	Waller	7
Section 16(7)(u)	If the utility had any amounts charged or allocated to it by an affiliate or general or home office or paid any monies to an affiliate or general or home office during the base period or during the previous three (3) calendar years, the utility shall file: <ol style="list-style-type: none"> 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment; 2. Method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period; 3. Explain how allocator for both base and forecasted test period was determined; and 	Gillham, Waller	7

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

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

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

State of Tennessee

County of Williamson

VERIFICATION

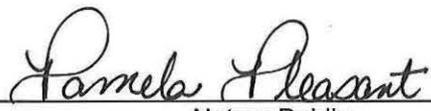
I, J. Kevin Dobbs, after being duly sworn, state that I am President of Kentucky/Mid-States, a division of Atmos Energy Corporation and that I am authorized to submit this application on behalf of the Company and that the information and statements contained in the Application are true of my own knowledge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



J. Kevin Dobbs

SUBSCRIBED, ACKNOWLEDGED AND SWORN to before me by

JAY Kevin Dobbs on this the 25th day of September, 2018.



Notary Public

My Commission expires: MARCH 3, 2020



BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY)
)
CORPORATION FOR AN ADJUSTMENT) Case No. 2018-00281
)
OF RATES AND TARIFF MODIFICATIONS)

TESTIMONY OF MARK A. MARTIN

1
2
3
4
5
6
7
8
9
10
11
12
13
14

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A. My name is Mark A. Martin. I am Vice President - Rates and Regulatory Affairs for the Kentucky/Mid-States Division of Atmos Energy Corporation (“Atmos Energy” or the “Company”). My business address is 3275 Highland Pointe Drive, Owensboro, Kentucky, 42303.

Q. PLEASE BRIEFLY DESCRIBE YOUR CURRENT RESPONSIBILITIES, AND PROFESSIONAL AND EDUCATIONAL BACKGROUND.

A. I am responsible for all rate and regulatory matters in Kentucky, Tennessee and Virginia. I graduated from Eastern Illinois University in 1995 with a degree in Accounting. I have been with United Cities Gas Company and subsequently its successor, Atmos Energy Corporation, since September 1995. I have served in a variety of positions of increasing responsibility in both Gas Supply and Rates prior to assuming my current responsibilities in 2007.

1 **Q. HAVE YOU SUBMITTED TESTIMONY BEFORE THE KENTUCKY**
2 **PUBLIC SERVICE COMMISSION (“COMMISSION”)?**

3 A. Yes. I filed testimony in Case No. 2010-00146, Case No. 2013-00148, Case No.
4 2015-00343, and Case No. 2017-00349.

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

7 A. Yes, I have filed testimony before the Georgia Public Service Commission, the
8 Illinois Commerce Commission, the Missouri Public Service Commission, the South
9 Carolina Public Service Commission, and the Virginia State Corporation
10 Commission.

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

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

14 FR 16(1)(a)(2) Application Supported by a Fully Forecasted Test Period

15 FR 14(2) Certified Copy of Articles of Incorporation

16 FR 16(1)(b)(1) Statement of Reasons

17 FR 16(1)(b)(2) Compliance with KRS 365.015

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

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

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

21 FR 16(2)(a)-(c) Notice of Intent

22 FR 16(7)(a) Statement of Officer in Charge of Kentucky Operations

23 FR 16(7)(e) Statement of Attestation

1	FR 16(8)(l)	Narrative of Proposed Tariff Changes
2	FR 16(8)(n)	Bill Comparison
3	FR 16(10)	Request for Waiver of Certain Filing Requirements
4	FR 17(1)(a)-(c)	Notice of General Rate Adjustment
5	FR 17(2)(b)3	Manner of Notification
6	FR 17(3)(b)	Publisher Affidavits
7	FR 17(4)(a)-(j)	Notice Requirements

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

10 A. Yes.

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

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

13 A. My direct testimony will address several areas. First, I will briefly describe the
14 Company's operations in Kentucky and the recent history of its rate proceedings
15 before this Commission. Second, I will provide an overview of the Company's
16 customer base and market trends since 2017. Third, I will describe the principal
17 factors leading the Company to file this rate application and address the Company's
18 efforts to achieve improvements to its efficiency and productivity. Fourth, I will
19 introduce the other witnesses who will be providing support for the requested rate
20 increase. Finally, I will present the rates and various tariff changes proposed by the
21 Company.

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

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

5 A. Yes. We have a Kentucky-based work force of approximately 202 employees
6 providing safe and reliable service to a customer base of approximately 176,800
7 residential, commercial and industrial consumers. Our utility plant in Kentucky
8 includes over 4,200 miles of transmission and distribution lines.

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

12 A. Atmos Energy is the largest pure natural gas distribution company in the United
13 States, delivering natural gas to over 3 million residential, commercial, industrial and
14 public-authority customers in 8 states. Atmos Energy has six gas utility operating
15 divisions. They are located in Denver, Colorado (Kansas and Colorado division);
16 Baton Rouge, Louisiana (Louisiana division); Flowood, Mississippi (Mississippi
17 division); Lubbock, Texas (West Texas division); Dallas, Texas (Mid-Tex division);
18 and Owensboro, Kentucky and Franklin, Tennessee (Kentucky/Mid-States division).
19 In addition, Atmos Energy has an operating division consisting of a regulated
20 intrastate pipeline that functions only within the state of Texas.

21 Atmos Energy's corporate offices are located in Dallas, Texas and provide
22 services such as accounting, legal, human resources, rate administration,
23 procurement, information technology and customer service organizations. The

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

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

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

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

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

18 A. Atmos Energy currently serves approximately 176,800 customers throughout its
19 service area extending from western to central Kentucky. Residential class
20 customers account for the vast majority of meters, at approximately 157,100. Atmos
21 Energy's natural gas deliveries totaled approximately 47.6 Bcf during the 12-month
22 period ending June 2018.

1 The Company is somewhat unique in its level of throughput to industrial class
2 customers, with industrial sales and transportation volumes accounting for
3 approximately 67% of Atmos Energy’s annual throughput in Kentucky during that
4 12-month period. The region served by Atmos Energy is economically dependent on
5 the well-being of these industries, as is Atmos Energy through its requirements for
6 operating margin under current rate designs.

7 **Q. HAS THE COMPANY EXPERIENCED GROWTH IN KENTUCKY IN**
8 **RECENT YEARS?**

9 A. Yes, but only for residential sales, which have seen only modest growth.

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

11 **Q. WHY DID THE COMPANY FILE THIS CASE SO SOON AFTER THE**
12 **CONCLUSION OF THE PREVIOUS CASE?**

13 A. As the Commission is aware, the actual costs of the natural gas consumed by our
14 customers are collected through a gas cost adjustment mechanism. The purpose of
15 this case is to establish new distribution rates which exclude those pass-through gas
16 costs and which allow the Company to recover its cost of service, including a fair and
17 reasonable return on investment. For the past eight years the Company has filed
18 annual PRP filings to recover investments in infrastructure replacement and this has
19 allowed the Company to extend the period between base rate cases. The Company
20 now seeks to recover all of its capital investment, including PRP, through annual rate
21 cases because, as discussed more fully in the testimony of Mr. Waller, the changes to
22 PRP required by the Commission in Case No. 2017-00349 affect the recovery of

1 capital investment, which has a direct impact on the financial condition of the
2 Company.

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

4 A. The Company's current base distribution rates were established by the Commission
5 in Case No. 2017-00349 and became effective on May 3, 2018.¹

6 **Q. ARE THE DISTRIBUTION RATES CURRENTLY IN EFFECT PROVIDING
7 SUFFICIENT REVENUES?**

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

12 At current rates, the Company's calculated rate of return on rate base for the
13 test year is only 5.58%. The decline in return is primarily due to capital investment
14 that is not recovered through the Company's current rates and to the increased costs
15 of doing business. Examples of capital investment that are not covered through the
16 Company's current rates are capital investment related to system integrity, system
17 improvements, structures, public improvements, information technology, growth, and
18 equipment. An example of a system integrity investment would be a capital
19 investment made to replace aging infrastructure. Examples of system improvements
20 would be capital investment related to reinforcing our existing system either through
21 updated odorizers and regulators to any type of capacity enhancement. Examples of

¹ Case No. 2017-00349, *Electronic Application of Atmos Energy Corporation for an Adjustment of Rates and Tariff Modifications* (Ky. PSC May 3, 2018).

1 public improvements would be capital investment related to the relocation of our
2 existing system to accommodate a public project.

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

5 A. Atmos Energy is asking the Commission to approve new rate schedules that would
6 increase revenues to provide an overall rate of return on rate base of 7.95% on the
7 test year rate base of \$496,111,427.

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

10 A. Atmos Energy is seeking approval to increase its rates to recover approximately
11 \$14,455,538 in additional revenues. The difference between this amount and the
12 amount cited in Mr. Waller's testimony and on Schedule A.1 of FR 16(8)(a) is due to
13 the rounding differences inherent in striking rates. For an average residential
14 customer, the total bill increase would be \$4.41 per month.

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

18 A. The Company continuously make investments in customer-focused programs to
19 improve service and to ensure reliability and safety. Since our most recent rate filing
20 in 2017, Atmos Energy continues to make substantial investments in technology and
21 process improvements to ensure that it provides the best and most efficient customer
22 service possible. Examples of these improvements include an Interactive Voice
23 Recognition (IVR) system for Spanish speaking customers, changes to the customer

1 information system to ensure that we are capturing email addresses to facilitate
2 communication with our customers, increasing use of advanced data analytics, and
3 meter reading system upgrades. Each of these investments will enable the Company
4 to be more productive and provide the best possible service.

5 **Q. HOW HAVE IMPROVEMENTS TO EFFICIENCY AND PRODUCTIVITY**
6 **IMPACTED CUSTOMER BILLS?**

7 A. On average, residential bills have remained steady since 2007. The Company
8 estimates that the average monthly residential bill for 2018 to be \$55 which is well
9 below the average residential bills in 2007, 2008 or 2009; basically a decade ago.
10 The Company estimates that average residential bills will be at or lower than those a
11 decade ago for the next few years. While the cost of gas is a large percentage of a
12 residential bill, the Company has been extremely efficient in order to minimize the
13 impact to customers. When compared to other utility bills, the value proposition for
14 natural gas is excellent.

15 **Q. PLEASE EXPLAIN WHETHER THE COMPANY INCORPORATED THE**
16 **COMMISSION'S ORDER IN CASE NO. 2017-00349 IN ITS RATEMAKING**
17 **ADJUSTMENTS REFLECTED IN THIS FILING.**

18 A. Yes, the Company did consider the Commission's decision in Case No. 2017-00349
19 in the preparation of this case. Company witness Mr. Greg Waller discusses the
20 various adjustments made to align this filing with the Commission's findings and
21 Order in Case No. 2017-00349 in his testimony. While reserving the right to propose
22 alternative approaches in future proceedings, the Company has made those changes
23 to simplify the regulatory review process in this Case.

1 **VI. INTRODUCTION OF WITNESSES**

2 **Q. PLEASE IDENTIFY THE OTHER WITNESSES SPONSORING**
3 **TESTIMONY IN THIS PROCEEDING?**

4 A. In addition to my testimony, Atmos Energy will present the direct testimony and
5 exhibits of 9 witnesses.

6 Gregory K. Waller, Manager of Rates and Regulatory Affairs for Atmos
7 Energy Corporation, is presenting testimony concerning the Operating and
8 Maintenance (O&M) expense budgeting process used by the Company; the control
9 and the monitoring of O&M variances by the Company; the forecasted test year
10 budget for O&M, the Company's capital investments, depreciation expense, and
11 taxes other than income taxes incurred directly by the Company's Kentucky
12 operations as well as allocated to Kentucky from the Kentucky / Mid-States General
13 Office and Shared Services Unit. Mr. Waller is also responsible for the calculation of
14 Company's revenue deficiency and rate base.

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

20 Josh Densman, Vice President of Finance for the Kentucky/Mid-States
21 Division of Atmos Energy Corporation, is filing testimony regarding the methods
22 used to forecast the Company's revenues and volumes as they relate to the base

1 period and test period in this case as well as present the test period forecast of
2 revenues and volumes.

3 Greg Smith, Vice President of Technical Services for the Kentucky/MidStates
4 Division of Atmos Energy Corporation, is filing testimony regarding the Company's
5 capital investments related to system integrity, specifically, safety.

6 Joe Christian, Director of Rates and Regulatory Affairs for Atmos Energy
7 Corporation, is filing testimony regarding the Company's Cash Working Capital
8 study as well as the Company's capital structure and cost of debt.

9 Jennifer Story, Director of Income Tax for Atmos Energy Corporation, is
10 filing testimony regarding the current status of reflecting the changes of the Tax Cuts
11 and Jobs Act ("TCJA") in Atmos Energy's Kentucky rates and describing how the
12 current rate case will further reflect TCJA changes.

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

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

18 Dane Watson, of the Alliance Consulting Group, presents the Company's
19 depreciation study and corresponding depreciation rates.

1 **VII. PROPOSED RATES, RATE STRUCTURES AND TARIFF CHANGES**

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

4 A. As stated earlier in my testimony, Atmos Energy's primary objective is to strive to be
5 the safest provider of natural gas service. The Company is very proud of its tradition
6 as a low-cost, efficient provider of natural gas service.

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

- 8 1) Maintain the general balance of fixed and variable elements in our distribution
9 rates to reflect the underlying cost characteristics of our service.
- 10 2) Remove the Company's Tariff to reflect the impact on the recovery of investment
11 associated with Pipe Replacement Program (PRP) resulting from the
12 Commission's Order in Case No. 2017-00349.
- 13 3) Update the time period used to weather normalize revenues and with the
14 Company's Weather Normalization Adjustment (WNA) Rider.
- 15 4) Minor text changes to its Demand Side Management (DSM) tariff related to the
16 timing of the adjustment for the distribution charge for residential and
17 commercial G-1 sales

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

21 A. Company witness Raab sponsors a Class Cost of Service study which is required
22 pursuant to the Minimum Filing Requirements in this Case. In his study, he
23 determines that all classes contribute adequate amounts to the Company's cost of

1 service with the lone exception being residential sales. While Mr. Raab's analysis is
2 utilized as one point of reference, the Company believes that each class (commercial,
3 public authority, industrial sales and transportation), in addition to the residential
4 class, should bear some portion of the requested increase.

5 With respect to the balance of the increase to be borne between the fixed or
6 variable components, the Company has chosen to propose an increase in the fixed
7 monthly charges and an increase in the variable components when compared to the
8 current rates.

9 **Q. WHAT IS THE RESULTING EFFECT OF ATMOS ENERGY'S PROPOSED**
10 **RATES COMPARED TO CURRENT RATES FOR THE AVERAGE**
11 **RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMERS**
12 **RESPECTIVELY?**

13 A. Using the test year volumes and gas costs as the basis for comparison, the annual
14 impact of Atmos Energy's proposed rates is as follows. The average monthly
15 charges for a residential customer under G-1 service increases \$4.41, a 8.6% increase
16 over current rates. Commercial and public authority class customers' average
17 monthly charges increase \$14.45, a 6.6% increase over current rates, and the
18 industrial sales and transportation class average monthly charges increase \$909.82, a
19 15.8% increase over current rates. The test year revenues at proposed rates are
20 summarized earlier in the testimony of Company witness Josh Densman. Please
21 refer to Exhibit MAM-1 (in a format comparable to Exhibit JCD-2) as well as
22 Exhibit MAM-2 which provides the proposed monthly revenues (in a format
23 comparable to Exhibit JCD-5).

1 **Q. IS THE COMPANY PROPOSING AN ANNUAL FORMULA RATE**
2 **MECHANISM AS IT DID IN CASE NO. 2017-00349?**

3 A. No. However, in light of the fact that the Company will now seek recovery of all
4 investment through the traditional ratemaking process due to changes in the PRP in
5 the last case we would like for the Commission to continue to consider the potential
6 benefits of an annual rate review mechanism similar to the one that the Company has
7 in Tennessee.

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

10 A. Yes. A process similar to the one utilized in Tennessee would provide for a regularly
11 scheduled rate review that will cost less and adjust the rates each year in a more
12 timely manner to actually achieve the result contemplated by the Commission's rate
13 orders. The Company envisions an annual mechanism saving all parties time,
14 money and resources as well as being in the spirit of the Governor's Red Tape
15 Initiative.

16 **Q. WHY HAS THE COMPANY PROPOSED TO ELIMINATE ITS EXISTING**
17 **PIPE REPLACEMENT PROGRAM (PRP) TARIFF?**

18 A. The Company has proposed removal of the PRP tariff in light of the Commission's
19 Order in Case No. 2017-00349 and anticipates transferring the ratemaking for this
20 program to annual forward-looking rate case filings going forward.

21 **Q. PLEASE EXPLAIN.**

22 A. The Commission limited the PRP tariff to apply to bare steel pipe replacements and
23 capped these replacements at \$28 million per year through 2027. The Company is

1 agreeable and committed to achieving the investment target for PRP. However, the
2 Commission also limited recovery through the PRP to historical, lagged recovery as
3 opposed to the prospective treatment previously afforded the PRP. As discussed in
4 the testimony of Mr. Waller, when engaging in pipe replacements of the magnitude
5 that the Commission and the Company are contemplating, historical test year
6 recovery is financially detrimental to the Company. The Company proposes to file
7 annual plans for bare steel replacement which describe the capital projects that the
8 Company plans to undertake in its next fiscal year.

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

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

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

15 A. The Company is proposing to use the twenty year period ending June 2018, or stated
16 another way, the period of July 1998 through June 2018.

17 **VIII. CONCLUSION**

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

19 A. Yes.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2018-00281
ATMOS ENERGY CORPORATION)

CERTIFICATE AND AFFIDAVIT

The Affiant, Mark A. Martin, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared direct testimony of this affiant in Case No. 2018-00281, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared direct pre-filed testimony.

Mark A. Martin
Mark A. Martin

STATE OF Kentucky
COUNTY OF Daviess

SUBSCRIBED AND SWORN to before me by Mark A. Martin on this the 17th day of September, 2018.

Joanne Henderson
Notary Public

My Commission Expires: _____
Joanne M. Henderson
NOTARY PUBLIC
State at Large, Kentucky
ID # 596005
My Commission Expires 3/22/2022

ATMOS ENERGY CORPORATION - KENTUCKY
 SUMMARY OF REVENUE AT PROPOSED RATES
 TEST YEAR ENDING MAR, 31 2020

Line No.	Description	Block (Mcf)	Reference Period - Twelve Months Ending 06/30/2018				Forward-looking Adjustments To Test Year		Total Test Year Volumes (i)	Proposed Margin (j)	Proposed Revenue (k)
			Number of Bills, Units (a)	Volumes As Metered (b)	Contract Adj. Bills and Volumes (c)	Weather Adj. Volumes (NOAA 1998-2018) (d)	Total Volumes (e)	Customer Growth Forecast (f)			
1	<u>Sales</u>										
2	Firm Sales (G-1)	Customer Chrg	1,885,729					6,825		\$20.50	\$38,797,357
3		Customer Chrg	230,187		45					51.75	11,914,489
4		0 - 300		15,954,297	13,143	(371,549)	15,595,891	38,432	0	1.9900	31,112,304
5		301 - 15,000		1,305,734	5,890	(29,693)	1,281,930		0	1.1575	1,483,834
6		Over 15,000		0	0	0	0		0	0.8994	0
7	Interruptible Sales (G-2)	Customer Chrg	117		0					435.00	50,895
8		0 - 15,000		339,109	(147,107)		192,002			0.9900	190,082
9		Over 15,000		163,484	(17,902)		145,582			0.7300	106,275
10											
11	<u>Transportation</u>										
12	Customer Charges (T-4)	Customer Chrg	1,498		(35)					435.00	636,424
13	Customer Charges (T-3)	Customer Chrg	864		(36)					435.00	360,190
14	Customer Charges (SpK)	Customer Chrg	190		0					375.00	71,110
15	Transp. Adm. Fee	Customer Chrg	2,514		(71)					50.00	122,150
16	Parked Volumes [1]			777,605	0					0.10	77,761
17	EFM Charges									Various	129,550
18	Firm Transportation (T-4)	0 - 300		432,173	(4,933)		427,240			1.9900	850,208
19		301 - 15,000		5,481,709	98,327		5,580,036			1.1575	6,458,892
20		Over 15,000		1,221,325	32,395		1,253,720			0.8994	1,127,596
21	Economic Dev Rider (EDR)	301 - 15,000		0	0		0			0.8681	0
22		Over 15,000		296,949	0		296,949			0.6746	200,322
23	Interruptible Transportation (T-3)	0 - 15,000		5,415,185	(128,866)		5,286,319			0.9900	5,233,456
24		Over 15,000		3,086,108	114,249		3,200,357			0.7300	2,336,261
25	Total Special Contracts [2]			14,089,336	767,091		14,856,427			Various	2,316,720
26											
27	Total Tariff		2,118,584	47,785,409	732,287	(401,242)	48,116,454	45,257	0	48,154,886	103,575,876
28											
29	Other Revenues										806,054
30	Late Payment Fees										1,409,131
31	Total Gross Profit										105,791,061
32											
33	Gas Costs										78,382,354
34											
35	Total Revenue										\$ 184,173,415
36											
37	[1] Parked Volumes not included in Total Deliveries.										14,455,548
38	[2] Based on confidential information.										

EXHIBIT MAM-2

ATMOS ENERGY CORPORATION - KENTUCKY
 BILL FREQUENCY WITH KNOWN & MEASURABLE ADJUSTMENTS
 TEST YEAR ENDING MAR, 31 2020
PROPOSED RATES

Line No.	Class of Customers	Rate	Apr-19 (a)	May-19 (b)	Jun-19 (c)	Jul-19 (d)	Aug-19 (e)	Sep-19 (f)	Oct-19 (g)	Nov-19 (h)	Dec-19 (i)	Jan-20 (j)	Feb-20 (k)	Mar-20 (l)	Total Billing Units (m)
1	<u>RESIDENTIAL (Rate G-1)</u>														
2	FIRM BILLS	\$20.50	160,467	159,811	157,145	155,132	155,436	153,445	154,720	156,840	158,382	160,519	160,031	160,626	1,892,554
3	Sales: 1-300	1.9900	919,361	405,582	197,387	150,227	150,522	152,614	327,911	861,676	1,516,473	1,979,935	2,009,506	1,411,900	10,083,093
4	Sales: 301-15000	1.1575	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Sales: Over 15000	0.8994	0	0	0	0	0	0	0	0	0	0	0	0	0
6	<u>CLASS TOTAL (Mcf/month)</u>		919,361	405,582	197,387	150,227	150,522	152,614	327,911	861,676	1,516,473	1,979,935	2,009,506	1,411,900	10,083,093
7	Gas Charge per Mcf		\$4.59	\$4.73	\$4.73	\$4.73	\$4.70	\$4.70	\$4.70	\$4.56	\$4.56	\$4.56	\$4.49	\$4.49	
8	Gas Costs		\$4,216,600	\$1,919,446	\$934,150	\$710,962	\$707,030	\$716,858	\$1,540,264	\$3,932,955	\$6,921,650	\$9,037,031	\$9,027,031	\$6,342,484	\$46,006,460
9															
10	<u>FIRM COMMERCIAL (Rate G-1)</u>														
11	FIRM BILLS	\$1.75	17,943	17,779	17,193	16,952	17,018	16,770	16,867	17,362	17,609	18,032	17,837	17,954	209,316
12	Sales: 1-300	1.9900	423,372	233,238	153,360	133,117	120,622	114,537	162,731	372,283	608,952	768,305	778,453	604,553	4,473,524
13	Sales: 301-15000	1.1575	46,929	22,359	12,088	11,925	24,985	30,575	53,575	67,631	103,692	145,996	140,668	69,805	730,227
14	Sales: Over 15000	0.8994	0	0	0	0	0	0	0	0	0	0	0	0	0
15	<u>CLASS TOTAL (Mcf/month)</u>		470,301	255,597	165,449	145,042	145,607	145,112	216,306	439,913	712,644	914,301	919,121	674,358	5,203,751
16	Gas Charge per Mcf		\$4.59	\$4.73	\$4.73	\$4.73	\$4.70	\$4.70	\$4.70	\$4.56	\$4.56	\$4.56	\$4.49	\$4.49	
17	Gas Costs		\$2,157,012	\$1,209,631	\$782,998	\$686,421	\$683,945	\$681,620	\$1,016,033	\$2,007,900	\$3,252,727	\$4,173,151	\$4,128,843	\$3,029,326	\$23,809,608
18															
19	<u>FIRM INDUSTRIAL (Rate G-1)</u>														
20	FIRM BILLS	\$51.75	231	211	201	207	205	204	195	211	195	225	206	211	2,502
21	Sales: 1-300	1.9900	38,933	17,474	7,228	8,996	9,700	9,082	10,605	23,195	32,755	47,455	41,295	37,768	284,486
22	Sales: 301-15000	1.1575	31,080	14,946	3,876	11,923	15,372	15,513	18,794	27,044	37,633	97,700	69,417	39,166	382,465
23	Sales: Over 15000	0.8994	(1,081)	(3,624)	4,705	0	0	0	0	0	0	0	0	0	0
24	<u>CLASS TOTAL (Mcf/month)</u>		68,931	28,796	15,809	20,920	25,072	24,595	29,399	50,239	70,388	145,156	110,712	76,935	666,951
25	Gas Charge per Mcf		\$4.59	\$4.73	\$4.73	\$4.73	\$4.70	\$4.70	\$4.70	\$4.56	\$4.56	\$4.56	\$4.49	\$4.49	
26	Gas Costs		\$316,151	\$136,281	\$74,818	\$99,004	\$117,766	\$115,528	\$138,091	\$229,306	\$321,273	\$662,534	\$497,338	\$345,602	\$3,053,692
27															
28	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>														
29	FIRM BILLS	\$51.75	1,548	1,541	1,519	1,527	1,543	1,456	1,539	1,549	1,542	1,558	1,547	1,545	18,414
30	Sales: 1-300	1.9900	78,270	38,548	23,379	21,135	19,543	19,916	32,856	72,398	116,321	129,707	131,632	109,517	793,221
31	Sales: 301-15000	1.1575	8,157	5,201	3,004	1,608	3,439	2,098	5,298	10,949	20,757	45,765	45,559	17,402	169,237
32	Sales: Over 15000	0.8994	0	0	0	0	0	0	0	0	0	0	0	0	0
33	<u>CLASS TOTAL (Mcf/month)</u>		86,428	43,749	26,382	22,743	22,982	22,013	38,154	83,347	137,078	175,472	177,191	126,919	962,459
34	Gas Charge per Mcf		\$4.59	\$4.73	\$4.73	\$4.73	\$4.70	\$4.70	\$4.70	\$4.56	\$4.56	\$4.56	\$4.49	\$4.49	
35	Gas Costs		\$396,396	\$207,044	\$124,856	\$107,635	\$107,952	\$103,401	\$179,217	\$380,421	\$625,667	\$800,907	\$795,971	\$570,142	\$4,399,609
36															
37	<u>INTERRUPTIBLE COMMERCIAL (G-2)</u>														
38	INT BILLS	435.00	3	4	2	2	2	2	3	3	3	3	3	3	33
39	Sales: 1-15000	0.9900	1,985	1,044	47	98	32	98	140	789	1,791	2,517	2,609	1,801	12,951
40	Sales: Over 15000	0.7300	0	0	0	0	0	0	0	0	0	0	0	0	1
41	<u>CLASS TOTAL (Mcf/month)</u>		1,985	1,044	47	98	32	98	140	789	1,791	2,517	2,609	1,801	12,952
42	Gas Charge per Mcf		\$3.31	\$3.46	\$3.46	\$3.46	\$3.42	\$3.42	\$3.42	\$3.29	\$3.29	\$3.29	\$3.22	\$3.22	
43	Gas Costs		\$6,569	\$3,608	\$163	\$337	\$111	\$334	\$479	\$2,595	\$5,893	\$8,279	\$8,394	\$5,794	\$42,556
44															

ATMOS ENERGY CORPORATION - KENTUCKY
 BILL FREQUENCY WITH KNOWN & MEASURABLE ADJUSTMENTS
 TEST YEAR ENDING MAR, 31 2020
PROPOSED RATES

Line No.	Class of Customers	Rate	Apr-19 (a)	May-19 (b)	Jun-19 (c)	Jul-19 (d)	Aug-19 (e)	Sep-19 (f)	Oct-19 (g)	Nov-19 (h)	Dec-19 (i)	Jan-20 (j)	Feb-20 (k)	Mar-20 (l)	Total Billing Units (m)
45	<u>INTERRUPTIBLE INDUSTRIAL (G-2)</u>														
46	INT BILLS	435.00	7	7	7	6	8	6	8	7	7	7	7	7	84
47	Sales: 1-15000	0.9900	12,199	12,837	7,184	5,301	9,493	7,442	16,443	11,212	25,210	28,893	28,553	14,285	179,053
48	Sales: Over 15000	0.7300	0	0	0	0	0	0	0	0	0	100,941	44,641	0	145,583
49	<u>CLASS TOTAL (Mcf/month)</u>		<u>12,199</u>	<u>12,837</u>	<u>7,184</u>	<u>5,301</u>	<u>9,493</u>	<u>7,442</u>	<u>16,443</u>	<u>11,212</u>	<u>25,210</u>	<u>129,834</u>	<u>73,194</u>	<u>14,285</u>	<u>324,635</u>
50	Gas Charge per Mcf		\$3.31	\$3.46	\$3.46	\$3.46	\$3.42	\$3.42	\$3.42	\$3.29	\$3.29	\$3.29	\$3.22	\$3.22	
51	Gas Costs		\$40,376	\$44,366	\$24,828	\$18,320	\$32,473	\$25,457	\$56,244	\$36,882	\$82,929	\$427,096	\$235,497	\$45,962	\$1,070,430
52															
53	<u>TRANSPORTATION (T-4)</u>														
54	TRANSPORTATION BILLS	435.00	122	121	122	122	122	122	122	122	122	122	122	122	1,463
55	Trans Admin Fee		6,050	6,050	6,100	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	\$72,650
56	EFM Fee		6,500	6,500	6,600	6,175	6,375	6,300	6,250	6,250	6,350	6,350	6,450	6,500	\$76,600
57	Parking Fee		186	218	20	117	18	15	3	5	49	311	136	474	\$1,550
58	Firm Transport: 1-300	1.9900	36,521	34,227	34,098	33,445	34,070	34,695	36,140	36,591	36,900	36,900	36,797	36,856	427,240
59	Firm Transport: 301-15000	1.1575	489,153	398,913	377,568	340,009	388,131	375,657	439,078	494,373	566,834	650,182	516,718	543,420	5,580,036
60	Firm Transport: Over 1500	0.8994	99,656	73,060	76,827	73,386	72,838	80,218	87,057	107,294	141,036	201,555	106,906	133,887	1,253,720
61	<u>CLASS TOTAL (Mcf/month)</u>		<u>625,330</u>	<u>506,200</u>	<u>488,493</u>	<u>446,840</u>	<u>495,039</u>	<u>490,570</u>	<u>562,275</u>	<u>638,258</u>	<u>744,770</u>	<u>888,637</u>	<u>660,421</u>	<u>714,163</u>	<u>7,260,996</u>
62															
63	<u>ECONOMIC DEV RIDER (EDR)</u>														
64	Firm Transport: 1-300	1.4925	0	0	0	0	0	0	0	0	0	0	0	0	0
65	Firm Transport: 301-15000	0.8681	0	0	0	0	0	0	0	0	0	0	0	0	0
66	Firm Transport: Over 15000	0.6746	28,816	29,285	26,397	16,264	20,520	19,125	25,728	27,860	20,680	27,777	25,018	29,479	296,949
67	<u>CLASS TOTAL (Mcf/month)</u>		<u>28,816</u>	<u>29,285</u>	<u>26,397</u>	<u>16,264</u>	<u>20,520</u>	<u>19,125</u>	<u>25,728</u>	<u>27,860</u>	<u>20,680</u>	<u>27,777</u>	<u>25,018</u>	<u>29,479</u>	<u>296,949</u>
68															
69	<u>TRANSPORTATION (T-3)</u>														
70	TRANSPORTATION BILLS	435.00	69	69	69	69	69	69	69	69	69	69	69	69	828
71	Trans Admin Fee		3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	\$41,400
72	EFM Fee		3,675	3,675	3,675	3,575	3,575	3,600	3,600	3,600	3,575	3,575	3,575	3,675	\$43,375
73	Parking Fee		375	489	379	347	293	119	341	206	370	155	538	341	\$3,952
74	Interrupt Transport: 1-15000	0.9900	457,135	421,909	386,801	388,309	408,123	401,591	434,332	462,526	485,980	508,312	459,763	471,538	5,286,320
75	Interrupt Transport: Over 15000	0.7300	274,568	253,539	196,628	190,175	234,143	239,615	286,911	286,118	294,936	359,219	280,923	303,582	3,200,358
76	<u>CLASS TOTAL (Mcf/month)</u>		<u>731,703</u>	<u>675,448</u>	<u>583,429</u>	<u>578,484</u>	<u>642,266</u>	<u>641,206</u>	<u>721,243</u>	<u>748,644</u>	<u>780,916</u>	<u>867,531</u>	<u>740,686</u>	<u>775,120</u>	<u>8,486,678</u>
77															
78	<u>SPECIAL CONTRACTS</u>														
79	TRANSPORTATION BILLS	375.00	16	16	16	15	16	16	16	16	16	16	16	16	190
80	Trans Admin Fee		650	650	650	650	700	700	700	700	700	700	650	650	\$8,100
81	EFM Fee		775	775	775	900	725	725	725	875	875	875	775	775	\$9,575
82	Parking Fee		8,223	4,727	4,258	4,804	2,635	2,262	4,989	4,624	15,795	6,226	6,312	7,403	\$72,259
83	Transported Volumes	Various	1,214,231	1,204,865	1,066,868	873,738	906,591	1,017,007	1,177,897	1,238,832	1,390,754	1,727,414	1,475,749	1,562,481	14,856,427
84	Charges for Transport Volumes		193,757	183,580	168,113	145,212	149,201	161,923	189,260	200,932	222,630	254,912	216,774	230,426	\$2,316,720
85	<u>CLASS TOTAL (Mcf/month)</u>		<u>1,214,231</u>	<u>1,204,865</u>	<u>1,066,868</u>	<u>873,738</u>	<u>906,591</u>	<u>1,017,007</u>	<u>1,177,897</u>	<u>1,238,832</u>	<u>1,390,754</u>	<u>1,727,414</u>	<u>1,475,749</u>	<u>1,562,481</u>	<u>14,856,427</u>
86															
87	<u>OTHER REVENUE</u>														
88	Service Charges		\$49,919	\$53,628	\$55,397	\$45,327	\$57,173	\$55,395	\$88,176	\$126,545	\$87,101	\$58,133	\$54,439	\$74,821	\$806,054
89	Late Payment Fees		\$167,099	\$123,787	\$80,070	\$60,906	\$56,375	\$56,239	\$56,455	\$73,720	\$121,221	\$178,511	\$218,444	\$216,305	\$1,409,131
90															
91	TOTAL GROSS PROFIT		\$9,263,299	\$7,428,276	\$6,533,162	\$6,235,829	\$6,366,805	\$6,302,650	\$7,072,598	\$8,932,184	\$11,116,899	\$12,981,572	\$12,601,500	\$10,956,270	\$105,791,044
92	Gas Costs		\$7,133,103	\$3,520,378	\$1,941,813	\$1,622,678	\$1,649,276	\$1,643,198	\$2,930,328	\$6,590,058	\$11,210,139	\$15,108,999	\$14,693,074	\$10,339,311	\$78,382,354
93	TOTAL REVENUE		\$16,396,402	\$10,948,653	\$8,474,975	\$7,858,508	\$8,016,081	\$7,945,847	\$10,002,926	\$15,522,242	\$22,327,038	\$28,090,571	\$27,294,574	\$21,295,581	\$184,173,399

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY)
)
CORPORATION FOR AN ADJUSTMENT) Case No. 2018-00281
)
OF RATES AND TARIFF MODIFICATIONS)

TESTIMONY OF GREGORY K. WALLER

1 **I. INTRODUCTION**

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

3 A. My name is Gregory K. Waller. I am Manager, Rates and Regulatory Affairs with
4 Atmos Energy Corporation (“Atmos Energy” or “Company”). My business address
5 is 5420 LBJ Freeway, Ste. 1600, Dallas, Texas 75240.

6 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL**
7 **EXPERIENCE?**

8 A. I received a Bachelor of Arts degree in economics from Dartmouth College in 1994
9 and an MBA degree from the University of Texas in 2000. I worked as a
10 management consultant from 1994 to 2003 at Harbor Research in Boston, MA (1994-
11 1996) and Towers Perrin in Dallas, TX (1997-2003). I joined Atmos Energy in 2003
12 in the Planning and Budgeting Department in Dallas. In November of 2005 I became
13 Vice President of Finance for the Kentucky/Mid-States Division, which includes the
14 Company’s regulated Kentucky operations. I assumed my current role in Dallas, TX
15 in July 2012.

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

3 A. Yes. I testified before this Commission in Case No. 2013-00148 and 2017-00349. I
4 have also testified before the Tennessee Public Utility Commission in 2006, 2016 and
5 2017, and the Georgia Public Service Commission in 2008, 2009 and 2011. I also
6 submitted direct testimony in the Company's rate proceedings in Kentucky (2006,
7 2009, 2013 and 2015), Tennessee (2007, 2008, 2012, 2014, 2016, 2017 and 2018),
8 and Virginia (2008, 2009, 2014, 2016 and 2017).

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

10 A. I am responsible for supporting the calculation of the Company's revenue deficiency,
11 rate base and operating expenses in this rate proceeding. In that regard I am
12 sponsoring the following Filing Requirements (FR):

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

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

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

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

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

22 FR 16(7)(c) Description of all factors used in preparation of the forecast
23 test period - income statement, operation and maintenance

1 expenses, employee and labor expenses, capital construction
2 budget;

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

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

8 FR 16(7)(g) Detailed information for the aggregate of construction
9 projects constituting less than five percent (5%) of the annual
10 construction budget within the three (3) year forecast;

11 FR 16(7)(h) (1) Operating Income Statement; (2) Balance Sheet; (3)
12 Statement of Cash Flows; (4) Revenue Requirements; (9)
13 Employee Level; (10) Labor cost changes; and (12) Rate
14 Base;

15 FR 16(7)(i) Most Recent FERC or FCC Audit Reports;

16 FR 16(7)(n) Latest 12 months of the monthly managerial reports providing
17 financial results of operations in comparison to forecast;

18 FR 16(7)(o) Complete monthly budget variance reports, with narrative
19 explanations, for the twelve (12) months immediately prior to
20 the base period, each month of the base period, and any
21 subsequent months, as they become available;

- 1 FR 16(7)(t) List all commercial or in-house computer software, programs,
2 and models used to develop schedules and work papers
3 associated with this application;
- 4 FR 16(8)(a) A jurisdictional financial summary for both the base period
5 and the forecasted period that details how the utility derived
6 the amount of the requested revenue increase;
- 7 FR 16(8)(b) A jurisdictional rate base summary for both the base period
8 and the forecasted period with supporting schedules, which
9 include detailed analyses of each component of the rate base;
- 10 FR 16(8)(c) Jurisdictional operating income summary for both base and
11 forecasted periods with supporting schedules which provide
12 breakdowns by major account group and individual account;
- 13 FR 16(8)(d) Summary of jurisdictional adjustments to operating income;
- 14 FR 16(8)(e) Jurisdictional federal and state income tax summaries;
- 15 FR 16(8)(f) Summary schedules for the base and forecast periods of
16 various expenses;
- 17 FR 16(8)(g) Analysis of payroll costs;
- 18 FR 16(8)(h) Computation of gross revenue conversion factor;
- 19 FR 16(8)(i) Comparative income statements, revenue and sales statistics,
20 base period, forecast period and two (2) years beyond;
- 21 FR 16 (8)(k) Comparative financial data.

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

2 A. The base period is January 1, 2018 through December 31, 2018 (“Base Period”) and
3 the forecasted test period is April 1, 2019 through March 31, 2020 (“Test Period”)

4 **Q. ARE YOU SPONSORING ANY EXHIBITS IN CONNECTION WITH YOUR**
5 **TESTIMONY?**

6 A. Yes, I am sponsoring Exhibits GKW-1 and GKW-2, both of which are attached to my
7 testimony. Exhibit GKW-1 provides the composite factors used to allocate common
8 costs for the purpose of the Test Period in this rate proceeding. Exhibit GKW-2 is a
9 Base Period to Test Period O&M comparison by cost element.

10 **Q. DO YOU ADOPT THESE FILING REQUIREMENTS AND EXHIBITS, AND**
11 **THEIR ASSOCIATED SCHEDULES, AND MAKE THEM PART OF YOUR**
12 **TESTIMONY?**

13 A. Yes.

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

16 A. The source of the data includes the accounting books and records of the Company
17 which are being sponsored by Company witness Ms. Laura Gillham along with
18 information provided by the following witnesses to this proceeding: Mr. Josh
19 Densman (revenues, gas cost and margin forecast; sales statistics); Mr. Joe Christian
20 (capital structure and cost of debt; cash working capital); Mr. Dane Watson
21 (depreciation rates); and Dr. James Vander Weide (rate of return on equity).

22 The detail concerning how this information was derived is found in the
23 testimony of these witnesses. The data and information provided by these witnesses

1 is the best available information and was developed consistent with sound
2 ratemaking practices. Further, the methods that I used to determine the Company's
3 revenue requirement in this Case are consistent with the Company's approach in
4 prior cases before this Commission while recognizing and honoring the
5 Commission's findings in the Final Order of Case No. 2017-00349.

6 **II. REVENUE DEFICIENCY**

7 **Q. WHAT IS THE AMOUNT OF ATMOS ENERGY'S REVENUE**
8 **DEFICIENCY?**

9 A. The amount of revenue deficiency Atmos Energy seeks to recover in its proposed
10 rates is \$14,455,544 as shown on line 10 of Schedule A. This deficiency is based on
11 the forecasted Test Period twelve months ended March 31, 2020, an average rate base
12 of \$496,111,427 and a required rate of return on rate base of 7.95%. The amount
13 includes the annual amortization of the Company's excess deferred income tax
14 liability of \$1,463,766 which was approved in Case No. 2017-00349 subject to the
15 outcome of Case No. 2017-00481 and discussed in the testimony of Ms. Jennifer
16 Story.

17 **Q. WHAT IS THE SOURCE OF FORECASTED TEST PERIOD ADJUSTED**
18 **OPERATING INCOME OF \$27,701,923 SHOWN ON SCHEDULE A, LINE 2?**

19 A. The forecasted Test Period adjusted operating income is determined in Schedule C
20 using inputs discussed in my testimony and the testimony of Company witnesses
21 Josh Densman and Dane Watson.

1 **III. RATE BASE**

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

4 A. The Test Period rate base of \$496,111,427 is summarized in Schedule B-1, and
5 detailed in Schedules B-2 through B-6. Each component of the Test Period rate base
6 is a thirteen month average forecasted amount, unless noted otherwise. The
7 components of rate base are: net plant in service, construction work in progress, cash
8 working capital, regulatory assets and liabilities, and an allowance for other working
9 capital items consisting of materials and supplies and gas stored underground, less
10 customer advances for construction and deferred income taxes.

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

12 A. I began with actual per books gross plant as of June 30, 2018 including allocations of
13 shared plant as discussed by Ms. Gillham in her testimony. I used the capital
14 spending projection for July - September 2018 and the recently approved fiscal year
15 2019 budget for the months in fiscal year 2019 (October 2018 through September
16 2019). For the months of October 2019 - March 2020, I added plant additions in
17 monthly amounts equal to the previous year's budget for Kentucky direct as well as
18 Shared Services and Division office investment. The absence of growth in direct
19 investment forecasted beyond the FY2019 budget is consistent with the
20 Commission's findings and Final Order in Case No. 2017-00349. Projected plant
21 retirements were based on the level of retirements recorded in the six months of
22 actuals included in the Base Period (January 2018 through June 2018). Routine

1 retirements in each forecasted month were projected to continue at the same level in
2 the same month in future years.

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

4 A. The forecasted Test Period capital investment projection is \$87.76 million which is
5 comprised of three components - the direct capital spending for Kentucky for the
6 forecasted test period, the amount allocated to Kentucky resulting from capital
7 spending by the Kentucky/Mid-States Division's general office and the amount
8 allocated to Kentucky resulting from capital spending by the SSU during the
9 forecasted test period.

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

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

1 processes, hold down operating costs, and meet the changing expectations of our
2 customers.

3 **Q. WHAT IS KENTUCKY’S FY2019 DIRECT CAPITAL BUDGET?**

4 A. The FY2019 direct capital budget for Kentucky is \$86,655,268.

5 **Q. HOW DID YOU ADJUST KENTUCKY’S FY2019 CAPITAL BUDGET IN**
6 **ORDER TO PREPARE THE FORECASTED TEST PERIOD CAPITAL**
7 **BUDGET?**

8 A. For the months of the forecasted Test Period that extend beyond the Company’s
9 FY2019 budget, I added plant additions in monthly amounts equal to the previous
10 year’s budget. The absence of growth in direct investment forecasted beyond the
11 FY2019 budget is consistent with the Commission’s findings and Final Order in Case
12 No. 2017-00349.

13 **Q. IS THE PIPE REPLACEMENT PROGRAM (“PRP”) ESTABLISHED IN**
14 **DOCKET NO. 2009-00354 COMPLETE?**

15 A. No, it is not complete. While the Company’s effort to replace bare steel pipe is not
16 complete, it remains on track. Please see the testimony of Mr. Mark Martin and Mr.
17 Greg Smith for further discussion. Consistent with the discussion in Mr. Martin’s
18 testimony regarding PRP, I have forecasted all capital investment, inclusive of
19 planned bare steel replacement projects, into the plant forecast for this case.
20 Furthermore, the impact of the Company’s cumulative PRP investment is included
21 throughout the filing and reflected in the total revenue requirement proposed by the
22 Company.

1 **Q. WHY HAS THE COMPANY CHOSEN TO FILE THIS CASE IN THIS**
2 **MANNER - WITH ALL CAPITAL INVESTMENT INCLUDED IN THE**
3 **FORWARD LOOKING TEST YEAR?**

4 A. The Company has chosen to file this comprehensive general rate case in the manner
5 described above in order to preserve forward looking treatment on its capital
6 investment and related operating expenses.

7 **Q. WHAT IS THE SIGNIFICANCE OF FORWARD LOOKING TREATMENT**
8 **IN RATEMAKING?**

9 A. Forward looking treatment, as generally described in the context of rate of return
10 regulation, entails forecasting cost of service components and implementing rates
11 such that the timing of the Company's revenues collected from customers aligns with
12 the timing of its cost of service. In allowing such treatment, regulators ensure that
13 the rates customers are paying reflect the utility's cost of service and the value of
14 investment provided during the same time period.

15 **Q. DOES EXISTING KENTUCKY STATUTE ALLOW FORWARD LOOKING**
16 **TREATMENT?**

17 A. Yes. KRS 278.192 allows for forward looking treatment in rate proceedings for the
18 utilities regulated by the Public Service Commission ("PSC" or "Commission").
19 Atmos Energy's Kentucky rates have been set on a forward looking basis going back
20 many years (at least since 1999) and were set on a forward looking basis in the
21 Company's most recent rate case, Case No. 2017-00349. As a result, the Company
22 has chosen to file this case by exercising its option under the statute.

1 **Q. DID THE COMPANY CONSIDER THE PROVISIONS OF KRS 278.192**
2 **WHEN PROPOSING THE PRP IN 2009?**

3 A. Yes. Given that Kentucky statute allows the Commission to utilize forward looking
4 treatment, which it has applied without exception for many years to the Company's
5 Kentucky rates, the Company proposed a pipe replacement mechanism that
6 maintained forward looking treatment and made it a cornerstone of its proposal. The
7 Company viewed that proposal as consistent with the statute.

8 **Q. WHAT WOULD BE THE DISADVANTAGE OF ELIMINATING FORWARD**
9 **LOOKING TREATMENT ON THE COMPANY'S INVESTMENT?**

10 A. Eliminating forward looking treatment would result in a regulatory construct that
11 systematically prevents the Company from earning its authorized return on equity
12 ("ROE").

13 **Q. WHAT CAUSES A FILING BASED ON HISTORIC COST OF SERVICE TO**
14 **SYSTEMATICALLY PRODUCE REVENUES LOWER THAN THOSE**
15 **REQUIRED TO ALLOW A UTILITY TO EARN ITS AUTHORIZED**
16 **RETURN ON EQUITY?**

17 A. Regulatory lag. If a Company must invest capital, experience depreciation on its
18 investment, and support a given level of operating expenses in one time period but
19 wait until a future time period to recover those costs, it cannot mathematically cover
20 its total cost of service (including return) in a timely fashion. This is the definition of
21 regulatory lag and it is especially harmful when a utility is in an era of increasing
22 capital investment requirements (as is the case for virtually every public gas utility in
23 America today). Atmos Energy's 2019 capital investment plan for Kentucky calls for

1 investment that is almost four times its forecasted level of depreciation. The
2 additional depreciation expense alone forecasted in this case for the forward looking
3 test year given that level of investment is \$2.1 million. At that rate, regulatory lag
4 would systematically cause the Company to fail to earn its authorized return, should
5 rates be set on a time period that does not include forward looking treatment.

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

8 A. The capital budget for the Kentucky/Mid-States Division general office was
9 developed in conjunction with Kentucky's capital budget as well as the capital
10 budgets for all other rate divisions within the Division as part of the Division's total
11 capital budget. The Division general office budget for the forecasted Test Period is
12 \$59,333, \$29,536 of which is allocated to Kentucky for ratemaking purposes.

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

15 A. The Shared Services projection for the forecasted Test Period is \$22.50 million,
16 \$1.07 million of which is allocated to Kentucky for ratemaking purposes.

17 **Q. HOW WAS THE TEST PERIOD ACCUMULATED DEPRECIATION**
18 **PROJECTED?**

19 A. I began with actual per books accumulated depreciation as of June 2018 including
20 allocations as discussed by Ms. Gillham in her testimony. For the months of July
21 2018 through the end of the test year, I added projected depreciation expenses
22 (described later in my testimony) and deducted the same retirements that were
23 projected for gross plant.

1 **Q. HOW DID YOU DETERMINE THE AMOUNT OF TEST PERIOD**
2 **CONSTRUCTION WORK IN PROGRESS (“CWIP”) TO INCLUDE IN RATE**
3 **BASE?**

4 A. I began with actual per books CWIP as of June 2018 including allocations. I reduced
5 that amount to exclude the allowance for funds used during construction on projects
6 on which it was recorded. I concluded that the June 2018 CWIP balances were
7 reasonable estimates of future CWIP balances through the forecasted Test Period. By
8 leaving the amount of CWIP level through the end of the test year I in effect assumed
9 that projected capital projects would be closed to gross plant at the same rate at
10 which capital costs were incurred and booked to construction work in progress. My
11 methodology also ensures that the Company recovers these investments and
12 associated return once and only once as the amount of forecasted capital expenditures
13 will equal the amount of new gross plant additions by holding the level of CWIP
14 constant throughout the forecasted Test Period.

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

17 A. Recognizing the Commission’s findings and Final Order in Case No. 2017-00349,
18 the Company prepared a lead-lag study to calculate its Cash Working Capital
19 requirement. The lead-lag study is sponsored by Company Witness Mr. Joe Christian
20 and is discussed in his testimony.

1 **Q. HOW WAS THE TEST PERIOD AMOUNT OF MATERIAL AND SUPPLIES**
2 **DETERMINED?**

3 A. I calculated the 13 month average amount of materials and supplies in the forecasted
4 Test Period using average actual balances recorded in the six months of actuals
5 included in the Base Period (January 2018 - June 2018). The Company does not
6 anticipate a significant change in the amount of materials and supplies in the test
7 year. The calculation method maintains the historic level of materials and supplies
8 while smoothing out any historic month to month fluctuations.

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

10 A. The projected amount of gas in storage is discussed in Mr. Josh Densman's
11 testimony.

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

14 A. I calculated the amount of customer advances in the forecasted Test Period based on
15 the average of actual amounts booked in the base period from January 2018 to June
16 2018. The Company does not anticipate a significant change in the amount of
17 customer advances in the test year. The calculation method maintains the historic
18 level of customer advances while smoothing out any historic month to month
19 fluctuations.

20 **Q. DID YOU PROPOSE ANY ADJUSTMENTS FOR ANY REGULATORY**
21 **ASSETS AND LIABILITIES?**

22 A. Yes. I included the 13 month average of the projected unamortized balance of two
23 regulatory assets and one regulatory liability. I have included a regulatory asset for

1 the unamortized balance of the rate case expenses deferred by the Company in Case
2 No. 2017-00349 per the Final Order. I am also proposing a regulatory asset for the
3 unamortized balance of projected rate case expenses that the Company projects to
4 incur in the context of this proceeding. The Company projects rate case expenses
5 totaling \$337,304. I am proposing a three year amortization of these costs in
6 recognition of the Commission's findings and Final Order in Case No. 2017-00349.
7 The amortization expense is included in O&M and the details concerning the
8 regulatory assets are documented on Schedule F.6 in FR 16(8)(f). I also included the
9 13 month average of the projected unamortized balance of the excess deferred
10 income tax liability that is discussed in the testimony of Company witness Ms.
11 Jennifer Story.

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

14 A. Yes. ADIT balances are projected in a manner consistent with the Commission's
15 findings and Final Order in Case No. 2017-00349. The projection excludes ADIT
16 items consistent with the Commission's findings and Final Order in Case No. 2017-
17 00349. In addition to the ADIT items specifically discussed in that Order, I have also
18 removed the ADIT items corresponding to Director's stock expense and prepayments
19 consistent with their removal from O&M and rate base respectively as discussed
20 elsewhere in my testimony.

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

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

9 **IV. O&M BUDGETING PROCESS**

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

12 A. The objectives of the Company's O&M budgeting process are to: (1) formalize the
13 process of identifying the anticipated costs of operating and maintaining Atmos
14 Energy's systems each year; (2) ensure that all policies and procedures associated
15 with the annual budgeting process are consistently adhered to by the functional
16 managers and officers; (3) assess the appropriateness of routine maintenance
17 requirements and non-capital expenditures proposed by the functional managers and
18 officers to ensure that the amounts are adequate to deliver safe, reliable and efficient
19 natural gas service to the Company's customers; and (4) ensure that the O&M budget
20 properly reflects our strategic operational and financial plans. These objectives are
21 applicable to the Company as a whole as well as to its various division, state and
22 local level operations.

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

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

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

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

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

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

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

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

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

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

3 A. To convert our budget and forecast to FERC accounts, prior year actual expenditures
4 are downloaded from the general ledger by FERC account and cost element. A
5 calculation is then made to determine within each cost element type the percentage of
6 spending attributable to each FERC account. Each percentage factor was then
7 applied to the fiscal year 2019 budget and test period forecast by cost type to develop
8 a budget and Test Period forecast by FERC account.

9 **V. CONTROL AND MONITORING PROCESSES**

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

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

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

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

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

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

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

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

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

21 A. Once the monthly books are closed, the SSU Financial Reporting department in
22 Dallas publishes (electronically) the monthly Atmos Energy Financial Package. This
23 package details the financial performance for Atmos Energy at the corporate and

1 division level. For each division, the report includes a comparative income
2 statement, operating statistics (volumes, total spending), and other financial details.
3 At the end of each quarter, narrative comments are provided by Division officers to
4 describe quarterly and YTD variances. Once complete, this Financial Package is
5 available to all Atmos Energy officers and Board members for review and is an
6 official Sarbanes-Oxley control document of the Company. On a quarterly basis,
7 once the package is complete, an online questionnaire generated by our Sarbanes-
8 Oxley Compliance Tool is completed certifying that the Division Finance
9 Department has conducted a thorough review of the Division's financial performance
10 and the Financial Package and all matters addressed therein. The Company's
11 external auditors look for this certification as evidence of Sarbanes-Oxley
12 compliance.

13 After meeting the Financial Package control requirement, the Division
14 Finance Department publishes (electronically) detailed O&M reports that include
15 monthly and YTD variances for each cost center and these reports are then made
16 available to each cost center owner and their respective managers (managers,
17 Division Vice Presidents, and the Division President). This activity ensures that each
18 cost center owner receives the same information in the same format each month in a
19 timely fashion in order to make operational decisions and manage our operations
20 effectively and efficiently.

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

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

Fiscal Year	Actual \$	Budget \$	Over/(Under) \$	Variance %
2017	\$27,511	\$27,657	\$(146)	(0.5)%
2016	\$27,496	\$26,191	\$1,305	5.0%
2015	\$27,922	\$26,762	\$1,160	4.3%
2014	\$26,515	\$26,804	(\$289)	(1.1)%
2013	\$25,509	24,913	\$596	2.4%

7 *Dollars in thousands*

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

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

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

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

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

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

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

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

22 Once a project has been entered in the capital budget system a request for
23 authorization is submitted. If during the course of a project, field management

1 identifies that the costs of the project will exceed approved amounts, a request for
2 supplemental funding may be submitted. All expenditures above authorized
3 appropriation, as well as expenditures for unbudgeted projects or variances on
4 budgeted and approved projects, must be approved at the appropriate levels within
5 the Company.

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

1 **VI. FORECASTED TEST PERIOD O&M BUDGET**

2 **Q. WHAT IS THE FORECASTED TEST PERIOD USED IN THIS RATE**
3 **APPLICATION?**

4 A. The forecasted Test Period is April 1, 2019 through March 31, 2020.

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

6 A. The basis for the forecasted Test Period is our FY2019 budget. Consistent with our
7 normal annual budgeting timelines, this budget was prepared during the summer of
8 2018 and approved by the Board of Directors in September of 2018. This budget
9 was prepared in the manner I described earlier. The forecasted Test Period includes
10 the last six months of FY2019 and the first six months of FY2020. I will describe the
11 methodology used for the projection period in detail below. The FY2019 O&M
12 budget and forecasted Test Period projection were converted into FERC account
13 detail using the method described above.

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

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

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

3 A. The Base Period level of cost is January 1, 2018 through December 31, 2018. It is
4 composed of six months of actual results through June 2018 and six months of our
5 FY2018 and FY2019 budgets.

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

7 A. \$15,500,391.

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

10 A. \$14,458,592.

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

13 A. The difference is a decrease of \$1,041,799 and reflects adjustments I have made for
14 labor and benefits, rent, other O&M and bad debt.

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

16 A. The labor forecast for the forecasted Test Period is based on the Company's approved
17 FY2019 budget. As part of the normal budgeting process, each employee's total
18 salary, expected capital / expense ratio and expected standby and overtime amounts
19 are included. While there is always a normal level of position vacancy at any given
20 point in time, we strive to fill open positions in a timely manner when and if filling
21 the position is justified by current workload. The Base Period level of total labor
22 expenditures represents a fully staffed level minus the normal level of vacancies and
23 employee levels are projected to remain relatively constant from the base period to

1 the test period. Base pay increases go into effect each October 1 and averaged 3.0%
2 for the increases that are effective October 1, 2018. These increases are captured as
3 part of the FY2019 budget. An adjustment was made as part of the forecast to
4 account for an average wage increase of 3.0% to become effective October 1, 2019.
5 The 3.0% is consistent with the average level of increases from the past several
6 years. Overall, direct labor expense is projected to decrease \$179,909 from the base
7 period to the test period.

8 Benefits are projected as a fixed benefit load percentage of labor expense plus
9 an amount for workers' comp insurance. The Test Period benefits expense of
10 \$1,696,574 is \$16,969 lower than the base period.

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

12 A. Unlike other O&M categories that are likely to increase with normal inflation, our
13 building rents are driven by leases already in place and can therefore be projected
14 with a high level of accuracy. Overall, direct Rent, Utilities and Maintenance is
15 projected to decrease \$102,990 from the base period.

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

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

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

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

4 A. Our goal is to keep bad debt no higher than 0.50% of residential, commercial and
5 public authority margin during any given year. We work vigorously to collect bad
6 debts and reduce the impact of bad debt expense on customers. To arrive at the bad
7 debt projection of \$341,050, I calculated 0.50% of residential, commercial and public
8 authority margin from the revenue projection in the direct testimony of Company
9 witness Mr. Josh Densman. This projection is \$208,293 lower than the Base Period.

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

12 A. \$4,835,070.

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

16 A. \$5,442,099.

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

19 A. The difference is \$607,029 and reflects adjustments I have made for labor and
20 benefits, rent and other O&M. The budgeting process and forecast methodologies
21 are identical for both direct O&M and General Office O&M. Therefore, the

¹ Case No. 2013-00148, *Application of Atmos Energy Corporation for an Adjustment of Rates and Tariff Modifications* (Ky. PSC Apr. 22, 2014) at 16-17.

1 categories of adjustments made to forecast General Office O&M are also the same as
2 direct.

3 **Q. WHAT IS THE AMOUNT OF SHARED SERVICES O&M ALLOCATED TO**
4 **KENTUCKY FOR THE BASE PERIOD?**

5 A. \$8,195,676.

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

8 A. \$7,324,291.

9 **Q. PLEASE DISCUSS THE DIFFERENCES BETWEEN THE SHARED**
10 **SERVICES BASE PERIOD AND FORECASTED TEST PERIOD AMOUNTS.**

11 A. The difference is a decrease of \$871,385. The SSU budget is prepared in a fashion
12 consistent with that of the Division. Once the SSU department heads complete,
13 submit and get approval for their budgets, the appropriate level of expenses are
14 allocated to the Kentucky rate jurisdiction per the methodologies described in Ms.
15 Laura Gillham's testimony.

16 **Q. WHO MONITORS SHARED SERVICES BILLINGS TO THE DIVISION?**

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

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

23 A. \$27,224,981.

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

4 A. Yes. Schedule C-2 contains six ratemaking adjustments.

5 • Adjustment for Sales and Promotional Advertising Expenses

6 The first adjustment removes \$196,297 of sales and promotional advertising
7 from test year sales expense. It is quantified on Schedule F.4.

8 • Adjustment for Regulatory Asset Amortization Expenses

9 The second adjustment adds \$180,927 to test year administrative and general
10 expense to account for the three year amortization of the expected costs
11 pertaining to this case and Case No. 2017-00349. The amounts are quantified
12 on Schedule F.6.

13 • Adjustment for Expense Report Exclusion

14 The third adjustment removes \$84,083 of certain expense report items from
15 test year administrative and general expense. The Company's goal is to
16 ensure that its Kentucky rates rest upon a sound foundation of unquestionable
17 costs. The Company is committed to achieving that goal even if it means
18 foregoing recovery of a certain amount of legitimate business expense in an
19 effort to ensure that there can be no question about what remains. The
20 expense report exclusion adjustment is made to exclude certain cost items of
21 which the Company does not intend to seek recovery from its customers in
22 this case. The excluded amounts are quantified on Schedule F.8 and occur in
23 Kentucky as well as the Division General Office and SSU.

1 • Adjustment for Incentive Compensation

2 The fourth adjustment removes incentive compensation expenses associated
3 with all of its employees. This adjustment is \$962,983. The Company
4 believes incentive compensation is a critical part of the ability to attract and
5 retain employees at competitive market rates, and should be included as a
6 recoverable O&M expense. Atmos Energy is not unique in making incentive
7 compensation part of the overall compensation package that it provides to its
8 employees. The Company designs its total compensation package to be in
9 the middle of the job market in which we compete for talent. This means that
10 there are as many companies offering total compensation above Atmos
11 Energy’s package as there are below it for comparable jobs. It is important to
12 understand that “total compensation” does not represent only base salary, but
13 also includes bonuses, benefits, retirement, etc. Because Atmos Energy falls
14 in the middle of the job market in terms of the overall compensation
15 packages, the Company believes the incentive compensation costs that are a
16 component of this overall compensation package are reasonable and should
17 be recovered as part of revenue requirement. In order to meet the Company’s
18 incentive pay criteria, Company employees must work together to ensure that
19 the Company operates efficiently and effectively. Efficient and effective
20 operations translate into lower costs and therefore into lower rates for
21 customers. Strong financial performance for the Company and lower rates
22 for customers are, therefore, not mutually exclusive. However, in recognition

1 of the Commission's findings in Case No. 2013-00148², I have removed this
2 expense in this proceeding for the sole purpose of simplifying the regulatory
3 review process. This adjustment is quantified on Schedule F.10.

4 • Adjustment for Certain Retirement Plan Expenses

5 The fifth adjustment removes costs associated with the 401(k) match for
6 employees that also participate in the Company's pension plan. This
7 adjustment is \$518,619. While the Company supports the prudence of these
8 costs as part of its comprehensive rewards program for employees, I have
9 removed these costs in the same manner in which they were removed from
10 revenue requirement in Case No. 2017-00349 consistent with the
11 Commission's findings and Final Order for the sole purpose of simplifying
12 the regulatory review process in the current rate case proceeding. This
13 adjustment is quantified on Schedule F.11.

14 • Adjustment for Directors' Stock Expenses

15 The sixth adjustment removes costs associated with stock awarded to
16 members of the Board of Directors as part of their compensation. This
17 adjustment is \$189,721. While the Company supports the prudence of these
18 costs as part of its market competitive compensation package for Directors, I
19 have removed these costs in the same manner in which they were removed
20 from revenue requirement in Case No. 2017-00349 consistent with the
21 Commission's findings and Final Order for the sole purpose of simplifying

² See *id.* at 19-20.

1 the regulatory review process in the current rate case proceeding. This
2 adjustment is quantified on Schedule F.11.

3 **Q. DO YOU BELIEVE THAT THE FORECASTED TEST PERIOD O&M**
4 **BUDGET YOU HAVE PRESENTED IS THE MOST REASONABLE**
5 **ESTIMATE OF COSTS FOR THE TEST PERIOD USED IN THIS**
6 **PROCEEDING?**

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

9 **VII. DEPRECIATION EXPENSE AND TAXES OTHER THAN**
10 **INCOME TAXES**

11 **Q. WHAT IS THE DEPRECIATION EXPENSE FOR THE BASE PERIOD?**

12 A. The amount of depreciation expense for the Base Period is \$20,483,034.

13 **Q. WHAT IS THE DEPRECIATION EXPENSE FOR THE FORECASTED TEST**
14 **PERIOD?**

15 A. The amount of depreciation expense for the forecasted Test Period is \$22,541,774.

16 **Q. PLEASE DISCUSS THE DIFFERENCES BETWEEN THE BASE PERIOD**
17 **AND FORECASTED TEST PERIOD DEPRECIATION AMOUNTS.**

18 A. Proposed depreciation rates for the forecasted Test Period are discussed in the
19 testimony of and supported by Company witness Mr. Dane Watson. The depreciation
20 rates are applied to the applicable categories of plant for the Kentucky jurisdiction as
21 well as the General Office and Shared Services division, resulting in total
22 depreciation expense. The amounts allocated from the General Office and SSU to

1 Kentucky are based upon the cost allocation methodology more fully described in
2 Ms. Laura Gillham's testimony.

3 **Q. WHAT IS THE EXPENSE LEVEL FOR TAXES, OTHER THAN INCOME**
4 **TAXES FOR THE BASE PERIOD?**

5 A. \$6,491,574.

6 **Q. WHAT IS THE LEVEL OF TAXES, OTHER THAN INCOME TAXES FOR**
7 **THE FORECASTED TEST PERIOD?**

8 A. \$7,511,837.

9 **Q. PLEASE DISCUSS THE DIFFERENCES BETWEEN THE BASE PERIOD**
10 **AND FORECASTED TEST PERIOD.**

11 A. The difference is an increase of \$1,020,263. The components are itemized by type of
12 tax on Schedule C.2.3 F. For all months of the forecasted Test Period (April 1, 2019
13 - March 31, 2020), payroll taxes have been escalated from the FY2019 budget to
14 account for base pay increases consistent with my labor forecast. The monthly
15 accrual for the Public Service Commission Assessment is based on the assessment
16 rate and projected Test Period revenues. The DOT transmission user tax has been
17 held constant from the Base Period. The Commission's findings and Final Order in
18 Case No. 2017-00349 rejected the Company's traditional methodology for
19 forecasting ad valorem expense. Therefore, I developed the ad valorem forecast for
20 the current proceeding by adopting the methodology most recently used and
21 approved in the Company's PRP filings. That methodology develops an historical
22 ratio of ad valorem expense to plant and applies the ratio to projected levels of plant
23 for the Forecasted Test Period. The amount of taxes allocated from the Division

1 General Office and SSU is based on the allocation methodologies discussed in the
2 Cost Allocation Manual.

3 **VIII. CONCLUSION**

4 **Q. DO YOU BELIEVE THAT THE FORECASTED TEST PERIOD COST OF**
5 **SERVICE COMPONENTS YOU HAVE PRESENTED REPRESENT THE**
6 **MOST REASONABLE ESTIMATE OF COSTS FOR THE TEST PERIOD**
7 **USED IN THIS PROCEEDING?**

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

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

12 A. Yes.

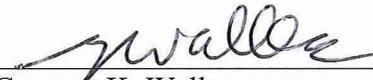
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2018-00281
ATMOS ENERGY CORPORATION)

CERTIFICATE AND AFFIDAVIT

The Affiant, Gregory K. Waller, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared direct testimony of this affiant in Case No. 2018-00281, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared direct pre-filed testimony.



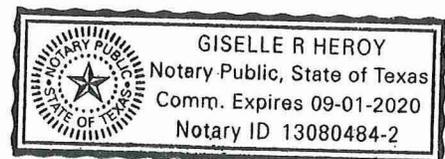
Gregory K. Waller

STATE OF Texas
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Gregory K. Waller on this the 20th day of September, 2018.



Notary Public
My Commission Expires: 9/01/2020



ATMOS ENERGY CORPORATION
Allocation of Atmos Corporate (Co. # 10) Cost Based on 12 Month Period Ended 9/30/17

		30	60	20	20	50	70	80	180	
		Total	West Tex Div	CO/KS Div	LA Div 007	LA Div 077	Kentucky/ MidStates Div	Mississippi Div	Mid-Tex Div	Atmos P/L
A. Composite Allocation Factor										
Gross Direct PP&E	\$	11,351,084,851	775,535,809	627,897,312	271,823,262	684,712,282	1,207,787,075	644,175,624	4,336,467,256	2,741,038,028
Average Number of Customers	#	3,119,142	301,348	252,821	74,063	275,380	341,608	247,554	1,625,785	314
Total O&M Expense *	\$	405,258,008	31,424,110	26,709,190	8,446,043	23,663,510	38,899,593	35,132,692	122,663,005	113,799,113
(* w/o Allocation)										
Total Composite Factor										
Gross Direct PP&E	%	100.00%	6.84%	5.53%	2.39%	6.03%	10.64%	5.68%	38.20%	24.15%
Average Number of Customers	%	100.00%	9.66%	8.11%	2.37%	8.83%	10.95%	7.94%	52.12%	0.01%
Total O&M Expense	%	100.00%	7.75%	6.59%	2.08%	5.84%	9.60%	8.67%	30.27%	28.08%
Total Composite Factor for FY 2018	%	100.00%	8.08%	6.74%	2.28%	6.90%	10.40%	7.43%	40.20%	17.41%
		212	232	234	303	Reminder				
		AEM	UCG Storage	TLGS	TLGP	FY18-Co 233				
						Remaining non reg				
Gross Direct PP&E	\$	-	9,686,100	8,392,479	23,322,888	20,246,735				
Average Number of Customers	#	-			6	264				
Total O&M Expense *	\$	-	360,291	280,012	1,684,235	2,196,215				
(* w/o Allocation)										
Total Composite Factor						0				
Gross Direct PP&E	%	0.00%	0.09%	0.07%	0.21%	0.17%				
Average Number of Customers	%	0.00%	0.00%	0.00%	0.00%	0.01%				
Total O&M Expense	%	0.00%	0.09%	0.07%	0.42%	0.54%				
Total Composite Factor for FY 2018	%	0.00%	0.06%	0.05%	0.21%	0.24%				

Atmos Energy Corporation
Atmos Energy Mid States Div
Development of Allocation Factors
Effective October 1, 2017

Div #	Division Name	Sept '17 Direct Property Plant & Equipment	Percent of MidStates Property	YE Sept '17 Total O &M w/o 922	Percent of MidStates O & M	YE Sept '17 Avg Number of Customers	Percent of MidStates Customers	STAT Sub account for customers	MidStates Allocation Percent
		(1)	(2)	(3)	(4)	(5)	(6)		(7)
09	KENTUCKY	575,632,189	47.80451	15,546,019	50.02596	175,989	51.51797	91C09	49.78281
93	TENNESSEE	528,207,480	43.86603	12,471,004	40.13078	142,529	41.72309	91C93	41.90663
96	VIRGINIA	100,298,271	8.32947	3,058,883	9.84326	23,089	6.75894	91C96	8.31055
<hr/>									
	Total	1,204,137,941.10	100.00	31,075,905.39	100.00	341,607	100.00		100.00

O&M by Cost Element

	Kentucky			SSU			Division General Office			Total		
	Base	Test	Difference	Base	Test	Difference	Base	Test	Difference	Base	Test	Difference
Labor	\$ 5,297,266	\$ 5,117,357	\$ (179,909)	\$ 4,069,172	\$ 4,430,163	\$ 360,991	\$ 1,265,876	\$ 1,255,099	\$ (10,777)	\$ 10,632,314	\$ 10,802,619	\$ 170,305
Benefits	1,713,543	1,696,574	(16,969)	1,319,018	1,447,463	128,445	441,831	525,466	83,635	3,474,391	3,669,503	195,112
Employee Welfare	125,322	108,482	(16,840)	2,011,243	1,685,635	(325,608)	701,347	590,242	(111,105)	2,837,912	2,384,359	(453,553)
Insurance	95,549	4,021	(91,528)	1,079,768	1,048,098	(31,669)	120,158	209,984	89,826	1,295,475	1,262,103	(33,372)
Rent, Maint., & Utilities	630,787	527,796	(102,990)	429,539	458,766	29,227	157,083	153,436	(3,647)	1,217,408	1,139,998	(77,410)
Vehicles & Equip	1,054,585	1,040,217	(14,368)	3,950	5,065	1,115	29,518	48,263	18,745	1,088,053	1,093,545	5,492
Materials & Supplies	901,818	673,337	(228,481)	55,693	58,056	2,363	102,522	95,563	(6,959)	1,060,032	826,956	(233,077)
Information Technologies	2,316	-	(2,316)	1,154,671	1,310,217	155,546	41,606	90,560	48,954	1,198,593	1,400,776	202,184
Telecom	342,158	358,236	16,078	146,168	133,630	(12,538)	198,374	262,977	64,603	686,700	754,844	68,143
Marketing	189,590	153,182	(36,408)	13,666	14,312	645	163,938	194,334	30,396	367,194	361,827	(5,367)
Directors & Shareholders & PR	-	242	242	356,562	362,946	6,385	-	-	-	356,562	363,188	6,627
Dues & Donations	113,262	71,067	(42,195)	30,076	36,500	6,424	41,273	81,176	39,903	184,611	188,743	4,132
Print & Postages	10,775	13,885	3,110	12,495	13,880	1,385	7,379	7,861	483	30,649	35,626	4,978
Travel & Entertainment	508,461	559,664	51,202	179,367	213,049	33,682	273,631	330,116	56,485	961,460	1,102,828	141,369
Training	21,115	20,109	(1,007)	67,268	72,013	4,745	37,112	49,616	12,504	125,496	141,738	16,243
Outside Services	3,926,150	3,705,636	(220,513)	881,310	851,986	(29,324)	1,291,835	2,063,447	771,612	6,099,295	6,621,069	521,774
Provision for Bad Debt	549,343	341,050	(208,293)	-	-	-	-	-	-	549,343	341,050	(208,293)
Miscellaneous	18,349	125,513	107,164	(3,614,289)	(3,609,965)	4,323	(38,412)	8,811	47,223	(3,634,352)	(3,475,641)	158,710
Total O&M Expenses	\$ 15,500,391	\$ 14,516,369	\$ (984,022)	\$ 8,195,676	\$ 8,531,813	\$ 336,137	\$ 4,835,070	\$ 5,966,951	\$ 1,131,881	\$ 28,531,137	\$ 29,015,133	\$ 483,996
<i>RateMaking Adjustments:</i>												
Advertising Adjustments		(184,693)	(184,693)		(10,926)	(10,926)		(679)	(679)		(196,297)	(196,297)
Club Expenses		-	-								-	-
Expense Report Exclusions		(34,636)	(34,636)		(27,018)	(27,018)		(22,429)	(22,429)		(84,083)	(84,083)
Leases		(19,375)	(19,375)								(19,375)	(19,375)
Regulatory Asset Amortizations		180,927	180,927								180,927	180,927
Incentive Compensation		-	-		(461,238)	(461,238)		(501,744)	(501,744)		(962,983)	(962,983)
Retirement Expense and Director's Stock					(708,340)	(708,340)					(708,340)	(708,340)
Grand Total	\$ 15,500,391	\$ 14,458,592	\$ (1,041,799)	\$ 8,195,676	\$ 7,324,291	\$ (871,385)	\$ 4,835,070	\$ 5,442,099	\$ 607,029	\$ 28,531,137	\$ 27,224,981	\$ (1,306,156)

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY)
)
CORPORATION FOR AN ADJUSTMENT) Case No. 2018-00281
)
OF RATES AND TARIFF MODIFICATIONS)

TESTIMONY OF JOSH C. DENSMAN

1

I. INTRODUCTION

2 **Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

3 A. My name is Josh C. Densman. I am Vice President of Finance for the
4 Kentucky/Mid-States Division (“Division”) of Atmos Energy Corporation (“Atmos
5 Energy” or the “Company”). My business address is 810 Crescent Centre Drive,
6 Suite 600, Franklin, Tennessee 37067.

7 **Q. PLEASE BRIEFLY DESCRIBE YOUR CURRENT RESPONSIBILITIES,**
8 **AND PROFESSIONAL AND EDUCATIONAL BACKGROUND.**

9 A. I am responsible for monitoring and analyzing the financial performance of the
10 Division, and implementing necessary actions based on those results. I also direct
11 the development of the Division’s annual budget. I have a Bachelor of Business
12 Administration from Baylor University. I have worked for Atmos Energy since
13 2005. I have served in a variety of positions of increasing responsibility prior to
14 assuming my current responsibility in 2012.

1 **Q. HAVE YOU SUBMITTED TESTIMONY BEFORE THE KENTUCKY**
2 **PUBLIC SERVICE COMMISSION (“COMMISSION”)?**

3 A. Yes. I filed testimony in Case No. 2013-00148.

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

6 A. Yes, I have filed testimony before the Tennessee Public Utility Commission in
7 Docket No. 12-00064.

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

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

11 FR 16(7)(c) Description of all factors used in preparation of the forecast
12 test period - income statement, operation and maintenance
13 expenses, employee and labor expenses, capital construction
14 budget;

15 FR 16(7)(h) Financial Forecast (Revenues)

16 FR 16(7)(h)1 Operating Income Statement (Revenues)

17 FR16(7)(h)8 Mix of Gas Supply

18 FR 16(7)(h)14 Customer Forecast

19 FR 16(7)(h)15 Mcf Sales Volume Forecast

20 FR 16(8)(c) Jurisdictional operating income summary for both base and
21 forecast period with supporting schedules which provide
22 breakdowns by major account group and individual account

23 FR 16(8)(d) Summary of jurisdictional adjustments to operating income

1 FR 16(8)(i) Comparative income statements, revenue and sales statistics,
2 base period, forecast period and two (2) years beyond
3 FR 16(8)(k) Comparative Financial Data
4 FR 16(8)(m) Revenue Summary for Both the Period and Forecasted Period

5 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

6 A. Yes. I am sponsoring Exhibits JCD-1 - JCD-5.

7 **Q. DO YOU ADOPT THESE FILING REQUIREMENTS AND EXHIBITS,**
8 **AND THEIR ASSOCIATED SCHEDULES, AND MAKE THEM PART OF**
9 **YOUR TESTIMONY?**

10 A. Yes.

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

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

13 A. First, I will describe the methods used to forecast Company's revenues and volumes
14 as they relate to the base period and test period in this case. Second, I will present
15 the test period forecast of revenues and volumes.

16 **III. PROCESS OF FORECASTING OF REVENUES AND VOLUMES**

17 **Q. PLEASE DESCRIBE THE GOALS OF FORECASTING REVENUE AND**
18 **VOLUMES.**

19 A. The goal of revenue forecasting, fundamentally, is to determine expected revenues
20 for business planning purposes. The primary emphasis of the "revenue" forecasting
21 process is the estimate of the Company's gross margin, which is that portion of
22 revenues excluding purchased gas costs. Purchased gas costs, which are recovered

1 through the Company's Gas Cost Adjustment ("GCA") mechanism, are calculated
2 only as a final step in the process, to forecast gross revenues.

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

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

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

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

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

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

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

5 A. Forecasts are typically prepared for Atmos Energy’s fiscal year, which runs from
6 October 1 to the following September 30.

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

8 A. The base period is January 1, 2018 through December 31, 2018.

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

10 A. The forecasted test period for this case is April 1, 2019 to March 31, 2020.

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

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

1 a forecast of billing determinants for the test year period of April 1, 2019 to March
2 31, 2020.

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

6 A. Yes. And it is notable that the Commission found the Company's revenue forecast in
7 Case No. 2013-00148, Case No. 2015-00343, and Case No. 2017-00349 to be
8 reasonable and accepted the normalized base-rate revenues without adjustment.

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

10 A. The unadjusted data for the reference period reflects the actual billing units and
11 margins for all services during the twelve months ending June 30, 2018. This data
12 was gathered from billing system reports for that period. Exhibit JCD-1 attached
13 hereto provides the actual monthly billing units and volumes by class of service for
14 the reference period ending June 30, 2018.

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

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

21 Then, forward-looking adjustments were considered to account for net
22 customer growth or losses.

1 A summary of annualized adjustments for each of these steps is shown on
2 Exhibit JCD-2 attached hereto.

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

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

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

20 A. Adjusting for variances from normal weather is a common practice. The
21 methodology for determining composite degree days was based on a process
22 instituted originally in Case No. 1999-070, which utilized the composite calculated
23 weighting weather data from Paducah, Lexington and Louisville, KY, Evansville, IN

1 and Nashville, TN. The composite normal heating degree days were based upon the
2 same weighting of the five weather stations, applying the National Oceanic and
3 Atmospheric Administration (“NOAA”) HDD data averages for the twenty-year
4 period ending June 30, 2018. The Company has chosen a 20-year average HDD
5 basis based on analysis required in the Commission Order in Case No. 2013-00148
6 and approved in Commission Orders in both Case No. 2015-00343 and Case No.
7 2017-00349. Later, my testimony will describe this analysis. Exhibit JCD-4
8 attached hereto summarizes the monthly weather adjustment to the reference period
9 resulting from the 3.11% colder than normal period. Exhibit JCD-4 also provides
10 details of the calculations of the respective weather adjustment for the weather
11 sensitive residential, commercial and public authority classes.

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

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

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

22 A. To assess key historical trends necessary for the forecast, financial statistics for ten
23 years were analyzed, noting the numbers of active customers served during that time

1 and the total volumetric requirements by customer class. Actual sales volumes each
2 year were adjusted for variances from normal weather, based on the current HDD
3 composite and normal basis.

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

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

10 A. Based on the net average annual customer growth over the past three years, I
11 forecasted residential customer growth of 325 customers per year. Based on the
12 same analysis of commercial and public authority classes, I forecasted zero net
13 commercial and public authority customer changes from the reference period to the
14 test year.

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

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

1 **Q. WHAT WERE THE ASSUMPTIONS FOR SERVICE CHARGES AND THE**
2 **LATE PAYMENT FEES?**

3 A. I forecasted the transaction-based service charges to remain flat, equal to the
4 experience in the twelve month reference period ending June 2018.

5 Late payment fees were first adopted in Case No. 1999-070, beginning in
6 mid-2000. Since that time, we have observed that late payment fee revenue is
7 proportionate to the total revenues billed for residential, commercial and public
8 authority classes. Based upon the correlation for the past few years, I estimated late
9 payment fees at a ratio equal to 0.90% of the total projected residential, commercial
10 and public authority class revenues.

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

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

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

4 A. Yes. The method of developing the forecast ensures a solid bridge of logical and
5 measurable adjustments, building upon the actual performance of a recent, reference
6 period. This forecasting process has been employed in prior Kentucky cases and, in
7 Case No. 2013-00148, Case No. 2015-00343, and Case No. 2017-00349 was found
8 by the Commission to be reasonable and accepted the normalized base-rate revenues
9 without adjustment.

10 Exhibit JCD-2 attached hereto summarizes each step of the process and
11 applies current rates to the derived billing determinants. Exhibit JCD-5 summarizes
12 the billing determinants for each month of the test year.

13 **Q. PLEASE DESCRIBE HOW YOUR EXHIBITS ARE UTILIZED IN**
14 **DETERMING SUMMARIZING THE REVENUE AT CURRENT RATES AS**
15 **WELL AS RATES PROPOSED BY ATMOS ENERGY.**

16 A. Mark Martin takes the summarized billing determinants from Exhibit JCD-5 and
17 recalculates revenue at present rates, as shown in his Exhibit MAM-1 and MAM-2.
18 Exhibit MAM-1 replicates my Exhibit JCD-2 walking forward each set of
19 adjustments from the reference billing determinants to those forecast for the test
20 period and adds in the revenue at proposed rates. Exhibit MAM-2 replicates my
21 Exhibit JDC-5 and applies the proposed rates to calculate the revenue at present
22 rates. Mr. Martin discusses how he developed the proposed rates in his testimony.

IV. CONCLUSION

1

2 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

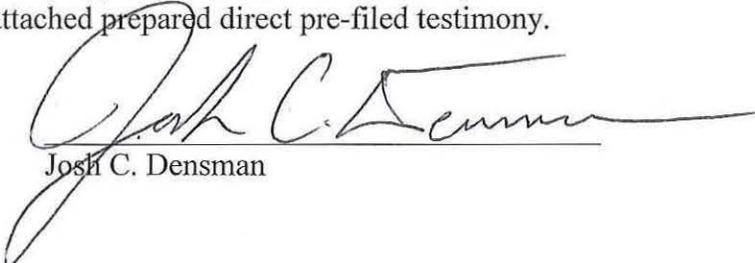
3 A. Yes.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2018-00281
ATMOS ENERGY CORPORATION)

CERTIFICATE AND AFFIDAVIT

The Affiant, Josh C. Densman, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared direct testimony of this affiant in Case No. 2018-00281, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared direct pre-filed testimony.


Josh C. Densman

STATE OF Tennessee
COUNTY OF Williamson

SUBSCRIBED AND SWORN to before me by Josh C. Densman on this the 17th day of September, 2018.


Notary Public

My Commission Expires: MARCH 3, 2020



ATMOS ENERGY CORPORATION - KENTUCKY
 BILL FREQUENCY DATA
 Reference Period - Twelve Months Ending 06/30/2018

Line No.	Class of Customers	Jul-17 (a)	Aug-17 (b)	Sep-17 (c)	Oct-17 (d)	Nov-17 (e)	Dec-17 (f)	Jan-18 (g)	Feb-18 (h)	Mar-18 (i)	Apr-18 (j)	May-18 (k)	Jun-18 (l)	Number Of Bills (m)	Mcf (n)	Rate (o)	Total Revenue (p)
1	<u>RESIDENTIAL (Rate G-1)</u>																
2	FIRM BILLS	154,482	154,786	152,795	154,070	156,190	157,732	159,869	159,381	159,976	160,142	159,486	156,820	1,885,729		\$17.50	\$33,000,258
3	Sales: 1-300	149,792	149,698	176,235	172,040	705,319	1,336,227	2,491,569	2,022,345	1,258,346	1,223,271	472,415	152,584		10,309,840	1.7250	17,784,473
4	Sales: 301-15000	0	0	439	219	248	315	431	967	759	-654	207	708		3,639	0.9600	3,494
5	Sales: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.7700	0
6	CLASS TOTAL (Mcf/month)	149,792	149,698	176,674	172,259	705,567	1,336,542	2,492,000	2,023,312	1,259,105	1,222,618	472,622	153,291	1,885,729	10,313,479		\$50,788,224
7																	
8	<u>FIRM COMMERCIAL (Rate G-1)</u>																
9	FIRM BILLS	16,952	17,018	16,770	16,867	17,362	17,609	18,032	17,837	17,954	17,943	17,779	17,193	209,316		44.50	\$9,314,562
10	Sales: 1-300	123,616	129,198	159,983	144,692	312,448	532,192	966,729	800,867	525,768	501,585	238,637	125,810		4,561,526	1.7250	7,868,633
11	Sales: 301-15000	11,073	26,761	42,707	47,636	56,761	90,622	183,701	144,719	60,708	55,599	22,876	9,917		753,079	0.9600	722,956
12	Sales: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.7700	0
13	CLASS TOTAL (Mcf/month)	134,690	155,959	202,690	192,328	369,209	622,813	1,150,430	945,585	586,476	557,184	261,514	135,727	209,316	5,314,605		\$17,906,150
14																	
15	<u>FIRM INDUSTRIAL (Rate G-1)</u>																
16	FIRM BILLS	203	201	200	191	207	191	221	202	207	228	208	198	2,457		\$44.50	\$109,322
17	Sales: 1-300	8,714	9,357	8,525	9,811	21,995	31,555	46,255	40,095	36,568	38,066	17,146	6,895		274,982	1.7250	474,344
18	Sales: 301-15000	11,923	15,372	15,313	18,594	26,745	36,358	94,813	66,588	37,374	31,033	14,946	3,876		372,936	0.9600	358,019
19	Sales: Over 15000	0	0	0	0	0	0	0	0	0	-1,081	-3,624	4,705		0	0.7700	0
20	CLASS TOTAL (Mcf/month)	20,638	24,729	23,838	28,405	48,740	67,913	141,069	106,683	73,943	68,017	28,468	15,476	2,457	647,918		\$941,685
21																	
22	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>																
23	FIRM BILLS	1,527	1,543	1,456	1,539	1,549	1,542	1,558	1,547	1,545	1,548	1,541	1,519	18,414		\$44.50	\$819,423
24	Sales: 1-300	19,725	20,833	22,055	26,169	60,046	100,132	153,823	138,967	96,039	98,322	48,273	23,566		807,950	1.7250	1,393,713
25	Sales: 301-15000	1,501	3,666	2,323	4,220	9,081	17,868	54,274	48,098	15,260	10,247	6,513	3,028		176,079	0.9600	169,036
26	Sales: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.7700	0
27	CLASS TOTAL (Mcf/month)	21,226	24,499	24,377	30,389	69,127	118,000	208,097	187,065	111,299	108,569	54,787	26,593	18,414	984,029		\$2,382,172
28																	
29	<u>INTERRUPTIBLE COMMERCIAL (G-2)</u>																
30	INT BILLS	2	2	2	3	3	3	3	3	3	3	4	2	33		375.00	\$12,375
31	Sales: 1-15000	98	32	98	140	789	1,791	2,517	2,609	1,801	1,985	1,044	47		12,950	0.8550	11,072
32	Sales: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.6350	0
33	CLASS TOTAL (Mcf/month)	98	32	98	140	789	1,791	2,517	2,609	1,801	1,985	1,044	47	33	12,950		\$23,447
34																	
35	<u>INTERRUPTIBLE INDUSTRIAL (G-2)</u>																
36	INT BILLS	6	8	6	8	7	7	7	7	7	7	7	7	84		375.00	\$31,500
37	Sales: 1-15000	11,211	15,981	14,631	19,796	19,863	42,882	49,424	50,993	35,454	28,019	24,369	13,536		326,159	0.8550	278,866
38	Sales: Over 15000	0	0	0	0	0	1,458	105,450	47,254	9,322	0	0	0		163,484	0.6350	103,812
39	CLASS TOTAL (Mcf/month)	11,211	15,981	14,631	19,796	19,863	44,340	154,874	98,247	44,776	28,019	24,369	13,536	84	489,643		\$414,178
40																	
41	<u>TRANSPORTATION (T-4)</u>																
42	TRANSPORTATION BILLS	124	124	124	125	125	125	125	125	126	126	124	125	1,498		375.00	\$561,766
43	Trans Admin Fee	\$6,150	\$6,150	\$6,150	\$6,200	\$6,200	\$6,200	\$6,200	\$6,200	\$6,250	\$6,250	\$6,200	\$6,250				74,400
44	EFM Fee	\$6,325	\$6,525	\$6,450	\$6,475	\$6,475	\$6,575	\$6,575	\$6,675	\$6,800	\$6,800	\$6,725	\$6,825				79,225
45	Parking Fee	\$117	\$18	\$15	\$3	\$5	\$49	\$311	\$136	\$474	\$186	\$218	\$20				1,550
46	Firm Transport: 1-300	33,377	33,734	34,554	36,036	37,197	37,696	37,653	37,458	37,786	37,405	34,846	34,431		432,173	1.7250	745,498
47	Firm Transport: 301-15000	326,444	374,900	361,231	425,586	482,589	556,329	640,980	506,141	545,366	488,392	397,796	375,955		5,481,709	0.9600	5,262,441
48	Firm Transport: Over 15000	71,515	70,237	78,210	84,411	105,273	138,019	197,406	104,141	130,007	97,019	70,364	74,723		1,221,325	0.7700	940,420
49	CLASS TOTAL (Mcf/month)	431,336	478,871	473,995	546,033	625,059	732,044	876,039	647,740	713,159	622,816	503,006	485,109	1,498	7,135,207		\$7,665,300
50																	
51	<u>ECONOMIC DEV RIDER (EDR)</u>																
52	Firm Transport: 1-300	0	0	0	0	0	0	0	0	0	0	0	0		0	1.2938	\$0
53	Firm Transport: 301-15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.7200	0
54	Firm Transport: Over 15000	16,264	20,520	19,125	25,728	27,860	20,680	27,777	25,018	29,479	28,816	29,285	26,397		296,949	0.5775	171,488
55	CLASS TOTAL (Mcf/month)	16,264	20,520	19,125	25,728	27,860	20,680	27,777	25,018	29,479	28,816	29,285	26,397		296,949		\$171,488
56																	

ATMOS ENERGY CORPORATION - KENTUCKY
 BILL FREQUENCY DATA
 Reference Period - Twelve Months Ending 06/30/2018

Line No.	Class of Customers	Jul-17 (a)	Aug-17 (b)	Sep-17 (c)	Oct-17 (d)	Nov-17 (e)	Dec-17 (f)	Jan-18 (g)	Feb-18 (h)	Mar-18 (i)	Apr-18 (j)	May-18 (k)	Jun-18 (l)	Number Of Bills (m)	Mcf (n)	Rate (o)	Total Revenue (p)
57	<u>TRANSPORTATION (T-3)</u>																
58	TRANSPORTATION BILLS	73	73	73	73	73	72	72	71	71	71	71	71	864		375.00	\$324,009
59	Trans Admin Fee	\$3,650	\$3,650	\$3,650	\$3,650	\$3,650	\$3,600	\$3,600	\$3,550	\$3,550	\$3,550	\$3,550	\$3,550				43,200
60	EFM Fee	\$3,875	\$3,875	\$3,900	\$3,900	\$3,900	\$3,800	\$3,800	\$3,725	\$3,825	\$3,825	\$3,825	\$3,825				46,075
61	Parking Fee	\$347	\$293	\$119	\$341	\$206	\$370	\$155	\$538	\$341	\$375	\$489	\$379				3,952
62	Interrupt Transport: 1-15000	399,682	422,349	416,809	452,464	485,649	498,054	517,185	464,701	478,200	465,423	425,171	389,498		5,415,185	0.8550	4,629,983
63	Interrupt Transport: Over 15000	183,396	225,891	231,100	277,549	278,907	286,761	346,985	270,203	291,807	261,462	241,800	190,247		3,086,108	0.6350	1,959,679
64	CLASS TOTAL (Mcf/month)	583,078	648,240	647,909	730,013	764,556	784,815	864,170	734,904	770,007	726,885	666,971	579,745	864	8,501,293		\$7,006,897
65																	
66	<u>SPECIAL CONTRACTS</u>																
67	TRANSPORTATION BILLS	15	16	16	16	16	16	16	16	16	16	16	16	190		375.00	\$71,110
68	Trans Admin Fee	\$650	\$700	\$700	\$700	\$700	\$700	\$700	\$650	\$650	\$650	\$650	\$650				8,100
69	EFM Fee	\$900	\$725	\$725	\$725	\$875	\$875	\$875	\$775	\$775	\$775	\$775	\$775				9,575
70	Parking / Pooling Fees	\$4,804	\$2,635	\$2,262	\$4,989	\$4,624	\$15,795	\$6,226	\$6,312	\$7,403	\$8,223	\$4,727	\$4,258				72,259
71	Transported Volumes	866,719	899,344	1,006,697	1,165,482	1,225,178	1,375,009	1,471,150	1,268,510	1,360,696	1,201,912	1,192,830	1,055,809		14,089,336	Various	
72	Charges for Transport Volumes	\$144,033	\$148,001	\$160,334	\$187,264	\$198,676	\$220,022	\$239,642	\$204,388	\$218,307	\$191,841	\$181,703	\$166,414				2,260,623
73	CLASS TOTAL (Mcf/month)	866,719	899,344	1,006,697	1,165,482	1,225,178	1,375,009	1,471,150	1,268,510	1,360,696	1,201,912	1,192,830	1,055,809	190	14,089,336		\$2,421,667

ATMOS ENERGY CORPORATION - KENTUCKY
SUMMARY OF REVENUE AT PRESENT RATES
TEST YEAR ENDING MAR, 31 2020

Line No.	Description	Block (Mcf)	Reference Period - Twelve Months Ending 06/30/2018				Forward-looking Adjustments To Test Year		Total Test Year Volumes (l)	Present Margin (j)	Present Revenue (k)
			Number of Bills, Units (a)	Volumes As Metered (b)	Contract Adj. Bills and Volumes (c)	Weather Adj. Volumes (NOAA 1998-2018) (d)	Total Volumes (e)	Customer Growth Forecast (f)			
1	<u>Sales</u>										
2	Firm Sales (G-1)	Customer Chrg	1,885,729					6,825		\$17.50	\$33,119,695
3		Customer Chrg	230,187		45					44.50	10,245,310
4		0 - 300		15,954,297	13,143	(371,549)	15,595,891	38,432	0	1.7250	26,969,208
5		301 - 15,000		1,305,734	5,890	(29,693)	1,281,930	0	0	0.9600	1,230,653
6		Over 15,000		0	0	0	0	0	0	0.7700	0
7	Interruptible Sales (G-2)	Customer Chrg	117		0					375.00	43,875
8		0 - 15,000		339,109	(147,107)		192,002			0.8550	164,162
9		Over 15,000		163,484	(17,902)		145,582			0.6350	92,445
10											
11	<u>Transportation</u>										
12	Customer Charges (T-4)	Customer Chrg	1,498		(35)					375.00	548,641
13	Customer Charges (T-3)	Customer Chrg	864		(36)					375.00	310,509
14	Customer Charges (SpK)	Customer Chrg	190		0					375.00	71,110
15	Transp. Adm. Fee	Customer Chrg	2,514		(71)					50.00	122,150
16	Parked Volumes [1]			777,605	0					0.10	77,761
17	EFM Charges									Various	129,550
18	Firm Transportation (T-4)	0 - 300		432,173	(4,933)		427,240			1.7250	736,989
19		301 - 15,000		5,481,709	98,327		5,580,036			0.9600	5,356,835
20		Over 15,000		1,221,325	32,395		1,253,720			0.7700	965,364
21	Economic Dev Rider (EDR)	301 - 15,000		0	0		0			0.7200	0
22		Over 15,000		296,949	0		296,949			0.5775	171,488
23	Interruptible Transportation (T-3)	0 - 15,000		5,415,185	(128,866)		5,286,319			0.8550	4,519,803
24		Over 15,000		3,086,108	114,249		3,200,357			0.6350	2,032,227
25	Total Special Contracts [2]			14,089,336	767,091		14,856,427			Various	2,316,720
26											
27	Total Tariff		<u>2,118,584</u>	<u>47,785,409</u>	<u>732,287</u>	<u>(401,242)</u>	<u>48,116,454</u>	<u>45,257</u>	<u>0</u>	<u>48,154,886</u>	<u>89,224,495</u>
28											
29	Other Revenues										806,054
30	Late Payment Fees										1,304,965
31	Total Gross Profit										<u>91,335,513</u>
32											
33	Gas Costs										<u>78,382,354</u>
34											
35	Total Revenue										<u>\$ 169,717,867</u>
36											
37	[1] Parked Volumes not included in Total Deliveries.										
38	[2] Based on confidential information.										

ATMOS ENERGY CORPORATION - KENTUCKY
 VOLUME AND CONTRACT ADJUSTMENTS
 Reference Period - Twelve Months Ending 06/30/2018

Line No.	Class of Customers	Jul-17 (a)	Aug-17 (b)	Sep-17 (c)	Oct-17 (d)	Nov-17 (e)	Dec-17 (f)	Jan-18 (g)	Feb-18 (h)	Mar-18 (i)	Apr-18 (j)	May-18 (k)	Jun-18 (l)	Number Of Bills (m)	Mcf (n)	Rate (o)	Total Revenue (p)	
1	<u>RESIDENTIAL (Rate G-1)</u>																	
2	FIRM BILLS													0			\$17.50	\$0
3	Sales: 1-300	0	0	439	219	248	315	431	967	759	(654)	207	708		3,639	1.7250	6,278	
4	Sales: 301-15000	0	0	(439)	(219)	(248)	(315)	(431)	(967)	(759)	654	(207)	(708)		(3,639)	0.9600	(3,494)	
5	Sales: Over 15000						0								0	0.7700	0	
6	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		\$2,784	
7																		
8	<u>FIRM COMMERCIAL (Rate G-1)</u>																	
9	FIRM BILLS																44.50	\$0
10	Sales: 1-300															1.7250	0	
11	Sales: 301-15000	0	0	0	0	0	0	0	0	0	0	0	0			0.9600	0	
12	Sales: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0			0.7700	0	
13	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		\$0	
14																		
15	<u>FIRM INDUSTRIAL (Rate G-1)</u>																	
16	FIRM BILLS	4	4	4	4	4	4	4	4	4	3	3	3	45		44.50	\$2,003	
17	Sales: 1-300	282	343	557	794	1,200	1,200	1,200	1,200	1,200	867	328	333		9,504	1.7250	16,394	
18	Sales: 301-15000	0	0	200	200	299	1,275	2,887	2,829	1,792	47	0	0		9,529	0.9600	9,148	
19	Sales: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.7700	0	
20	CLASS TOTAL (Mcf/month)	282	343	757	994	1,499	2,475	4,087	4,029	2,992	914	328	333	45	19,033		\$27,545	
21																		
22	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>																	
23	FIRM BILLS													0			44.50	\$0
24	Sales: 1-300														0	1.7250	0	
25	Sales: 301-15000														0	0.9600	0	
26	Sales: Over 15000														0	0.7700	0	
27	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		\$0	
28																		
29	<u>INTERRUPTIBLE COMMERCIAL (G-2)</u>																	
30	INT BILLS													0			375.00	\$0
31	Sales: 1-15000														0	0.8550	0	
32	Sales: Over 15000														0	0.6350	0	
33	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		\$0	
34																		
35	<u>INTERRUPTIBLE INDUSTRIAL (G-2)</u>																	
36	INT BILLS	0	0	0	0	0	0	0	0	0	0	0	0	0		375.00	\$0	
37	Sales: 1-15000	(5,910)	(6,488)	(7,189)	(3,353)	(8,651)	(17,672)	(20,531)	(22,440)	(21,169)	(15,820)	(11,532)	(6,352)		(147,107)	0.8550	(125,776)	
38	Sales: Over 15000	0	0	0	0	0	(1,458)	(4,509)	(2,613)	(9,322)	0	0	0		(17,902)	0.6350	(11,368)	
39	CLASS TOTAL (Mcf/month)	(5,910)	(6,488)	(7,189)	(3,353)	(8,651)	(19,130)	(25,040)	(25,053)	(30,491)	(15,820)	(11,532)	(6,352)	0	(165,009)		(\$137,144)	

ATMOS ENERGY CORPORATION - KENTUCKY
 VOLUME AND CONTRACT ADJUSTMENTS
 Reference Period - Twelve Months Ending 06/30/2018

Line No.	Class of Customers	Jul-17 (a)	Aug-17 (b)	Sep-17 (c)	Oct-17 (d)	Nov-17 (e)	Dec-17 (f)	Jan-18 (g)	Feb-18 (h)	Mar-18 (i)	Apr-18 (j)	May-18 (k)	Jun-18 (l)	Number Of Bills (m)	Mcf (n)	Rate (o)	Total Revenue (p)
40																	
41	<u>TRANSPORTATION (T-4)</u>																
42	TRANSPORTATION BILLS	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(3)	(3)	(35)		375.00	(\$13,125)
43	Trans Admin Fee	(\$100)	(\$100)	(\$100)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$200)	(\$200)	(\$150)	(\$150)				(1,750)
44	EFM Fee	(\$150)	(\$150)	(\$150)	(\$225)	(\$225)	(\$225)	(\$225)	(\$225)	(\$300)	(\$300)	(\$225)	(\$225)				(2,625)
45	Parking Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				0
46	Firm Transport: 1-300	68	336	141	104	(606)	(796)	(753)	(661)	(930)	(884)	(619)	(333)		(4,933)	1.7250	(8,509)
47	Firm Transport: 301-15000	13,565	13,231	14,426	13,492	11,784	10,505	9,202	10,577	(1,946)	761	1,117	1,613		98,327	0.9600	94,394
48	Firm Transport: Over 15000	1,871	2,601	2,008	2,646	2,021	3,017	4,149	2,765	3,880	2,637	2,696	2,104		32,395	0.7700	24,944
49	CLASS TOTAL (Mcf/month)	15,504	16,168	16,575	16,242	13,199	12,726	12,598	12,681	1,004	2,514	3,194	3,384	(35)	125,789		\$93,329
50																	
51	<u>ECONOMIC DEV RIDER (EDR)</u>																
52	Firm Transport: 1-300	0	0	0	0	0	0	0	0	0	0	0	0		0	1.2938	\$0
53	Firm Transport: 301-15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.7200	0
54	Firm Transport: Over 15000	0	0	0	0	0	0	0	0	0	0	0	0		0	0.5775	0
55	CLASS TOTAL (Mcf/month)	0	0	0	0	0	0	0	0	0	0	0	0		0		\$0
56																	
57	<u>TRANSPORTATION (T-3)</u>																
58	TRANSPORTATION BILLS	(4)	(4)	(4)	(4)	(4)	(3)	(3)	(2)	(2)	(2)	(2)	(2)	(36)		375.00	(\$13,500)
59	Trans Admin Fee	(\$200)	(\$200)	(\$200)	(\$200)	(\$200)	(\$150)	(\$150)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)				(1,800)
60	EFM Fee	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$225)	(\$225)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)				(2,700)
61	Parking Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				0
62	Interrupt Transport: 1-15000	(11,373)	(14,226)	(15,218)	(18,132)	(23,123)	(12,074)	(8,873)	(4,938)	(6,662)	(8,288)	(3,262)	(2,697)		(128,866)	0.8550	(110,180)
63	Interrupt Transport: Over 15000	6,779	8,252	8,515	9,362	7,211	8,175	12,234	10,720	11,775	13,106	11,739	6,381		114,249	0.6350	72,548
64	CLASS TOTAL (Mcf/month)	(4,594)	(5,974)	(6,703)	(8,770)	(15,912)	(3,899)	3,361	5,782	5,113	4,818	8,477	3,684	(36)	(14,617)		(\$55,632)
65																	
66	<u>SPECIAL CONTRACTS</u>																
67	TRANSPORTATION BILLS	0	0	0	0	0	0	0	0	0	0	0	0	0		375.00	\$0
68	Trans Admin Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				0
69	EFM Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				0
70	Parking Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				0
71	Transported Volumes	7,019	7,247	10,310	12,415	13,654	15,745	256,264	207,239	201,785	12,319	12,035	11,059		767,091	Various	56,096
72	Charges for Transport Volumes	1,179	1,200	1,589	1,996	2,257	2,608	15,270	12,386	12,119	1,916	1,877	1,699				56,096
73	CLASS TOTAL (Mcf/month)	7,019	7,247	10,310	12,415	13,654	15,745	256,264	207,239	201,785	12,319	12,035	11,059	0	767,091		\$56,096

ATMOS ENERGY CORPORATION - KENTUCKY
 WEATHER ADJUSTMENT - BASE NOAA 1998-2018
 Reference Period - Twelve Months Ending 06/30/2018

Line No.	Class of Customers	Jul-17 (a)	Aug-17 (b)	Sep-17 (c)	Oct-17 (d)	Nov-17 (e)	Dec-17 (f)	Jan-18 (g)	Feb-18 (h)	Mar-18 (i)	Apr-18 (j)	May-18 (k)	Jun-18 (l)	Number Of Bills (m)	Mcf (n)	Rate (o)	Total Revenue (p)
1	<u>RESIDENTIAL (Rate G-1)</u>																
2	FIRM BILLS													0		\$17.50	\$0
3	Sales: 1-300	(194)	194	(24,707)	154,274	152,491	173,645	(520,162)	(22,064)	147,017	(305,135)	(67,865)	43,688		(268,818)	1.7250	(463,711)
4	Sales: 301-15000														0	0.9600	0
5	Sales: Over 15000														0	0.7700	0
6	CLASS TOTAL (Mcf/month)	(194)	194	(24,707)	154,274	152,491	173,645	(520,162)	(22,064)	147,017	(305,135)	(67,865)	43,688	0	(268,818)		(\$463,711)
7																	
8	<u>FIRM COMMERCIAL (Rate G-1)</u>																
9	FIRM BILLS													0		44.50	\$0
10	Sales: 1-300	9,501	(8,576)	(45,446)	18,039	59,834	76,760	(198,424)	(22,414)	78,785	(78,213)	(5,399)	27,550		(88,003)	1.7250	(151,804)
11	Sales: 301-15000	851	(1,776)	(12,132)	5,939	10,870	13,071	(37,705)	(4,050)	9,097	(8,670)	(518)	2,172		(22,851)	0.9600	(21,937)
12	Sales: Over 15000														0	0.7700	0
13	CLASS TOTAL (Mcf/month)	10,352	(10,352)	(57,578)	23,978	70,704	89,831	(236,129)	(26,464)	87,882	(86,883)	(5,917)	29,722	0	(110,854)		(\$173,742)
14																	
15	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>																
16	FIRM BILLS													0		-	\$0
17	Sales: 1-300	1,410	(1,290)	(2,139)	6,687	12,352	16,189	(24,116)	(7,335)	13,478	(20,051)	(9,726)	(187)		(14,728)	0.0000	0
18	Sales: 301-15000	107	(227)	(225)	1,078	1,868	2,889	(8,509)	(2,539)	2,142	(2,090)	(1,312)	(24)		(6,842)	0.0000	0
19	Sales: Over 15000														0	0.0000	0
20	CLASS TOTAL (Mcf/month)	1,517	(1,517)	(2,364)	7,765	14,220	19,078	(32,625)	(9,874)	15,620	(22,141)	(11,038)	(211)	0	(21,570)		\$0

Atmos Energy - Kentucky
 Normalization Of Volumes For Weather
 Reference Period - Twelve Months Ending 06/30/2018
 (Weather Basis: 20-years ending 2018)

Line	Month	Jul-17 (a)	Aug-17 (b)	Sep-17 (c)	Oct-17 (d)	Nov-17 (e)	Dec-17 (f)	Jan-18 (g)	Feb-18 (h)	Mar-18 (i)	Apr-18 (j)	May-18 (k)	Jun-18 (l)
1	Lagged Actual HDDs	0	0	13	14	376	667	1,053	854	471	477	151	0
2	Lagged Normal HDDs	0	0	2	88	346	658	869	886	598	364	120	22
3	Calendar Normal HDDs	0	0	23	210	490	804	907	724	517	218	58	2
4													
5	<u>RESIDENTIAL (Rate G-1)</u>												
6													
7	Annual Customer Growth												
8	Annual Base Load Decline												
9	Annual Total Load Decline												
10													
11	Actual Constand Load	149,598	149,892	147,964	149,199	151,252	152,745	154,814	154,342	154,918	155,079	154,443	151,862
12	Actual Heat Load	194	(194)	28,710	23,060	554,315	1,183,797	2,337,185	1,868,971	1,104,187	1,067,539	318,178	1,429
13	Heat Load / Customer	0.001	(0.001)	0.188	0.150	3.549	7.505	14.619	11.726	6.902	6.666	1.995	0.009
14	Actual X Coefficient	0.0131	0.0131	0.0131	0.0131	0.0131	0.0131	0.0131	0.0131	0.0131	0.0131	0.0131	0.0131
15	Product	0	0	0.0262	1.151	4.5253	8.606	11.3657	11.588	7.8212	4.7608	1.5695	0.2877
16	Base Load	0.9684	0.9684	0.9684	0.9684	0.9684	0.9684	0.9684	0.9684	0.9684	0.9684	0.9684	0.9684
17	Normal Usage / Customer	0.9684	0.9684	0.9946	2.1194	5.4937	9.5744	12.3341	12.5564	8.7896	5.7292	2.5379	1.2561
18	No. of Customers	154,482	154,786	152,795	154,070	156,190	157,732	159,869	159,381	159,976	160,142	159,486	156,820
19	Normalized Volumes	149,598	149,892	151,967	326,533	858,058	1,510,187	1,971,837	2,001,249	1,406,122	917,483	404,757	196,979
20	Actual Volumes	149,792	149,698	176,674	172,259	705,567	1,336,542	2,492,000	2,023,312	1,259,105	1,222,618	472,622	153,291
21	Normalized Volume Including Unbilled	149,598	149,892	193,927	572,366	1,152,228	1,811,379	2,051,286	1,663,552	1,236,651	611,679	275,427	155,964
22	Normalized Calendar Volumes	149,907	150,202	194,328	573,549	1,154,609	1,815,122	2,055,524	1,666,990	1,239,206	612,943	275,996	156,286
23													
24	Weather Adjustment	(194)	194	(24,707)	154,274	152,491	173,645	(520,162)	(22,064)	147,017	(305,135)	(67,865)	43,688
25													
26	Tier 1	(194)	194	(24,707)	154,274	152,491	173,645	(520,162)	(22,064)	147,017	(305,135)	(67,865)	43,688
27	Tier 2												
28	Tier 3												
29	Total	(194)	194	(24,707)	154,274	152,491	173,645	(520,162)	(22,064)	147,017	(305,135)	(67,865)	43,688
30													
31													

Atmos Energy - Kentucky
 Normalization Of Volumes For Weather
 Reference Period - Twelve Months Ending 06/30/2018
 (Weather Basis: 20-years ending 2018)

Line	Month	Jul-17 (a)	Aug-17 (b)	Sep-17 (c)	Oct-17 (d)	Nov-17 (e)	Dec-17 (f)	Jan-18 (g)	Feb-18 (h)	Mar-18 (i)	Apr-18 (j)	May-18 (k)	Jun-18 (l)
1	Lagged Actual HDDs	0	0	13	14	376	667	1,053	854	471	477	151	0
2	Lagged Normal HDDs	0	0	2	88	346	658	869	886	598	364	120	22
3	Calendar Normal HDDs	0	0	23	210	490	804	907	724	517	218	58	2
4													
32	<u>FIRM COMMERCIAL (Rate G-1)</u>												
33													
34	Annual Customer Growth												
35	Annual Base Load Decline												
36	Annual Total Load Decline												
37													
38	Actual Constand Load	145,042	145,607	143,485	144,315	148,550	150,663	154,283	152,614	153,615	153,521	152,118	147,104
39	Actual Heat Load	(10,352)	10,352	59,205	48,013	220,659	472,150	996,147	792,971	432,861	403,663	109,396	(11,377)
40	Heat Load / Customer	(0.611)	0.608	3.530	2.847	12.709	26.813	55.243	44.457	24.109	22.497	6.153	(0.662)
41	Actual X Coefficient	0.0485	0.0485	0.0485	0.0485	0.0485	0.0485	0.0485	0.0485	0.0485	0.0485	0.0485	0.0485
42	Product	0	0	0.097	4.2682	16.7817	31.9144	42.1483	42.9729	29.0043	17.6548	5.8203	1.067
43	Base Load	8,5560	8,5560	8,5560	8,5560	8,5560	8,5560	8,5560	8,5560	8,5560	8,5560	8,5560	8,5560
44	Normal Usage / Customer	8,5560	8,5560	8,6530	12,8242	25,3377	40,4704	50,7043	51,5289	37,5603	26,2108	14,3763	9,6230
45	No. of Customers	16,952	17,018	16,770	16,867	17,362	17,609	18,032	17,837	17,954	17,943	17,779	17,193
46	Normalized Volumes	145,042	145,607	145,111	216,306	439,914	712,644	914,301	919,122	674,358	470,301	255,597	165,449
47	Actual Volumes	134,690	155,959	202,690	192,328	369,209	622,813	1,150,430	945,585	586,476	557,184	261,514	135,727
48	Normalized Volume Including Unbilled	145,042	145,607	162,193	316,113	561,176	837,338	947,536	778,970	603,822	343,241	202,132	148,772
49	Normalized Calendar Volumes	145,372	145,938	162,562	316,832	562,452	839,243	949,691	780,742	605,196	344,021	202,592	149,110
50													
51	Weather Adjustment	10,352	(10,352)	(57,578)	23,978	70,704	89,831	(236,129)	(26,464)	87,882	(86,883)	(5,917)	29,722
52													
53	Tier 1	9,501	(8,576)	(45,446)	18,039	59,834	76,760	(198,424)	(22,414)	78,785	(78,213)	(5,399)	27,550
54	Tier 2	851	(1,776)	(12,132)	5,939	10,870	13,071	(37,705)	(4,050)	9,097	(8,670)	(518)	2,172
55	Tier 3	-	-	-	-	-	-	-	-	-	-	-	-
56	Total	10,352	(10,352)	(57,578)	23,978	70,704	89,831	(236,129)	(26,464)	87,882	(86,883)	(5,917)	29,722
57													
58													

Atmos Energy - Kentucky
 Normalization Of Volumes For Weather
 Reference Period - Twelve Months Ending 06/30/2018
 (Weather Basis: 20-years ending 2018)

Line	Month	Jul-17 (a)	Aug-17 (b)	Sep-17 (c)	Oct-17 (d)	Nov-17 (e)	Dec-17 (f)	Jan-18 (g)	Feb-18 (h)	Mar-18 (i)	Apr-18 (j)	May-18 (k)	Jun-18 (l)
1	Lagged Actual HDDs	0	0	13	14	376	667	1,053	854	471	477	151	0
2	Lagged Normal HDDs	0	0	2	88	346	658	869	886	598	364	120	22
3	Calendar Normal HDDs	0	0	23	210	490	804	907	724	517	218	58	2
4													
59	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>												
60													
61	Annual Customer Growth												
62	Annual Base Load Decline												
63	Annual Total Load Decline												
64													
65	Actual Constand Load	22,744	22,982	21,686	22,922	23,071	22,967	23,205	23,041	23,012	23,056	22,952	22,624
66	Actual Heat Load	(1,517)	1,517	2,691	7,467	46,056	95,033	184,891	164,024	88,288	85,512	31,835	3,969
67	Heat Load / Customer	(0.994)	0.983	1.848	4.852	29.732	61.630	118.672	106.027	57.144	55.240	20.658	2.613
68	Actual X Coefficient	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125	0.1125
69	Product	0	0	0.2249	9.8969	38.9129	74.0019	97.732	99.6439	67.254	40.9372	13.4958	2.4742
70	Base Load	14.8943	14.8943	14.8943	14.8943	14.8943	14.8943	14.8943	14.8943	14.8943	14.8943	14.8943	14.8943
71	Normal Usage / Customer	14.8943	14.8943	15.1192	24.7912	53.8072	88.8962	112.6263	114.5382	82.1483	55.8315	28.3901	17.3685
72	No. of Customers	1,527	1,543	1,456	1,539	1,549	1,542	1,558	1,547	1,545	1,548	1,541	1,519
73	Normalized Volumes	22,744	22,982	22,014	38,154	83,347	137,078	175,472	177,191	126,919	86,427	43,749	26,383
74	Actual Volumes	21,226	24,499	24,377	30,389	69,127	118,000	208,097	187,065	111,299	108,569	54,787	26,593
75	Normalized Volume Including Unbilled	22,744	22,982	25,452	59,270	108,433	162,397	182,130	149,005	112,845	61,009	33,004	22,966
76	Normalized Calendar Volumes	22,749	22,987	25,458	59,283	108,458	162,435	182,172	149,039	112,871	61,023	33,012	22,971
77													
78	Weather Adjustment	1,517	(1,517)	(2,364)	7,765	14,220	19,078	(32,625)	(9,874)	15,620	(22,141)	(11,038)	(211)
79													
80	Tier 1	1,410	(1,290)	(2,139)	6,687	12,352	16,189	(24,116)	(7,335)	13,478	(20,051)	(9,726)	(187)
81	Tier 2	107	(227)	(225)	1,078	1,868	2,889	(8,509)	(2,539)	2,142	(2,090)	(1,312)	(24)
82	Tier 3	-	-	-	-	-	-	-	-	-	-	-	-
83	Total	1,517	(1,517)	(2,364)	7,765	14,220	19,078	(32,625)	(9,874)	15,620	(22,141)	(11,038)	(211)

ATMOS ENERGY CORPORATION - KENTUCKY
 BILL FREQUENCY WITH KNOWN & MEASURABLE ADJUSTMENTS
 TEST YEAR ENDING MAR, 31 2020
CURRENT RATES

Line No.	Class of Customers	Rate	Apr-19 (a)	May-19 (b)	Jun-19 (c)	Jul-19 (d)	Aug-19 (e)	Sep-19 (f)	Oct-19 (g)	Nov-19 (h)	Dec-19 (i)	Jan-20 (j)	Feb-20 (k)	Mar-20 (l)	Total Billing Units (m)
1	<u>RESIDENTIAL (Rate G-1)</u>														
2	FIRM BILLS	\$17.50	160,467	159,811	157,145	155,132	155,436	153,445	154,720	156,840	158,382	160,519	160,031	160,626	1,892,554
3	Sales: 1-300	1.7250	919,361	405,582	197,387	150,227	150,522	152,614	327,911	861,676	1,516,473	1,979,935	2,009,506	1,411,900	10,083,093
4	Sales: 301-15000	0.9600	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Sales: Over 15000	0.7700	0	0	0	0	0	0	0	0	0	0	0	0	0
6	<u>CLASS TOTAL (Mcf/month)</u>		919,361	405,582	197,387	150,227	150,522	152,614	327,911	861,676	1,516,473	1,979,935	2,009,506	1,411,900	10,083,093
7	Gas Charge per Mcf	\$4.59	\$4.73	\$4.73	\$4.73	\$4.73	\$4.70	\$4.70	\$4.70	\$4.56	\$4.56	\$4.56	\$4.49	\$4.49	
8	Gas Costs		\$4,216,600	\$1,919,446	\$934,150	\$710,962	\$707,030	\$716,858	\$1,540,264	\$3,932,955	\$6,921,650	\$9,037,031	\$9,027,031	\$6,342,484	\$46,006,460
9															
10	<u>FIRM COMMERCIAL (Rate G-1)</u>														
11	FIRM BILLS	44.50	17,943	17,779	17,193	16,952	17,018	16,770	16,867	17,362	17,609	18,032	17,837	17,954	209,316
12	Sales: 1-300	1.7250	423,372	233,238	153,360	133,117	120,622	114,537	162,731	372,283	608,952	768,305	778,453	604,553	4,473,524
13	Sales: 301-15000	0.9600	46,929	22,359	12,088	11,925	24,985	30,575	53,575	67,631	103,692	145,996	140,668	69,805	730,227
14	Sales: Over 15000	0.7700	0	0	0	0	0	0	0	0	0	0	0	0	0
15	<u>CLASS TOTAL (Mcf/month)</u>		470,301	255,597	165,449	145,042	145,607	145,112	216,306	439,913	712,644	914,301	919,121	674,358	5,203,751
16	Gas Charge per Mcf	\$4.59	\$4.73	\$4.73	\$4.73	\$4.73	\$4.70	\$4.70	\$4.70	\$4.56	\$4.56	\$4.56	\$4.49	\$4.49	
17	Gas Costs		\$2,157,012	\$1,209,631	\$782,998	\$686,421	\$683,945	\$681,620	\$1,016,033	\$2,007,900	\$3,252,727	\$4,173,151	\$4,128,843	\$3,029,326	\$23,809,608
18															
19	<u>FIRM INDUSTRIAL (Rate G-1)</u>														
20	FIRM BILLS	\$44.50	231	211	201	207	205	204	195	211	195	225	206	211	2,502
21	Sales: 1-300	1.7250	38,933	17,474	7,228	8,996	9,700	9,082	10,605	23,195	32,755	47,455	41,295	37,768	284,486
22	Sales: 301-15000	0.9600	31,080	14,946	3,876	11,923	15,372	15,513	18,794	27,044	37,633	97,700	69,417	39,166	382,465
23	Sales: Over 15000	0.7700	(1,081)	(3,624)	4,705	0	0	0	0	0	0	0	0	0	0
24	<u>CLASS TOTAL (Mcf/month)</u>		68,931	28,796	15,809	20,920	25,072	24,595	29,399	50,239	70,388	145,156	110,712	76,935	666,951
25	Gas Charge per Mcf	\$4.59	\$4.73	\$4.73	\$4.73	\$4.73	\$4.70	\$4.70	\$4.70	\$4.56	\$4.56	\$4.56	\$4.49	\$4.49	
26	Gas Costs		\$316,151	\$136,281	\$74,818	\$99,004	\$117,766	\$115,528	\$138,091	\$229,306	\$321,273	\$662,534	\$497,338	\$345,602	\$3,053,692
27															
28	<u>FIRM PUBLIC AUTHORITY (Rate G-1)</u>														
29	FIRM BILLS	\$44.50	1,548	1,541	1,519	1,527	1,543	1,456	1,539	1,549	1,542	1,558	1,547	1,545	18,414
30	Sales: 1-300	1.7250	78,270	38,548	23,379	21,135	19,543	19,916	32,856	72,398	116,321	129,707	131,632	109,517	793,221
31	Sales: 301-15000	0.9600	8,157	5,201	3,004	1,608	3,439	2,098	5,298	10,949	20,757	45,765	45,559	17,402	169,237
32	Sales: Over 15000	0.7700	0	0	0	0	0	0	0	0	0	0	0	0	0
33	<u>CLASS TOTAL (Mcf/month)</u>		86,428	43,749	26,382	22,743	22,982	22,013	38,154	83,347	137,078	175,472	177,191	126,919	962,459
34	Gas Charge per Mcf	\$4.59	\$4.73	\$4.73	\$4.73	\$4.73	\$4.70	\$4.70	\$4.70	\$4.56	\$4.56	\$4.56	\$4.49	\$4.49	
35	Gas Costs		\$396,396	\$207,044	\$124,856	\$107,635	\$107,952	\$103,401	\$179,217	\$380,421	\$625,667	\$800,907	\$795,971	\$570,142	\$4,399,609
36															
37	<u>INTERRUPTIBLE COMMERCIAL (G-2)</u>														
38	INT BILLS	375.00	3	4	2	2	2	2	3	3	3	3	3	3	33
39	Sales: 1-15000	0.8550	1,985	1,044	47	98	32	98	140	789	1,791	2,517	2,609	1,801	12,951
40	Sales: Over 15000	0.6350	0	0	0	0	0	0	0	0	0	0	0	0	1
41	<u>CLASS TOTAL (Mcf/month)</u>		1,985	1,044	47	98	32	98	140	789	1,791	2,517	2,609	1,801	12,952
42	Gas Charge per Mcf	\$3.31	\$3.46	\$3.46	\$3.46	\$3.46	\$3.42	\$3.42	\$3.42	\$3.29	\$3.29	\$3.29	\$3.22	\$3.22	
43	Gas Costs		\$6,569	\$3,608	\$163	\$337	\$111	\$334	\$479	\$2,595	\$5,893	\$8,279	\$8,394	\$5,794	\$42,556
44															

ATMOS ENERGY CORPORATION - KENTUCKY
 BILL FREQUENCY WITH KNOWN & MEASURABLE ADJUSTMENTS
 TEST YEAR ENDING MAR, 31 2020
CURRENT RATES

Line No.	Class of Customers	Rate	Apr-19 (a)	May-19 (b)	Jun-19 (c)	Jul-19 (d)	Aug-19 (e)	Sep-19 (f)	Oct-19 (g)	Nov-19 (h)	Dec-19 (i)	Jan-20 (j)	Feb-20 (k)	Mar-20 (l)	Total Billing Units (m)
45	<u>INTERRUPTIBLE INDUSTRIAL (G-2)</u>														
46	INT BILLS	375.00	7	7	7	6	8	6	8	7	7	7	7	7	84
47	Sales: 1-15000	0.8550	12,199	12,837	7,184	5,301	9,493	7,442	16,443	11,212	25,210	28,893	28,553	14,285	179,053
48	Sales: Over 15000	0.6350	0	0	0	0	0	0	0	0	0	100,941	44,641	0	145,583
49	CLASS TOTAL (Mcf/month)		12,199	12,837	7,184	5,301	9,493	7,442	16,443	11,212	25,210	129,834	73,194	14,285	324,635
50	Gas Charge per Mcf	\$3.31	\$3.46	\$3.46	\$3.46	\$3.46	\$3.42	\$3.42	\$3.42	\$3.29	\$3.29	\$3.29	\$3.22	\$3.22	
51	Gas Costs		\$40,376	\$44,366	\$24,828	\$18,320	\$32,473	\$25,457	\$56,244	\$36,882	\$82,929	\$427,096	\$235,497	\$45,962	\$1,070,430
52															
53	<u>TRANSPORTATION (T-4)</u>														
54	TRANSPORTATION BILLS	\$375.00	122	121	122	122	122	122	122	122	122	122	122	122	1,463
55	Trans Admin Fee		6,050	6,050	6,100	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	\$72,650
56	EFM Fee		6,500	6,500	6,600	6,175	6,375	6,300	6,250	6,250	6,350	6,350	6,450	6,500	\$76,600
57	Parking Fee		186	218	20	117	18	15	3	5	49	311	136	474	\$1,550
58	Firm Transport: 1-300	1.7250	36,521	34,227	34,098	33,445	34,070	34,695	36,140	36,591	36,900	36,900	36,797	36,856	427,240
59	Firm Transport: 301-15000	0.9600	489,153	398,913	377,568	340,009	388,131	375,657	439,078	494,373	566,834	650,182	516,718	543,420	5,580,036
60	Firm Transport: Over 1500	0.7700	99,656	73,060	76,827	73,386	72,838	80,218	87,057	107,294	141,036	201,555	106,906	133,887	1,253,720
61	CLASS TOTAL (Mcf/month)		625,330	506,200	488,493	446,840	495,039	490,570	562,275	638,258	744,770	888,637	660,421	714,163	7,260,996
62															
63	<u>ECONOMIC DEV RIDER (EDR)</u>														
64	Firm Transport: 1-300	1.29375	0	0	0	0	0	0	0	0	0	0	0	0	0
65	Firm Transport: 301-15000	0.7200	0	0	0	0	0	0	0	0	0	0	0	0	0
66	Firm Transport: Over 15000	0.5775	28,816	29,285	26,397	16,264	20,520	19,125	25,728	27,860	20,680	27,777	25,018	29,479	296,949
67	CLASS TOTAL (Mcf/month)		28,816	29,285	26,397	16,264	20,520	19,125	25,728	27,860	20,680	27,777	25,018	29,479	296,949
68															
69	<u>TRANSPORTATION (T-3)</u>														
70	TRANSPORTATION BILLS	375.00	69	69	69	69	69	69	69	69	69	69	69	69	828
71	Trans Admin Fee		3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	\$41,400
72	EFM Fee		3,675	3,675	3,675	3,575	3,575	3,600	3,600	3,600	3,575	3,575	3,575	3,675	\$43,375
73	Parking Fee		375	489	379	347	293	119	341	206	370	155	538	341	\$3,952
74	Interrupt Transport: 1-15000	0.8550	457,135	421,909	386,801	388,309	408,123	401,591	434,332	462,526	485,980	508,312	459,763	471,538	5,286,320
75	Interrupt Transport: Over 15000	0.6350	274,568	253,539	196,628	190,175	234,143	239,615	286,911	286,118	294,936	359,219	280,923	303,582	3,200,358
76	CLASS TOTAL (Mcf/month)		731,703	675,448	583,429	578,484	642,266	641,206	721,243	748,644	780,916	867,531	740,686	775,120	8,486,677
77															
78	<u>SPECIAL CONTRACTS</u>														
79	TRANSPORTATION BILLS	375.00	16	16	16	15	16	16	16	16	16	16	16	16	190
80	Trans Admin Fee		650	650	650	650	700	700	700	700	700	700	650	650	\$8,100
81	EFM Fee		775	775	775	900	725	725	725	875	875	875	775	775	\$9,575
82	Parking Fee		8,223	4,727	4,258	4,804	2,635	2,262	4,989	4,624	15,795	6,226	6,312	7,403	\$72,259
83	Transported Volumes	Various	1,214,231	1,204,865	1,066,868	873,738	906,591	1,017,007	1,177,897	1,238,832	1,390,754	1,727,414	1,475,749	1,562,481	14,856,427
84	Charges for Transport Volumes		193,757	183,580	168,113	145,212	149,201	161,923	189,260	200,932	222,630	254,912	216,774	230,426	\$2,316,720
85	CLASS TOTAL (Mcf/month)		1,214,231	1,204,865	1,066,868	873,738	906,591	1,017,007	1,177,897	1,238,832	1,390,754	1,727,414	1,475,749	1,562,481	14,856,427
86															
87	<u>OTHER REVENUE</u>														
88	Service Charges		\$49,919	\$53,628	\$55,397	\$45,327	\$57,173	\$55,395	\$88,176	\$126,545	\$87,101	\$58,133	\$54,439	\$74,821	\$806,054
89	Late Payment Fees		\$158,007	\$116,547	\$73,687	\$54,761	\$50,223	\$50,164	\$49,723	\$64,996	\$110,128	\$165,694	\$205,564	\$205,470	\$1,304,965
90															
91	TOTAL GROSS PROFIT		\$8,002,310	\$6,412,815	\$5,632,829	\$5,370,470	\$5,482,252	\$5,429,068	\$6,099,666	\$7,713,889	\$9,604,330	\$11,215,535	\$10,894,047	\$9,478,301	\$91,335,512
92	Gas Costs		\$7,133,103	\$3,520,378	\$1,941,813	\$1,622,678	\$1,649,276	\$1,643,198	\$2,930,328	\$6,590,058	\$11,210,139	\$15,108,999	\$14,693,074	\$10,339,311	\$78,382,354
93	TOTAL REVENUE		\$15,135,413	\$9,933,192	\$7,574,641	\$6,993,149	\$7,131,529	\$7,072,265	\$9,029,994	\$14,303,947	\$20,814,470	\$26,324,534	\$25,587,121	\$19,817,612	\$169,717,866

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY)
)
CORPORATION FOR AN ADJUSTMENT) Case No. 2018-00281
)
OF RATES AND TARIFF MODIFICATIONS)

TESTIMONY OF JOE T. CHRISTIAN

I. INTRODUCTION

1
2
3
4
5
6
7
8
9
10
11
12
13
14

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Joe T. Christian. My business address is 5420 LBJ Freeway, 1600 Lincoln Centre, Dallas, TX 75240.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Atmos Energy Corporation (“Atmos Energy” or “the Company”) as Director of Rates & Regulatory Affairs (Shared Services).

Q. WHAT ARE YOUR JOB RESPONSIBILITIES?

A. I am responsible for leading and directing the rates and regulatory activity in Atmos Energy’s eight-state service area. This responsibility includes developing the strategy, preparing the revenue deficiency filings, and managing the overall ratemaking process for the Company. For the past seventeen years, I have managed Company-specific dockets and other commission proceedings in Colorado, Kansas, Kentucky, Louisiana, Mississippi, Tennessee, and Texas. I also managed Company-

1 specific dockets in Georgia, Illinois, Iowa, and Missouri relating to regulated assets
2 that the Company has since sold.

3 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
4 **PROFESSIONAL EXPERIENCE.**

5 A. I graduated from East Texas State University in 1985 with a Bachelor of Business
6 Administration Degree, majoring in Accounting. In 1987, I received a Masters of
7 Business Administration from East Texas State University. I am a Certified Public
8 Accountant in the State of Texas and a member of the American Institute of Certified
9 Public Accountants. I have made presentations before industry groups and the
10 NARUC Staff Subcommittee on Accounting and Finance.

11 My professional experience includes approximately two years of public
12 accounting experience with a large local accounting firm based in Dallas, Texas. In
13 1989, I accepted a position in the internal audit group with Atmos Energy. I was
14 promoted to positions of increasing responsibility within the Atmos Energy finance
15 team during my first nine years with the Company. I joined Atmos Energy's
16 Colorado-Kansas operations as Vice President & Controller in June of 1998 and,
17 effective December 1, 2001, was named Vice President of Rates & Regulatory
18 Affairs. I assumed my current position on August 1, 2007.

19 **Q. ARE YOU A MEMBER OF ANY PROFESSIONAL ORGANIZATIONS?**

20 A. Yes. I am licensed by the State of Texas as a Certified Public Accountant ("CPA").

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KENTUCKY PUBLIC**
2 **SERVICE COMMISSION OR OTHER REGULATORY ENTITIES?**

3 A. Yes. I have testified in the Company's last rate proceeding¹ as well as supported the
4 Company's position in the Commission's Investigation of the Tax Cut and Job's Act
5 on the Rates of Investor Owned Utilities.² I have submitted testimony before the
6 Kansas Corporation Commission ("KCC") in five general rate case proceedings³ and
7 provided oral comments to the KCC in a rules investigation.⁴ I have also submitted
8 testimony before the Mississippi Public Service Commission to amend our tariffs to
9 add a supplemental growth rider,⁵ to amend our formula rate tariff to establish a
10 system integrity plan and establish a rural development pilot program,⁶ and to request
11 a system integrity rider and support our capital budget for 2015 through 2024.⁷ I
12 have also submitted testimony before the Louisiana Public Service Commission to
13 amend our formula rate making tariffs to reduce lag related to system integrity
14 investment.⁸ Finally, I filed testimony before the Colorado Public Utilities
15 Commission numerous times, including the Company's prior general rate case
16 proceedings;⁹ gas prudence reviews;¹⁰ a Phase II class cost of service/rate design

¹ Case No. 2017-00349.

² Case No. 2017-00481.

³ Docket Nos. 03-ATMG-1036-RTS, 08-ATMG-280-RTS, 10-ATMG-495-RTS, 12-ATMG-564-RTS, 14-ATMG-320-RTS.

⁴ Docket No. 02-GIMX-211-GIV, General Investigation of the Cold Weather Rule.

⁵ Docket No. 2013-UN-023.

⁶ Docket No. 2014-UN-117.

⁷ Docket No. 2015-UN-049.

⁸ Docket No. U-32987.

⁹ Proceeding Nos. 00S-668G, 09AL-507G, 13AL-0496G, 14AL-0300G, 15AL-0299G, 17AL-0429G.

¹⁰ Proceeding Nos. 00P-296G and 03P-229G.

1 proceeding;¹¹ a transportation terms & conditions proceeding;¹² an upstream gas
2 transportation matter;¹³ a complaint proceeding regarding upstream gas
3 transportation;¹⁴ an Advanced Metering Infrastructure surcharge matter;¹⁵ a proposal
4 to extend the pilot related to recovering uncollectible gas costs through the Gas Cost
5 Adjustment (“GCA”) mechanism;¹⁶ the Company’s proposal to put into effect a
6 System Safety and Integrity Plan;¹⁷ and the Company’s application for a Certificate
7 of Public Convenience and Necessity to implement the Greeley Building Project.¹⁸

8 **II. PURPOSE OF TESTIMONY**

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

10 A. I am responsible for the proposed capital structure and embedded cost of debt in this
11 rate proceeding. The Company’s proposed capital structure will include an
12 adjustment to reflect financing activity that is anticipated to occur in March 2019. I
13 will discuss the impact of the refinancing later in my testimony. In regards to capital
14 structure and cost of capital, I am sponsoring the following Filing Requirements
15 (FR):

16	FR 16(7)(c)	Description of all factors used in preparation of the forecast
17		test period - income statement, operation and maintenance

¹¹ Proceeding No. 02S-411G.

¹² Proceeding No. 02S-442G.

¹³ Proceeding No. 04A-275G.

¹⁴ Proceeding No. 08F-033G.

¹⁵ Proceeding No. 10AL-822G.

¹⁶ Proceeding No. 12AL-1003G.

¹⁷ Proceeding No. 12AL-1139G.

¹⁸ Proceeding No. 13A-0153G.

1 expenses, employee and labor expenses, capital construction
2 budget;

3 FR 16(7)(h) (11) Capital Structure Requirements

4 FR 16(8)(b) A jurisdictional rate base summary for both the base period
5 and the forecasted period with supporting schedules, which
6 include detailed analysis of each component of the rate base

7 FR 16(8)(j) Cost of Capital summary

8 I also support the calculation of cash working capital requirements in the
9 attached lead-lag study. The Company filed and supported a cash working capital
10 requirements in Atmos Energy's most recent case and has followed the same
11 methodologies which the Commission found more accurately reflects the working
12 capital needs of the Company.¹⁹

13 **Q. DO YOU HAVE ANY EXHIBITS ATTACHED TO YOUR TESTIMONY?**

14 A. Yes. I have one Exhibit, ATO-1 Lead Lag Study.

15 **III. CAPITAL STRUCTURE AND COST OF DEBT**

16 **Q. HOW IS ATMOS ENERGY ORGANIZED?**

17 A. Atmos Energy conducts its utility operations in eight states through unincorporated
18 operating divisions. The Company division for which rates are sought to be adjusted
19 in this proceeding is commonly referred to as the Kentucky/Mid-States Division.

¹⁹ Page 16/17 of the final order stated, "While the one eighth O&M methodology is a reasonable estimate of cash working capital absent a lead/lag study, Atmos's lead/lag study is part of the record of this proceeding and more accurately reflects the working capital needs of Atmos."

1 **Q. DO THE COMPANY'S UNINCORPORATED DIVISIONS ISSUE THEIR**
2 **OWN DEBT OR EQUITY?**

3 A. No. These divisions, including the Kentucky/Mid-States Division, are not separate
4 legal entities. Instead, these unincorporated divisions collectively comprise the legal
5 entity that is Atmos Energy Corporation. Therefore, all debt or equity funding of the
6 operations performed by the utility divisions must be (and is) issued by Atmos
7 Energy Corporation as a whole, on a consolidated basis.

8 **Q. SHOULD ATMOS ENERGY'S CONSOLIDATED CAPITAL STRUCTURE**
9 **BE USED AS THE BASIS FOR A CAPITAL STRUCTURE IN THIS**
10 **PROCEEDING?**

11 A. Yes. Although this proceeding only affects the rates which may be charged by the
12 Company for its regulated utility operations in Kentucky, the appropriate capital
13 structure for each of the Atmos Energy utility operating divisions, including its
14 Kentucky/Mid-States Division, is equivalent to the consolidated capital structure for
15 Atmos Energy as a whole. Atmos Energy's consolidated capital structure is
16 appropriate for use in setting rates for the Company's Kentucky customers because
17 Atmos Energy provides the debt and equity capital that supports the assets serving
18 those customers.

19 **Q. HOW HAS THE COMPANY RELIED ON THE CONSOLIDATED CAPITAL**
20 **STRUCTURE OF ATMOS ENERGY IN THIS PROCEEDING?**

21 A. The capital structure that is appropriate for the Company's Kentucky operations in
22 this proceeding is set forth in FR 16(8)(j). As shown on FR 16(8)(j), the capital
23 structure is the Company's period end actual capital structure as June 30, 2018, with

1 an adjustment to the outstanding long-term debt which I describe below. The actual
2 capital structure for the period ended June 30, 2018 is representative of the capital
3 structure that will be in effect during the forecast period. As shown in that FR,
4 column (G), short term debt comprises 3.44%, long-term debt comprises 38.39% and
5 equity is 58.17% of the Company's 13-month average rate base for the forward
6 looking test period.

7 **Q. WHAT RATE DO YOU PROPOSE FOR THE EMBEDDED COST OF LONG-**
8 **TERM DEBT CAPITAL IN SETTING RATES IN THIS CASE?**

9 A. As shown in the calculation on Schedule J-3 F, column (e), a 4.72% weighted
10 average cost of long-term debt is supported.

11 **Q. IS THIS THE WEIGHTED AVERAGE COST OF LONG-TERM DEBT AS OF**
12 **JUNE 30, 2018?**

13 A. No. The weighted average cost of long-term debt has been adjusted to reflect the
14 Company's anticipated issuance of \$450 million in long-term debt in March 2019.
15 The long-term debt issuance reflects only a refinancing of \$450 million plus the
16 incremental long-term debt associated with hedge instruments used to lock in the
17 rate. I have also updated J-3 F, Line 10 to reflect the balance outstanding at the end
18 of the period.

19 **Q. WHAT RATE DO YOU PROPOSE FOR THE COST OF SHORT-TERM**
20 **DEBT CAPITAL IN SETTING RATES IN THIS CASE?**

21 A. As shown in the calculation on Schedule J-2 F, column (e), a 2.40% weighted
22 average cost of short-term debt is supported.

1 **Q. IS THIS THE WEIGHTED AVERAGE COST OF SHORT-TERM DEBT AS**
2 **OF JUNE 30, 2018?**

3 A. Yes.

4 **Q. HAS THE JUNE 30, 2018 SHAREHOLDER EQUITY BALANCE BEEN**
5 **ADJUSTED IN TO REFLECT THE ISSUANCE OF EQUITY DURING THE**
6 **BASE OR FORECAST PERIOD?**

7 A. No. I believe that the Company's incremental external financing along with cash
8 flow reinvested in the business will result in an overall capital structure that is in line
9 with the June 30, 2018 capital structure therefore no adjustment is warranted at this
10 time.

11 **Q. SHOULD THE CAPITAL STRUCTURE BE UPDATED BEYOND THE JUNE**
12 **30, 2018 QUARTER INFORMATION?**

13 A. Perhaps. I would note that two more quarters of actual information will be available
14 (September and December 2018) when rebuttal is filed in this case and therefore
15 could be utilized in establishing a cost of capital in this case. This would pick up
16 incremental long-term debt financing along with additional equity issuances and
17 changes in average short-term debt balances/rates and thus be more reflective of the
18 costs that will be incurred when new base rates go in effect.

1 **Q. ARE YOU FAMILIAR WITH THE COMMISSION’S USE OF REGULATORY**
2 **RESEARCH ASSOCIATES (“RRA”) INFORMATION IN OTHER**
3 **COMMISSION DOCKETS?**

4 A. Yes. In preparation for Atmos Energy’s Case No. 2017-00349 I reviewed portions of
5 the Commission's Final Orders in Case Nos. 2016-00026²⁰, 2016-00162²¹ and 2016-
6 00371²² that relate to the Commission’s usage of RRA in forming their decisions
7 regarding rate of return outcomes. In preparation for this case I have also reviewed
8 portions of the Commission’s Final Orders in Case Nos. 2017-00179²³ and 2017-
9 00321²⁴.

10 **Q. HAS THE COMMISSION’S USE OF RRA DATA EVOLVED OVER THIS**
11 **PERIOD OF TIME?**

12 A. I believe that the Commission has changed is characterization of how SNL Energy’s
13 RRA reports are utilized as a reference and now draw a better line of sight between
14 the evidence in the record and the final decision. However the Commission’s orders

²⁰ *In the Matter of: Application of Kentucky Utilities Company for Certificates of Public Convenience and Necessity and Approval of its 2016 Compliance Plan For Recovery by Environmental Surcharge, Case No. 2016-00026, August 8, 2016.*

²¹ *In the Matter of: Application of Columbia Gas of Kentucky, Inc. for an increase in base rates, Case No. 2016-00162, December 22, 2016.*

²² *In the Matter of: Electronic Application of Louisville Gas and Electric Company for an Adjustment of its electric and gas rates and for certificates of public convenience and necessity, Case No. 2016-00371, June 22, 2017.*

²³ *In the Matter of: Electronic Application of Kentucky Power Company for (1) A general adjustment of its rates for electric service ; (2) An order approving its 2017 environmental compliance plan; (3) An order approving its tariffs and riders; (4) An order approving accounting practices to establish regulatory assets and liabilities; and (5) An order granting all other required approvals and relief, Case No. 2017-00179, January 18, 2018.*

²⁴ *In the Matter of: Electronic Application of Duke Energy Kentucky, Inc. for: 1) An adjustment of the electric rates ; 2) Approval of an environmental compliance plan and surcharge mechanism; 3) Approval of new tariffs; 4) Approval of accounting practices to establish regulatory assets and liabilities; and 5) All other required approvals and relief, Case No. 2017-00321, April 13, 2018.*

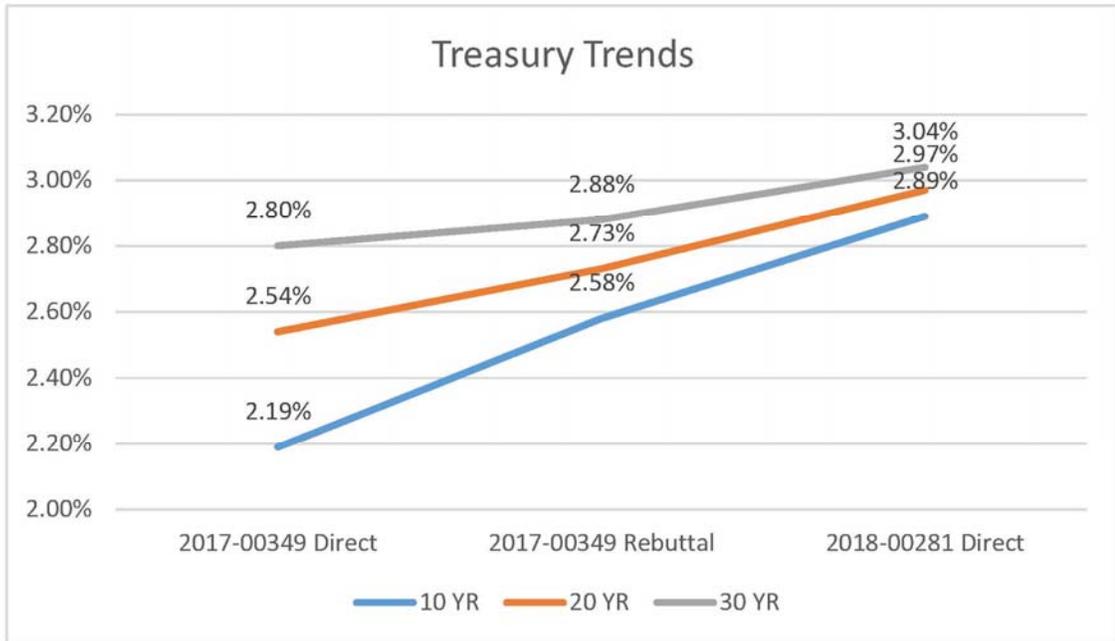
1 continue to compare its recommended outcome to the latest available RRA
2 information.

3 **Q. DOES RRA TRACK ALL RATE CHANGES DURING A QUARTER/YEAR?**

4 A. No. As I mentioned in Atmos Energy's rate case, none of our formula rate
5 mechanisms are included in the average ROE outcomes reported by RRA but the
6 majority of our capital investment deployed each year is recovered through formula
7 rate mechanisms. Thus, I believe that the reported RRA average return on equity has
8 a significant omission in that it does not accurately reflect capital investment
9 deployed through formula rate plans, and the ROE allowed on that investment, by
10 only considering outcomes tracked by RRA. While RRA's tracked case trends may be
11 reflecting a trend either up or down, this trend applies only to a minority of capital
12 deployed by investor-owned utilities.

13 **Q. HAVE CAPITAL COSTS TRENDED UPWARDS SINCE THE COMPANY**
14 **FILED ITS RATE CASE IN SEPTEMBER OF 2017? IN OTHER WORDS,**
15 **SHOULD ROE RESULTS BEGIN TRENDING UP WITH THE ECONOMY**
16 **GAINING STRENGTH?**

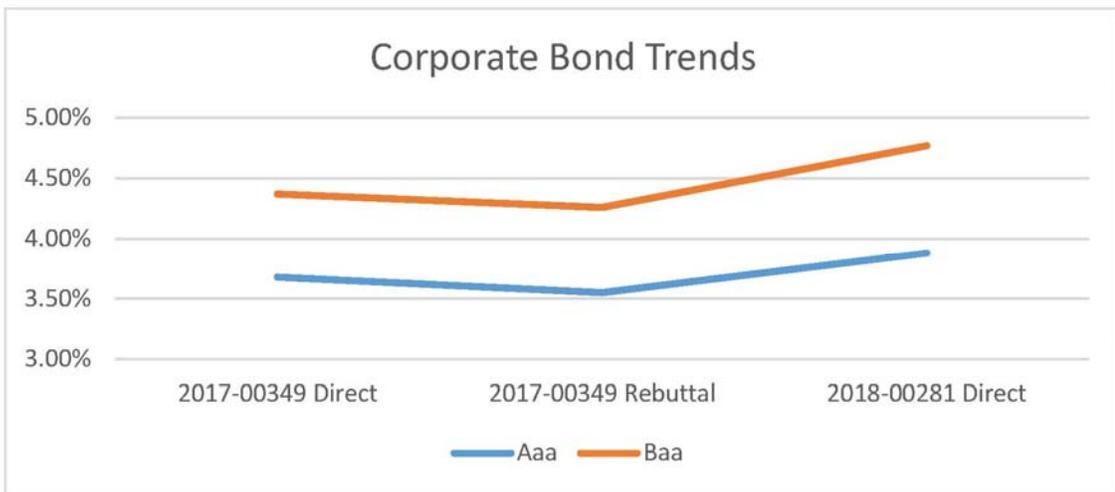
17 A. Yes. As shown in Table JTC-1, 10 Year, 20 Year, and 30 Year Treasury rates have all
18 trended upwards since the Company filed Case No. 2017-00349.



1

2 **Q. HAVE BORROWING COSTS SHOWED THIS SAME TREND?**

3 A. The change hasn't been as pronounced year-over-year, but since early 2018 when the
 4 Company was pulling together information for rebuttal the trend has been upward for
 5 debt costs. This is demonstrated in Table JTC-2:



6

1 **IV. CASH WORKING CAPITAL**

2 **Q. WHY HAS THE COMPANY INCLUDED A LEAD-LAG ANALYSIS WITH**
3 **THIS CASE?**

4 A. Although the Company was reluctant to file a lead-lag study in prior cases²⁵ the study
5 filed by the Company in Case No. 2017-00349 was accepted “as filed” in the
6 calculation of the rate base in the final order. In light of the Commission’s order in
7 that case the inclusion of a lead-lag study following the same methodology accepted
8 in calculating lead-lag in Case No. 2017-00349 is appropriate in this case.

9 **Q. WHAT IS THE PURPOSE OF THE LEAD-LAG ANALYSIS?**

10 A. Rate base is the value of invested capital, including all items used to provide utility
11 service. Cash working capital is the capital investment in addition to other rate base
12 items that is required to bridge the gap between when cash is paid for expenses
13 necessary to provide service and when cash is received from customers for that
14 service. As stated above, this amount is included in rate base. A lead-lag analysis is
15 a method of measuring the amount of cash working capital used to provide utility
16 service. This analysis compares two different lags. The lag between (1) the
17 provision of service to customers and the collection of cash from customers is
18 compared to the lag between (2) the recording of expenses and the payment of cash
19 by the company for those expenses.

²⁵ The Company had utilized the formula approach of 1/8 of operations and maintenance expenses since its purchase of Western Kentucky Gas Company in 1987.

1 **Q. DO YOU HAVE ANY PAST EXPERIENCE PERFORMING LEAD-LAG**
2 **STUDIES?**

3 A. Yes. In addition to our most recent Kentucky rate case I have prepared several lead
4 lag studies for the Company, including studies filed in Atmos Energy's last rate cases
5 in Tennessee, Colorado, and Virginia.

6 **Q. PLEASE DESCRIBE SCHEDULE ATO-CWC1.**

7 A. This Schedule actually consists of two parts - Schedule ATO-CWC1 A and ATO-
8 CWC1 B. Schedule ATO-CWC1 A summarizes the results of the lead-lag analysis
9 for the test period that ends March 31, 2020. It shows the calculation of the cash
10 working capital requirement based on revenue and expense lag days and projected
11 expense amounts in the proposed revenue requirement.

12 **Q. PLEASE DESCRIBE SCHEDULE ATO-CWC1B**

13 A. Schedule ATO-CWC1B summarizes the results of the lead-lag analysis for the base
14 period ended December 31, 2018. It shows the calculation of the cash working
15 capital requirement based on revenue and expense lag days and actual expenses for
16 the base period.

17 **Q. PLEASE DESCRIBE HOW SCHEDULES ATO-CWC 1A AND 1B ARE**
18 **ARRANGED?**

19 A. Column (a) lists the type of expenses analyzed in the lead lag study including gas
20 costs, O&M labor, other O&M, taxes other than income, federal income tax, state
21 income tax, depreciation, long term and short term debt interest expense and return
22 on equity. Schedule ATO-CWC1A Column (b) contains the projected expenses for
23 the forecasted test period and Schedule ATO-CWC1B Column (b) contains the

1 expenses for the base period test year. Schedule ATO-CWC1A and ATO-CWC1B
2 Column (c) divides the expenses in Column (b) by 365 to arrive at the average daily
3 expense. Column (d) contains the revenue lag which is calculated on Schedule ATO-
4 CWC2. Column (e) contains the expense lags which are calculated on Schedule
5 ATO-CWC3 through Schedule ATO-CWC9 and their related Workpapers. Column
6 (f) calculates the net lag by subtracting the expense lag from the revenue lag.
7 Column (g) contains the calculation of the cash working capital requirement which is
8 calculated by multiplying Column (c) times Column (f). The cash working capital
9 requirement to be added to rate base for the forecasted test period is \$2.7 million.

10 **Q. PLEASE DESCRIBE SCHEDULE ATO-CWC2.**

11 A. The average revenue lag is calculated on Schedule ATO-CWC2. The revenue lag is
12 the average number of days from the time service is provided by the company until
13 revenue related to that service is available to pay bills. It consists of four subparts:
14 the service lag, the billing lag, the collection lag and the bank lag.

15 **Q. WHAT IS THE SERVICE LAG?**

16 A. The service lag is the average number of days from the time service is provided until
17 the meter is read. Since service is provided daily and meters are read monthly, the
18 service lag is one-half of a month or 15.21 days.

19 **Q. WHAT IS THE BILLING LAG?**

20 A. The billing lag is the time lag from meter reading to bill issuance. The average
21 billing lag based on all bills issued in a heating season month (January) and a non-
22 heating season month (September), was 1.41 days.

1 **Q. WHAT IS THE COLLECTION LAG?**

2 A. The collection lag is the average number of days between issuing a bill and receiving
3 payment. This was calculated by dividing the average daily accounts receivable
4 balance by the average daily revenue plus billed taxes. The total revenue plus billed
5 taxes may be found on WP 2-2. It resulted in a lag period of 23.20 days.

6 **Q. WHAT IS THE BANK LAG?**

7 A. The bank lag is the one-day lag between receiving payment through one of the
8 Company's ten pay channels and having funds available to draw at the bank.
9 Customer accounts receivable balances are credited when payment is received.

10 **Q. WHAT IS THE TOTAL AVERAGE REVENUE LAG?**

11 A. The resulting total average revenue lag is 40.82 days, as shown on the last line of
12 Schedule ATO-CWC2.

13 **Q. PLEASE DESCRIBE SCHEDULE ATO-CWC3.**

14 A. Schedule ATO-CWC3 shows the calculation of the average purchased gas cost
15 payment lag of 39.48 days from the delivery of the gas to the payment for the gas.
16 The schedule shows the service dates, the invoice date, and the payment date for all
17 gas invoices in the base period.

18 **Q. PLEASE DESCRIBE SCHEDULE ATO-CWC4.**

19 A. Schedule ATO-CWC4 shows the calculation of the average payroll lag, which is the
20 average number of days from the time service is provided until payroll related to that
21 service is paid. The payroll lag days consists of: the service lag, the payment lag, and
22 the check-clearing lag. The service lag is the average number of days from the time
23 labor is provided until the end of the pay period. The Company uses a two-week pay

1 period, so the service lag is seven days. The payment lag is the average number of
2 days between the end of the pay period and payment date. With the Company's
3 practice of paying on Friday for a pay period that ended the previous Friday, the
4 payment lag is seven days. Most employees receive their pay via direct deposit, and
5 therefore have no check-clearing lag. However, the few employees that are paid by
6 check result in an average check-clearing lag of 0.08 days. The total average payroll
7 lag is 14.08 days.

8 **Q. PLEASE DESCRIBE SCHEDULE ATO-CWC5.**

9 A. Schedule ATO-CWC5 shows the calculation of the average number of lag days for
10 other O&M expenses. The calculation is based on an analysis of payments for the
11 twelve months ended June 30, 2018. I analyzed a random sample of 385 invoices out
12 of the 8,566 total Kentucky O&M invoices to determine the lag between the date
13 services were provided to the Company and the date the Company paid the bill for
14 those services. In most cases, the service period could be determined from the
15 invoice. If no information was available regarding the date service was provided,
16 then the date of the invoice was used in most cases other than utilities, telecom and
17 rent. Please see WP 5-1 for the analysis.

18 **Q. DID THE SAMPLE CONTAIN ANY INVOICES THAT WOULD HAVE**
19 **SKEWED THE OVERALL REASONABLENESS OF THE RESULTS?**

20 A. Yes. One invoice pulled was incorrectly charged to O&M as service was for a future
21 period therefore it was removed from the results.

1 **Q. PLEASE DESCRIBE SCHEDULE ATO-CWC6.**

2 A. Schedule ATO-CWC6 shows the calculation of the average payment lag days for
3 taxes other than income tax. As each tax has its unique payment due date, the
4 calculation of the lag is shown separately for each type of tax (payroll taxes - FICA
5 and unemployment, ad valorem taxes, taxes property and other, DOT fees, Public
6 Service Commission taxes and franchise and other pass through taxes).

7 **Q. PLEASE DISCUSS THE LAG RELATING TO PAYROLL TAXES.**

8 A. Payroll taxes consist of FICA taxes and unemployment taxes. FICA taxes are paid
9 by wire on the first banking day before each payday. Since paydays are normally on
10 Fridays, FICA lag days are equal to the payroll lag days for direct deposit employees
11 of 14 days less 1 day, for a total lag of 13 days. Unemployment taxes are paid
12 quarterly at the end of the month following each quarter. Therefore, for
13 unemployment taxes, the lag, as calculated from the mid-point of the quarter to the
14 payment date at the end of the following month plus the payroll service lag, is 83.6
15 days.

16 **Q. PLEASE DISCUSS THE LAG RELATING TO AD VALOREM TAXES.**

17 A. Kentucky Ad Valorem taxes for a calendar year are paid as billed throughout the year
18 following the year of assessment. Therefore, the Kentucky ad valorem tax lag, as
19 calculated from the mid-point of the calendar year to the payment date, is 305.64
20 days. Ad Valorem taxes allocated from Shared Services are paid by January 31 for
21 the year following the assessment. Therefore, the SSU ad valorem tax lag as
22 calculated from the mid-point of the calendar year to the payment date is 213.50
23 days.

1 **Q. PLEASE DISCUSS THE LAG RELATING TO TAXES PROPERTY AND**
2 **OTHER.**

3 A. Taxes Property and Other consist of various franchise agreements that are paid on a
4 per meter basis rather than on a revenue basis and Kentucky Highway Use Tax. The
5 expense lag on the franchise taxes are determined by the franchise with each
6 individual city and may be a prepayment or paid in arrears. The Kentucky Highway
7 Use Tax is paid at the end of the month in the month following the end of each
8 quarter. The weighted average lag of all taxes paid is a prepayment of 60.37 days.

9 **Q. PLEASE DISCUSS THE LAG RELATING TO THE DOT FEE.**

10 A. The annual DOT fee lag of 59 days is calculated from the midpoint of the fiscal year
11 to the payment date on May 28th of the following calendar year.

12 **Q. PLEASE DISCUSS THE LAG RELATING TO THE FRANCHISE AND**
13 **OTHER PASS THROUGH TAXES.**

14 A. Franchise and other pass through taxes consist of franchise taxes that are paid on a
15 revenue basis, Kentucky sales use tax and Kentucky school tax. The franchise taxes
16 are paid at the end of the month following the end of the quarter. The Kentucky sales
17 use tax and school tax are paid at the end of the month for the prior month. The
18 weighted lag for Franchise and other pass through taxes is 38.52 days.

19 **Q. PLEASE DESCRIBE SCHEDULE ATO-CWC7.**

20 A. Schedule ATO-CWC7 shows the calculation of the federal income tax lag. Income
21 taxes for the base period are paid in four quarterly payments during the year. The
22 average lag from the midpoint of the base period to the payment dates is 29.75 days.

1 This is the lag for paying current taxes. Taxes that are deferred are recorded as a rate
2 base credit and thus have an expense lag of zero days.

3 **Q. PLEASE DESCRIBE SCHEDULE ATO-CWC8.**

4 A. Schedule ATO-CWC8 shows the calculation of the state income tax lag. State
5 income taxes for a fiscal year are paid on the same schedule as federal income taxes.
6 Therefore, the average lag from the midpoint of the tax year to the payment dates is
7 also 29.75 days for paying current taxes, and zero days for deferred taxes.

8 **Q. PLEASE DESCRIBE SCHEDULE ATO-CWC9.**

9 A. Schedule ATO-CWC9 shows the calculation of the long-term debt lag. Long-term
10 debt interest expense includes monthly payments, and semi-annual payments.
11 Interest is recorded on an accrual basis and paid in the period it is due. The long-
12 term debt lag, as calculated from the mid-point of the accrual period to the payment
13 date, averages 90.02 days.

14 **Q. PLEASE DESCRIBE SHORT-TERM DEBT LAG ON ATO-CWC1.**

15 A. In the base period short-term debt interest expense was for commercial paper. Most
16 commercial paper issued by the company is very short-term. Commitment fees are
17 generally paid at the end of the quarter. Other base period short-term debt costs were
18 prepaid. The weighted average short-term debt cost payment lag in the base period
19 was 35.20 days.

20 **Q. HOW DID YOU TREAT PREPAID ITEMS IN THE CALCULATION OF**
21 **CASH WORKING CAPITAL?**

22 A. Expenses that are paid by the Company before they are recorded as an expense are
23 included with a negative lag to reflect the difference between the payment of the

1 expense and the recording of the expense. With this method both the lag from the
2 payment to the recording of the expense and the subsequent revenue lag from the
3 provision of service to the receipt of cash are recognized in rate base.

4 **Q. IS DEPRECIATION EXPENSE PROPERLY INCLUDED IN THE LEAD-LAG**
5 **STUDY.**

6 A. Yes, because the payment for the asset precedes the receipt of service from the asset
7 and the recording of depreciation expense. The lag between payment for the asset
8 and the recording of depreciation expense is recognized by the including net plant in
9 service in rate base.

10 **Q. DOES INCLUSION OF PLANT IN SERVICE IN RATE BASE SUFFICE TO**
11 **PROPERLY ACCOUNT FOR THE ENTIRE LAG RELATING TO**
12 **DEPRECIATION?**

13 A. No. The inclusion in rate base of plant in service does not recognize the subsequent
14 lag from the provision of service to the receipt of cash for that service. By including
15 depreciation expense in the lead-lag study with a zero expense lag, the lead-lag study
16 properly recognizes the subsequent revenue lag on recovering cash related to
17 investment in plant assets. In other words, the investment in an asset is included in
18 rate base as net plant in service until depreciation is recorded on that asset.
19 Recording depreciation removes the asset from rate base, even though cash has not
20 been received to pay for the service provided by the asset, unless the revenue lag on
21 depreciation expense is included in cash working capital through the lead-lag study.

1 **Q. DISCUSS THE TREATMENT OF RETURN ON EQUITY IN THE LEAD-**
2 **LAG STUDY.**

3 A. Similar to depreciation, operating income is earned at the provision of utility service.
4 There is again a revenue lag between the provision of service and the receipt of cash
5 for that service. By including return on equity in the lead-lag study with a zero
6 expense lag, the lead-lag study properly recognizes the subsequent revenue lag on
7 recovering cash related return.

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

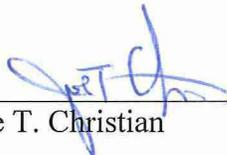
9 A. Yes.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2018-00281
ATMOS ENERGY CORPORATION)

CERTIFICATE AND AFFIDAVIT

The Affiant, Joe T. Christian, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared direct testimony of this affiant in Case No. 2018-00281, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared direct pre-filed testimony.



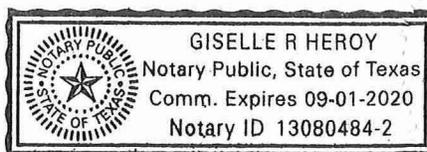
Joe T. Christian

STATE OF Texas
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Joe T. Christian on this the ____ day of September, 2018.



Notary Public
My Commission Expires: 9/01/2020



ATO-CWC1 A

Atmos Energy Corporation-Kentucky
Cash Working Capital Lead/Lag Analysis
For Forecast Test Year Ended March 31, 2020

Line No.	Description	Test Year Expenses	Average Daily Expense (b) / 365 days	Revenue Lag	Expense Lag	Net Lag (d) - (e)	CWC Requirement (c) x (f)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Gas Supply Expense						
2	Purchased Gas	78,382,354	214,746 CWC2	40.82 CWC3	39.48	1.34	287,760
3							
4	Operation and Maintenance Expense						
5	O&M, Labor	10,802,619	29,596 CWC2	40.82 CWC4	14.08	26.74	791,397
6	O&M, Non-Labor	16,422,362	44,993 CWC2	40.82 CWC5	28.33	12.49	561,963
7	Total O&M Expense	27,224,981					1,353,360
8							
9	Taxes Other Than Income						
10	Ad Valorem	5,910,122	16,192 CWC2	40.82 CWC6	305.64	(264.82)	(4,287,956)
11	Taxes Property and Other	99,099	272 CWC2	40.82 CWC6	60.37	(19.55)	(5,318)
12	Payroll Taxes	355,960	975 CWC2	40.82 CWC6	83.63	(42.81)	(41,735)
13	Franchise and other pass through	9,703,180	26,584 CWC2	40.82 CWC6	38.52	2.30	61,144
14	Public Service Commission	339,436	930 N/A	0.00 CWC6	0.00	0.00	0
15	DOT	137,062	376 CWC2	40.82 CWC6	59.00	(18.18)	(6,836)
16							
17	Allocated Taxes-Shared Services						
18	Ad Valorem	20% 93,633	257 CWC2	40.82 CWC6	213.50	(172.68)	(44,379)
19	Payroll Taxes	80% 375,720	1,029 CWC2	40.82 CWC6	83.63	(42.81)	(44,046)
20							
21	Allocated Taxes-Business Unit						
22	Ad Valorem	4,779	13 CWC2	40.82 CWC6	305.64	(264.82)	(3,443)
23	Payroll Taxes	196,026	537 CWC2	40.82 CWC6	83.63	(42.81)	(22,986)
24	Total Taxes Other Than Income	17,215,017					(4,395,554)
25							
26	Federal Income Tax	5,973,696					
27	Current Taxes	0	0 CWC2	40.82 CWC7	29.75	11.07	0
28	Deferred Taxes	5,973,696	16,366 CWC2	40.82 CWC7	0.00	40.82	668,060
29							
30	State Income Tax	381,300					
31	Current Taxes	0	0 CWC2	40.82 CWC8	29.75	11.07	0
32	Deferred Taxes	381,300	1,045 CWC2	40.82 CWC8	0.00	40.82	42,657
33							
34	Depreciation	22,541,774	61,758 CWC2	40.82	0	40.82	2,520,962
35							
36	Interest Expense - STD	772,788	2,117 CWC2	40.82 (1)	35.20	5.62	11,898
37							
38	Interest Expense - LTD	8,594,947	23,548 CWC2	40.82 CWC9	90.02	(49.20)	(1,158,645)
39							
40	Return on Equity	30,064,352	82,368 CWC2	40.82	0	40.82	3,362,262
41							
42	TOTAL	191,151,210					2,692,759
43							

44 (1) Please see relied file labeled "CWC1 STD Days Outstanding.pdf (Page 9)" for calculation of average days held

ATO-CWC1 B

**Atmos Energy Corporation-Kentucky
Cash Working Capital Lead/Lag Analysis
For Base Period Ended December 30, 2018**

Line No.	Description	Test Year Expenses	Average Daily Expense (b) / 365 days	Revenue Lag	Expense Lag	Net Lag (d) - (e)	CWC Requirement (c) x (f)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Gas Supply Expense						
2	Purchased Gas	83,882,422	229,815 CWC2	40.82 CWC3	39.48	1.34	307,952
3							
4	Operation and Maintenance Expense						
5	O&M, Labor	10,632,314	29,130 CWC2	40.82 CWC4	14.08	26.74	778,926
6	O&M, Non-Labor	17,898,824	49,038 CWC2	40.82 CWC5	28.33	12.49	612,483
7	Total O&M Expense	28,531,137					1,391,409
8							
9	Taxes Other Than Income						
10	Ad Valorem	5,199,059	14,244 CWC2	40.82 CWC6	305.64	(264.82)	(3,772,087)
11	Taxes Property and Other	144,877	397 CWC2	40.82 CWC6	60.37	(19.55)	(7,760)
12	Payroll Taxes	358,215	981 CWC2	40.82 CWC6	83.63	(42.81)	(42,009)
13	Franchise and other pass through	9,703,180	26,584 CWC2	40.82 CWC6	38.52	2.30	61,145
14	Public Service Commission	307,288	842 N/A	0.00 CWC6	0.00	0.00	0
15	DOT	137,062	376 CWC2	40.82 CWC6	59.00	(18.18)	(6,827)
16							
17	Allocated Taxes-Shared Services (1)						
18	Ad Valorem	86,842	238 CWC2	40.82 CWC6	213.50	(172.68)	(41,085)
19	Payroll Taxes	326,526	895 CWC2	40.82 CWC6	83.63	(42.81)	(38,293)
20							
21	Allocated Taxes-Business Unit (2)						
22	Ad Valorem	3,534	10 CWC2	40.82 CWC6	305.64	(264.82)	(2,564)
23	Payroll Taxes	182,474	500 CWC2	40.82 CWC6	83.63	(42.81)	(21,400)
24	Total Taxes Other Than Income	16,449,059					(3,870,880)
25							
26	Federal Income Tax	5,973,696					
27	Current Taxes	0	0 CWC2	40.82 CWC7	29.75	11.07	0
28	Deferred Taxes	5,973,696	16,366 CWC2	40.82 CWC7	0.00	40.82	668,072
29							
30	State Income Tax	381,300					
31	Current Taxes	0	0 CWC2	40.82 CWC8	29.75	11.07	0
32	Deferred Taxes	381,300	1,045 CWC2	40.82 CWC8	0.00	40.82	42,643
33							
34	Depreciation	20,483,034	56,118 CWC2	40.82	0	40.82	2,290,733
35							
36	Interest Expense - STD	646,110	1,770 CWC2	40.82 (3)	35.20	5.62	9,948
37							
38	Interest Expense - LTD	7,186,035	19,688 CWC2	40.82 CWC9	90.02	(49.20)	(968,707)
39							
40	Return on Equity	25,099,761	68,766 CWC2	40.82	0	40.82	2,807,047
41							
42	TOTAL	188,632,554					2,678,217
43							

(1) Excludes a Texas sales tax refund of \$15,846 and a reversal of a previous accrual of \$1,095,601 related to a Kansas sales tax audit

(2) Excludes reversal of a previous accrual of ad valorem taxes of \$396,774 related to AEM

(3) Please see relied file labeled "CWC1 STD Days Outstanding.pdf" for calculation of average days held

ATO-CWC2

**Atmos Energy Corporation-Kentucky
Revenue Lag Study
For the CWC Study Test Year Ended June 30, 2018**

Line No.	Description (a)	Weighted Average Lag (b)
1	Average Billing Lag (1) =	1.41
2		
3	Service Lag =	15.21
4		
5	Collection Lag:	23.20
6	(Test Yr Average Daily Accounts Receivable / Test Yr Average Daily Revenue)	
7		
8	Bank Lag (2) =	1.00
9		
10	Total Revenue Lag =	<u>40.82</u>
11		
12	Notes:	
13	(1) Please see the relied upon labeled "CWC2 Read to Billing Lag" for the billing lag	
14	for the months of September, 2017 and January, 2018	
15	(2) Please see the relied upon labeled "CWC2 Bank Lag" for the lag by payment channel	

Atmos Energy Corporation-Kentucky
Revenue Lag Study - Daily Accts Receivable Balances for Mid-States
For the CWC Study Test Year Ended June 30, 2018

CWC WP 2-1

Line No.	Date	Total
1	Saturday, July 1, 2017	8,131,027.52
2	Sunday, July 2, 2017	7,440,010.54
3	Monday, July 3, 2017	7,440,010.54
4	Tuesday, July 4, 2017	6,894,119.67
5	Wednesday, July 5, 2017	6,966,523.79
6	Thursday, July 6, 2017	6,691,749.96
7	Friday, July 7, 2017	6,691,749.96
8	Saturday, July 8, 2017	6,638,793.65
9	Sunday, July 9, 2017	6,122,765.20
10	Monday, July 10, 2017	5,966,898.72
11	Tuesday, July 11, 2017	5,460,003.20
12	Wednesday, July 12, 2017	5,460,003.20
13	Thursday, July 13, 2017	5,902,605.85
14	Friday, July 14, 2017	5,902,605.85
15	Saturday, July 15, 2017	5,789,009.45
16	Sunday, July 16, 2017	5,783,094.75
17	Monday, July 17, 2017	7,357,748.38
18	Tuesday, July 18, 2017	7,606,040.74
19	Wednesday, July 19, 2017	7,941,667.91
20	Thursday, July 20, 2017	8,056,601.54
21	Friday, July 21, 2017	8,056,601.54
22	Saturday, July 22, 2017	7,988,861.44
23	Sunday, July 23, 2017	7,908,961.73
24	Monday, July 24, 2017	8,102,721.74
25	Tuesday, July 25, 2017	8,158,353.48
26	Wednesday, July 26, 2017	8,213,758.38
27	Thursday, July 27, 2017	8,202,544.88
28	Friday, July 28, 2017	8,202,544.88
29	Saturday, July 29, 2017	8,138,906.83
30	Sunday, July 30, 2017	7,672,132.85
31	Monday, July 31, 2017	7,485,580.22
32	Tuesday, August 1, 2017	7,311,980.88
33	Wednesday, August 2, 2017	7,405,817.83
34	Thursday, August 3, 2017	7,318,869.98
35	Friday, August 4, 2017	7,318,869.98
36	Saturday, August 5, 2017	7,265,215.70
37	Sunday, August 6, 2017	6,494,366.94
38	Monday, August 7, 2017	6,347,928.91
39	Tuesday, August 8, 2017	6,466,159.62
40	Wednesday, August 9, 2017	6,332,708.69
41	Thursday, August 10, 2017	6,333,802.38
42	Friday, August 11, 2017	6,333,802.38
43	Saturday, August 12, 2017	6,277,543.27
44	Sunday, August 13, 2017	7,169,853.43
45	Monday, August 14, 2017	6,796,208.35
46	Tuesday, August 15, 2017	6,884,293.41
47	Wednesday, August 16, 2017	7,099,212.34
48	Thursday, August 17, 2017	7,179,832.13
49	Friday, August 18, 2017	7,179,832.13
50	Saturday, August 19, 2017	7,122,720.22
51	Sunday, August 20, 2017	6,821,844.11
52	Monday, August 21, 2017	6,762,874.90
53	Tuesday, August 22, 2017	6,928,726.43
54	Wednesday, August 23, 2017	7,124,523.29
55	Thursday, August 24, 2017	7,184,288.35
56	Friday, August 25, 2017	7,184,288.35
57	Saturday, August 26, 2017	7,113,807.59
58	Sunday, August 27, 2017	6,831,667.85

**Atmos Energy Corporation-Kentucky
 Revenue Lag Study - Daily Accts Receivable Balances for Mid-States
 For the CWC Study Test Year Ended June 30, 2018**

CWC WP 2-1

Line No.	Date	Total
59	Monday, August 28, 2017	6,227,744.49
60	Tuesday, August 29, 2017	5,872,567.29
61	Wednesday, August 30, 2017	5,661,375.95
62	Thursday, August 31, 2017	5,392,206.47
63	Friday, September 1, 2017	5,392,206.47
64	Saturday, September 2, 2017	5,392,206.47
65	Sunday, September 3, 2017	5,202,097.70
66	Monday, September 4, 2017	3,872,453.61
67	Tuesday, September 5, 2017	3,704,937.49
68	Wednesday, September 6, 2017	3,694,065.61
69	Thursday, September 7, 2017	5,411,696.37
70	Friday, September 8, 2017	7,129,327.13
71	Saturday, September 9, 2017	3,414,507.48
72	Sunday, September 10, 2017	3,463,996.64
73	Monday, September 11, 2017	3,164,988.51
74	Tuesday, September 12, 2017	3,522,288.77
75	Wednesday, September 13, 2017	3,824,895.15
76	Thursday, September 14, 2017	3,938,260.61
77	Friday, September 15, 2017	4,051,626.07
78	Saturday, September 16, 2017	4,001,611.84
79	Sunday, September 17, 2017	4,150,018.08
80	Monday, September 18, 2017	4,445,926.92
81	Tuesday, September 19, 2017	6,057,915.31
82	Wednesday, September 20, 2017	6,181,556.60
83	Thursday, September 21, 2017	6,236,300.55
84	Friday, September 22, 2017	6,236,300.55
85	Saturday, September 23, 2017	6,179,222.02
86	Sunday, September 24, 2017	6,264,331.04
87	Monday, September 25, 2017	6,227,865.94
88	Tuesday, September 26, 2017	6,272,201.44
89	Wednesday, September 27, 2017	6,265,955.75
90	Thursday, September 28, 2017	6,137,035.35
91	Friday, September 29, 2017	6,093,867.12
92	Saturday, September 30, 2017	6,053,341.46
93	Sunday, October 1, 2017	5,680,397.00
94	Monday, October 2, 2017	5,564,713.59
95	Tuesday, October 3, 2017	5,353,879.87
96	Wednesday, October 4, 2017	5,294,780.93
97	Thursday, October 5, 2017	5,406,817.74
98	Friday, October 6, 2017	5,406,817.74
99	Saturday, October 7, 2017	5,253,833.14
100	Sunday, October 8, 2017	5,296,470.32
101	Monday, October 9, 2017	5,009,408.30
102	Tuesday, October 10, 2017	4,796,034.40
103	Wednesday, October 11, 2017	4,822,754.88
104	Thursday, October 12, 2017	4,667,615.73
105	Friday, October 13, 2017	4,667,615.73
106	Saturday, October 14, 2017	4,607,296.14
107	Sunday, October 15, 2017	4,426,327.95
108	Monday, October 16, 2017	6,024,278.99
109	Tuesday, October 17, 2017	5,744,996.00
110	Wednesday, October 18, 2017	5,564,126.21
111	Thursday, October 19, 2017	5,624,428.40
112	Friday, October 20, 2017	5,624,428.40
113	Saturday, October 21, 2017	5,529,052.82
114	Sunday, October 22, 2017	5,304,079.48
115	Monday, October 23, 2017	5,274,265.28
116	Tuesday, October 24, 2017	5,160,967.59
117	Wednesday, October 25, 2017	5,295,369.17

**Atmos Energy Corporation-Kentucky
 Revenue Lag Study - Daily Accts Receivable Balances for Mid-States
 For the CWC Study Test Year Ended June 30, 2018**

CWC WP 2-1

Line No.	Date	Total
118	Thursday, October 26, 2017	5,376,143.97
119	Friday, October 27, 2017	5,376,143.97
120	Saturday, October 28, 2017	5,246,013.67
121	Sunday, October 29, 2017	4,911,871.48
122	Monday, October 30, 2017	4,436,034.81
123	Tuesday, October 31, 2017	4,293,619.11
124	Wednesday, November 1, 2017	4,422,953.83
125	Thursday, November 2, 2017	4,420,129.85
126	Friday, November 3, 2017	4,420,129.85
127	Saturday, November 4, 2017	4,325,243.02
128	Sunday, November 5, 2017	4,318,287.19
129	Monday, November 6, 2017	3,888,308.37
130	Tuesday, November 7, 2017	3,990,197.92
131	Wednesday, November 8, 2017	4,452,921.12
132	Thursday, November 9, 2017	4,441,502.07
133	Friday, November 10, 2017	4,441,502.07
134	Saturday, November 11, 2017	4,360,222.58
135	Sunday, November 12, 2017	4,616,949.05
136	Monday, November 13, 2017	5,180,403.55
137	Tuesday, November 14, 2017	5,134,681.59
138	Wednesday, November 15, 2017	5,650,139.88
139	Thursday, November 16, 2017	7,814,973.69
140	Friday, November 17, 2017	7,814,973.69
141	Saturday, November 18, 2017	7,675,119.54
142	Sunday, November 19, 2017	7,916,600.55
143	Monday, November 20, 2017	8,189,457.39
144	Tuesday, November 21, 2017	8,668,582.00
145	Wednesday, November 22, 2017	8,668,582.00
146	Thursday, November 23, 2017	8,668,582.00
147	Friday, November 24, 2017	8,668,582.00
148	Saturday, November 25, 2017	8,207,786.47
149	Sunday, November 26, 2017	8,101,687.03
150	Monday, November 27, 2017	8,431,327.32
151	Tuesday, November 28, 2017	8,668,629.75
152	Wednesday, November 29, 2017	8,429,034.01
153	Thursday, November 30, 2017	8,552,218.17
154	Friday, December 1, 2017	8,552,218.17
155	Saturday, December 2, 2017	8,402,677.04
156	Sunday, December 3, 2017	7,634,464.81
157	Monday, December 4, 2017	7,742,033.23
158	Tuesday, December 5, 2017	7,852,404.17
159	Wednesday, December 6, 2017	8,476,392.95
160	Thursday, December 7, 2017	8,807,648.83
161	Friday, December 8, 2017	8,807,648.83
162	Saturday, December 9, 2017	8,628,066.46
163	Sunday, December 10, 2017	8,650,093.72
164	Monday, December 11, 2017	9,564,178.54
165	Tuesday, December 12, 2017	12,010,372.55
166	Wednesday, December 13, 2017	13,467,761.76
167	Thursday, December 14, 2017	13,679,789.59
168	Friday, December 15, 2017	13,679,789.59
169	Saturday, December 16, 2017	13,525,675.08
170	Sunday, December 17, 2017	13,668,747.20
171	Monday, December 18, 2017	14,225,197.07
172	Tuesday, December 19, 2017	14,899,316.67
173	Wednesday, December 20, 2017	15,649,916.31
174	Thursday, December 21, 2017	16,328,579.86
175	Friday, December 22, 2017	16,328,579.86
176	Saturday, December 23, 2017	16,328,579.86

Atmos Energy Corporation-Kentucky
Revenue Lag Study - Daily Accts Receivable Balances for Mid-States
For the CWC Study Test Year Ended June 30, 2018

CWC WP 2-1

Line No.	Date	Total
177	Sunday, December 24, 2017	16,328,579.86
178	Monday, December 25, 2017	15,435,832.44
179	Tuesday, December 26, 2017	14,775,093.37
180	Wednesday, December 27, 2017	14,835,876.43
181	Thursday, December 28, 2017	13,636,875.23
182	Friday, December 29, 2017	13,636,875.23
183	Saturday, December 30, 2017	13,437,637.39
184	Sunday, December 31, 2017	13,342,344.21
185	Monday, January 1, 2018	12,487,642.12
186	Tuesday, January 2, 2018	12,461,903.32
187	Wednesday, January 3, 2018	12,530,783.09
188	Thursday, January 4, 2018	13,045,359.69
189	Friday, January 5, 2018	13,045,359.69
190	Saturday, January 6, 2018	12,666,663.43
191	Sunday, January 7, 2018	11,956,908.24
192	Monday, January 8, 2018	12,362,240.81
193	Tuesday, January 9, 2018	12,945,982.37
194	Wednesday, January 10, 2018	13,614,678.00
195	Thursday, January 11, 2018	14,012,254.35
196	Friday, January 12, 2018	14,012,254.35
197	Saturday, January 13, 2018	13,825,540.96
198	Sunday, January 14, 2018	15,188,811.09
199	Monday, January 15, 2018	15,028,037.02
200	Tuesday, January 16, 2018	18,761,375.15
201	Wednesday, January 17, 2018	20,366,571.26
202	Thursday, January 18, 2018	21,158,490.85
203	Friday, January 19, 2018	21,158,490.85
204	Saturday, January 20, 2018	20,939,156.52
205	Sunday, January 21, 2018	21,302,859.55
206	Monday, January 22, 2018	21,952,204.85
207	Tuesday, January 23, 2018	23,148,379.49
208	Wednesday, January 24, 2018	24,260,090.82
209	Thursday, January 25, 2018	24,976,732.47
210	Friday, January 26, 2018	24,976,732.47
211	Saturday, January 27, 2018	24,738,787.42
212	Sunday, January 28, 2018	23,852,790.73
213	Monday, January 29, 2018	22,435,258.78
214	Tuesday, January 30, 2018	21,701,755.90
215	Wednesday, January 31, 2018	22,346,356.26
216	Thursday, February 1, 2018	22,569,043.44
217	Friday, February 2, 2018	22,569,043.44
218	Saturday, February 3, 2018	22,285,778.12
219	Sunday, February 4, 2018	21,995,699.47
220	Monday, February 5, 2018	20,689,586.94
221	Tuesday, February 6, 2018	20,359,239.24
222	Wednesday, February 7, 2018	21,336,023.37
223	Thursday, February 8, 2018	21,953,320.16
224	Friday, February 9, 2018	21,953,320.16
225	Saturday, February 10, 2018	21,700,152.90
226	Sunday, February 11, 2018	21,424,459.71
227	Monday, February 12, 2018	21,227,003.07
228	Tuesday, February 13, 2018	21,501,882.55
229	Wednesday, February 14, 2018	22,516,022.66
230	Thursday, February 15, 2018	22,979,716.86
231	Friday, February 16, 2018	23,443,411.05
232	Saturday, February 17, 2018	23,269,075.98
233	Sunday, February 18, 2018	26,602,004.85
234	Monday, February 19, 2018	26,387,060.71
235	Tuesday, February 20, 2018	26,673,337.49

**Atmos Energy Corporation-Kentucky
 Revenue Lag Study - Daily Accts Receivable Balances for Mid-States
 For the CWC Study Test Year Ended June 30, 2018**

CWC WP 2-1

Line No.	Date	Total
236	Wednesday, February 21, 2018	27,144,866.39
237	Thursday, February 22, 2018	27,110,925.81
238	Friday, February 23, 2018	27,110,925.81
239	Saturday, February 24, 2018	26,690,415.97
240	Sunday, February 25, 2018	26,307,711.19
241	Monday, February 26, 2018	26,330,640.89
242	Tuesday, February 27, 2018	25,106,887.89
243	Wednesday, February 28, 2018	24,867,778.63
244	Thursday, March 1, 2018	24,147,273.56
245	Friday, March 2, 2018	24,147,273.56
246	Saturday, March 3, 2018	23,756,296.57
247	Sunday, March 4, 2018	22,363,136.85
248	Monday, March 5, 2018	21,559,116.67
249	Tuesday, March 6, 2018	21,327,549.82
250	Wednesday, March 7, 2018	21,509,548.75
251	Thursday, March 8, 2018	21,854,540.38
252	Friday, March 9, 2018	21,854,540.38
253	Saturday, March 10, 2018	21,589,189.32
254	Sunday, March 11, 2018	20,916,747.41
255	Monday, March 12, 2018	21,155,650.33
256	Tuesday, March 13, 2018	20,841,774.15
257	Wednesday, March 14, 2018	20,178,849.94
258	Thursday, March 15, 2018	20,458,010.32
259	Friday, March 16, 2018	20,458,010.32
260	Saturday, March 17, 2018	20,120,407.07
261	Sunday, March 18, 2018	20,060,670.21
262	Monday, March 19, 2018	20,908,299.79
263	Tuesday, March 20, 2018	19,844,835.13
264	Wednesday, March 21, 2018	20,935,032.42
265	Thursday, March 22, 2018	21,832,493.43
266	Friday, March 23, 2018	21,832,493.43
267	Saturday, March 24, 2018	21,359,830.61
268	Sunday, March 25, 2018	21,409,815.64
269	Monday, March 26, 2018	21,515,138.65
270	Tuesday, March 27, 2018	21,234,497.33
271	Wednesday, March 28, 2018	20,540,477.41
272	Thursday, March 29, 2018	20,540,477.41
273	Friday, March 30, 2018	19,819,479.53
274	Saturday, March 31, 2018	19,647,407.43
275	Sunday, April 1, 2018	18,995,058.52
276	Monday, April 2, 2018	18,831,093.40
277	Tuesday, April 3, 2018	18,317,371.52
278	Wednesday, April 4, 2018	18,469,156.87
279	Thursday, April 5, 2018	18,441,499.26
280	Friday, April 6, 2018	18,441,499.26
281	Saturday, April 7, 2018	18,203,755.86
282	Sunday, April 8, 2018	17,603,320.17
283	Monday, April 9, 2018	16,999,882.46
284	Tuesday, April 10, 2018	17,360,183.47
285	Wednesday, April 11, 2018	17,397,378.88
286	Thursday, April 12, 2018	17,261,221.23
287	Friday, April 13, 2018	17,261,221.23
288	Saturday, April 14, 2018	16,901,713.86
289	Sunday, April 15, 2018	18,352,687.66
290	Monday, April 16, 2018	18,701,711.56
291	Tuesday, April 17, 2018	19,102,663.94
292	Wednesday, April 18, 2018	19,230,057.27
293	Thursday, April 19, 2018	19,363,557.94
294	Friday, April 20, 2018	19,363,557.94

Atmos Energy Corporation-Kentucky
Revenue Lag Study - Daily Accts Receivable Balances for Mid-States
For the CWC Study Test Year Ended June 30, 2018

CWC WP 2-1

<u>Line No.</u>	<u>Date</u>	<u>Total</u>
295	Saturday, April 21, 2018	19,183,437.12
296	Sunday, April 22, 2018	18,866,425.92
297	Monday, April 23, 2018	19,449,622.64
298	Tuesday, April 24, 2018	19,288,767.71
299	Wednesday, April 25, 2018	19,598,037.24
300	Thursday, April 26, 2018	19,359,601.86
301	Friday, April 27, 2018	19,359,601.86
302	Saturday, April 28, 2018	19,043,851.63
303	Sunday, April 29, 2018	17,720,189.84
304	Monday, April 30, 2018	17,392,559.72
305	Tuesday, May 1, 2018	16,692,744.53
306	Wednesday, May 2, 2018	16,115,468.95
307	Thursday, May 3, 2018	16,631,971.36
308	Friday, May 4, 2018	16,631,971.36
309	Saturday, May 5, 2018	16,332,626.33
310	Sunday, May 6, 2018	15,281,054.31
311	Monday, May 7, 2018	14,859,275.52
312	Tuesday, May 8, 2018	14,444,888.25
313	Wednesday, May 9, 2018	14,534,610.25
314	Thursday, May 10, 2018	15,945,828.54
315	Friday, May 11, 2018	15,945,828.54
316	Saturday, May 12, 2018	15,781,174.91
317	Sunday, May 13, 2018	15,339,709.57
318	Monday, May 14, 2018	15,100,277.88
319	Tuesday, May 15, 2018	14,483,741.68
320	Wednesday, May 16, 2018	14,764,480.49
321	Thursday, May 17, 2018	14,765,909.58
322	Friday, May 18, 2018	14,765,909.58
323	Saturday, May 19, 2018	14,611,415.54
324	Sunday, May 20, 2018	14,253,635.88
325	Monday, May 21, 2018	13,876,684.29
326	Tuesday, May 22, 2018	13,953,165.46
327	Wednesday, May 23, 2018	14,221,361.03
328	Thursday, May 24, 2018	14,221,361.03
329	Friday, May 25, 2018	14,221,361.03
330	Saturday, May 26, 2018	14,221,361.03
331	Sunday, May 27, 2018	14,145,198.69
332	Monday, May 28, 2018	13,127,993.96
333	Tuesday, May 29, 2018	13,056,652.82
334	Wednesday, May 30, 2018	12,624,721.07
335	Thursday, May 31, 2018	12,112,349.24
336	Friday, June 1, 2018	12,112,349.24
337	Saturday, June 2, 2018	12,007,012.79
338	Sunday, June 3, 2018	11,176,980.12
339	Monday, June 4, 2018	10,879,275.93
340	Tuesday, June 5, 2018	10,407,542.12
341	Wednesday, June 6, 2018	10,120,601.79
342	Thursday, June 7, 2018	9,738,741.64
343	Friday, June 8, 2018	9,738,741.64
344	Saturday, June 9, 2018	9,663,481.18
345	Sunday, June 10, 2018	9,216,800.07
346	Monday, June 11, 2018	9,085,881.69
347	Tuesday, June 12, 2018	9,012,772.48
348	Wednesday, June 13, 2018	9,125,515.42
349	Thursday, June 14, 2018	9,160,766.36
350	Friday, June 15, 2018	9,160,766.36
351	Saturday, June 16, 2018	9,049,816.66
352	Sunday, June 17, 2018	10,374,927.87
353	Monday, June 18, 2018	10,631,148.51

**Atmos Energy Corporation-Kentucky
 Revenue Lag Study - Daily Accts Receivable Balances for Mid-States
 For the CWC Study Test Year Ended June 30, 2018**

CWC WP 2-1

Line No.	Date	Total	
354	Tuesday, June 19, 2018	10,841,831.26	
355	Wednesday, June 20, 2018	10,994,763.73	
356	Thursday, June 21, 2018	10,745,108.79	
357	Friday, June 22, 2018	10,745,108.79	
358	Saturday, June 23, 2018	10,669,842.70	
359	Sunday, June 24, 2018	10,507,297.17	
360	Monday, June 25, 2018	10,496,350.92	
361	Tuesday, June 26, 2018	10,543,901.49	
362	Wednesday, June 27, 2018	10,540,038.42	
363	Thursday, June 28, 2018	10,364,272.55	
364	Friday, June 29, 2018	10,315,703.01	
365	Saturday, June 30, 2018	10,272,333.94	
366			
367	AVERAGE DAILY TOTALS	12,382,825.26	
368			
369	KENTUCKY ANNUAL BILLED REVENUE	194,798,643.00	From WP 2-2
370	KENTUCKY AVERAGE DAILY REVENUE	533,694.91	
371			
372	REVENUE LAG	23.20	

Atmos Energy Corporation-Kentucky
Revenue Lag Study - Division 009 Kentucky Monthly Revenues
For the CWC Study Test Year Ended June 30, 2018

Account Description	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total
4800 Residential sales	(3,912,522)	(3,911,150)	(4,056,095)	(4,053,406)	(7,728,795)	(11,997,506)	(18,914,908)	(17,207,260)	(12,369,456)	(11,018,918)	(6,154,176)	(3,781,327)	(105,105,517)
4811 Commercial Revenue	(1,734,376)	(1,857,062)	(2,143,315)	(2,077,847)	(3,292,933)	(4,990,853)	(8,086,208)	(7,415,175)	(5,130,722)	(4,548,595)	(2,633,468)	(1,707,134)	(45,617,688)
4812 Industrial Revenue	(212,760)	(235,590)	(231,267)	(292,940)	(367,965)	(486,521)	(973,707)	(1,334,354)	(899,111)	(594,159)	(355,283)	(174,114)	(6,157,771)
4820 Other Sales to Public Authority	(216,697)	(235,766)	(231,292)	(274,326)	(526,757)	(844,603)	(1,354,830)	(1,331,272)	(872,594)	(783,701)	(441,272)	(251,739)	(7,364,850)
4870 Forfeited discounts	(49,238)	(67,376)	(42,564)	(57,504)	(63,837)	(107,575)	(192,879)	(230,566)	(230,342)	(151,215)	(139,653)	(59,471)	(1,392,220)
4880 Miscellaneous service revenues	(45,000)	(56,467)	(56,890)	(113,182)	(111,321)	(70,489)	(59,320)	(48,866)	(64,491)	(54,927)	(49,757)	(54,928)	(785,638)
4893 Revenue-Transportation Distrib	(1,182,277)	(1,275,238)	(1,291,705)	(1,481,954)	(1,653,314)	(1,852,334)	(2,135,655)	(1,772,398)	(1,770,851)	(1,589,668)	(1,412,283)	(1,232,115)	(18,649,791)
4895 Revenue-Transportation Commerc	-	-	-	-	-	-	-	-	-	-	-	-	-
4896 Revenue-Transportation Industr	-	-	-	-	-	-	-	-	-	-	-	-	-
4930 Rent from Gas Property	-	-	-	-	-	-	-	-	-	-	-	-	-
4950 Other gas revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Billed Revenue													(185,073,476)
Billed Taxes	(395,782)	(398,815)	(412,447)	(436,522)	(714,990)	(1,058,025)	(1,651,587)	(1,576,526)	(1,119,702)	(974,710)	(595,675)	(390,386)	(9,725,167)
Billed Revenue plus Taxes													(194,798,643)
4805 Unbilled Residential Revenue	85,112	(22,429)	37,437	(1,732,245)	(2,209,701)	(3,104,257)	405,968	3,377,820	(677,729)	1,794,375	1,963,448	45,375	(36,827)
4815 Unbilled Comm Revenue	(4,161)	(91,082)	(23,863)	(346,071)	(931,188)	(1,370,307)	87,595	1,449,166	(170,766)	667,416	568,707	44,232	(120,322)
4816 Unbilled Indus Revenue	27,342	(8,621)	276	8,285	(40,835)	(124,351)	(505,592)	248,260	260,988	70,107	48,981	80,944	65,794
4825 Unbilled Public Authority Reve	7,033	(13,856)	15,695	(185,528)	(165,179)	(271,690)	20,773	303,344	(75,991)	96,466	221,124	6,068	(41,741)
4960 Cost of Service Reserve	-	-	-	-	-	-	651,059	688,493	452,336	-	-	-	1,791,888
Total Revenue													(183,414,693)

**Atmos Energy Corporation-Kentucky
Per Books Purchase Gas Cost
For the CWC Study Test Year Ended June 30, 2018**

ATO-CWC3

Line No.	Supplier	Production Month Start Service	Production Month Finish Service	Service Lag	Date of Invoice	Invoice Lag	Date Paid	Payment Lag	Total Lag	Total Amount	\$ Days (h) x (i)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	Antle Operating Company Inc.	06/01/17	06/30/17	15.00	07/19/17	19.00	07/24/17	5.00	39.00	3,905.64	152,319.96
2	Centerpoint Energy Services Inc	06/01/17	06/30/17	15.00	07/20/17	20.00	07/25/17	5.00	40.00	4,515,901.61	180,636,064.40
3	Centerpoint Energy Services Inc	06/01/17	06/30/17	15.00	07/19/17	19.00	07/25/17	6.00	40.00	91,592.88	3,663,715.20
4	Har Ken Agent OK	06/01/17	06/30/17	15.00	07/19/17	19.00	07/24/17	5.00	39.00	392.00	15,288.00
5	Midwestern Gas Transmission	06/01/17	06/30/17	15.00	07/11/17	11.00	07/20/17	9.00	35.00	612.46	21,436.10
6	Orbit Gas Transmission Inc	06/01/17	06/30/17	15.00	07/19/17	19.00	07/24/17	5.00	39.00	1,839.61	71,744.79
7	Tennessee Gas Pipeline Co	06/01/17	06/30/17	15.00	07/13/17	13.00	07/24/17	11.00	39.00	182,614.74	7,121,974.86
8	Texas Gas Transmission Corporati	06/01/17	06/30/17	15.00	07/12/17	12.00	07/24/17	12.00	39.00	1,190,663.70	46,435,884.30
9	Trunkline Gas Company, LLC	06/01/17	06/30/17	15.00	07/11/17	11.00	07/20/17	9.00	35.00	6,661.04	233,136.40
10	United Energy Trading, LLC	06/01/17	06/30/17	15.00	07/19/17	19.00	07/25/17	6.00	40.00	862,162.67	34,486,506.80
11	Antle Operating Company Inc.	07/01/17	07/31/17	15.50	08/14/17	14.00	08/21/17	7.00	36.50	3,862.18	140,969.57
12	Centerpoint Energy Services Inc	07/01/17	07/31/17	15.50	08/14/17	14.00	08/25/17	11.00	40.50	201.77	8,171.69
13	Centerpoint Energy Services Inc	07/01/17	07/31/17	15.50	08/14/17	14.00	08/25/17	11.00	40.50	404.94	16,400.07
14	Centerpoint Energy Services Inc	07/01/17	07/31/17	15.50	08/14/17	14.00	08/25/17	11.00	40.50	656.56	26,590.68
15	Centerpoint Energy Services Inc	07/01/17	07/31/17	15.50	08/24/17	24.00	08/25/17	1.00	40.50	3,426,603.08	138,777,424.74
16	Centerpoint Energy Services Inc	07/01/17	07/31/17	15.50	08/16/17	16.00	08/25/17	9.00	40.50	89,302.15	3,616,737.08
17	Har Ken Agent OK	07/01/17	07/31/17	15.50	08/14/17	14.00	08/21/17	7.00	36.50	284.85	10,397.03
18	Midwestern Gas Transmission	07/01/17	07/31/17	15.50	08/14/17	14.00	08/17/17	3.00	32.50	600.15	19,504.88
19	Orbit Gas Transmission Inc	07/01/17	07/31/17	15.50	08/14/17	14.00	08/21/17	7.00	36.50	2,099.58	76,634.67
20	Tennessee Gas Pipeline Co	07/01/17	07/31/17	15.50	08/10/17	10.00	08/21/17	11.00	36.50	182,614.74	6,665,438.01
21	Texas Gas Transmission Corporati	07/01/17	07/31/17	15.50	08/09/17	9.00	08/21/17	12.00	36.50	1,230,352.49	44,907,865.89
22	Trunkline Gas Company, LLC	07/01/17	07/31/17	15.50	08/10/17	10.00	08/21/17	11.00	36.50	6,985.14	254,957.61
23	United Energy Trading, LLC	07/01/17	07/31/17	15.50	08/23/17	23.00	08/25/17	2.00	40.50	669,330.65	27,107,891.33
24	Antle Operating Company Inc.	08/01/17	08/31/17	15.50	09/18/17	18.00	09/22/17	4.00	37.50	4,539.58	170,234.25
25	Centerpoint Energy Services Inc	08/01/17	08/31/17	15.50	09/22/17	22.00	09/25/17	3.00	40.50	3,607,778.87	146,115,044.24
26	Centerpoint Energy Services Inc	08/01/17	08/31/17	15.50	09/19/17	19.00	09/25/17	6.00	40.50	86,023.34	3,483,945.27
27	Har Ken Agent OK	08/01/17	08/31/17	15.50	09/18/17	18.00	09/22/17	4.00	37.50	356.10	13,353.75
28	Orbit Gas Transmission Inc	08/01/17	08/31/17	15.50	09/18/17	18.00	09/22/17	4.00	37.50	2,510.52	94,144.50
29	Tennessee Gas Pipeline Co	08/01/17	08/31/17	15.50	09/13/17	13.00	09/25/17	12.00	40.50	182,614.74	7,395,896.97
30	Texas Gas Transmission Corporati	08/01/17	08/31/17	15.50	09/13/17	13.00	09/22/17	9.00	37.50	1,230,352.49	46,138,218.38
31	Trunkline Gas Company, LLC	08/01/17	08/31/17	15.50	09/13/17	13.00	09/20/17	7.00	35.50	6,942.08	246,443.84
32	United Energy Trading, LLC	08/01/17	08/31/17	15.50	09/21/17	21.00	09/25/17	4.00	40.50	625,449.82	25,330,717.71
33	Antle Operating Company Inc.	09/01/17	09/30/17	15.00	10/16/17	16.00	10/20/17	4.00	35.00	3,762.00	131,670.00
34	Centerpoint Energy Services Inc	09/01/17	09/30/17	15.00	10/24/17	24.00	10/25/17	1.00	40.00	3,771,122.56	150,844,902.40
35	Centerpoint Energy Services Inc	09/01/17	09/30/17	15.00	10/23/17	23.00	10/25/17	2.00	40.00	82,668.71	3,306,748.40
36	Har Ken Agent OK	09/01/17	09/30/17	15.00	10/16/17	16.00	10/20/17	4.00	35.00	342.50	11,987.50
37	Orbit Gas Transmission Inc	09/01/17	09/30/17	15.00	10/16/17	16.00	10/20/17	4.00	35.00	3,864.68	135,263.80
38	Tennessee Gas Pipeline Co	09/01/17	09/30/17	15.00	10/12/17	12.00	10/23/17	11.00	38.00	182,614.74	6,939,360.12
39	Texas Gas Transmission Corporati	09/01/17	09/30/17	15.00	10/10/17	10.00	10/20/17	10.00	35.00	1,190,663.70	41,673,229.50
40	Trunkline Gas Company, LLC	09/01/17	09/30/17	15.00	10/10/17	10.00	10/20/17	10.00	35.00	6,759.42	236,579.70
41	United Energy Trading, LLC	09/01/17	09/30/17	15.00	10/23/17	23.00	10/25/17	2.00	40.00	659,194.10	26,367,764.00
42	Antle Operating Company Inc.	10/01/17	10/31/17	15.50	11/14/17	14.00	11/22/17	8.00	37.50	3,887.38	145,776.75
43	Centerpoint Energy Services Inc	10/01/17	10/31/17	15.50	11/21/17	21.00	11/27/17	6.00	42.50	5,384,616.67	228,846,208.48
44	Centerpoint Energy Services Inc	10/01/17	10/31/17	15.50	11/20/17	20.00	11/27/17	7.00	42.50	85,471.62	3,632,543.85
45	Har Ken Agent OK	10/01/17	10/31/17	15.50	11/14/17	14.00	11/22/17	8.00	37.50	375.76	14,091.00
46	Midwestern Gas Transmission	10/01/17	10/31/17	15.50	11/14/17	14.00	12/18/17	34.00	63.50	(374.78)	(23,798.53)
47	Orbit Gas Transmission Inc	10/01/17	10/31/17	15.50	11/14/17	14.00	11/21/17	7.00	36.50	685.03	25,003.60
48	Tennessee Gas Pipeline Co	10/01/17	10/31/17	15.50	11/14/17	14.00	11/20/17	6.00	35.50	203,939.34	7,239,846.57
49	Texas Gas Transmission Corporati	10/01/17	10/31/17	15.50	11/14/17	14.00	11/20/17	6.00	35.50	1,621,371.92	57,558,703.16
50	Trunkline Gas Company, LLC	10/01/17	10/31/17	15.50	11/15/17	15.00	11/20/17	5.00	35.50	6,752.89	239,727.60
51	United Energy Trading, LLC	10/01/17	10/31/17	15.50	11/21/17	21.00	11/27/17	6.00	42.50	880,245.91	37,410,451.18

**Atmos Energy Corporation-Kentucky
Per Books Purchase Gas Cost
For the CWC Study Test Year Ended June 30, 2018**

ATO-CWC3

Line No.	Supplier	Production Month Start Service	Production Month Finish Service	Service Lag	Date of Invoice	Invoice Lag	Date Paid	Payment Lag	Total Lag	Total Amount	\$ Days (h) x (i)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
52	Antle Operating Company Inc.	11/01/17	11/30/17	15.00	12/14/17	14.00	12/18/17	4.00	33.00	3,822.00	126,126.00
53	Centerpoint Energy Services Inc	11/01/17	11/30/17	15.00	12/21/17	21.00	12/26/17	5.00	41.00	2,785,341.33	114,198,994.53
54	Centerpoint Energy Services Inc	11/01/17	11/30/17	15.00	12/18/17	18.00	12/26/17	8.00	41.00	150,815.46	6,183,433.86
55	Har Ken Agent OK	11/01/17	11/30/17	15.00	12/14/17	14.00	12/18/17	4.00	33.00	299.71	9,890.43
56	Midwestern Gas Transmission	11/01/17	11/30/17	15.00	12/13/17	13.00	12/18/17	5.00	33.00	1,179.15	38,911.95
57	Orbit Gas Transmission Inc	11/01/17	11/30/17	15.00	12/14/17	14.00	12/18/17	4.00	33.00	744.32	24,562.56
58	Tennessee Gas Pipeline Co	11/01/17	11/30/17	15.00	12/14/17	14.00	12/22/17	8.00	37.00	406,544.04	15,042,129.48
59	Texas Gas Transmission Corporati	11/01/17	11/30/17	15.00	12/13/17	13.00	12/21/17	8.00	36.00	1,717,703.80	61,837,336.80
60	Trunkline Gas Company, LLC	11/01/17	11/30/17	15.00	12/15/17	15.00	12/20/17	5.00	35.00	29,594.87	1,035,820.45
61	United Energy Trading, LLC	11/01/17	11/30/17	15.00	12/21/17	21.00	12/26/17	5.00	41.00	147,435.57	6,044,858.37
62	Antle Operating Company Inc.	12/01/17	12/31/17	15.50	01/17/18	17.00	01/26/18	9.00	41.50	2,351.26	97,577.29
63	Centerpoint Energy Services Inc	12/01/17	12/31/17	15.50	01/24/18	24.00	01/25/18	1.00	40.50	5,748,155.18	232,800,284.79
64	Centerpoint Energy Services Inc	12/01/17	12/31/17	15.50	01/24/18	24.00	01/25/18	1.00	40.50	222,787.64	9,022,899.42
65	Har Ken Agent OK	12/01/17	12/31/17	15.50	01/18/18	18.00	01/26/18	8.00	41.50	617.04	25,607.16
66	Midwestern Gas Transmission	12/01/17	12/31/17	15.50	01/12/18	12.00	02/20/18	39.00	66.50	(1,281.59)	(85,225.74)
67	Orbit Gas Transmission Inc	12/01/17	12/31/17	15.50	01/17/18	17.00	01/25/18	8.00	40.50	700.19	28,357.70
68	Tennessee Gas Pipeline Co	12/01/17	12/31/17	15.50	01/11/18	11.00	01/22/18	11.00	37.50	417,206.94	15,645,260.25
69	Texas Gas Transmission Corporati	12/01/17	12/31/17	15.50	01/11/18	11.00	01/22/18	11.00	37.50	1,774,373.66	66,539,012.25
70	Trunkline Gas Company, LLC	12/01/17	12/31/17	15.50	01/12/18	12.00	01/22/18	10.00	37.50	41,391.60	1,552,185.00
71	United Energy Trading, LLC	12/01/17	12/31/17	15.50	01/24/18	24.00	01/25/18	1.00	40.50	660,840.34	26,764,033.77
72	Antle Operating Company Inc.	01/01/18	01/31/18	15.50	02/13/18	13.00	02/16/18	3.00	31.50	3,433.71	108,161.87
73	Centerpoint Energy Services Inc	01/01/18	01/31/18	15.50	02/23/18	23.00	02/26/18	3.00	41.50	6,427,617.12	266,746,110.48
74	Centerpoint Energy Services Inc	01/01/18	01/31/18	15.50	02/21/18	21.00	02/26/18	5.00	41.50	362,150.76	15,029,256.54
75	Har Ken Agent OK	01/01/18	01/31/18	15.50	02/13/18	13.00	02/16/18	3.00	31.50	44.55	1,403.33
76	Midwestern Gas Transmission	01/01/18	01/31/18	15.50	02/16/18	16.00	02/20/18	4.00	35.50	2,083.63	73,968.87
77	Orbit Gas Transmission Inc	01/01/18	01/31/18	15.50	02/13/18	13.00	02/15/18	2.00	30.50	584.74	17,834.57
78	Tennessee Gas Pipeline Co	01/01/18	01/31/18	15.50	02/13/18	13.00	02/22/18	9.00	37.50	417,206.94	15,645,260.25
79	Texas Gas Transmission Corporati	01/01/18	01/31/18	15.50	02/13/18	13.00	02/20/18	7.00	35.50	1,774,373.66	62,990,264.93
80	Trunkline Gas Company, LLC	01/01/18	01/31/18	15.50	02/16/18	16.00	02/20/18	4.00	35.50	25,736.56	913,647.88
81	United Energy Trading, LLC	01/01/18	01/31/18	15.50	02/21/18	21.00	02/26/18	5.00	41.50	762,803.65	31,656,351.48
82	Antle Operating Company Inc.	02/01/18	02/28/18	14.00	03/12/18	12.00	03/16/18	4.00	30.00	3,512.03	105,360.90
83	Centerpoint Energy Services Inc	02/01/18	02/28/18	14.00	03/23/18	23.00	03/26/18	3.00	40.00	1,729,288.45	69,171,538.00
84	Centerpoint Energy Services Inc	02/01/18	02/28/18	14.00	03/15/18	15.00	03/26/18	11.00	40.00	242,273.28	9,690,931.20
85	Har Ken Agent OK	02/01/18	02/28/18	14.00	03/12/18	12.00	03/16/18	4.00	30.00	314.73	9,441.90
86	Midwestern Gas Transmission	02/01/18	02/28/18	14.00	03/15/18	15.00	03/19/18	4.00	33.00	522.53	17,243.49
87	Orbit Gas Transmission Inc	02/01/18	02/28/18	14.00	03/12/18	12.00	03/15/18	3.00	29.00	865.48	25,098.92
88	Tennessee Gas Pipeline Co	02/01/18	02/28/18	14.00	03/13/18	13.00	03/22/18	9.00	36.00	417,206.94	15,019,449.84
89	Texas Gas Transmission Corporati	02/01/18	02/28/18	14.00	03/09/18	9.00	03/19/18	10.00	33.00	1,602,660.08	52,887,782.64
90	Trunkline Gas Company, LLC	02/01/18	02/28/18	14.00	03/15/18	15.00	03/20/18	5.00	34.00	29,713.96	1,010,274.64
91	United Energy Trading, LLC	02/01/18	02/28/18	14.00	03/19/18	19.00	03/26/18	7.00	40.00	417,111.79	16,684,471.60
92	Antle Operating Company Inc.	03/01/18	03/31/18	15.50	04/10/18	10.00	04/18/18	8.00	33.50	3,019.52	101,153.92
93	Centerpoint Energy Services Inc	03/01/18	03/31/18	15.50	04/24/18	24.00	04/25/18	1.00	40.50	641,576.77	25,983,859.19
94	Centerpoint Energy Services Inc	03/01/18	03/31/18	15.50	04/24/18	24.00	04/25/18	1.00	40.50	215,436.33	8,725,171.37
95	Centerpoint Energy Services Inc	03/01/18	03/31/18	15.50	04/11/18	11.00	04/25/18	14.00	40.50	(609.66)	(24,691.23)
96	Centerpoint Energy Services Inc	03/01/18	03/31/18	15.50	04/11/18	11.00	04/25/18	14.00	40.50	(2,410.12)	(97,609.86)
97	Har Ken Agent OK	03/01/18	03/31/18	15.50	04/10/18	10.00	04/18/18	8.00	33.50	185.21	6,204.54
98	Orbit Gas Transmission Inc	03/01/18	03/31/18	15.50	04/10/18	10.00	04/17/18	7.00	32.50	704.32	22,890.40
99	Tennessee Gas Pipeline Co	03/01/18	03/31/18	15.50	04/11/18	11.00	04/23/18	12.00	38.50	406,544.04	15,651,945.54
100	Texas Gas Transmission Corporati	03/01/18	03/31/18	15.50	04/10/18	10.00	04/20/18	10.00	35.50	1,768,590.61	62,784,966.66
101	Trunkline Gas Company, LLC	03/01/18	03/31/18	15.50	04/16/18	16.00	04/20/18	4.00	35.50	33,068.39	1,173,927.85
102	United Energy Trading, LLC	03/01/18	03/31/18	15.50	04/16/18	16.00	04/25/18	9.00	40.50	227,583.76	9,217,142.28
103	Antle Operating Company Inc.	04/01/18	04/30/18	15.00	05/14/18	14.00	05/18/18	4.00	33.00	3,115.71	102,818.43

**Atmos Energy Corporation-Kentucky
Per Books Purchase Gas Cost
For the CWC Study Test Year Ended June 30, 2018**

ATO-CWC3

Line No.	Supplier	Production Month Start Service	Production Month Finish Service	Service Lag	Date of Invoice	Invoice Lag	Date Paid	Payment Lag	Total Lag	Total Amount	\$ Days (h) x (i)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
104	Centerpoint Energy Services Inc	04/01/18	04/30/18	15.00	05/17/18	17.00	05/25/18	8.00	40.00	74,146.07	2,965,842.80
105	Centerpoint Energy Services Inc	04/01/18	04/30/18	15.00	05/31/18	31.00	06/25/18	25.00	71.00	70.12	4,978.52
106	Centerpoint Energy Services Inc	04/01/18	04/30/18	15.00	05/24/18	24.00	05/25/18	1.00	40.00	5,136,036.93	205,441,477.20
107	Centerpoint Energy Services Inc	04/01/18	04/30/18	15.00	05/31/18	31.00	06/25/18	25.00	71.00	(458.03)	(32,520.13)
108	Centerpoint Energy Services Inc	04/01/18	04/30/18	15.00	05/31/18	31.00	06/25/18	25.00	71.00	59.61	4,232.31
109	Har Ken Agent OK	04/01/18	04/30/18	15.00	05/14/18	14.00	05/18/18	4.00	33.00	489.32	16,147.56
110	Orbit Gas Transmission Inc	04/01/18	04/30/18	15.00	05/14/18	14.00	05/17/18	3.00	32.00	585.58	18,738.56
111	Tennessee Gas Pipeline Co	04/01/18	04/30/18	15.00	05/14/18	14.00	05/21/18	7.00	36.00	289,252.14	10,413,077.04
112	Texas Gas Transmission Corporati	04/01/18	04/30/18	15.00	05/14/18	14.00	05/21/18	7.00	36.00	1,520,202.90	54,727,304.40
113	Trunkline Gas Company, LLC	04/01/18	04/30/18	15.00	05/17/18	17.00	05/21/18	4.00	36.00	6,756.67	243,240.12
114	United Energy Trading, LLC	04/01/18	04/30/18	15.00	05/23/18	23.00	05/25/18	2.00	40.00	966,809.08	38,672,363.20
115	Antle Operating Company Inc.	05/01/18	05/31/18	15.50	06/15/18	15.00	06/22/18	7.00	37.50	3,848.85	144,331.88
116	Centerpoint Energy Services Inc	05/01/18	05/31/18	15.50	06/22/18	22.00	06/25/18	3.00	40.50	4,185,565.45	169,515,400.73
117	Centerpoint Energy Services Inc	05/01/18	05/31/18	15.50	06/20/18	20.00	06/25/18	5.00	40.50	80,691.93	3,268,023.17
118	Har Ken Agent OK	05/01/18	05/31/18	15.50	06/15/18	15.00	06/22/18	7.00	37.50	280.81	10,530.38
119	Orbit Gas Transmission Inc	05/01/18	05/31/18	15.50	06/15/18	15.00	06/21/18	6.00	36.50	803.88	29,341.62
120	Tennessee Gas Pipeline Co	05/01/18	05/31/18	15.50	06/11/18	11.00	06/21/18	10.00	36.50	193,286.04	7,054,940.46
121	Texas Gas Transmission Corporati	05/01/18	05/31/18	15.50	06/11/18	11.00	06/21/18	10.00	36.50	1,231,333.33	44,943,666.55
122	Trunkline Gas Company, LLC	05/01/18	05/31/18	15.50	06/15/18	15.00	06/20/18	5.00	35.50	6,896.76	244,834.98
123	United Energy Trading, LLC	05/01/18	05/31/18	15.50	06/21/18	21.00	06/25/18	4.00	40.50	685,926.52	27,780,024.06
124											
125										78,313,692	3,092,040,776
126											
127											39.48

To Schedule 1, Line 3

**Atmos Energy Corporation-Kentucky
Payroll Lead Days
For the CWC Study Test Year Ended June 30, 2018**

ATO-CWC4

Line No.	Start Morning of 1st day of Pay Period (a)	End Evening of Last Day of Pay Period (b)	No. of Days (c)	Service Lag (d)	Date Paid (e)	Payment Lag (f)	Total Direct Payroll Lag (g)
1	07/01/17	07/14/17	14.00	7.00	07/21/17	7.00	14.00
2	07/15/17	07/28/17	14.00	7.00	08/04/17	7.00	14.00
3	07/29/17	08/11/17	14.00	7.00	08/18/17	7.00	14.00
4	08/12/17	08/25/17	14.00	7.00	09/01/17	7.00	14.00
5	08/26/17	09/08/17	14.00	7.00	09/15/17	7.00	14.00
6	09/09/17	09/22/17	14.00	7.00	09/29/17	7.00	14.00
7	09/23/17	10/06/17	14.00	7.00	10/13/17	7.00	14.00
8	10/07/17	10/20/17	14.00	7.00	10/27/17	7.00	14.00
9	10/21/17	11/03/17	14.00	7.00	11/10/17	7.00	14.00
10	11/04/17	11/17/17	14.00	7.00	11/24/17	7.00	14.00
11	11/18/17	12/01/17	14.00	7.00	12/08/17	7.00	14.00
12	12/02/17	12/15/17	14.00	7.00	12/22/17	7.00	14.00
13	12/16/17	12/29/17	14.00	7.00	01/05/18	7.00	14.00
14	12/30/17	01/12/18	14.00	7.00	01/19/18	7.00	14.00
15	01/13/18	01/26/18	14.00	7.00	02/02/18	7.00	14.00
16	01/27/18	02/09/18	14.00	7.00	02/16/18	7.00	14.00
17	02/10/18	02/23/18	14.00	7.00	03/02/18	7.00	14.00
18	02/24/18	03/09/18	14.00	7.00	03/16/18	7.00	14.00
19	03/10/18	03/23/18	14.00	7.00	03/30/18	7.00	14.00
20	03/24/18	04/06/18	14.00	7.00	04/13/18	7.00	14.00
21	04/07/18	04/20/18	14.00	7.00	04/27/18	7.00	14.00
22	04/21/18	05/04/18	14.00	7.00	05/11/18	7.00	14.00
23	05/05/18	05/18/18	14.00	7.00	05/25/18	7.00	14.00
24	05/19/18	06/01/18	14.00	7.00	06/08/18	7.00	14.00
25	06/02/18	06/15/18	14.00	7.00	06/22/18	7.00	14.00
26	06/16/18	06/29/18	14.00	7.00	07/06/18	7.00	14.00
27	06/30/18	07/13/18	14.00	7.00	07/20/18	7.00	14.00
28							
29	TOTAL PAYROLL DIRECT DEPOSIT WEIGHTED AVG EXPENSE LAG						14.00
30							
31	<u>ACTUAL CHECKS WRITTEN:</u>						
32	Date Paid (e)	# of Days (h)	Clearing from Pd Dt (i)	Payroll Checks Weighted Avg			
33							
34							
35	Same day 06/08/18	0	0.00%	0.00			
36	Next day 06/11/18	3	2.00%	0.06			
37	2 days 06/12/18	4	34.00%	1.36			
38	3-7 days 6/13/18-6/17/18	9	40.00%	3.60			
39	8-14 days 6/18/2018-6/24/18	16	16.00%	2.56			
40	> 2 weeks 06/25/18	23	8.00%	1.84			
41							
42	Total Payroll Check Lag				9.42		
43							
44	% of Payroll Checks				0.82%		
45							
46	WEIGHTED AVERAGE OF ACTUAL PAYROLL CHECKS				0.08		
47							
48	TOTAL PAYROLL LAG				14.08		
49							
50	Period: 05/18/18 to 06/01/18 Paydate 06/08/18						

ATO-CWC5

**Atmos Energy Corporation-Kentucky
Other O&M Payment Lag
For the CWC Study Test Year Ended June 30, 2018**

Line No.	Description	Weighted \$ Days
	<i>a</i>	<i>b</i>
1	Other O&M Payment Lag Days:	25.55
2		
3	Check Clearing Lag Days:	<u>2.78</u>
4		
5	Total O&M Payment Lag Days:	<u><u>28.33</u></u>

Atmos Energy Corporation-Kentucky
 Other O&M Payment and Check Clearing Lag
 For the CWC Study Test Year Ended June 30, 2018

Line No.	Vendor	Invoice Date	Invoice Amount	Division 009 Amount	Payment Type	Service Period From	Service Period To	Midpoint Service Date	Date Paid	Payment lag	Weighted Payment Lag	Date Cleared	Clearing Lag	Weighted Clearing Lag
		<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	$= i - (h \text{ or } b)$	<i>j</i>	$m = (j - i)$	$n = (m * d)$
1	AIRGAS USA LLC	2-Jun-17	60	60	CHECK	2-Jun-17	2-Jun-17	2-Jun-17	13-Dec-17	194	11,659	20-Dec-17	7	421
2	AIRGAS USA LLC	15-Jun-17	63	63	CHECK	15-Jun-17	15-Jun-17	15-Jun-17	10-Jul-17	25	1,585	18-Jul-17	8	507
3	AIRGAS USA LLC	4-Jun-18	98	98	CHECK	4-Jun-18	4-Jun-18	4-Jun-18	29-Jun-18	25	2,438	9-Jul-18	10	975
4	AIRGAS USA LLC	30-Jun-17	598	598	CHECK	1-Jun-17	30-Jun-17	15-Jun-17	26-Jul-17	41	24,530	1-Aug-17	6	3,590
5	AIRGAS USA LLC	31-Jul-17	24	24	CHECK	1-Jul-17	31-Jul-17	16-Jul-17	25-Aug-17	40	969	1-Sep-17	7	170
6	AIRGAS USA LLC	31-Aug-17	617	617	CHECK	1-Aug-17	31-Aug-17	16-Aug-17	25-Sep-17	40	24,670	3-Oct-17	8	4,934
7	AIRGAS USA LLC	31-Dec-17	679	679	CHECK	1-Dec-17	31-Dec-17	16-Dec-17	26-Jan-18	41	27,837	2-Feb-18	7	4,753
8	AIRGAS USA LLC	31-Jan-18	34	34	CHECK	1-Jan-18	31-Jan-18	16-Jan-18	26-Feb-18	41	1,412	6-Mar-18	8	276
9	ALEPRA KEN	7-Aug-17	3,680	3,680	CHECK	21-Dec-16	21-Dec-16	21-Dec-16	9-Aug-17	231	850,080	28-Aug-17	19	69,920
10	AMBERS CLEANING LLC	26-Jun-17	65	65	CHECK	25-Jun-17	25-Jun-17	25-Jun-17	21-Jul-17	26	1,690	1-Aug-17	11	715
11	AMBERS CLEANING LLC	3-Jul-17	65	65	CHECK	2-Jul-17	2-Jul-17	2-Jul-17	28-Jul-17	26	1,690	4-Aug-17	7	455
12	AMBERS CLEANING LLC	19-Sep-17	239	239	CHECK	19-Sep-17	19-Sep-17	19-Sep-17	16-Oct-17	27	6,457	24-Oct-17	8	1,913
13	AMBERS CLEANING LLC	12-Mar-18	985	985	CHECK	8-Mar-18	8-Mar-18	8-Mar-18	6-Apr-18	29	28,565	17-Apr-18	11	10,835
14	Anderson, Bernie G Jr	24-Jul-17	1,489	1,425	Direct Depo	19-Jun-17	10-Jul-17	29-Jun-17	26-Jul-17	27	38,480	26-Jul-17	0	-
15	Anderson, Bernie G Jr	28-Sep-17	2,224	2,224	Direct Depo	11-Aug-17	9-Oct-17	9-Sep-17	2-Oct-17	23	51,144	2-Oct-17	0	-
16	Arnold, Robert H Jr	17-May-18	2,083	1,934	Direct Depo	12-Feb-18	31-Mar-19	6-Sep-18	18-May-18	(111)	(214,671)	18-May-18	0	-
17	AT&T	1-Jul-17	133	133	CHECK	23-Jul-17	22-Aug-17	7-Aug-17	9-Aug-17	2	267	17-Aug-17	8	1,068
18	AT&T	26-Nov-17	186	186	CHECK	26-Nov-17	25-Dec-17	10-Dec-17	10-Jan-18	31	5,762	22-Jan-18	12	2,230
19	AT&T	26-Aug-17	154	154	CHECK	26-Aug-17	25-Sep-17	10-Sep-17	13-Sep-17	3	463	25-Sep-17	12	1,852
20	AT&T	26-Mar-18	589	589	CHECK	26-Mar-18	25-Apr-18	10-Apr-18	11-Apr-18	1	589	25-Apr-18	14	8,243
21	AT&T	26-Feb-18	263	263	CHECK	26-Feb-18	25-Mar-18	11-Mar-18	9-Mar-18	(3)	(788)	30-Mar-18	21	5,518
22	AT&T	26-May-18	1,202	1,202	CHECK	26-May-18	25-Jun-18	10-Jun-18	18-Jun-18	8	9,616	29-Jun-18	11	13,222
23	AT&T	26-Oct-17	1,103	1,103	CHECK	26-Oct-17	25-Nov-17	10-Nov-17	15-Nov-17	5	5,516	24-Nov-17	9	9,930
24	AT&T	26-Jul-17	154	154	CHECK	26-Jul-17	25-Aug-17	10-Aug-17	16-Aug-17	6	924	22-Aug-17	6	924
25	AT&T	26-Jun-17	411	411	CHECK	26-Jun-17	25-Jul-17	10-Jul-17	26-Jul-17	16	6,568	2-Aug-17	7	2,874
26	AT&T	26-Jul-17	378	378	CHECK	26-Jul-17	25-Aug-17	10-Aug-17	26-Jul-17	(15)	(5,668)	2-Aug-17	7	2,645
27	AT&T	20-May-18	112	112	CHECK	20-May-18	19-Jun-18	4-Jun-18	6-Jun-18	2	224	13-Jun-18	7	784
28	AT&T MOBILITY	27-May-18	19,793	11,359	CHECK	27-May-18	26-Jun-18	11-Jun-18	1-Jun-18	(10)	(113,592)	11-Jun-18	10	113,592
29	ATMOS ENERGY CORPORATION	16-May-18	77	77	CHECK	18-Apr-18	16-May-18	2-May-18	25-May-18	23	1,765	1-Jun-18	7	537
30	ATMOS ENERGY CORPORATION	21-Mar-18	186	186	CHECK	21-Feb-18	21-Mar-18	7-Mar-18	2-Apr-18	26	4,839	5-Apr-18	3	558
31	ATMOS ENERGY CORPORATION	3-Nov-17	24	24	CHECK	5-Oct-17	3-Nov-17	19-Oct-17	17-Nov-17	29	700	21-Nov-17	4	97
32	Austin, Timothy R (Ryan)	28-Mar-18	613	477	Direct Depo	11-Mar-18	23-Mar-18	17-Mar-18	4-Apr-18	18	8,594	4-Apr-18	0	-
33	Austin, Timothy R (Ryan)	23-Apr-18	388	331	Direct Depo	16-Apr-18	20-Apr-18	18-Apr-18	25-Apr-18	7	2,320	25-Apr-18	0	-
34	AUTOMOTIVE RESOURCES INTERNAT	5-Dec-17	458,617	34,759	Direct Depo	1-Nov-17	30-Nov-17	15-Nov-17	6-Dec-17	21	729,936	6-Dec-17	0	-
35	BANK OF AMERICA	16-Jan-18	819	45	EFT	7-Dec-17	9-Jan-18	23-Dec-17	30-Jan-18	38	1,698	30-Jan-18	0	-
36	BANK OF AMERICA	16-Oct-17	901	50	EFT	6-Sep-17	6-Sep-17	6-Sep-17	30-Oct-17	54	2,708	30-Oct-17	0	-
37	BANK OF AMERICA	16-Dec-17	2,888	1,552	EFT	21-Nov-17	14-Dec-17	2-Dec-17	29-Dec-17	27	41,894	29-Dec-17	0	-
38	BANK OF AMERICA	16-Apr-18	12	12	EFT	6-Apr-18	6-Apr-18	6-Apr-18	30-Apr-18	24	294	30-Apr-18	0	-
39	BANK OF AMERICA	16-May-18	13	13	EFT	27-Apr-18	3-May-18	30-Apr-18	30-May-18	30	379	30-May-18	0	-
40	BANK OF AMERICA	16-Apr-18	181	181	EFT	21-Mar-18	11-Apr-18	31-Mar-18	30-Apr-18	30	5,441	30-Apr-18	0	-
41	BANK OF AMERICA	16-Jun-18	152	44	EFT	22-May-18	7-Jun-18	30-May-18	29-Jun-18	30	1,321	29-Jun-18	0	-
42	BANK OF AMERICA	16-Mar-18	32	26	EFT	16-Feb-18	14-Mar-18	1-Mar-18	16-Mar-18	15	397	16-Mar-18	0	-
43	BANK OF AMERICA	16-Nov-17	169	47	EFT	17-Oct-17	7-Nov-17	27-Oct-17	30-Nov-17	34	1,585	30-Nov-17	0	-
44	BANK OF AMERICA	16-Dec-17	373	373	EFT	15-Nov-17	13-Dec-17	29-Nov-17	29-Dec-17	30	11,189	29-Dec-17	0	-
45	BANK OF AMERICA	16-Feb-18	1,649	1,649	EFT	15-Jan-18	15-Feb-18	30-Jan-18	28-Feb-18	29	47,830	28-Feb-18	0	-
46	BANK OF AMERICA	16-Oct-17	1,611	1,611	EFT	14-Sep-17	13-Oct-17	28-Sep-17	30-Oct-17	32	51,561	30-Oct-17	0	-
47	BANK OF AMERICA	16-Mar-18	197	197	EFT	7-Mar-18	7-Mar-18	7-Mar-18	16-Mar-18	9	1,774	16-Mar-18	0	-
48	BANK OF AMERICA	16-Apr-18	315	315	EFT	7-Mar-18	12-Apr-18	25-Mar-18	30-Apr-18	36	11,338	30-Apr-18	0	-
49	BANK OF AMERICA	16-Feb-18	37	37	EFT	16-Jan-18	16-Jan-18	16-Jan-18	28-Feb-18	43	1,595	28-Feb-18	0	-
50	BANK OF AMERICA	16-Mar-18	29	29	EFT	1-Mar-18	11-Mar-18	6-Mar-18	16-Mar-18	10	289	16-Mar-18	0	-
51	BANK OF AMERICA	16-Nov-17	12	12	EFT	26-Oct-17	26-Oct-17	26-Oct-17	30-Nov-17	35	421	30-Nov-17	0	-
52	BANK OF AMERICA	16-May-18	113	113	EFT	27-Apr-18	30-Apr-18	28-Apr-18	30-May-18	32	3,607	30-May-18	0	-
53	BANK OF AMERICA	16-Nov-17	284	130	EFT	25-Oct-17	15-Nov-17	4-Nov-17	30-Nov-17	26	3,387	30-Nov-17	0	-

**Atmos Energy Corporation-Kentucky
Other O&M Payment and Check Clearing Lag
For the CWC Study Test Year Ended June 30, 2018**

Line No.	Vendor	Invoice Date	Invoice Amount	Division 009 Amount	Payment Type	Service Period From	Service Period To	Midpoint Service Service	Date Paid	Payment lag	Weighted Payment Lag	Date Cleared	Clearing Lag	Weighted Clearing Lag
54	BANK OF AMERICA	16-Dec-17	95	95	EFT	22-Nov-17	11-Dec-17	1-Dec-17	29-Dec-17	28	2,668	29-Dec-17	0	-
55	BANK OF AMERICA	16-Nov-17	682	682	EFT	24-Oct-17	8-Nov-17	31-Oct-17	30-Nov-17	30	20,470	30-Nov-17	0	-
56	BANK OF AMERICA	16-May-18	14	14	EFT	1-May-18	1-May-18	1-May-18	30-May-18	29	399	30-May-18	0	-
57	BANK OF AMERICA	16-Jan-18	203	203	EFT	4-Jan-18	4-Jan-18	4-Jan-18	30-Jan-18	26	5,267	30-Jan-18	0	-
58	BANK OF AMERICA	16-Aug-17	173	173	EFT	15-Jul-17	1-Aug-17	23-Jul-17	28-Aug-17	36	6,226	28-Aug-17	0	-
59	BANK OF AMERICA	16-Jan-18	114	114	EFT	18-Dec-17	20-Dec-17	19-Dec-17	30-Jan-18	42	4,780	30-Jan-18	0	-
60	BANK OF AMERICA	16-Jun-18	74	22	EFT	25-May-18	6-Jun-18	31-May-18	29-Jun-18	29	630	29-Jun-18	0	-
61	BANK OF AMERICA	16-Mar-18	28	28	EFT	22-Feb-18	22-Feb-18	22-Feb-18	16-Mar-18	22	627	16-Mar-18	0	-
62	BANK OF AMERICA	16-Jul-17	11	11	EFT	10-Jul-17	10-Jul-17	10-Jul-17	28-Jul-17	18	191	28-Jul-17	0	-
63	BANK OF AMERICA	16-Oct-17	286	180	EFT	20-Sep-17	27-Sep-17	23-Sep-17	30-Oct-17	37	6,647	30-Oct-17	0	-
64	BANK OF AMERICA	16-Nov-17	1,004	127	EFT	18-Oct-17	24-Oct-17	21-Oct-17	30-Nov-17	40	5,088	30-Nov-17	0	-
65	BANK OF AMERICA	16-Apr-18	201	201	EFT	22-Mar-18	10-Apr-18	31-Mar-18	30-Apr-18	30	6,039	30-Apr-18	0	-
66	BANK OF AMERICA	16-Mar-18	104	36	EFT	27-Feb-18	8-Mar-18	3-Mar-18	16-Mar-18	13	464	16-Mar-18	0	-
67	BANK OF AMERICA	16-May-18	750	750	EFT	11-Apr-18	10-May-18	25-Apr-18	30-May-18	35	26,254	30-May-18	0	-
68	BANK OF AMERICA	16-Jan-18	123	123	EFT	19-Dec-17	8-Jan-18	29-Dec-17	30-Jan-18	32	3,930	30-Jan-18	0	-
69	BANK OF AMERICA	16-Mar-18	188	188	EFT	21-Feb-18	8-Mar-18	28-Feb-18	16-Mar-18	16	3,004	16-Mar-18	0	-
70	BANK OF AMERICA	16-Jan-18	26	26	EFT	22-Dec-17	22-Dec-17	22-Dec-17	30-Jan-18	39	1,028	30-Jan-18	0	-
71	BANK OF AMERICA	16-Mar-18	231	231	EFT	16-Feb-18	1-Mar-18	22-Feb-18	16-Mar-18	22	5,089	16-Mar-18	0	-
72	BANK OF AMERICA	16-Jun-18	191	191	EFT	21-May-18	22-May-18	21-May-18	29-Jun-18	39	7,448	29-Jun-18	0	-
73	BANK OF AMERICA	16-Jan-18	78	78	EFT	20-Dec-17	12-Jan-18	31-Dec-17	30-Jan-18	30	2,346	30-Jan-18	0	-
74	BANK OF AMERICA	16-Sep-17	24	24	EFT	21-Aug-17	21-Aug-17	21-Aug-17	28-Sep-17	38	925	28-Sep-17	0	-
75	BANK OF AMERICA	16-Jan-18	20	20	EFT	3-Jan-18	3-Jan-18	3-Jan-18	30-Jan-18	27	540	30-Jan-18	0	-
76	BANK OF AMERICA	16-Jan-18	142	142	EFT	18-Dec-17	13-Jan-18	31-Dec-17	30-Jan-18	30	4,263	30-Jan-18	0	-
77	BANK OF AMERICA	16-Jul-17	109	19	EFT	6-Jul-17	12-Jul-17	9-Jul-17	28-Jul-17	19	362	28-Jul-17	0	-
78	BANK OF AMERICA	16-Mar-18	241	241	EFT	16-Feb-18	7-Mar-18	25-Feb-18	16-Mar-18	19	4,576	16-Mar-18	0	-
79	BANK OF AMERICA	16-Mar-18	1,532	1,532	EFT	14-Feb-18	6-Apr-18	11-Mar-18	16-Mar-18	5	7,658	16-Mar-18	0	-
80	BANK OF AMERICA	16-Mar-18	53	53	EFT	20-Feb-18	1-Mar-18	24-Feb-18	16-Mar-18	20	1,066	16-Mar-18	0	-
81	BANK OF AMERICA	16-Apr-18	889	529	EFT	15-Mar-18	5-Apr-18	25-Mar-18	30-Apr-18	36	19,032	30-Apr-18	0	-
82	BANK OF AMERICA	16-Feb-18	627	311	EFT	15-Jan-18	9-Feb-18	27-Jan-18	28-Feb-18	32	9,946	28-Feb-18	0	-
83	BANK OF AMERICA	16-Feb-18	1,650	1,383	EFT	24-Jan-18	15-Feb-18	4-Feb-18	28-Feb-18	24	33,198	28-Feb-18	0	-
84	BANK OF AMERICA	16-Jun-18	1,663	1,308	EFT	22-May-18	14-Jun-18	2-Jun-18	29-Jun-18	27	35,307	29-Jun-18	0	-
85	BANK OF AMERICA	16-Sep-17	1,064	1,064	EFT	15-Aug-17	14-Sep-17	30-Aug-17	28-Sep-17	29	30,861	28-Sep-17	0	-
86	BANK OF AMERICA	16-Dec-17	535	307	EFT	17-Nov-17	7-Dec-17	27-Nov-17	29-Dec-17	32	9,836	29-Dec-17	0	-
87	BANK OF AMERICA	16-Jun-18	258	258	EFT	23-May-18	8-Jun-18	31-May-18	29-Jun-18	29	7,494	29-Jun-18	0	-
88	BANK OF AMERICA	16-Mar-18	320	190	EFT	19-Feb-18	14-Mar-18	2-Mar-18	16-Mar-18	14	2,665	16-Mar-18	0	-
89	BANK OF AMERICA	16-May-18	27	27	EFT	20-Apr-18	20-Apr-18	20-Apr-18	30-May-18	40	1,068	30-May-18	0	-
90	BANK OF AMERICA	16-Oct-17	24	24	EFT	15-Sep-17	15-Sep-17	15-Sep-17	30-Oct-17	45	1,073	30-Oct-17	0	-
91	BANK OF AMERICA	16-Jan-18	218	218	EFT	4-Jan-18	15-Jan-18	9-Jan-18	30-Jan-18	21	4,570	30-Jan-18	0	-
92	BANK OF AMERICA	16-Sep-17	428	265	EFT	30-Aug-17	22-Sep-17	10-Sep-17	28-Sep-17	18	4,764	28-Sep-17	0	-
93	BANK OF AMERICA	16-Dec-17	256	256	EFT	1-Dec-17	13-Dec-17	7-Dec-17	29-Dec-17	22	5,634	29-Dec-17	0	-
94	BANK OF AMERICA	16-Dec-17	25	25	EFT	26-Nov-17	26-Nov-17	26-Nov-17	29-Dec-17	33	825	29-Dec-17	0	-
95	BANK OF AMERICA	16-May-18	118	118	EFT	24-Apr-18	3-May-18	28-Apr-18	30-May-18	32	3,766	30-May-18	0	-
96	BANK OF AMERICA	16-Feb-18	74	74	EFT	17-Jan-18	5-Feb-18	26-Jan-18	28-Feb-18	33	2,457	28-Feb-18	0	-
97	BANK OF AMERICA	16-Feb-18	29	29	EFT	5-Feb-18	6-Feb-18	5-Feb-18	28-Feb-18	23	675	28-Feb-18	0	-
98	BANK OF AMERICA	16-Feb-18	2,493	51	EFT	18-Jan-18	1-Feb-18	25-Jan-18	28-Feb-18	34	1,729	28-Feb-18	0	-
99	BANK OF AMERICA	16-Mar-18	227	144	EFT	15-Feb-18	27-Feb-18	21-Feb-18	16-Mar-18	23	3,315	16-Mar-18	0	-
100	BANK OF AMERICA	16-Feb-18	108	35	EFT	17-Jan-18	6-Feb-18	27-Jan-18	28-Feb-18	32	1,107	28-Feb-18	0	-
101	BANK OF AMERICA	16-Aug-17	183	130	EFT	13-Jul-17	25-Jul-17	19-Jul-17	28-Aug-17	40	5,188	28-Aug-17	0	-
102	BANK OF AMERICA	16-Mar-18	356	356	EFT	26-Feb-18	12-Mar-18	5-Mar-18	16-Mar-18	11	3,914	16-Mar-18	0	-
103	BANK OF AMERICA	16-Mar-18	168	168	EFT	20-Feb-18	28-Feb-18	24-Feb-18	16-Mar-18	20	3,364	16-Mar-18	0	-
104	BANK OF AMERICA	16-Nov-17	51	51	EFT	1-Nov-17	1-Nov-17	1-Nov-17	30-Nov-17	29	1,477	30-Nov-17	0	-
105	BANK OF AMERICA	16-Sep-17	75	75	EFT	16-Aug-17	31-Aug-17	23-Aug-17	28-Sep-17	36	2,694	28-Sep-17	0	-
106	BANK OF AMERICA	16-Jan-18	62	62	EFT	2-Jan-18	4-Jan-18	3-Jan-18	30-Jan-18	27	1,661	30-Jan-18	0	-
107	BANK OF AMERICA	16-Mar-18	167	167	EFT	28-Feb-18	31-Mar-18	15-Mar-18	16-Mar-18	1	167	16-Mar-18	0	-

**Atmos Energy Corporation-Kentucky
Other O&M Payment and Check Clearing Lag
For the CWC Study Test Year Ended June 30, 2018**

Line No.	Vendor	Invoice Date	Invoice Amount	Division 009 Amount	Payment Type	Service Period From	Service Period To	Midpoint Service Date	Date Paid	Payment lag	Weighted Payment Lag	Date Cleared	Clearing Lag	Weighted Clearing Lag
108	BANK OF AMERICA	16-Oct-17	27	27	EFT	1-Oct-17	31-Oct-17	16-Oct-17	30-Oct-17	14	377	30-Oct-17	0	-
109	BANK OF AMERICA	16-Aug-17	79	79	EFT	9-Aug-17	10-Aug-17	9-Aug-17	28-Aug-17	19	1,495	28-Aug-17	0	-
110	BANK OF AMERICA	16-Sep-17	199	199	EFT	22-Aug-17	5-Sep-17	29-Aug-17	28-Sep-17	30	5,955	28-Sep-17	0	-
111	Beeny, Robert A (Alan)	16-Jun-18	75	75	Direct Depo	10-Jun-18	10-Jun-18	10-Jun-18	19-Jun-18	9	675	19-Jun-18	0	-
112	Benningfield, Katherine B (Kathy)	29-Nov-17	78	78	Direct Depo	27-Nov-17	27-Nov-17	27-Nov-17	1-Dec-17	4	312	1-Dec-17	0	-
113	Benningfield, Katherine B (Kathy)	11-May-18	537	486	Direct Depo	25-Apr-18	9-May-18	2-May-18	15-May-18	13	6,322	15-May-18	0	-
114	Benningfield, Katherine B (Kathy)	15-Jun-18	495	495	Direct Depo	12-Jun-18	12-Jun-18	12-Jun-18	19-Jun-18	7	3,468	19-Jun-18	0	-
115	Bittel, Stephen J (Steve)	21-May-18	715	681	Direct Depo	2-May-18	17-May-18	9-May-18	22-May-18	13	8,848	22-May-18	0	-
116	Blackburn, Jack B (Jack)	13-Nov-17	243	243	Direct Depo	27-Sep-17	3-Nov-17	15-Oct-17	16-Nov-17	32	7,776	16-Nov-17	0	-
117	BLUE GRASS ENERGY	7-Dec-17	52	52	CHECK	31-Oct-17	1-Dec-17	15-Nov-17	2-Jan-18	48	2,508	9-Jan-18	7	366
118	BOLES DWIGHT AND CARRIE	19-Mar-18	200	200	CHECK	19-Mar-18	17-Apr-18	2-Apr-18	27-Mar-18	(7)	(1,400)	6-Apr-18	10	2,000
119	Bonner, Donald W	6-Mar-18	122	122	Direct Depo	13-Feb-18	5-Mar-18	23-Feb-18	8-Mar-18	13	1,584	8-Mar-18	0	-
120	Bonner, Donald W	28-Mar-18	769	769	Direct Depo	19-Mar-18	27-Mar-18	23-Mar-18	2-Apr-18	10	7,692	2-Apr-18	0	-
121	BOWLING GREEN MUNICIPAL UTILITIE	8-Nov-17	39	39	CHECK	11-Oct-17	8-Nov-17	25-Oct-17	1-Dec-17	37	1,446	12-Dec-17	11	430
122	Brittain, Chad A	7-Nov-17	193	193	Direct Depo	2-Nov-17	2-Nov-17	2-Nov-17	10-Nov-17	8	1,541	10-Nov-17	0	-
123	Brown, Sean R	5-Feb-18	797	791	Direct Depo	29-Jan-18	2-Feb-18	31-Jan-18	8-Feb-18	8	6,328	8-Feb-18	0	-
124	Brown, Sean R	16-Mar-18	266	230	Direct Depo	4-Mar-18	15-Mar-18	9-Mar-18	20-Mar-18	11	2,533	20-Mar-18	0	-
125	Buchanan, Rebecca M	10-Apr-18	2,150	228	Direct Depo	9-Nov-17	20-Dec-17	29-Nov-17	18-Apr-18	140	31,899	18-Apr-18	0	-
126	BUSHELS AND BLOOMS LLC	23-May-18	1,000	1,000	CHECK	21-Feb-18	21-Feb-18	21-Feb-18	18-Jun-18	117	117,000	2-Jul-18	14	14,000
127	CANTEEN REFRESHMENT SERVICES	2-Feb-18	48	48	Direct Depo	2-Feb-18	2-Feb-18	2-Feb-18	27-Feb-18	25	1,200	27-Feb-18	0	-
128	CANTEEN REFRESHMENT SERVICES C	28-Mar-18	35	35	CHECK	28-Mar-18	28-Mar-18	28-Mar-18	14-May-18	47	1,645	21-May-18	7	245
129	CARDINAL TRACKING INC	21-Nov-17	135	144	Direct Depo	21-Nov-17	21-Nov-17	21-Nov-17	28-Dec-17	37	5,314	28-Dec-17	0	-
130	CCATT LLC	1-Jul-17	586	586	Direct Depo	1-Jul-17	31-Jul-17	16-Jul-17	25-Jul-17	9	5,278	25-Jul-17	0	-
131	CCATT LLC	1-Mar-18	589	589	Direct Depo	1-Mar-18	31-Mar-18	16-Mar-18	26-Mar-18	10	5,894	26-Mar-18	0	-
132	CENTURYLINK	13-Nov-17	19	19	CHECK	13-Nov-17	12-Dec-17	27-Nov-17	4-Dec-17	7	133	12-Dec-17	8	152
133	CHAMBER OF COMMERCE	1-Aug-17	300	300	CHECK	1-Aug-17	31-Jul-18	30-Jan-18	7-Aug-17	(176)	(52,800)	17-Aug-17	10	3,000
134	CHAMBER OF COMMERCE	24-May-18	1,284	1,284	CHECK	24-May-18	24-May-18	24-May-18	11-Jun-18	18	23,113	19-Jun-18	8	10,273
135	CHAMBER OF COMMERCE	1-Dec-17	305	305	CHECK	1-Dec-17	30-Nov-18	1-Jun-18	18-Dec-17	(165)	(50,325)	2-Jan-18	15	4,575
136	Christian, Joe T	16-Apr-18	2,918	1,397	Direct Depo	20-Mar-18	24-Apr-18	6-Apr-18	17-Apr-18	11	15,363	17-Apr-18	0	-
137	CITY OF DANVILLE	24-Aug-17	7	7	CHECK	13-Jun-17	24-Aug-17	19-Jul-17	8-Sep-17	51	343	18-Sep-17	10	67
138	CITY OF DANVILLE	24-Aug-17	101	50	CHECK	13-Jun-17	24-Aug-17	19-Jul-17	5-Sep-17	48	2,419	14-Sep-17	9	454
139	CITY OF OWENSBORO	15-Sep-17	929	929	CHECK	16-Aug-17	15-Sep-17	31-Aug-17	2-Oct-17	32	29,730	11-Oct-17	9	8,362
140	CLEAN GREEN PORTA POTTIES LLC	7-Aug-17	117	117	CHECK	11-Jun-17	8-Jul-17	24-Jun-17	5-Sep-17	73	8,512	21-Sep-17	16	1,866
141	Coleman, McKinley W	30-Jan-18	22	22	CHECK	29-Jan-18	29-Jan-18	29-Jan-18	2-Feb-18	4	88	13-Feb-18	11	243
142	Coleman, Michael D (Mike)	23-Mar-18	357	105	Direct Depo	23-Feb-18	15-Mar-18	5-Mar-18	27-Mar-18	22	2,303	27-Mar-18	0	-
143	Cook, Robert R	2-Aug-17	256	256	Direct Depo	25-Jul-17	27-Jul-17	26-Jul-17	4-Aug-17	9	2,304	4-Aug-17	0	-
144	CORPORATE COMMUNICATIONS CEN	31-Jan-18	395	395	Direct Depo	1-Jan-18	31-Jan-18	16-Jan-18	26-Feb-18	41	16,195	26-Feb-18	0	-
145	CROWN CASTLE SOUTH LLC	1-Sep-17	589	589	CHECK	1-Sep-17	30-Sep-17	15-Sep-17	25-Sep-17	10	5,894	2-Oct-17	7	4,126
146	CROWN CASTLE SOUTH LLC	1-Apr-18	775	775	Direct Depo	1-Apr-18	30-Apr-18	15-Apr-18	25-Apr-18	10	7,750	25-Apr-18	0	-
147	CSX TRANSPORTATION INC	22-Mar-18	87	87	Direct Depo	11-May-18	10-May-19	9-Nov-18	16-Apr-18	(207)	(18,009)	16-Apr-18	0	-
148	D AND S CONCRETE SERVICE LLC	22-Jul-17	5,000	5,000	CHECK	22-Jul-17	22-Jul-17	22-Jul-17	16-Aug-17	25	125,000	23-Aug-17	7	35,000
149	Densman, Josh C	16-Jan-18	2,447	381	Direct Depo	3-Jan-18	25-Jan-18	14-Jan-18	17-Jan-18	3	1,144	17-Jan-18	0	-
150	DITCH WITCH OF OHIO W PA AND W N	24-Jul-17	144	144	CHECK	24-Jul-17	24-Jul-17	24-Jul-17	18-Oct-17	86	12,355	31-Oct-17	13	1,868
151	DRISKILLS QUALITY CLEANING	4-Sep-17	150	150	CHECK	4-Aug-17	25-Aug-17	14-Aug-17	29-Sep-17	46	6,900	10-Oct-17	11	1,650
152	DUFF AND PHELPS LLC	12-Sep-17	80,000	80,000	CHECK	24-Aug-17	24-Sep-18	10-Mar-18	9-Oct-17	(152)	(12,160,000)	16-Oct-17	7	560,000
153	EF TECHNOLOGIES INC	19-Oct-17	1,224	1,297	CHECK	18-Oct-17	18-Oct-17	18-Oct-17	2-Jan-18	76	98,570	10-Jan-18	8	10,376
154	EF TECHNOLOGIES INC	19-Apr-18	635	673	CHECK	18-Apr-18	18-Apr-18	18-Apr-18	14-May-18	26	17,501	23-May-18	9	6,058
155	EGW UTILITIES INC	24-Oct-17	836	836	Direct Depo	24-Oct-17	24-Oct-17	24-Oct-17	20-Nov-17	27	22,567	20-Nov-17	0	-
156	EGW UTILITIES INC	11-Apr-18	303	303	Direct Depo	11-Apr-18	11-Apr-18	11-Apr-18	7-May-18	26	7,882	7-May-18	0	-
157	EGW UTILITIES INC	13-Apr-18	4,491	1,491	Direct Depo	13-Apr-18	13-Apr-18	13-Apr-18	21-May-18	38	56,660	21-May-18	0	-
158	ELEMENT FLEET	13-Oct-17	2,380,583	70,494	Direct Depo	1-Sep-17	30-Sep-17	15-Sep-17	16-Oct-17	28	1,941,407	16-Oct-17	0	-
159	FARMERS RURAL ELECTRIC COOPER	20-Apr-18	26	26	CHECK	20-Mar-18	17-Apr-18	3-Apr-18	27-Apr-18	24	622	27-Apr-18	10	259
160	FARMERS RURAL ELECTRIC COOPER	20-Jun-18	27	27	CHECK	18-May-18	19-Jun-18	3-Jun-18	29-Jun-18	26	705	6-Jul-18	7	190
161	FIERS HEATING AND COOLING	19-Feb-18	398	398	CHECK	2-Feb-18	2-Feb-18	2-Feb-18	28-Feb-18	26	10,360	19-Mar-18	19	7,571

**Atmos Energy Corporation-Kentucky
Other O&M Payment and Check Clearing Lag
For the CWC Study Test Year Ended June 30, 2018**

Line No.	Vendor	Invoice Date	Invoice Amount	Division 009 Amount	Payment Type	Service Period From	Service Period To	Midpoint Service Date	Date Paid	Payment lag	Weighted Payment Lag	Date Cleared	Clearing Lag	Weighted Clearing Lag
162	Flick, Robert K	25-Oct-17	69	69	Direct Depo	20-Oct-17	24-Oct-17	22-Oct-17	30-Oct-17	8	552	30-Oct-17	0	-
163	FRANKLIN ELECTRIC PLANT BOARD	19-Jun-17	33	33	CHECK	15-May-17	19-Jun-17	1-Jun-17	7-Jul-17	36	1,204	14-Jul-17	7	234
164	FRANKLIN ELECTRIC PLANT BOARD	27-Sep-17	74	74	CHECK	22-Aug-17	27-Sep-17	9-Sep-17	16-Oct-17	37	2,737	24-Oct-17	8	592
165	Gillham, Laura K	28-Mar-18	96	96	Direct Depo	20-Mar-18	23-Mar-18	21-Mar-18	4-Apr-18	14	1,344	4-Apr-18	0	-
166	GLASGOW ELECTRIC PLANT BOARD	1-Mar-18	51	51	CHECK	1-Feb-18	1-Mar-18	15-Feb-18	16-Mar-18	29	1,477	26-Mar-18	10	509
167	GLASGOW WATER COMPANY	26-Apr-18	9	9	CHECK	30-Mar-18	26-Apr-18	12-Apr-18	23-May-18	41	377	31-May-18	8	74
168	GO RECYCLING	1-Jan-18	360	360	CHECK	1-Jan-18	31-Mar-18	14-Feb-18	3-Jan-18	(43)	(15,480)	11-Jan-18	8	2,880
169	GREEN RIVER RENTALS INC	5-Mar-18	205	205	CHECK	11-Jan-18	11-Jan-18	11-Jan-18	29-Mar-18	77	15,813	5-Apr-18	7	1,438
170	Hamilton, Gary L	1-Sep-17	478	427	Direct Depo	11-Aug-17	24-Aug-17	17-Aug-17	5-Sep-17	19	8,122	5-Sep-17	0	-
171	HARRIS MCBURNEY COMPANY INC	1-Jul-17	307	307	Direct Depo	25-Jun-17	1-Jul-17	28-Jun-17	26-Jul-17	28	8,599	26-Jul-17	0	-
172	HARRIS MCBURNEY COMPANY INC	8-Jul-17	855	855	Direct Depo	2-Jul-17	8-Jul-17	5-Jul-17	2-Aug-17	28	23,950	2-Aug-17	0	-
173	HARRIS MCBURNEY COMPANY INC	5-Aug-17	853	853	Direct Depo	30-Jul-17	5-Aug-17	2-Aug-17	30-Aug-17	28	23,876	30-Aug-17	0	-
174	HARRIS MCBURNEY COMPANY INC	18-Aug-17	1,521	1,521	Direct Depo	13-Aug-17	19-Aug-17	16-Aug-17	12-Sep-17	27	41,057	12-Sep-17	0	-
175	HARRIS MCBURNEY COMPANY INC	2-Sep-17	415	415	Direct Depo	27-Aug-17	2-Sep-17	30-Aug-17	27-Sep-17	28	11,630	27-Sep-17	0	-
176	HARRIS MCBURNEY COMPANY INC	16-Sep-17	8,185	8,185	Direct Depo	10-Sep-17	16-Sep-17	13-Sep-17	11-Oct-17	28	229,177	11-Oct-17	0	-
177	HARRIS MCBURNEY COMPANY INC	23-Sep-17	8,488	8,488	Direct Depo	17-Sep-17	23-Sep-17	20-Sep-17	18-Oct-17	28	237,653	18-Oct-17	0	-
178	HARRIS MCBURNEY COMPANY INC	7-Oct-17	1,190	1,190	Direct Depo	1-Oct-17	7-Oct-17	4-Oct-17	1-Nov-17	28	33,313	1-Nov-17	0	-
179	HARRIS MCBURNEY COMPANY INC	4-Nov-17	3,986	3,986	Direct Depo	29-Oct-17	4-Nov-17	1-Nov-17	29-Nov-17	28	111,619	29-Nov-17	0	-
180	HARRIS MCBURNEY COMPANY INC	11-Nov-17	1,325	1,325	Direct Depo	5-Nov-17	11-Nov-17	8-Nov-17	6-Dec-17	28	37,108	6-Dec-17	0	-
181	HARRIS MCBURNEY COMPANY INC	16-Dec-17	3,051	3,051	Direct Depo	10-Dec-17	16-Dec-17	13-Dec-17	10-Jan-18	28	85,427	10-Jan-18	0	-
182	HARRIS MCBURNEY COMPANY INC	5-May-18	7,085	7,085	Direct Depo	29-Apr-18	5-May-18	2-May-18	30-May-18	28	198,374	30-May-18	0	-
183	HARRIS MCBURNEY COMPANY INC	20-May-18	2,258	2,258	Direct Depo	20-May-18	26-May-18	23-May-18	25-Jun-18	33	74,510	25-Jun-18	0	-
184	HEATH CONSULTANTS INC	2-Sep-17	3,211	3,211	Direct Depo	27-Aug-17	2-Sep-17	30-Aug-17	20-Sep-17	21	67,431	20-Sep-17	0	-
185	HEATH CONSULTANTS INC	2-Sep-17	828	828	Direct Depo	27-Aug-17	2-Sep-17	30-Aug-17	20-Sep-17	21	17,390	20-Sep-17	0	-
186	HEATH CONSULTANTS INC	16-Sep-17	1,200	1,200	Direct Depo	10-Sep-17	16-Sep-17	13-Sep-17	29-Sep-17	16	19,198	29-Sep-17	0	-
187	HEATH CONSULTANTS INC	2-Jun-18	135,977	132,513	Direct Depo	1-May-18	31-May-18	16-May-18	13-Jun-18	28	3,710,361	13-Jun-18	0	-
188	HEATH CONSULTANTS INC	27-May-17	3,498	3,498	Direct Depo	1-May-17	9-May-17	5-May-17	18-Jul-17	74	258,874	18-Jul-17	0	-
189	HEATH CONSULTANTS INC	1-Jul-17	2,383	2,383	Direct Depo	25-Jun-17	1-Jul-17	28-Jun-17	19-Jul-17	21	50,041	19-Jul-17	0	-
190	HEATH CONSULTANTS INC	12-Aug-17	3,448	3,448	Direct Depo	6-Aug-17	12-Aug-17	9-Aug-17	30-Aug-17	21	72,400	30-Aug-17	0	-
191	HEATH CONSULTANTS INC	12-Aug-17	2,180	2,180	Direct Depo	6-Aug-17	12-Aug-17	9-Aug-17	25-Aug-17	16	34,882	25-Aug-17	0	-
192	Henderson, Joanne M	15-Nov-17	799	19	Direct Depo	26-Oct-17	9-Nov-17	2-Nov-17	17-Nov-17	15	281	17-Nov-17	0	-
193	HENDRICKSON USA	9-Jan-18	2,363	24	CHECK	1-Jan-15	31-Dec-16	1-Jan-16	10-Jan-18	740	17,494	5-Feb-18	26	615
194	HOME BUILDERS ASSOCIATION OF OV	1-Nov-17	1,000	1,060	CHECK	1-Nov-17	1-Nov-17	1-Nov-17	6-Nov-17	5	5,300	1-Dec-17	25	26,500
195	HOPKINSVILLE ELECTRIC SYSTEM	19-Mar-18	422	422	CHECK	18-Feb-18	19-Mar-18	4-Mar-18	13-Apr-18	40	16,891	26-Apr-18	13	5,490
196	HOPKINSVILLE ELECTRIC SYSTEM	18-Oct-17	485	485	CHECK	19-Sep-17	18-Oct-17	3-Oct-17	17-Nov-17	45	21,812	30-Nov-17	13	6,301
197	HOPKINSVILLE WATER ENVIROMENT /	31-Mar-18	6	6	CHECK	1-Mar-18	31-Mar-18	16-Mar-18	2-Apr-18	17	102	10-Apr-18	8	48
198	HOPKINSVILLE WATER ENVIROMENT /	30-May-18	6	6	CHECK	1-May-18	31-May-18	16-May-18	1-Jun-18	16	96	11-Jun-18	10	60
199	Hudson, Sidney W (Sid)	31-Jan-18	3,819	157	Direct Depo	14-Dec-17	30-Jan-18	6-Jan-18	2-Feb-18	27	4,252	2-Feb-18	0	-
200	INDUSTRIAL PARK DISTRIBUTORS	2-Jan-18	67	71	CHECK	2-Jan-18	2-Jan-18	2-Jan-18	29-Jan-18	27	1,917	9-Feb-18	11	781
201	INFOSOURCE	1-Jul-17	75	75	CHECK	1-Jul-17	1-Jul-17	1-Jul-17	7-Jul-17	6	450	1-Aug-17	25	1,875
202	INSTRUMENT AND VALVE SERVICES C	22-Nov-17	444	471	Direct Depo	22-Nov-17	22-Nov-17	22-Nov-17	18-Dec-17	26	12,243	18-Dec-17	0	-
203	INTER COUNTY ENERGY	27-Apr-18	19	19	CHECK	10-Mar-18	10-Apr-18	25-Mar-18	4-May-18	40	768	11-May-18	7	134
204	INTER COUNTY ENERGY	19-Oct-17	13	13	CHECK	1-Sep-17	1-Oct-17	16-Sep-17	27-Oct-17	41	534	7-Nov-17	11	143
205	INTER COUNTY ENERGY	19-Nov-17	24	24	CHECK	1-Oct-17	1-Nov-17	16-Oct-17	1-Dec-17	46	1,112	13-Dec-17	12	290
206	INTER COUNTY ENERGY	19-Dec-17	24	24	CHECK	1-Nov-17	1-Dec-17	16-Nov-17	2-Jan-18	47	1,116	10-Jan-18	8	190
207	INTER COUNTY ENERGY	27-Sep-17	12	12	CHECK	10-Aug-17	10-Sep-17	25-Aug-17	16-Oct-17	52	603	25-Oct-17	9	104
208	JACKSON PURCHASE ENERGY CORPC	28-Feb-18	29	29	CHECK	23-Jan-18	19-Feb-18	5-Feb-18	12-Mar-18	35	1,021	20-Mar-18	8	233
209	JACKSON PURCHASE ENERGY CORPC	28-Jul-17	28	28	CHECK	21-Jun-17	24-Jul-17	7-Jul-17	14-Aug-17	38	1,068	23-Aug-17	9	253
210	JACKSON PURCHASE ENERGY CORPC	28-Jul-17	25	25	CHECK	21-Jun-17	24-Jul-17	7-Jul-17	14-Aug-17	38	960	23-Aug-17	9	227
211	JEFF MALONEYS LAWN SERVICE	18-Sep-17	60	60	CHECK	9-Aug-17	23-Aug-17	16-Aug-17	29-Sep-17	44	2,640	6-Oct-17	7	420
212	JENNINGS AND LITTLE EXCAVATING	7-Aug-17	1,600	1,600	CHECK	3-Aug-17	3-Aug-17	3-Aug-17	5-Sep-17	33	52,800	14-Sep-17	9	14,400
213	JEWELL LAWN AND LANDSCAPE	1-Dec-17	800	800	CHECK	1-Dec-17	1-Dec-17	1-Dec-17	8-Jan-18	38	30,400	18-Jan-18	10	8,000
214	JOHN CONTI COFFEE AND TEA INC	2-May-18	24	25	CHECK	2-May-18	2-May-18	2-May-18	9-May-18	7	178	15-May-18	6	152
215	Johns, Steven D (Derrick)	23-Mar-18	722	722	Direct Depo	19-Mar-18	22-Mar-18	20-Mar-18	26-Mar-18	6	4,331	26-Mar-18	0	-

**Atmos Energy Corporation-Kentucky
Other O&M Payment and Check Clearing Lag
For the CWC Study Test Year Ended June 30, 2018**

Line No.	Vendor	Invoice Date	Invoice Amount	Division 009 Amount	Payment Type	Service Period From	Service Period To	Midpoint Service Date	Payment Date	Payment lag	Weighted Payment Lag	Date Cleared	Clearing Lag	Weighted Clearing Lag
216	Jones, Sean D	21-May-18	914	886	Direct Depo	13-May-18	18-May-18	15-May-18	23-May-18	8	7,086	23-May-18	0	-
217	KENERGY CORP	13-Nov-17	41	41	CHECK	12-Oct-17	13-Nov-17	28-Oct-17	1-Dec-17	34	1,395	13-Dec-17	12	492
218	KENERGY CORP	13-Apr-18	33	33	CHECK	13-Mar-18	13-Apr-18	28-Mar-18	27-Apr-18	30	976	4-May-18	7	228
219	KENERGY CORP	12-Oct-17	36	36	CHECK	10-Sep-17	12-Oct-17	26-Sep-17	1-Nov-17	36	1,283	8-Nov-17	7	249
220	KENERGY CORP	13-Nov-17	35	35	CHECK	12-Oct-17	13-Nov-17	28-Oct-17	1-Dec-17	34	1,207	13-Dec-17	12	426
221	KENERGY CORP	6-Nov-17	28	28	CHECK	5-Oct-17	6-Nov-17	21-Oct-17	29-Nov-17	39	1,073	7-Dec-17	8	220
222	KENERGY CORP	30-Nov-17	48	48	CHECK	30-Oct-17	30-Nov-17	14-Nov-17	18-Dec-17	34	1,624	28-Dec-17	10	478
223	KENERGY CORP	2-Nov-17	47	47	CHECK	1-Oct-17	2-Nov-17	17-Oct-17	17-Nov-17	31	1,450	29-Nov-17	12	561
224	KENERGY CORP	2-Feb-18	45	45	CHECK	2-Jan-18	2-Feb-18	17-Jan-18	19-Feb-18	33	1,487	27-Feb-18	8	361
225	KENERGY CORP	2-Apr-18	39	39	CHECK	2-Mar-18	2-Apr-18	17-Mar-18	20-Apr-18	34	1,332	30-Apr-18	10	392
226	KENERGY CORP	2-Mar-18	27	27	CHECK	2-Feb-18	2-Mar-18	16-Feb-18	16-Mar-18	28	760	26-Mar-18	10	271
227	KENERGY CORP	17-Dec-17	26	26	CHECK	17-Nov-17	17-Dec-17	2-Dec-17	2-Jan-18	31	794	9-Jan-18	7	179
228	KENERGY CORP	6-Nov-17	38	38	CHECK	5-Oct-17	6-Nov-17	21-Oct-17	29-Nov-17	39	1,489	7-Dec-17	8	306
229	KENERGY CORP	20-Nov-17	40	40	CHECK	19-Oct-17	20-Nov-17	4-Nov-17	6-Dec-17	32	1,294	13-Dec-17	7	283
230	KENERGY CORP	16-Jun-18	104	104	CHECK	16-May-18	16-Jun-18	31-May-18	29-Jun-18	29	3,002	6-Jul-18	7	725
231	KENERGY CORP	15-Oct-17	105	105	CHECK	13-Sep-17	15-Oct-17	29-Sep-17	1-Nov-17	33	3,468	8-Nov-17	7	736
232	KENERGY CORP	24-Jul-17	29	29	CHECK	21-Jun-17	24-Jul-17	7-Jul-17	14-Aug-17	38	1,089	22-Aug-17	8	229
233	KENTUCKY 811	17-May-18	7,877	7,877	Direct Depo	1-Apr-18	30-Apr-18	15-Apr-18	11-Jun-18	57	448,961	11-Jun-18	0	-
234	KENTUCKY ASSOCIATION FOR ECONC	3-Aug-17	2,500	2,500	CHECK	3-Aug-17	3-Aug-17	3-Aug-17	7-Aug-17	4	10,000	17-Aug-17	10	25,000
235	KING MECHANICAL SPECIALTY INC	19-Dec-17	781	828	Direct Depo	19-Dec-17	19-Dec-17	19-Dec-17	16-Jan-18	28	23,180	16-Jan-18	0	-
236	KOORSSEN FIRE AND SECURITY INC	2-Nov-17	30	30	Direct Depo	1-Dec-17	31-Dec-17	16-Dec-17	7-Dec-17	(9)	(270)	7-Dec-17	0	-
237	KU ENERGY CORPORATION	2-Apr-18	34	34	CHECK	3-Mar-18	2-Apr-18	18-Mar-18	9-Apr-18	22	753	17-Apr-18	8	274
238	KU ENERGY CORPORATION	1-Nov-17	35	35	CHECK	2-Oct-17	1-Nov-17	17-Oct-17	10-Nov-17	24	843	20-Nov-17	10	351
239	KU ENERGY CORPORATION	23-Feb-18	90	90	CHECK	24-Jan-18	23-Feb-18	8-Feb-18	2-Mar-18	22	1,979	14-Mar-18	12	1,079
240	KU ENERGY CORPORATION	25-Aug-17	52	52	CHECK	26-Jul-17	25-Aug-17	10-Aug-17	30-Aug-17	20	1,050	11-Sep-17	12	630
241	KU ENERGY CORPORATION	29-Nov-17	50	50	CHECK	30-Oct-17	29-Nov-17	14-Nov-17	18-Dec-17	34	1,705	29-Dec-17	11	552
242	KU ENERGY CORPORATION	17-Nov-17	226	226	CHECK	18-Oct-17	15-Nov-17	1-Nov-17	1-Dec-17	30	6,778	13-Dec-17	12	2,711
243	KU ENERGY CORPORATION	13-Mar-18	37	37	CHECK	12-Feb-18	12-Mar-18	26-Feb-18	26-Mar-18	28	1,037	3-Apr-18	8	296
244	KU ENERGY CORPORATION	14-Aug-17	38	38	CHECK	13-Jul-17	11-Aug-17	27-Jul-17	25-Aug-17	29	1,115	5-Sep-17	11	423
245	KU ENERGY CORPORATION	10-Nov-17	39	39	CHECK	13-Oct-17	9-Nov-17	26-Oct-17	20-Nov-17	25	963	30-Nov-17	10	385
246	KU ENERGY CORPORATION	7-Nov-17	38	38	CHECK	6-Oct-17	6-Nov-17	21-Oct-17	17-Nov-17	27	1,019	30-Nov-17	13	490
247	LARRYS CLEANING SERVICE	1-Feb-18	700	700	CHECK	1-Jan-18	31-Jan-18	16-Jan-18	26-Feb-18	41	28,700	3-Apr-18	36	25,200
248	LEBANON WATER WORKS INC	15-May-18	22	22	CHECK	16-Apr-18	15-May-18	30-Apr-18	8-Jun-18	39	859	18-Jun-18	10	220
249	LEE JIMMY D	2-Oct-17	600	600	CHECK	1-Jul-17	30-Sep-17	15-Aug-17	11-Oct-17	57	34,200	18-Oct-17	7	4,200
250	LG AND E NATURAL PLAINS ENERGY	15-Aug-17	38	38	CHECK	14-Jul-17	14-Aug-17	29-Jul-17	30-Aug-17	32	1,213	8-Sep-17	9	341
251	LIBERTY PRINTING	18-Sep-17	248	248	CHECK	18-Sep-17	18-Sep-17	18-Sep-17	13-Oct-17	25	6,208	27-Oct-17	14	3,476
252	LINDON REALTY LLC	1-Aug-17	10,164	1,321	CHECK	1-Aug-17	31-Aug-17	16-Aug-17	2-Aug-17	(14)	(18,498)	9-Aug-17	7	9,249
253	LINDON REALTY LLC	1-Dec-17	10,164	1,321	CHECK	1-Dec-17	31-Dec-17	16-Dec-17	1-Dec-17	(15)	(19,820)	11-Dec-17	10	13,213
254	LINDON REALTY LLC	1-Jul-17	10,164	1,321	CHECK	1-Jul-17	31-Jul-17	16-Jul-17	3-Jul-17	(13)	(17,177)	12-Jul-17	9	11,892
255	LOGANS INC	6-Nov-17	76	76	CHECK	6-Nov-17	6-Nov-17	6-Nov-17	1-Dec-17	25	1,894	12-Dec-17	11	833
256	LOGANS INC	1-Jan-18	76	76	CHECK	1-Jan-18	1-Jan-18	1-Jan-18	9-Apr-18	98	7,423	16-Apr-18	7	530
257	MADISONVILLE MESSENGER	6-May-18	620	620	CHECK	19-Apr-18	19-Apr-18	19-Apr-18	14-May-18	25	15,500	21-May-18	7	4,340
258	MADISONVILLE MUNICIPAL UTILITIES	2-Aug-17	34	34	CHECK	5-Jul-17	2-Aug-17	19-Jul-17	18-Aug-17	30	1,013	29-Aug-17	11	372
259	MADISONVILLE MUNICIPAL UTILITIES	21-Jun-17	93	93	CHECK	19-May-17	21-Jun-17	4-Jun-17	14-Jul-17	40	3,725	19-Jul-17	5	466
260	MAGNOLIA RIVER SERVICES INC	11-Apr-18	1,360	1,360	Direct Depo	2-Apr-18	6-Apr-18	4-Apr-18	7-May-18	33	44,872	7-May-18	0	-
261	MAGNOLIA RIVER SERVICES INC	2-May-18	7,739	7,739	Direct Depo	22-Mar-18	27-Apr-18	9-Apr-18	29-May-18	50	386,953	29-May-18	0	-
262	MAGNOLIA RIVER SERVICES INC	23-May-18	1,238	1,238	Direct Depo	14-May-18	18-May-18	16-May-18	18-Jun-18	33	40,862	18-Jun-18	0	-
263	MARIAHS	6-Dec-17	821	821	CHECK	6-Dec-17	6-Dec-17	6-Dec-17	2-Jan-18	27	22,179	9-Jan-18	7	5,750
264	MARTIN CONTRACTING INC	21-Mar-18	875	875	Direct Depo	13-Mar-18	15-Mar-18	14-Mar-18	27-Mar-18	13	11,375	27-Mar-18	0	-
265	MARTIN CONTRACTING INC	19-Apr-18	1,435	1,435	Direct Depo	9-Apr-18	13-Apr-18	11-Apr-18	1-May-18	20	28,700	1-May-18	0	-
266	MASTER CONTROLS INC	15-Jan-18	2,619	2,776	CHECK	11-Jan-18	11-Jan-18	11-Jan-18	9-Feb-18	29	80,507	21-Feb-18	12	33,313
267	MASTERCRAFT PRINTED PRODUCTS /	19-Jun-17	149	149	Direct Depo	16-Jun-17	16-Jun-17	16-Jun-17	14-Jul-17	28	4,159	14-Jul-17	0	-
268	MASTERCRAFT PRINTED PRODUCTS /	15-Feb-18	50	53	Direct Depo	14-Feb-18	14-Feb-18	14-Feb-18	16-Mar-18	30	1,594	16-Mar-18	0	-
269	Mattingly, Patrick T (Pat)	28-Jul-17	189	87	Direct Depo	5-Jul-17	25-Jul-17	15-Jul-17	31-Jul-17	16	1,399	31-Jul-17	0	-

**Atmos Energy Corporation-Kentucky
Other O&M Payment and Check Clearing Lag
For the CWC Study Test Year Ended June 30, 2018**

Line No.	Vendor	Invoice Date	Invoice Amount	Division 009 Amount	Payment Type	Service Period From	Service Period To	Midpoint Service Date	Service Date	Payment lag	Weighted Payment Lag	Date Cleared	Clearing Lag	Weighted Clearing Lag
270	Mattingly, Patrick T (Pat)	7-Sep-17	308	148	Direct Depo	21-Aug-17	6-Sep-17	29-Aug-17	12-Sep-17	14	2,069	12-Sep-17	0	-
271	MAX ARNOLD AND SONS INC	23-Jan-18	2,809	2,809	CHECK	23-Jan-18	23-Jan-18	23-Jan-18	26-Jan-18	3	8,427	5-Feb-18	10	28,090
272	MAYFIELD ELECTRIC AND WATER SYS	15-Dec-17	40	40	CHECK	15-Nov-17	15-Dec-17	30-Nov-17	5-Jan-18	36	1,433	16-Jan-18	11	438
273	MAYFIELD ELECTRIC AND WATER SYS	16-Jan-18	813	813	CHECK	15-Dec-17	16-Jan-18	31-Dec-17	31-Jan-18	31	25,190	7-Feb-18	7	5,688
274	MAYFIELD ELECTRIC AND WATER SYS	15-Mar-18	10	10	CHECK	15-Feb-18	15-Mar-18	1-Mar-18	11-Apr-18	41	422	18-Apr-18	7	72
275	MAYFIELD ELECTRIC AND WATER SYS	15-Mar-18	50	50	CHECK	15-Feb-18	15-Mar-18	1-Mar-18	11-Apr-18	41	2,045	18-Apr-18	7	349
276	MEADE COUNTY RURAL ELECTRIC	10-Jul-17	51	51	CHECK	3-Jun-17	3-Jul-17	18-Jun-17	14-Jul-17	26	1,335	18-Jul-17	4	205
277	Medley, Chris Lee	26-Feb-18	597	597	CHECK	18-Feb-18	23-Feb-18	20-Feb-18	2-Mar-18	10	5,974	12-Mar-18	10	5,974
278	MILLER PEST CONTROL INC	27-Nov-17	25	25	CHECK	27-Nov-17	27-Nov-17	27-Nov-17	22-Dec-17	25	625	3-Jan-18	12	300
279	Miller, Teddy W	12-Feb-18	285	285	Direct Depo	28-Dec-17	31-Jan-18	14-Jan-18	14-Feb-18	31	8,848	14-Feb-18	0	-
280	MODERN SUPPLY COMPANY INC	30-Jun-17	40	42	CHECK	21-Jun-17	30-Jun-17	25-Jun-17	14-Jul-17	19	802	18-Jul-17	4	169
281	MRC GLOBAL	16-Oct-17	283,371	2,029	Direct Depo	9-Aug-17	13-Oct-17	10-Sep-17	6-Nov-17	57	115,640	6-Nov-17	0	-
282	MRC GLOBAL	27-Nov-17	99,732	2,640	Direct Depo	17-Aug-17	21-Nov-17	4-Oct-17	18-Dec-17	75	197,985	18-Dec-17	0	-
283	MRC GLOBAL	22-Jan-18	175,206	2,604	Direct Depo	7-Dec-17	18-Jan-18	28-Dec-17	12-Feb-18	46	119,800	12-Feb-18	0	-
284	OFFICE COFFEE SYSTEMS INC	22-Jun-17	14	14	CHECK	22-Jun-17	22-Jun-17	22-Jun-17	17-Jul-17	25	350	25-Jul-17	8	112
285	Owen, Timothy D (Tim)	13-Oct-17	3,122	3,089	Direct Depo	19-Sep-17	20-Oct-17	4-Oct-17	17-Oct-17	13	40,151	17-Oct-17	0	-
286	OWENSBORO COMMUNITY AND TECH	7-Aug-17	2,998	2,998	CHECK	7-Aug-17	7-Aug-17	7-Aug-17	11-Aug-17	4	11,992	23-Aug-17	12	35,976
287	OWENSBORO MUNICIPAL UTILITIES	16-May-18	20	20	CHECK	13-Apr-18	10-May-18	26-Apr-18	1-Jun-18	36	723	8-Jun-18	7	140
288	OWENSBORO MUNICIPAL UTILITIES	16-Apr-18	31	31	CHECK	10-Mar-18	10-Apr-18	25-Mar-18	27-Apr-18	33	1,031	4-May-18	7	219
289	PADUCAH POWER SYSTEM	17-Apr-18	24	24	CHECK	13-Mar-18	14-Apr-18	29-Mar-18	2-May-18	34	817	9-May-18	7	168
290	PADUCAH POWER SYSTEM	23-Mar-18	37	37	CHECK	20-Feb-18	20-Mar-18	6-Mar-18	4-Apr-18	29	1,086	11-Apr-18	7	262
291	PADUCAH POWER SYSTEM	22-Jun-17	39	39	CHECK	20-May-17	20-Jun-17	4-Jun-17	7-Jul-17	33	1,298	17-Jul-17	10	393
292	PADUCAH WATER WORKS	6-Nov-17	111	111	CHECK	1-Sep-17	6-Nov-17	4-Oct-17	29-Nov-17	56	6,188	6-Dec-17	7	774
293	Payne, James M	29-Jan-18	827	827	Direct Depo	19-Dec-17	25-Jan-18	6-Jan-18	1-Feb-18	26	21,505	1-Feb-18	0	-
294	Payne, James M	8-May-18	1,375	1,345	Direct Depo	28-Mar-18	8-May-18	17-Apr-18	11-May-18	24	32,282	11-May-18	0	-
295	PENNYRILE RURAL ELECTRIC COOP C	16-Jun-17	258	258	CHECK	16-May-17	16-Jun-17	31-May-17	7-Jul-17	37	9,545	14-Jul-17	7	1,806
296	PENNYRILE RURAL ELECTRIC COOP C	26-Apr-18	34	34	CHECK	26-Mar-18	26-Apr-18	10-Apr-18	9-May-18	29	991	15-May-18	6	205
297	PENNYRILE RURAL ELECTRIC COOP C	26-Apr-18	29	29	CHECK	26-Mar-18	26-Apr-18	10-Apr-18	9-May-18	29	850	15-May-18	6	176
298	PENNYRILE RURAL ELECTRIC COOP C	14-May-18	73	73	CHECK	14-Apr-18	14-May-18	29-Apr-18	25-May-18	26	1,885	30-May-18	5	363
299	PENNYRILE RURAL ELECTRIC COOP C	1-Jul-17	35	35	CHECK	31-May-17	1-Jul-17	15-Jun-17	17-Jul-17	32	1,105	24-Jul-17	7	242
300	PENNYRILE RURAL ELECTRIC COOP C	16-Oct-17	39	39	CHECK	16-Sep-17	16-Oct-17	1-Oct-17	3-Nov-17	33	1,294	10-Nov-17	7	275
301	PEOPLE PLUS INC	1-Sep-17	833	833	Direct Depo	21-Aug-17	27-Aug-17	24-Aug-17	26-Sep-17	33	27,490	26-Sep-17	0	-
302	PEOPLE PLUS INC	8-Sep-17	768	768	Direct Depo	28-Aug-17	3-Sep-17	31-Aug-17	3-Oct-17	33	25,340	3-Oct-17	0	-
303	Persson, Matthew M (Matt)	8-Mar-18	11	11	Direct Depo	7-Mar-18	7-Mar-18	7-Mar-18	13-Mar-18	6	64	13-Mar-18	0	-
304	PLUMBERS SUPPLY COMPANY	26-Mar-18	40	40	Direct Depo	26-Mar-18	26-Mar-18	26-Mar-18	5-Apr-18	10	401	5-Apr-18	0	-
305	POLLUX BUSINESS SERVICES	18-Aug-17	4,705	4,705	CHECK	19-Jul-17	18-Aug-17	3-Aug-17	30-Aug-17	27	127,027	6-Sep-17	7	32,933
306	Porter, Gary R	15-May-18	304	304	Direct Depo	9-Mar-18	15-May-18	11-Apr-18	18-May-18	37	11,260	18-May-18	0	-
307	PRECISION PRODUCTS LLC	13-Apr-18	2,170	2,170	CHECK	13-Apr-18	12-Apr-19	12-Oct-18	30-Apr-18	(165)	(358,065)	7-May-18	7	15,191
308	Price, Daniel K (Dan)	31-Aug-17	867	281	Direct Depo	20-Jun-17	31-Aug-17	26-Jul-17	6-Sep-17	42	11,799	6-Sep-17	0	-
309	Price, Daniel K (Dan)	30-Apr-18	403	397	Direct Depo	24-Apr-18	25-Apr-18	24-Apr-18	2-May-18	8	3,173	2-May-18	0	-
310	PRINCETON EPB	20-Dec-17	148	148	CHECK	22-Nov-17	20-Dec-17	6-Dec-17	24-Jan-18	49	7,241	31-Jan-18	7	1,034
311	PRINCETON WATER AND SEWER	12-Jul-17	40	40	CHECK	12-Jun-17	12-Jul-17	27-Jun-17	26-Jul-17	29	1,166	1-Aug-17	6	241
312	Redd, William D (Doug)	12-Jan-18	99	99	Direct Depo	9-Jan-18	12-Jan-18	10-Jan-18	16-Jan-18	6	593	16-Jan-18	0	-
313	REPUBLIC SERVICES	15-Oct-17	668	668	Direct Depo	1-Nov-17	30-Nov-17	15-Nov-17	6-Nov-17	(10)	(6,677)	6-Nov-17	0	-
314	REPUBLIC SERVICES	15-Jan-18	346	346	Direct Depo	1-Feb-18	28-Feb-18	14-Feb-18	29-Jan-18	(17)	(5,888)	29-Jan-18	0	-
315	REPUBLIC SERVICES	20-Jun-17	428	428	Direct Depo	1-Jul-17	31-Jul-17	16-Jul-17	5-Jul-17	(11)	(4,706)	5-Jul-17	0	-
316	REPUBLIC SERVICES	20-Jul-17	446	446	Direct Depo	12-Jul-17	31-Aug-17	6-Aug-17	7-Aug-17	1	446	7-Aug-17	0	-
317	REPUBLIC SERVICES	25-Aug-17	535	535	Direct Depo	1-Sep-17	30-Sep-17	15-Sep-17	11-Sep-17	(5)	(2,677)	11-Sep-17	0	-
318	REPUBLIC SERVICES	25-May-18	640	640	Direct Depo	1-Jun-18	30-Jun-18	15-Jun-18	19-Jun-18	4	2,559	19-Jun-18	0	-
319	Rice, Thomas C (Craig)	26-Apr-18	798	668	Direct Depo	22-Mar-18	25-Apr-18	8-Apr-18	30-Apr-18	22	14,705	30-Apr-18	0	-
320	RICKS ELECTRIC INC	31-Jan-18	151	151	Direct Depo	31-Jan-18	31-Jan-18	31-Jan-18	5-Mar-18	33	4,990	5-Mar-18	0	-
321	RICOH USA INC	15-May-17	3,042	3,042	CHECK	1-Apr-18	30-Apr-18	15-Apr-18	14-Jul-17	(276)	(839,504)	19-Jul-17	5	15,208
322	RICOH USA INC	7-Mar-18	6,132	1,618	CHECK	1-Feb-18	31-Mar-18	2-Mar-18	2-Apr-18	31	50,156	12-Apr-18	10	16,180
323	SALT RIVER ELECTRIC COOP CORP	8-Jun-18	47	47	CHECK	4-May-18	5-Jun-18	20-May-18	15-Jun-18	26	1,211	25-Jun-18	10	466

**Atmos Energy Corporation-Kentucky
Other O&M Payment and Check Clearing Lag
For the CWC Study Test Year Ended June 30, 2018**

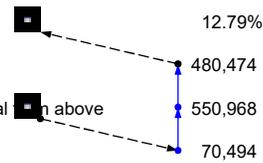
Line No.	Vendor	Invoice Date	Invoice Amount	Division 009 Amount	Payment Type	Service Period From	Service Period To	Midpoint Service Date	Date Paid	Payment lag	Weighted Payment Lag	Date Cleared	Clearing Lag	Weighted Clearing Lag
324	SCOTT GROSS COMPANY INC	31-Mar-17	1	1	Direct Depo	31-Mar-17	31-Mar-17	31-Mar-17	3-Nov-17	217	245	3-Nov-17	0	-
325	SCOTT WASTE SERVICES INC	27-Jul-17	191	191	CHECK	1-Jul-17	31-Jul-17	16-Jul-17	21-Aug-17	36	6,869	29-Aug-17	8	1,526
326	SCOTT WASTE SERVICES INC	1-May-18	179	179	CHECK	1-Apr-18	30-Apr-18	15-Apr-18	29-May-18	44	7,868	15-Jun-18	17	3,040
327	SENSIT TECHNOLOGIES	15-Aug-17	82	82	Direct Depo	15-Aug-17	15-Aug-17	15-Aug-17	25-Aug-17	10	824	25-Aug-17	0	-
328	SENSIT TECHNOLOGIES	21-Dec-17	156	156	Direct Depo	21-Dec-17	21-Dec-17	21-Dec-17	10-Jan-18	20	3,121	10-Jan-18	0	-
329	SENSIT TECHNOLOGIES	30-Apr-18	889	889	Direct Depo	30-Apr-18	30-Apr-18	30-Apr-18	10-May-18	10	8,893	10-May-18	0	-
330	SENSIT TECHNOLOGIES	21-May-18	571	571	Direct Depo	21-May-18	21-May-18	21-May-18	1-Jun-18	11	6,277	1-Jun-18	0	-
331	SHELBYVILLE MUNICIPAL WATER	27-Apr-18	90	96	CHECK	14-Mar-18	12-Apr-18	28-Mar-18	9-May-18	42	4,014	16-May-18	7	669
332	Sherfey, Chris L	23-Apr-18	696	696	Direct Depo	16-Apr-18	19-Apr-18	17-Apr-18	27-Apr-18	10	6,963	27-Apr-18	0	-
333	SMYTH COUNTY SHERRIFF CALENDAR	20-Dec-17	550	550	CHECK	20-Dec-17	20-Dec-17	20-Dec-17	26-Jan-18	37	20,350	13-Feb-18	18	9,900
334	SOUTHEAST DAVIESS CO WATER DIST	29-Dec-17	4	2	CHECK	6-Nov-17	6-Dec-17	21-Nov-17	5-Jan-18	45	87	17-Jan-18	12	23
335	SOUTHEAST DAVIESS CO WATER DIST	31-Jan-18	128	64	CHECK	6-Dec-17	6-Jan-18	21-Dec-17	9-Feb-18	50	3,208	21-Feb-18	12	770
336	SPRINT INC	25-Jun-17	4,694	26	Direct Depo	3-Apr-18	24-Jun-18	14-May-18	5-Jul-17	(313)	(8,025)	5-Jul-17	0	-
337	STYLES BY JOE - JOES CLEANING SEF	1-May-17	590	590	Direct Depo	1-Apr-17	30-Apr-17	15-Apr-17	25-Sep-17	163	96,170	25-Sep-17	0	-
338	STYLES BY JOE - JOES CLEANING SEF	1-Jun-17	590	590	Direct Depo	1-May-17	31-May-17	16-May-17	25-Sep-17	132	77,880	25-Sep-17	0	-
339	STYLES BY JOE - JOES CLEANING SEF	1-Dec-17	590	590	CHECK	1-Nov-17	30-Nov-17	15-Nov-17	27-Dec-17	42	24,780	3-Jan-18	7	4,130
340	SUBLETT-BUNTON MYRA	16-Apr-18	800	800	CHECK	16-Mar-18	15-Apr-18	31-Mar-18	23-Apr-18	23	18,400	30-Apr-18	7	5,600
341	SWAGELOK INDIANA	20-Nov-17	268	268	CHECK	17-Nov-17	17-Nov-17	17-Nov-17	15-Dec-17	28	7,516	4-Jan-18	20	5,369
342	Taylor, Brannon C	16-Feb-18	802	802	Direct Depo	7-Mar-18	8-Mar-18	7-Mar-18	20-Feb-18	(16)	(12,840)	20-Feb-18	0	-
343	TERRYS APPLIANCE REPAIR	19-Jan-18	79	79	CHECK	19-Jan-18	19-Jan-18	19-Jan-18	21-Mar-18	61	4,819	9-Apr-18	19	1,501
344	TIME WARNER CABLE	1-Feb-18	14,660	260	CHECK	1-Feb-18	28-Feb-18	14-Feb-18	28-Feb-18	14	3,640	8-Mar-18	8	2,080
345	TIME WARNER CABLE	6-Oct-17	277	277	CHECK	6-Oct-17	5-Nov-17	21-Oct-17	10-Nov-17	20	5,540	21-Nov-17	11	3,047
346	Tolbert, Ryan K	28-Sep-17	38	38	Direct Depo	28-Sep-17	28-Sep-17	28-Sep-17	2-Oct-17	4	152	2-Oct-17	0	-
347	Tolbert, Ryan K	1-May-18	16	16	Direct Depo	1-May-18	1-May-18	1-May-18	4-May-18	3	49	4-May-18	0	-
348	TRIPLE T FARMS	4-Jun-18	616	653	CHECK	4-Jun-18	4-Jun-18	4-Jun-18	11-Jun-18	7	4,571	21-Jun-18	10	6,530
349	Upton, Dalton C	1-Sep-17	462	462	Direct Depo	21-Aug-17	24-Aug-17	22-Aug-17	11-Sep-17	20	9,240	11-Sep-17	0	-
350	Upton, Dalton C	1-Sep-17	25	25	Direct Depo	21-Aug-17	21-Aug-17	21-Aug-17	11-Sep-17	21	525	11-Sep-17	0	-
351	Upton, Dalton C	16-Dec-17	1,290	1,224	Direct Depo	30-Oct-17	15-Dec-17	22-Nov-17	3-Jan-18	42	51,393	3-Jan-18	0	-
352	Upton, Dalton C	27-Jan-18	379	356	Direct Depo	19-Jan-18	26-Jan-18	22-Jan-18	30-Jan-18	8	2,846	30-Jan-18	0	-
353	VERIZON WIRELESS	22-Feb-18	239	178	CHECK	23-Feb-18	22-Mar-18	8-Mar-18	9-Mar-18	1	178	15-Mar-18	6	1,065
354	VERIZON WIRELESS	9-Jan-18	12,218	591	CHECK	10-Dec-17	9-Jan-18	25-Dec-17	2-Feb-18	39	23,061	8-Feb-18	6	3,548
355	VERIZON WIRELESS	9-Sep-17	12,783	623	CHECK	10-Aug-17	9-Sep-17	25-Aug-17	2-Oct-17	38	23,691	6-Oct-17	4	2,494
356	VERMEER OF INDIANA INC	30-Nov-17	2,636	2,636	CHECK	8-Nov-17	30-Nov-17	19-Nov-17	24-Jan-18	66	174,004	30-Jan-18	6	15,819
357	VF IMAGEWEAR INC	16-Oct-17	234	234	Direct Depo	16-Oct-17	16-Oct-17	16-Oct-17	10-Nov-17	25	5,850	10-Nov-17	0	-
358	VF IMAGEWEAR INC	24-Oct-17	362	362	Direct Depo	24-Oct-17	24-Oct-17	24-Oct-17	29-Nov-17	36	13,033	29-Nov-17	0	-
359	VF IMAGEWEAR INC	24-Oct-17	374	374	Direct Depo	24-Oct-17	24-Oct-17	24-Oct-17	30-Nov-17	37	13,856	30-Nov-17	0	-
360	VF IMAGEWEAR INC	26-Oct-17	449	449	Direct Depo	26-Oct-17	26-Oct-17	26-Oct-17	30-Nov-17	35	15,730	30-Nov-17	0	-
361	VF IMAGEWEAR INC	11-Nov-17	379	379	Direct Depo	11-Nov-17	11-Nov-17	11-Nov-17	12-Dec-17	31	11,740	12-Dec-17	0	-
362	VF IMAGEWEAR INC	13-Mar-18	128	128	Direct Depo	13-Mar-18	13-Mar-18	13-Mar-18	10-Apr-18	28	3,578	10-Apr-18	0	-
363	VF IMAGEWEAR INC	9-Apr-18	225	225	Direct Depo	9-Apr-18	9-Apr-18	9-Apr-18	4-May-18	25	5,626	4-May-18	0	-
364	Waller, Gregory K (Greg)	26-Mar-18	1,403	1,403	Direct Depo	7-Mar-18	23-Mar-18	15-Mar-18	2-Apr-18	18	25,253	2-Apr-18	0	-
365	WARREN COUNTY WATER DISTRICT	21-Mar-18	67	67	CHECK	12-Feb-18	13-Mar-18	26-Feb-18	4-Apr-18	37	2,466	11-Apr-18	7	467
366	WARREN COUNTY WATER DISTRICT	23-Apr-18	67	71	CHECK	13-Mar-18	10-Apr-18	27-Mar-18	7-May-18	41	2,897	15-May-18	8	565
367	WARREN RURAL ELECTRIC COOP	22-Nov-17	22	22	CHECK	17-Oct-17	15-Nov-17	31-Oct-17	1-Dec-17	31	690	11-Dec-17	10	223
368	WARREN RURAL ELECTRIC COOP	6-Jun-18	28	28	CHECK	27-Apr-18	29-May-18	13-May-18	13-Jun-18	31	872	19-Jun-18	6	169
369	WARREN RURAL ELECTRIC COOP	6-Jun-18	26	26	CHECK	27-Apr-18	29-May-18	13-May-18	13-Jun-18	31	792	19-Jun-18	6	153
370	WARREN RURAL ELECTRIC COOP	6-Nov-17	24	24	CHECK	28-Sep-17	27-Oct-17	12-Oct-17	17-Nov-17	36	868	28-Nov-17	11	265
371	WARREN RURAL ELECTRIC COOP	5-Dec-17	26	26	CHECK	27-Oct-17	28-Nov-17	12-Nov-17	18-Dec-17	36	921	28-Dec-17	10	256
372	WARREN RURAL ELECTRIC COOP	21-Jun-17	23	23	CHECK	22-May-17	21-Jun-17	6-Jun-17	10-Jul-17	34	792	17-Jul-17	7	163
373	WARREN RURAL ELECTRIC COOP	8-Mar-18	23	23	CHECK	30-Jan-18	28-Feb-18	13-Feb-18	23-Mar-18	38	885	30-Mar-18	7	163
374	WELDQUIP INC	28-Feb-18	152	152	Direct Depo	1-Feb-18	28-Feb-18	14-Feb-18	24-May-18	99	15,089	24-May-18	0	-
375	Wessinger, Marcie L	17-Nov-17	1,753	594	Direct Depo	13-Oct-17	17-Nov-17	30-Oct-17	21-Nov-17	22	13,066	21-Nov-17	0	-
376	WEST KENTUCKY RURAL ELECTRIC	12-Apr-18	41	41	CHECK	11-Apr-18	12-May-18	26-Apr-18	2-May-18	6	245	9-May-18	7	286
377	WESTERFIELD ELECTRIC LLC	7-Feb-18	145	145	CHECK	2-Feb-18	2-Feb-18	2-Feb-18	26-Feb-18	24	3,480	7-Mar-18	9	1,305

**Atmos Energy Corporation-Kentucky
Other O&M Payment and Check Clearing Lag
For the CWC Study Test Year Ended June 30, 2018**

Line No.	Vendor	Invoice Date	Invoice Amount	Division 009 Amount	Payment Type	Service Period From	Service Period To	Midpoint Service Service	Date Paid	Payment lag	Weighted Payment Lag	Date Cleared	Clearing Lag	Weighted Clearing Lag
378	WHITE GLOVE INSPECTION INC	22-Dec-17	3,124	3,124	CHECK	1-Dec-17	22-Dec-17	11-Dec-17	29-Dec-17	18	56,232	5-Jan-18	7	21,868
379	WHITE GLOVE INSPECTION INC	23-May-18	2,674	2,674	CHECK	1-May-18	23-May-18	12-May-18	25-May-18	13	34,762	4-Jun-18	10	26,740
380	White, Dalton B Jr (Buddy)	28-Mar-18	1,729	129	Direct Depo	2-Mar-18	26-Mar-18	14-Mar-18	2-Apr-18	19	2,451	2-Apr-18	0	-
381	White, Eric M	6-Nov-17	45	45	Direct Depo	4-Nov-17	4-Nov-17	4-Nov-17	8-Nov-17	4	180	8-Nov-17	0	-
382	Williams, Gavin J	27-Sep-17	64	64	Direct Depo	26-Sep-17	26-Sep-17	26-Sep-17	2-Oct-17	6	384	2-Oct-17	0	-
383	WILSON ALLEN F	8-Jun-18	1,000	1,098	CHECK	8-Jun-18	8-Jun-18	8-Jun-18	15-Jun-18	7	7,683	25-Jun-18	10	10,975
384	WILSON HUTCHINSON POTEAT & LITTI	1-Oct-17	5,040	5,040	CHECK	1-Sep-17	30-Sep-17	15-Sep-17	27-Oct-17	42	211,676	10-Nov-17	14	70,559
385	WORLD TESTING INC	19-Jan-18	860	860	CHECK	18-Jan-18	18-Jan-18	18-Jan-18	12-Feb-18	25	21,500	21-Feb-18	9	7,740
386														
387	Totals Full Sample			<u>550,968</u>							<u>(124,729)</u>			<u>1,532,991</u>
388														
389	Totals with Line 152 removed			<u>470,968</u>							<u>12,035,271</u>			<u>972,991</u>
390														
391														
										Other O&M Payment Lag Days:	(0.23)			2.78

**Atmos Energy Corporation-Kentucky
Other O&M Payment and Check Clearing Lag
For the CWC Study Test Year Ended June 30, 2018**

Line No.	Vendor	Invoice Date	Invoice Amount	Division 009 Amount	Payment Type	Service Period From	Service Period To	Midpoint Service	Date Paid	Payment lag	Weighted Payment Lag	Date Cleared	Clearing Lag	Weighted Clearing Lag
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	= i - (h or b)	$k = (j * d)$	<i>l</i>	$m = (l - j)$	$n = (m * d)$
1	ELEMENT FLEET	20-Jul-17	2,678,616	207,165	Direct Depo	1-Jun-17	30-Jun-17	15-Jun-17	25-Jul-17	40	8,286,596	25-Jul-17	0	-
2	ELEMENT FLEET	29-Aug-17	2,231,689	187,353	Direct Depo	1-Jul-17	31-Jul-17	16-Jul-17	31-Aug-17	46	8,618,255	31-Aug-17	0	-
3	ELEMENT FLEET	12-Sep-17	2,720,073	193,030	Direct Depo	1-Aug-17	31-Aug-17	16-Aug-17	13-Sep-17	28	5,404,832	13-Sep-17	0	-
4	ELEMENT FLEET	13-Oct-17	2,380,583	165,859	Direct Depo	1-Sep-17	30-Sep-17	15-Sep-17	16-Oct-17	31	5,141,627	16-Oct-17	0	-
5	ELEMENT FLEET	5-Nov-17	2,485,115	159,550	Direct Depo	1-Oct-17	31-Oct-17	16-Oct-17	8-Nov-17	23	3,669,651	8-Nov-17	0	-
6	ELEMENT FLEET	5-Dec-17	2,401,501	185,579	Direct Depo	1-Nov-17	30-Nov-17	15-Nov-17	7-Dec-17	22	4,082,729	7-Dec-17	0	-
7	ELEMENT FLEET	8-Jan-18	2,727,135	185,882	Direct Depo	1-Dec-17	31-Dec-17	16-Dec-17	9-Jan-18	24	4,461,178	9-Jan-18	0	-
8	ELEMENT FLEET	5-Feb-18	2,311,843	169,427	Direct Depo	1-Jan-18	31-Jan-18	16-Jan-18	6-Feb-18	21	3,557,976	6-Feb-18	0	-
9	ELEMENT FLEET	5-Mar-18	3,003,111	198,664	Direct Depo	1-Feb-18	28-Feb-18	14-Feb-18	7-Mar-18	21	4,171,953	7-Mar-18	0	-
10	ELEMENT FLEET	6-Apr-18	2,711,495	201,477	Direct Depo	1-Mar-18	31-Mar-18	16-Mar-18	10-Apr-18	25	5,036,919	10-Apr-18	0	-
11	ELEMENT FLEET	7-May-18	2,771,695	235,340	Direct Depo	1-Apr-18	30-Apr-18	15-Apr-18	8-May-18	23	5,412,829	8-May-18	0	-
12	ELEMENT FLEET	8-Jun-18	2,800,102	200,752	Direct Depo	1-May-18	31-May-18	16-May-18	11-Jun-18	26	5,219,557	11-Jun-18	0	-
13														
14				2,290,079							63,064,102			-
15														
16	Total Normalized Other O&M			17,898,824					Other O&M Payment Lag Days:		27.54			0.00
17														
18	Element Fleet Percent of Total			12.79%										
19														
20	O&M Sample Excluding Element Fleet			480,474										
21														
22	O&M Sample with Element Fleet at percent of total			550,968										
23														
24	Adjusted Element Fleet amount in sample			70,494										



ATO-CWC6

**Atmos Energy Corporation-Kentucky
Taxes Other Than Income Taxes
For the CWC Study Test Year Ended June 30, 2018**

Line No.	Description	As Adjusted \$ Amount	Lag Days	Weighted Lag Days
	(a)	(b)	(c)	(d)
1	Payroll Taxes:			
2	FICA - Paid on the day before each payday:	0	13.0	-
3				
4	Federal Unemployment - Paid quarterly in arrears at the			
5	end of the month following each quarter plus payroll service lag:	0	83.6	-
6				
7	State Unemployment - Paid quarterly in arrears at the end			
8	end of the month following each quarter plus payroll service lag:	<u>355,960</u>	83.6	<u>83.63</u>
9				
10	Total Payroll Taxes	355,960		83.63
11				
12	Division Ad Valorem - Previous calendar year taxes are paid			
13	45 days after billed for state agencies and 30 days after			
14	billed for local agencies			305.64
15				
16	Shared Services Ad Valorem - Previous calendar year			
17	taxes are paid by January 31 of the current calendar year			213.50
18				
19	Taxes property and other			60.37
20				
21	Franchise and Other Pass Through Taxes			38.52
22				
23	Public Service Commission Assessment			
24	Assessment are prepaid to the Commission annually and			
25	are included in prepayments in rate base			0.00
26				
27	DOT - Payment for the pipeline safety user fee for the			
28	current fiscal year is due by May 30th			59.00

Atmos Energy Corporation-Kentucky
Federal Income Taxes
For the CWC Study Test Year Ended June 30, 2018

ATO-CWC7

Line No.	Due Date	Begin Test Period	End Test Period	Midpoint	Weight	Lead/Lag Days	Weighted Lead/Lag Days
	(a)	(c)	(d)	(e)	(f)	(g)	
1	<u>Federal Income Tax Payments:</u>						
2	September 15, 2017	7/1/2017	6/30/2018	182.50	25.00%	(106.50)	(26.63)
3	December 15, 2017	7/1/2017	6/30/2018	182.50	25.00%	(15.50)	(3.88)
4	March 15, 2018	7/1/2017	6/30/2018	182.50	25.00%	74.50	18.63
5	June 15, 2018	7/1/2017	6/30/2018	182.50	25.00%	166.50	41.63
6							
7					100.00%		<u><u>29.75</u></u>

Atmos Energy Corporation-Kentucky
State Income Taxes
For the CWC Study Test Year Ended June 30, 2018

ATO-CWC8

Line No.	Due Date	Begin Test Period	End Test Period	Midpoint	Weight	Lead/Lag Days	Weighted Lead/Lag Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	<u>State Income Tax Payments:</u>						
2	September 15, 2017	7/1/2017	6/30/2018	182.50	25.00%	(106.50)	(26.63)
3	December 15, 2017	7/1/2017	6/30/2018	182.50	25.00%	(15.50)	(3.88)
4	March 15, 2018	7/1/2017	6/30/2018	182.50	25.00%	74.50	18.63
5	June 15, 2018	7/1/2017	6/30/2018	182.50	25.00%	166.50	41.63
6							
7					100.00%		<u><u>29.75</u></u>

**Atmos Energy Corporation-Kentucky
Long Term Debt
For the CWC Study Test Year Ended June 30, 2018**

Atmos Consolidated Balances

Line No.	Lender (a)	Maturity (b)	Type of Payment	Pymt 1	Pymt 2	Pymt 3	Pymt 4	Pymt 5	Pymt 6	Pymt 7	Pymt 8	Pymt 9	Pymt 10	Pymt 11	Pymt 12	Lead/Lag Days	Annual Interest	% of Total Interest	Weighted \$
1	MTN 1995-1	12/31/2025	SEMI ANNUAL	12/15/2017	6/15/2018											91.25	\$ 667,000	0.44%	0.40
2	Debentures	07/15/28	SEMI ANNUAL	7/16/2017	1/16/2018											91.25	\$ 10,125,000	6.62%	6.04
3	SrNote 5.95%	10/15/34	SEMI ANNUAL	10/16/2017	4/16/2018											91.25	\$ 11,900,000	7.78%	7.10
4	SrNote 3.00%	06/15/2027	SEMI ANNUAL	12/15/2017	6/15/2018											91.25	\$ 15,291,667	9.99%	9.12
5	SrNote 8.50%	3/15/2019	SEMI ANNUAL	9/15/2017	3/15/2018											91.25	\$ 38,250,000	25.00%	22.81
6	Sr Note 5.50%	06/15/2041	SEMI ANNUAL	12/15/2017	6/15/2018											91.25	\$ 22,000,000	14.38%	13.12
7	SrNote 4.15%	1/15/2043	SEMI ANNUAL	7/17/2017	1/16/2018											91.25	\$ 20,750,000	13.56%	12.37
8	SrNote 4.125%	10/15/2044	SEMI ANNUAL	10/16/2017	4/16/2018											91.25	\$ 30,937,500	20.22%	18.45
9	LTD Term Loan Varied	09/22/2019	MONTHLY	7/31/2017	8/31/2017	9/29/2017	10/31/2017	11/30/2017	12/29/2017	1/31/2018	2/28/2018	3/29/2018	4/30/2018	5/31/2018	6/29/2018	30.42	\$ 3,084,792	2.02%	0.61
10																			
11	WEIGHTED AVERAGE LEAD DAYS OF LONG TERM DEBT EXPENSE																\$ 153,005,958	100.00%	<u>90.02</u>

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY)
)
CORPORATION FOR AN ADJUSTMENT) Case No. 2018-00281
)
OF RATES AND TARIFF MODIFICATIONS)

TESTIMONY OF LAURA K. GILLHAM

1 **I. POSITION AND QUALIFICATIONS**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Laura K. Gillham. My business address is 5430 LBJ Freeway, Suite
4 600, Dallas, Texas 75240.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am the Director of Accounting Services for Atmos Energy Corporation (hereinafter
7 “Atmos Energy” or the “Company”).

8 **Q. WHAT ARE YOUR JOB RESPONSIBILITIES?**

9 A. I am primarily responsible for directing various accounting activities and policies
10 within the Company. My main duties include the oversight of general accounting,
11 fixed assets accounting, payroll, and cost allocations. I also serve on an internal
12 committee which is responsible for the oversight and monitoring of Sarbanes-Oxley
13 (SOX) compliance. In addition, I work with both our internal and external auditors
14 on implementing, testing, maintaining and modifying the Company’s accounting
15 controls, as well as interfacing between the auditors and the Company.

1 I am also responsible for ensuring effective financial and internal controls for
2 the Company's accounting processes, system and procedures. I have knowledge of
3 the Company's accounting activities, which include compiling, processing, reporting
4 and analyzing financial information to satisfy the requirements of internal
5 management, internal independent auditors, external independent auditors and
6 regulatory agencies.

7 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
8 **PROFESSIONAL EXPERIENCE.**

9 A. I earned a Bachelor of Business Administration degree in Accounting and Finance
10 from Texas Christian University in 2007. I also earned a Master of Accounting
11 degree from Texas Christian University in 2008.

12 Before joining Atmos Energy, I worked in public accounting at
13 PricewaterhouseCoopers, LLP for approximately nine years, serving clients across
14 multiple industries. I joined Atmos Energy in May 2017 as the Manager of Financial
15 Reporting and assumed the role of Director of Accounting Services in August 2017.
16 Since assuming the role of the Director of Accounting Services, I have worked to
17 maintain the Company's Cost Allocation Manual ("CAM") to ensure it was aligned
18 with Atmos Energy's recordkeeping practices.

19 **Q. ARE YOU A MEMBER OF ANY PROFESSIONAL ORGANIZATIONS?**

20 A. Yes. I am licensed by the State of Texas as a Certified Public Accountant ("CPA").

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KENTUCKY PUBLIC**
2 **SERVICE COMMISSION OR OTHER REGULATORY ENTITIES?**

3 A. Yes, I have testified before the Kentucky Public Service Commission in Case No.
4 2017-00349. I have also submitted testimony to the Virginia State Corporation
5 Commission in Case No. PUR-2018-00014.

6 **II. PURPOSE OF TESTIMONY**

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

8 A. The purpose of my testimony is to authenticate the historical books and records of
9 the Company and demonstrate the integrity of the financial information that has been
10 filed in this case. I am also providing testimony concerning the CAM which
11 describes the methodology for shared services cost allocations.

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

14 A. Yes, I am sponsoring the following specific filing requirements of Section 16 of 807
15 K.A.R. 5:001:

16 FR 16(7)(k) Most recent FERC Form 1 (electric), FERC Form 2, or the
17 Automated Reporting Management Information System
18 Report (telephone) and PSC Form T (telephone);

19 FR 16(7)(l) The annual report to shareholders or members and the
20 statistical supplements covering the most recent two (2) years
21 from the application filing date;

22 FR 16(7)(m) Current chart of accounts if more detailed than Uniform
23 System of Accounts chart;

1 FR 16(7)(p) SEC's annual report for most recent 2 years, Form 10-Ks
2 and any Form 8-Ks issued during prior 2 years and any
3 Form 10-Qs issued during past 6 quarters;

4 FR 16(7)(q) Independent auditors annual opinion report, with any written
5 communication which indicates the existence of a material
6 weakness in internal controls; and

7 FR 16(7)(r) Quarterly reports to stockholders for the most recent five
8 quarters.

9 FR 16(7)(u) Detailed description of method of calculation and amounts
10 allocated or charged to utility by affiliate or general or
11 home office for each allocation or payment;
12 Method and amounts allocated during base period and
13 method and estimated amounts to be allocated during
14 forecasted test period;
15 Explain how allocator for both base and forecasted test
16 period was determined; and
17 All facts relied upon, including other regulatory approval,
18 to demonstrate that each amount charged, allocated or paid
19 during base period is reasonable;

20 FR 16(8)(i) Comparative income statements, revenue and sales statistics
21 most recent five years, base period, forecast period and two
22 (2) years beyond

23 FR 16(8)(k) Comparative financial data and earnings

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

3 A. Yes.

4 **III. AUTHENTICATION OF BOOKS AND RECORDS**

5 **Q. ARE THE BOOKS AND RECORDS OF THE COMPANY PREPARED**
6 **UNDER YOUR DIRECTION?**

7 A. Yes, for the areas under my direction (which do not include gas accounting or
8 taxation).

9 **Q. HOW DOES ATMOS ENERGY MAINTAIN AND UTILIZE ITS BOOKS AND**
10 **RECORDS IN THE REGULAR COURSE OF BUSINESS?**

11 A. Atmos Energy maintains its books and records in accordance with the Federal Energy
12 Regulatory Commission's (FERC) Uniform System of Accounts (USOA) and
13 Generally Accepted Accounting Principles (GAAP). The USOA is the prescribed
14 methodology for maintaining utility records in all of the state jurisdictions which
15 regulate the Company's natural gas utility operations, which currently include
16 Colorado, Kansas, Kentucky, Louisiana, Mississippi, Tennessee, Texas and Virginia.
17 Atmos Energy's accounting organization utilizes integrated computerized business
18 systems to efficiently process, record and maintain transactions generated in the
19 regular course of business. Financial transactions are created and entered into the
20 system at or near the time of the transaction by the responsible personnel in various
21 divisions having personal knowledge, or acting in reliance on information
22 transmitted by persons having personal knowledge of the transactions, as well as of
23 the applicable accounting procedures and requirements. Reports are generated by the

1 system in the regular course of business to assist in management's review of the
2 results of operations and to assist in the analysis of the cost data of gas operations.

3 **Q. AS THE DIRECTOR OF ACCOUNTING SERVICES, HOW DO YOU**
4 **ASSURE YOURSELF THAT TRANSACTIONS ARE RECORDED**
5 **PROPERLY?**

6 A. As the Director of Accounting Services, I have personal knowledge of the
7 organizational business processes and staffing in the Controllershship function. The
8 Controller's organization is staffed with highly qualified accounting managers and
9 staff, with many accounting positions filled by CPAs. The managers in the
10 organization are charged with the responsibility to inspect, review and revise, if
11 appropriate, the work of the accountants they supervise. To fill certain management
12 positions, an individual is required to have an accounting degree as well as
13 significant accounting experience. We have established and maintained controls that
14 ensure the accuracy of our books and records. These controls help identify any
15 necessary adjustments to accounting entries which are then recorded to the original
16 books and records in a timely manner. Additionally, Atmos Energy contracts with
17 KPMG LLP ("KPMG") for internal audit services. This group periodically performs
18 reviews of those controls.

19 **Q. WHAT TYPES OF REGULAR AUDITS ARE CONDUCTED TO**
20 **AUTHENTICATE ATMOS ENERGY'S BOOKS AND RECORDS?**

21 A. Atmos Energy's books and records are audited annually by the independent public
22 accounting firm of Ernst & Young LLP ("EY"). In addition, EY also performs
23 reviews of Atmos Energy's quarterly financial statements. These audits and reviews

1 are conducted in accordance with the standards of the Public Company Accounting
2 Oversight Board (United States).

3 **Q. ARE THE COSTS RECORDED ON THE COMPANY'S BOOKS AND**
4 **RECORDS SUPPORTED BY UNDERLYING INVOICES OR OTHER**
5 **RECORDS?**

6 A. Yes. In order for an item to be recorded in the Company's general ledger, there must
7 be an invoice or other underlying supporting documentation. The former, for
8 example, may be in the form of a billing invoice received from a vendor. The latter,
9 for example, may be in the form of an employee's timesheet. The manager of a
10 specific cost center or project is responsible for reviewing, coding and approving
11 invoices or other underlying supporting documentation that are charged to that
12 particular manager's cost center or project.

13 **Q. WHAT DO YOU MEAN BY COST CENTERS?**

14 A. As described in the Company's CAM, a cost center is a designation generally utilized
15 for the assignment of departmental cost responsibility and internal management
16 reporting. Employees with responsibility for these functional areas are delegated a
17 certain level of authority to conduct the business of the Company.

18 **Q. HOW ARE THESE AUTHORITY LEVELS DETERMINED OR DELEGATED**
19 **WITHIN THE COMPANY?**

20 A. The Board of Directors initially delegates authority to the chief executive officer of
21 the Company who then authorizes the controller to further delegate authority to
22 others throughout the Company as necessary. The Controller's approval of authority
23 limits is generally based on a review of the needs and recommendations from those

1 requesting authority limit changes. Approved authority limits are maintained in a
2 secure table within the Company's accounting system.

3 **Q. DOES THE COMPANY HAVE IN PLACE ANY PROCESS OR SYSTEM FOR**
4 **THE REVIEW AND VALIDATION OF INVOICES?**

5 A. Yes. Most invoices are scanned into an accounts payable processing system called
6 "Markview" when they are received by the Company. Once scanned, an image of
7 the invoice is routed electronically to the appropriate cost center owner. The cost
8 center owner reviews and electronically codes and approves the invoice within the
9 established approval hierarchy. As a part of this process, the cost center owner is
10 responsible for ensuring the cost is valid, just, and reasonable. If the amount of the
11 invoice exceeds the authority limit of the initial approver, it is automatically
12 escalated through the approval hierarchy to a person with the appropriate level of
13 authority. A similar review process is performed at each level within the approval
14 hierarchy. Once final approval has been obtained, the invoice is submitted to the
15 accounts payable department for final payment.

16 **Q. DOES THE COMPANY HAVE IN PLACE ANY PROCESS OR SYSTEM FOR**
17 **THE REVIEW AND VALIDATION OF COSTS THAT ARE NOT**
18 **PROCESSED THROUGH MARKVIEW?**

19 A. Yes. Certain invoices and other requests for payment that are not presented as an
20 invoice are processed outside of Markview. Examples of these types of documents
21 include, but are not limited to, tax returns, contracts for certain outside services, or
22 certain wire transfer requests. The process for the review, coding and approval of
23 these costs is the same, except that the process may be manual in nature rather than

1 electronic. The Company employee in charge of this documentation is responsible
2 for ensuring the cost is valid, just, and reasonable. Coding and approvals are
3 performed within the approval hierarchy. Once final approval has been obtained, the
4 documentation is submitted to the accounts payable department for final payment.

5 **Q. ARE THERE ANY OTHER ACCOUNTING CONTROLS OR PROCESSES IN**
6 **PLACE TO ENSURE THE ACCURACY OF THE COMPANY'S BOOKS AND**
7 **RECORDS?**

8 A. Yes. The Company executes a series of detective monitoring controls designed to
9 identify and explain material and/or unusual costs that have been recorded in the
10 general ledger. Occasionally, errors are found and they are typically corrected in the
11 following month's reporting period, unless they are material. If material, these errors
12 are corrected in the current month.

13 Additionally, the Chief Executive Officer and Chief Financial Officer must
14 certify the Company's annual and quarterly financial statements and must attest to
15 and report on the Company's system of internal control. To facilitate this effort, the
16 Company outsources its internal audit function to KPMG to conduct tests of the
17 Company's system of internal control. These tests are developed to ensure the
18 system of internal control has been designed effectively and that the controls are
19 functioning as designed as of the end of the Company's fiscal year.

20 **Q. PLEASE DESCRIBE THE PROCESS USED TO TEST INTERNAL**
21 **CONTROLS.**

22 A. The Company maintains a SOX steering committee, which is responsible for the
23 oversight and monitoring of Sarbanes-Oxley compliance. This committee is

1 comprised of myself, the Vice President and Controller, the Director of Financial
2 Reporting, the Director of Gas Accounting and Rate Administration and the Director
3 of Information Security.

4 During the first quarter of the fiscal year, the company meets with the internal
5 auditors to review our listing of key controls to assess whether changes to that list
6 should be made based upon changes in the risk profile or organization of the
7 company. A key control is defined as a control necessary to mitigate the risks and
8 ensure financial reporting is reasonable and materially correct.

9 The internal audit group will develop a testing plan based upon these key controls
10 that is reviewed and approved by the SOX steering committee. The key controls are
11 tested throughout the year. If issues arise, they are individually addressed by a
12 steering committee member who has knowledge of the affected areas. The SOX
13 steering committee meets regularly to assess the progress and review the results of
14 the testing. During this process, all findings are discussed and the steering
15 committee will determine whether the finding should be considered a control
16 deficiency, a significant deficiency or a material weakness. A control deficiency
17 exists when the design or operation of a control does not allow management or
18 employees, in the normal course of performing their assigned functions, to prevent or
19 detect misstatements on a timely basis. A significant deficiency is a deficiency, or a
20 combination of deficiencies, in internal control over financial reporting that is less
21 severe than a material weakness, yet important enough to merit attention by those
22 responsible for oversight of the company's financial reporting. A material weakness
23 is a deficiency, or a combination of deficiencies, in internal control over financial

1 reporting, such that there is a reasonable possibility that a material misstatement of
2 the company's annual or interim financial statements will not be prevented or
3 detected on a timely basis.

4 At the end of the fiscal year, the steering committee makes recommendations
5 regarding the effectiveness of the Company's internal control structure to be included
6 in the internal auditor's final report to the audit committee.

7 **Q. PLEASE SUMMARIZE THE RESULTS OF TESTING FOR THE MOST**
8 **RECENTLY COMPLETED FISCAL YEAR.**

9 A. The most recent fiscal year for which results are available is fiscal 2017. A total of
10 209 key controls related to the Company's natural gas distribution operations were
11 tested. Five control deficiencies were identified. No significant deficiencies or
12 material weaknesses were identified. Subject to the closing of the fiscal year, the five
13 deficiencies were remediated in fiscal 2018.

14 **Q. ARE THESE CONTROL DEFICIENCIES THE SAME DEFICIENCIES**
15 **THAT WERE IDENTIFIED BEFORE THE KENTUCKY PUBLIC SERVICE**
16 **COMMISSION IN CASE NO. 2017-00349?**

17 A. No. The deficiencies identified in fiscal 2017 are not the same deficiencies identified
18 before the Kentucky Public Service Commission in Case No. 2017-00349.

19 **Q. ARE THE COMPANY'S TESTS OF INTERNAL CONTROL SUBJECT TO**
20 **EXAMINATION BY AN INDEPENDENT REGISTERED PUBLIC**
21 **ACCOUNTING FIRM?**

22 A. Yes. As a publicly traded company, Atmos Energy is required to have an
23 independent registered public accounting firm audit management's public assertions

1 regarding the Company's system of internal control. EY serves as the Company's
2 independent registered public accounting firm.

3 **Q. CAN YOU SUMMARIZE THE PROCESS USED BY EY TO PERFORM ITS**
4 **ATTEST FUNCTION?**

5 A. Yes. EY will perform independent tests regarding the design of the Company's
6 internal control function and the effectiveness of the controls as of the end of the
7 fiscal year. They will rely, in part, on the work performed by the internal auditors in
8 completing their audit procedures. Upon completion of their work, EY will issue an
9 audit report summarizing their findings, which is included in the Company's annual
10 report on Form 10-K.

11 **Q. DID EY'S MOST RECENT REPORT DIFFER FROM THE FINDINGS OF**
12 **MANAGEMENT?**

13 A. No. EY issued an unqualified audit report for fiscal 2017 which means that they
14 agreed with management's assertions.

15 **Q. ARE THERE OTHER TYPES OF REGULAR AUDITS AND REVIEWS**
16 **THAT ARE CONDUCTED OF ATMOS ENERGY'S BOOKS AND**
17 **RECORDS?**

18 A. Yes. In addition to the audit of internal control, EY also conducts an annual audit of
19 Atmos Energy's books and records. In addition, EY performs reviews of Atmos
20 Energy's quarterly financial statements. These audits and reviews are conducted in
21 accordance with the standards of the Public Company Accounting Oversight Board
22 (United States).

1 **Q. HOW DOES THE ACCOUNTING SYSTEM ALLOW FOR THE SEPARATE**
2 **RECORDING AND TRACKING OF COSTS FOR ATMOS ENERGY'S**
3 **UTILITY DIVISIONS?**

4 A. Direct costs are charged directly to the natural gas distribution division which has
5 incurred the costs. In addition, technical and support services are provided to the
6 distribution divisions by centralized shared services departments primarily located at
7 the Atmos Energy headquarters in Dallas. These centralized functions include, but
8 are not limited to, accounting, human resources, legal, treasury, risk management,
9 etc. The costs for these shared services are allocated to the operating divisions.

10 **Q. WERE THE BOOKS AND RECORDS OF THE COMPANY PROVIDED TO**
11 **COMPANY WITNESSES FOR UTILIZATION IN THEIR ANALYSIS FOR**
12 **RATEMAKING PURPOSES?**

13 A. Yes.

14 **IV. COST ALLOCATION MANUAL**

15 **Q. WHAT IS THE COST ALLOCATION MANUAL?**

16 A. The Cost Allocation Manual (CAM), contained in Exhibit LKG-1, describes and
17 documents the process whereby allocations are made within the books and records of
18 the Company. These include allocations of various common expenses which are
19 incurred for the benefit of two or more of the Company's rate divisions and are
20 therefore allocable to those rate divisions. Additionally, the CAM also describes and
21 documents the processes whereby allocations are made between Atmos Energy and
22 its affiliates and between affiliates.

1 **Q. PLEASE DESCRIBE THE HISTORY OF THE CAM.**

2 A. Although the Company had been utilizing the allocation methodology described in
3 the CAM for many years prior, the CAM was formally documented in response to
4 807 K.A.R. 5:080, and was first filed with the Commission in April of 2001. Atmos
5 Energy is required to update the CAM each year. The Company has used the CAM
6 to document its allocation processes in the regular course of business since it was
7 first filed.

8 **Q. ARE THE ALLOCATIONS DESCRIBED IN THE CAM USED IN EVERY**
9 **JURISDICTION IN WHICH ATMOS ENERGY OPERATES?**

10 A. Yes. The CAM is uniformly applied in all eight states in which Atmos Energy has
11 regulated utility operations for the allocation of common costs among Atmos
12 Energy's various operating divisions, including Kentucky.

13 **Q. DOES THE CAM DESCRIBE HOW TO ALLOCATE BALANCE SHEET**
14 **AMOUNTS?**

15 A. No. The CAM describes how to allocate expense items from Atmos Energy's
16 income statement. Investment or balance sheet items are not allocated within Atmos
17 Energy's books and records. Investment amounts are allocated only for ratemaking
18 purposes in the context of a rate filing or certain regulatory reports.

19 **Q. IN YOUR OPINION, DOES THE COMPANY'S ALLOCATION PROCESS**
20 **UNIFORMLY AND CONSISTENTLY ALLOCATE COMMON OR SHARED**
21 **SERVICES COSTS?**

22 A. Yes, the allocation process described in the CAM operates fairly and reasonably in
23 allocating those costs on a uniform basis, both as between Atmos Energy's various

1 operating divisions and affiliates and between the various regulatory jurisdictions in
2 which the Company operates.

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

4 A. Yes.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2018-00281
ATMOS ENERGY CORPORATION)

CERTIFICATE AND AFFIDAVIT

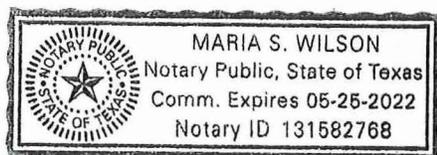
The Affiant, Laura K. Gillham, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared direct testimony of this affiant in Case No. 2018-00281, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared direct pre-filed testimony.



Laura K. Gillham

STATE OF TEXAS
COUNTY OF DALLAS

SUBSCRIBED AND SWORN to before me by Laura K. Gillham on this the 21st day of September, 2018.





Notary Public
My Commission Expires: 5/25/2022

ATMOS ENERGY CORPORATION
COST ALLOCATION MANUAL
April 1, 2018

TABLE OF CONTENTS

Description

<u>Page</u> <u>No.</u>	
2	Introduction
2	a. Corporate Structure
2-3	b. Accounting
3-7	c. Glossary of Terms
8	Capitalized overhead (general)
9	Stores overhead
10	Expenses in Shared Services – Customer Support cost centers
11-12	O&M Expenses in Shared Services – General Office cost centers
13	SSU – Customer Support taxes other than income taxes
14	SSU – General Office taxes other than income taxes
15	SSU – Customer Support depreciation
16	SSU – General Office depreciation
17-18	West Texas Division operating division general office O&M, depreciation and taxes other than income taxes, to rate division level
19	Colorado-Kansas Division operating division general office expenses to state regional office division level
20	Colorado-Kansas Division state regional office division level expenses to rate division levels
21-22	Kentucky/Mid-States Division operating division general office O&M, depreciation and taxes other than income taxes, to rate division level
23-24	Louisiana Division operating division general office O&M, depreciation and taxes other than income taxes, to rate division level
25-26	Mid-Tex/Atmos Pipeline – Texas Division - Intracompany Labor
27	Mid-Tex/Atmos Pipeline – Texas Division - Non Labor Expenses
28	Intercompany labor
29	Adjustments to Uncollectible Accounts Expense
30	Intra-company labor allocation – other than operating division general office labor
31-32	Other income and interest expense(All below the line accounts)
33	Gas cost between state jurisdictions for contiguous systems
34	Gas storage services between an operating division and an affiliate
35	Working capital funds management
36	Gas storage services provided between affiliates
37	Property Insurance
38	Intercompany Interest on Notes Payable
39	Appendix A
40	Corporate Organization Chart

1. Introduction:

a. Corporate Structure

Atmos Energy Corporation (Atmos or the Company) operates its Regulated Operations through seven operating divisions in 8 states. The seven operating divisions and their service areas are:

<u>Division</u>	<u>Service Area</u>
Atmos Energy Colorado-Kansas Division	Colorado, Kansas
Atmos Energy Kentucky/Mid-States Division	Kentucky, Tennessee, Virginia
Atmos Energy Louisiana Division	Louisiana
Atmos Energy Mid-Tex Division	Texas, including the Dallas/Fort Worth metropolitan area
Atmos Energy Mississippi Division	Mississippi
Atmos Energy West Texas Division	West Texas
Atmos Pipeline – Texas Division	Intrastate pipeline business in Texas

These operating divisions are not subsidiaries or separate legal entities. Therefore, by definition, they cannot be considered affiliates of Atmos.

Technical and support services are provided to the operating divisions by centralized shared services departments primarily located at the Atmos headquarters in Dallas. These centralized functions currently include, but are not limited to, accounting, gas supply, human resources, information technology, legal, rates and customer support. The costs for these shared services are allocated to the operating divisions. In addition, for operating divisions that operate in more than one rate jurisdiction, costs from an operating division's general office are allocated to separate rate divisions within the operating division.

Atmos Energy Holdings, Inc. is a wholly owned subsidiary of Atmos. Atmos Energy Holdings and its various wholly owned subsidiaries are separate legal entities and are considered affiliates of Atmos.

The Company's current legal entity organization chart is contained in Appendix A.

Note that the descriptions contained herein do not address tariffed services.

b. Accounting:

Atmos' account coding structure enables it to capture the costs for allocable activities. Expenses, assets, and liabilities for Atmos' shared services and other operating division general office divisions are coded to applicable location codes and cost centers as necessary, and are then allocated to the appropriate rate divisions based upon the methodologies described herein. Allocations recorded in the books and records of the Company are primarily for management control purposes and may not reflect the allocation methodology used for rate making purposes.

Atmos' account coding structure is as follows:

XXX. XXXX. XXXX. XXXXX. XXXXXX. XXXX

Company	Cost Center	FERC Account	Sub-Account	Service Area	Future Use
3 digit	4 digit	4 digits	5 digits	6 digits	4 digits

Within the above coding structure, "Company" and "Cost Center" are primarily utilized for internal management responsibility reporting purposes for Atmos' operating divisions. The terms "Company" and "Cost Center" are defined in the glossary beginning below. Utilization of the "Company" or "Cost Center" fields is not suitable for meaningful financial or regulatory reporting purposes.

The FERC account field contains the three-digit FERC USOA account plus one extension digit which in some cases is utilized by the FERC USOA.

The first three digits of the Service Area field are the primary coding utilized for cost allocations within Atmos and is generally referred to as "rate division number". This portion of the field denotes Atmos' various rate divisions as well as the Company's various shared services and operating division general office divisions. These codes are the primary source of information for regulatory reporting and rate activity. The remaining three digits represent "town" location which is utilized only for some accounts. Atmos Pipeline-Texas uses the final three digits of the service area to represent the actual storage or compressor facility; however, this is used for O&M expenses only.

c. Glossary of Terms:

The following terms are defined for purposes of this document only:

Affiliate - One or more of Atmos' subsidiaries.

Below the Line - Amounts which are generally not included in an analysis of costs from which gas service rates are derived.

Company - In general terms, it refers to Atmos Energy Corporation. Within the context of the account coding string, this term represents an operating division, wholly-owned subsidiary or other legal entity controlled by Atmos.

Composite Factor - The Company's general allocation factor which is derived for each applicable area based upon the simple average of gross plant in service, average number of customers and direct operation and maintenance expenses for each applicable area.

Corporate Headquarters - The headquarters of Atmos Energy Corporation located in Dallas, Texas.

Cost Centers - Account coding which denotes an area of cost responsibility. This coding is used primarily for management purposes.

Customer Factor - The Company's general allocation factor which is derived based on the average number of customers of the Operating Divisions that receive allocable costs for the services provided.

Direct Charges - Those charges which may originate in a shared services department or operating division general office division or a rate division which are booked directly to the applicable rate division.

FERC USOA - The Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission.

Municipal Jurisdiction - For Atmos' utility operations in Texas, each municipality which it serves has original jurisdiction over rates.

Operating Division - An unincorporated division of Atmos Energy Corporation that contains at least one rate division that is responsible for the management of the Company's Regulated Operations. Operating divisions are not subsidiaries or separate legal entities. As such, they do not have separate equity or debt structures. Additionally, the divisions do not keep separate books and records.

Operating divisions with multiple rate divisions have one operating division general office rate division in addition to rate divisions corresponding to regulatory jurisdictional areas.

Operating Division General Office - Administrative offices that are located outside of shared service offices which serve as the base of operations and central office for each "operating division."

Rate Division – Often referred to as an operating rate division, it denotes Atmos' regulatory jurisdictions that are defined by state and geographic boundaries. The term also denotes Atmos' various shared services and operating division general office divisions. These divisions are the primary source for regulatory reporting and rate activity for an area in which rates have been set by a regulatory authority such as the Colorado Public Utilities Commission. Rate divisions are identifiable in the Company's account coding string. As such, costs are accumulated within the general ledger and represent the sum of direct costs plus costs allocated to the rate division.

Regulated Operations – Represents the Company's six regulated natural gas distribution operating divisions operating in 8 states and the Company's regulated intrastate pipeline operations in the State of Texas.

Service Area - The portion of the Company's account coding structure of which the first three digits denote rate division. The last three digits of this code denote "town" which is used only in certain instances. Atmos Pipeline-Texas uses the final three digits of the service area to represent the actual storage or compressor facility; however, this is used for O&M expenses only.

Shared Services - The Company's functions that serve multiple rate divisions. These services include departments such as legal, billing, call center, accounting, information technology, human resources, gas supply, rates administration among others. Shared Services is comprised of Shared Services – General Office and Shared Services – Customer Support

Shared Services – Customer Support – Shared Services functions that include billing, customer call center functions and customer support related services.

Shared Services – General Office – Shared Services functions that include all other functions not encompassed by Shared Services – Customer Support.

The following are divisions of Atmos Energy Corporation:

Atmos Energy Colorado-Kansas Division is a regulated operating division that serves approximately 170 communities throughout Colorado and Kansas, including the cities of Olathe, Kansas, a suburb of Kansas City and Greeley, Colorado, located near Denver.

Atmos Energy Kentucky/Mid-States Division is a regulated operating division that operates Kentucky, Tennessee and Virginia. The service areas in these states are primarily rural; however, this division serves Franklin, Tennessee, and other suburban areas of Nashville.

Atmos Energy Louisiana Division is a regulated operating division that serves nearly 300 communities, including the suburban areas of New Orleans, the metropolitan area of Monroe and western Louisiana. Direct sales of natural gas to industrial customers in Louisiana, who use gas for fuel or in manufacturing processes, and sales of natural gas for vehicle fuel are exempt from regulation and are recognized in our Atmos Energy Louisiana Industrial Gas segment.

Atmos Energy Mid-Tex Division is a regulated operating division that serves approximately 550 incorporated and unincorporated communities in the north-central, eastern and western parts of Texas, including the Dallas/Fort Worth Metroplex. The governing body of each municipality we serve has original jurisdiction over all gas distribution rates, operations and services within its city limits, except with respect to sales of natural gas for vehicle fuel and agricultural use. The Railroad Commission of Texas (RRC) has exclusive appellate jurisdiction over all rate and regulatory orders and ordinances of the municipalities and exclusive original jurisdiction over rates and services to customers not located within the limits of a municipality.

Atmos Energy Mississippi Division is a regulated operating division that serves about 110 communities throughout the northern half of the state, including the Jackson metropolitan area.

Atmos Energy West Texas Division is a regulated operating division that serves approximately 80 communities in West Texas, including the Amarillo, Lubbock and Midland areas. Like our Mid-Tex Division, each municipality we serve has original jurisdiction over all gas distribution rates, operations and services within its city limits, with the RRC having exclusive appellate jurisdiction over the municipalities and exclusive original jurisdiction over rates and services provided to customers not located within the limits of a municipality.

Atmos Pipeline – Texas Division is one of the largest intrastate pipeline operations in Texas with a heavy concentration in the established natural gas producing areas of central, northern and eastern Texas, extending into or near the major producing areas of the Barnett Shale, the Texas Gulf Coast and the Delaware and Val Verde Basins of West Texas. APT provides transportation and storage services to our Mid-Tex Division, other third party local distribution companies, industrial and electric generation

customers, as well as marketers and producers. As part of its pipeline operations, APT manages five underground storage reservoirs in Texas.

The following are affiliates of Atmos Energy Corporation:

Blueflame Insurance Services, LTD is a wholly-owned subsidiary of Atmos Energy Corporation that was created to provide cost-effective property insurance coverage for Atmos Energy and its subsidiaries. It was chartered in Bermuda effective December 16, 2003, and became operational as of January 1, 2004. It is incorporated under Bermuda's insurance law and regulations and is fully capitalized under the requirements of applicable Bermuda law.

Atmos Energy Services, LLC was established on April 1, 2004 to provide natural gas management services to Atmos Energy's natural gas distribution operations, other than the Mid-Tex Division. These services include aggregating and purchasing gas supply, arranging transportation and storage logistics and ultimately delivering the gas to Atmos Energy's natural gas distribution service areas at competitive prices. AES provided these services through December 31, 2006. Effective January 1, 2007, the gas supply department within shared services began providing these services. However, AES continues to provide limited services to the natural gas distribution operations of Atmos Energy.

Phoenix Gas Gathering Company is a wholly owned subsidiary of Atmos Gathering Company, LLC, and was created to develop, own and operate a non-regulated natural gas gathering system located in Kentucky.

Atmos Gathering Company, LLC is a wholly owned subsidiary of Atmos Pipeline and Storage, LLC and was created to conduct our non-regulated natural gas gathering operations.

Atmos Energy Holdings, Inc. is the parent company of Atmos Energy Corporation's non-utility operations.

Atmos Energy Louisiana Industrial Gas, LLC serves industrial customers in Louisiana who use gas for fuel, manufacturing and other processes.

Atmos Exploration and Production, Inc. holds some insignificant Kentucky production interests which the Company succeeded to when it acquired Western Kentucky Gas Company in 1989. This subsidiary is functionally inactive as the Company does not actively engage in the exploration and production business.

Atmos Pipeline and Storage, LLC owns or has an interest in underground storage fields in Kentucky and Louisiana. The utility divisions of Atmos Energy also use these storage facilities to reduce the need to contract for additional pipeline capacity to meet customer demand during peak periods.

Atmos Power Systems, Inc. constructs gas-fired electric peaking power generating plant and associated facilities and may enter into agreements to either lease or sell these plants. Since 2001, 2 sales-type lease transactions have been executed.

Egasco, LLC was, several years ago, engaged in the marketing and sale of natural gas to large-volume commercial and agricultural customers in West Texas. Egasco no longer serves any customers.

Fort Necessity Gas Storage, LLC is a wholly owned subsidiary of Atmos Pipeline and Storage, LLC, and was created in 2009 to construct and operate a non-regulated salt-cavern gas storage project in Louisiana. In March 2011, we recorded a \$19.3 million charge to substantially write off our investment in Fort Necessity.

Trans Louisiana Gas Storage, Inc. owns a minority interest in a salt dome storage facility in Louisiana. This facility is used to serve utility and non-utility customers.

Trans Louisiana Gas Pipeline, Inc. owns and operates an intrastate pipeline system in Louisiana. This facility is used to serve utility and non-utility customers.

UCG Storage, Inc. owns certain storage field interests in Kentucky which are used to serve utility customers.

WKG Storage, Inc. owns certain storage field interests in Kentucky which are used to serve utility customers.

Service: Capitalized overhead (general)

Description: Overhead related to capital expenditures

Current Provider of Service: Shared Services
 Atmos Pipeline – Texas Division
 Louisiana Division operating division general office
 Kentucky/Mid-States Division operating division general office
 Colorado-Kansas Division operating division general office
 Mid-Tex Division
 Mississippi Division
 West Texas Division operating division general office

Current Use of Service: Rate divisions

Basis for allocation: Capitalized overhead costs are accumulated by operating division (and state level for multiple state divisions). Each operating division (and state) sets an application rate at the beginning of the year based on projected expenditures. As expenditures for CWIP and RWIP are recorded overhead is applied at the application rate. Periodically, the application rate is reviewed. Shared services overhead is allocated to operating divisions based on operating division capital expenditures. At the end of each quarter, the amount that has accumulated in the OH project is cleared to all eligible projects that incurred charges during that quarter, on a pro rata basis

General Ledger Entries: Example Only

SSU BU 010 Cash Acct. 131	SSU BU 010 Accounts Payable Acct. 232	SSU BU 010 Office Supply and Expenses Acct. 921 Cost Center XXXX *	SSU BU 010 Administrative Expenses Transferred Acct. 922 Cost Center XXXX
\$1,000 (1)	\$1,000 (1) \$1,000 (1)	\$1,000 (1)	\$600 (3) \$400 (3a)
SSU BU 010 Administrative Expenses Transferred Acct. 922 Cost Center 1910 *	SSU BU 010 Administrative & General Acct. 920 Cost Center 1910	SSU BU 010 Construction Work in Progress Acct. 107	General Office - Div 091 Administrative Expenses Transferred Acct. 922
(3b) \$20 (3b) \$180	\$200 (2)	\$200 (2)	(3) \$600 \$150 (4) \$450 (4a) (5) \$10 \$20 (3b)
General Office Remaining Administrative Expenses Transferred Acct. 922	Rate Div Office Mid States Div 009 ** Administrative Expenses Transferred Acct. 922	Rate Div Office Mid States Div -Remaining Administrative Expenses Transferred Acct. 922	
(3a) \$400 \$180 (3b)	(4) \$150 \$10 (5)	(4a) \$450	

* Cap rate = 20%
 ** Many rate division offices exist within Mid-States in addition to Div 009.

Flow of Activity

- (1) Purchase Office Supplies
- (2) Capitalize Overhead is calculated based on cost center capitalization percentage
- (3) Allocating Shared Services Expenses to General Offices - 60% Allocation rate for illustration purposes only
 - (3a) Allocation to remaining general offices
 - (3b) Allocate capitalization credits to business units
- (4) Allocating Shared Services Expenses to Rate Division Office - 25% Allocation rate for illustration purposes only
 - (4a) Allocation to remaining division offices
- (5) Allocating Shared Services Capitalization Credit to Rate Division Office - 50% Allocation rate for illustration purposes only

Note: Please see the allocation of expenses from General Office to State Regional Office to Rate Division on the following pages:
 West Texas - 17, Colorado/Kansas - 19, Louisiana - 23

Service: Stores overhead

Description: Overhead related to inventory warehousing is allocated to materials as issued.

Current Provider of Service: Shared Services
Operating division general office

Current Use of Service: Atmos Pipeline – Texas Division
West Texas Division rate divisions
Louisiana Division rate divisions
Kentucky/Mid-States Division rate divisions
Mid-Tex Division rate division
Colorado-Kansas Division rate divisions
Mississippi Division rate division

Basis for allocation: Overhead costs associated with inventory items, including rent, labor and supervision are accumulated by operating division. Each operating division sets an application rate at the beginning of the year based on projected overhead and materials activity. As materials are issued from the warehouse, the overhead assigned is also allocated to the same account. Periodically, the balance in the undistributed stores overhead account is compared to the materials on hand balance and a new rate is determined. Shared Services stores overhead is allocated monthly to the operating divisions based on number of meters.

General Ledger Entries: Example Only

<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Cash</td></tr> <tr><td style="text-align: center;">Acct. 131</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: right;">\$100 (1)</td></tr> <tr><td style="text-align: right;">\$2 (3a)</td></tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Stores Expense</td></tr> <tr><td style="text-align: center;">Undistributed</td></tr> <tr><td style="text-align: center;">Acct. 163</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(3a) \$2</td></tr> <tr><td style="text-align: right;">\$2 (3b)</td></tr> </table>	SSU BU 010	Cash	Acct. 131		\$100 (1)	\$2 (3a)	SSU BU 010	Stores Expense	Undistributed	Acct. 163		(3a) \$2	\$2 (3b)	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Inventory</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(1) \$100</td></tr> <tr><td style="text-align: right;">\$100 (2)</td></tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Accounts Payable</td></tr> <tr><td style="text-align: center;">Acct. 232</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(3a) \$2</td></tr> <tr><td style="text-align: right;">\$2 (3a)</td></tr> </table>	SSU BU 010	Inventory		(1) \$100	\$100 (2)	SSU BU 010	Accounts Payable	Acct. 232		(3a) \$2	\$2 (3a)	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;">Rate Div Office</td></tr> <tr><td style="text-align: center;">Mid States Div 009 **</td></tr> <tr><td style="text-align: center;">Construction Work</td></tr> <tr><td style="text-align: center;">in Progress</td></tr> <tr><td style="text-align: center;">Acct. 107</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(2) \$100</td></tr> <tr><td style="text-align: right;">(3b) \$2</td></tr> </table>	Rate Div Office	Mid States Div 009 **	Construction Work	in Progress	Acct. 107		(2) \$100	(3b) \$2
SSU BU 010																																		
Cash																																		
Acct. 131																																		
\$100 (1)																																		
\$2 (3a)																																		
SSU BU 010																																		
Stores Expense																																		
Undistributed																																		
Acct. 163																																		
(3a) \$2																																		
\$2 (3b)																																		
SSU BU 010																																		
Inventory																																		
(1) \$100																																		
\$100 (2)																																		
SSU BU 010																																		
Accounts Payable																																		
Acct. 232																																		
(3a) \$2																																		
\$2 (3a)																																		
Rate Div Office																																		
Mid States Div 009 **																																		
Construction Work																																		
in Progress																																		
Acct. 107																																		
(2) \$100																																		
(3b) \$2																																		

** Many rate division offices exist within Mid-States in addition to Div 009.

Flow of Activity

- 1 Purchase Inventory - Material
- 2 Issue Inventory to Capital Project
- 3a Incurring Inventory Expense
- 3b Apply Inventory Storage Rate
- Assume 2%

Service: O&M Expenses in Shared Services – Customer Support cost centers

Description: Includes all expenses for Customer Support. (Division 012)

Current Provider Of Service Shared Services

Current Use of Service
 West Texas Rate Divisions
 Mid-Tex Division
 Louisiana Rate Divisions
 Kentucky/Mid-States Rate Divisions
 Colorado-Kansas Rate Divisions
 Mississippi Division

Basis for allocation Costs are allocated to the applicable operating division general office in total based on the average number of customers in each operating division as a percentage of the total number of customers in all of the operating divisions. From the operating division general office Divisions Customer Support charges are allocated to rate divisions using the average number of customers in each rate division.

General Ledger Entries: Example Only

<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Cash</td></tr> <tr><td style="text-align: center;">Acct. 131</td></tr> <tr><td style="text-align: center;">\$1,000 (1)</td></tr> </table>	SSU BU 010	Cash	Acct. 131	\$1,000 (1)	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Accounts Payable</td></tr> <tr><td style="text-align: center;">Acct. 232</td></tr> <tr><td style="text-align: center;">\$1,000 (1)</td></tr> </table>	SSU BU 010	Accounts Payable	Acct. 232	\$1,000 (1)	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Office Supply and Expenses *</td></tr> <tr><td style="text-align: center;">Acct. 921</td></tr> <tr><td style="text-align: center;">Cost Center XXXX</td></tr> <tr><td style="text-align: center;">\$1,000 (1)</td></tr> </table>	SSU BU 010	Office Supply and Expenses *	Acct. 921	Cost Center XXXX	\$1,000 (1)	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Administrative Expenses</td></tr> <tr><td style="text-align: center;">Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="text-align: center;">\$ 400 (2)</td></tr> <tr><td style="text-align: center;">\$ 600 (2a)</td></tr> </table>	SSU BU 010	Administrative Expenses	Transferred	Acct. 922	\$ 400 (2)	\$ 600 (2a)			
SSU BU 010																									
Cash																									
Acct. 131																									
\$1,000 (1)																									
SSU BU 010																									
Accounts Payable																									
Acct. 232																									
\$1,000 (1)																									
SSU BU 010																									
Office Supply and Expenses *																									
Acct. 921																									
Cost Center XXXX																									
\$1,000 (1)																									
SSU BU 010																									
Administrative Expenses																									
Transferred																									
Acct. 922																									
\$ 400 (2)																									
\$ 600 (2a)																									
<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">General Office Remaining</td></tr> <tr><td style="text-align: center;">Administrative Expenses</td></tr> <tr><td style="text-align: center;">Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="text-align: center;">(2a) \$ 600</td></tr> </table>	General Office Remaining	Administrative Expenses	Transferred	Acct. 922	(2a) \$ 600	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">General Office Mid States - Div 091</td></tr> <tr><td style="text-align: center;">Administrative Expenses</td></tr> <tr><td style="text-align: center;">Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="text-align: center;">(2) \$400</td></tr> <tr><td style="text-align: center;">\$100 (3)</td></tr> <tr><td style="text-align: center;">\$300 (3a)</td></tr> </table>	General Office Mid States - Div 091	Administrative Expenses	Transferred	Acct. 922	(2) \$400	\$100 (3)	\$300 (3a)	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">Rate Div Office Mid States Div 009 **</td></tr> <tr><td style="text-align: center;">Administrative Expenses</td></tr> <tr><td style="text-align: center;">Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="text-align: center;">(3) \$100</td></tr> </table>	Rate Div Office Mid States Div 009 **	Administrative Expenses	Transferred	Acct. 922	(3) \$100	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">Rate Div Office Mid States -Remaining</td></tr> <tr><td style="text-align: center;">Administrative Expenses</td></tr> <tr><td style="text-align: center;">Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="text-align: center;">(3a) \$300</td></tr> </table>	Rate Div Office Mid States -Remaining	Administrative Expenses	Transferred	Acct. 922	(3a) \$300
General Office Remaining																									
Administrative Expenses																									
Transferred																									
Acct. 922																									
(2a) \$ 600																									
General Office Mid States - Div 091																									
Administrative Expenses																									
Transferred																									
Acct. 922																									
(2) \$400																									
\$100 (3)																									
\$300 (3a)																									
Rate Div Office Mid States Div 009 **																									
Administrative Expenses																									
Transferred																									
Acct. 922																									
(3) \$100																									
Rate Div Office Mid States -Remaining																									
Administrative Expenses																									
Transferred																									
Acct. 922																									
(3a) \$300																									

* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

** Many rate division offices exist within Mid-States in addition to Div 009.

Flow of Activity

- (1) Purchase Office Supplies - Shared Services
- (2) Allocating Shared Services Expenses to General Offices - 40% Allocation rate for illustration purposes only
- (2a) Allocation to remaining general offices
- (3) Allocating Shared Services Expenses to Rate Division Office - 25% Allocation rate for illustration purposes only
- (3a) Allocation to remaining division offices

Note: Please see the allocation of expenses from General Office to State Regional Office to Rate Division on the following pages:
 West Texas - 17, Colorado/Kansas - 19, Louisiana - 23

Service:	O&M Expenses in Shared Services – General Office cost centers
Description:	Includes O&M expenses in Shared Services – General Office. (Division 002)
Current Provider Of Service	Shared Services
Current Use of Service	Atmos Energy Louisiana Industrial Gas, LLC Trans Louisiana Gas Pipeline WKG Storage, Inc. West Texas Division Mid-Tex Division Atmos Pipeline – Texas Division Louisiana Division Kentucky/Mid-States Division Colorado-Kansas Division Mississippi Division Trans Louisiana Gas Storage Atmos Power Systems, Inc UCG Storage, Inc. Atmos Energy Holdings, Inc.
Basis for allocation	<p>Costs are allocated to affiliates and operating divisions based on a composite factor applied to the Shared Services departments. Shared Services departments which provide services to the Company's affiliates utilize a composite factor which includes the affiliates.</p> <p>Shared Service departments that do not provide services to the Company's affiliates utilize a composite factor which does not include the Company's affiliates.</p> <p>Other allocation methods used as appropriate include, but are not limited to, composite not including affiliates or Atmos Pipeline –Texas and an Overhead rate.</p> <p>From each operating division general office charges are allocated to rate divisions using the composite rate for each rate division.</p>

See page 12 for General Ledger Entries: Example Only.

General Ledger Entries: Example Only

<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Cash</td></tr> <tr><td style="text-align: center;">Acct. 131</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;">\$1,000 (1)</td></tr> </table>	SSU BU 010	Cash	Acct. 131	\$1,000 (1)	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Accounts Payable</td></tr> <tr><td style="text-align: center;">Acct. 232</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;">\$1,000 (1) \$1,000 (1)</td></tr> </table>	SSU BU 010	Accounts Payable	Acct. 232	\$1,000 (1) \$1,000 (1)	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Office Supply and Expenses *</td></tr> <tr><td style="text-align: center;">Acct. 921</td></tr> <tr><td style="text-align: center;">Cost Center XXXX</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;">\$1,000 (1)</td></tr> </table>	SSU BU 010	Office Supply and Expenses *	Acct. 921	Cost Center XXXX	\$1,000 (1)	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Administrative Expenses</td></tr> <tr><td style="text-align: center;">Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;">\$ 300 (2)</td></tr> <tr><td style="border-bottom: 1px solid black;">\$ 700 (2a)</td></tr> </table>	SSU BU 010	Administrative Expenses	Transferred	Acct. 922	\$ 300 (2)	\$ 700 (2a)		
SSU BU 010																								
Cash																								
Acct. 131																								
\$1,000 (1)																								
SSU BU 010																								
Accounts Payable																								
Acct. 232																								
\$1,000 (1) \$1,000 (1)																								
SSU BU 010																								
Office Supply and Expenses *																								
Acct. 921																								
Cost Center XXXX																								
\$1,000 (1)																								
SSU BU 010																								
Administrative Expenses																								
Transferred																								
Acct. 922																								
\$ 300 (2)																								
\$ 700 (2a)																								
<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;">General Office Remaining</td></tr> <tr><td style="text-align: center;">Administrative Expenses</td></tr> <tr><td style="text-align: center;">Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;">(2a) \$ 700</td></tr> </table>	General Office Remaining	Administrative Expenses	Transferred	Acct. 922	(2a) \$ 700	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;">General Office Mid States - Div 091</td></tr> <tr><td style="text-align: center;">Administrative Expenses</td></tr> <tr><td style="text-align: center;">Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;">(2) \$300 \$150 (3)</td></tr> <tr><td style="border-bottom: 1px solid black;">\$150 (3a)</td></tr> </table>	General Office Mid States - Div 091	Administrative Expenses	Transferred	Acct. 922	(2) \$300 \$150 (3)	\$150 (3a)	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;">Rate Div Office Mid States Div 009 **</td></tr> <tr><td style="text-align: center;">Administrative Expenses</td></tr> <tr><td style="text-align: center;">Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;">(3) \$150</td></tr> </table>	Rate Div Office Mid States Div 009 **	Administrative Expenses	Transferred	Acct. 922	(3) \$150	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;">Rate Div Office Mid States -Remaining</td></tr> <tr><td style="text-align: center;">Administrative Expenses</td></tr> <tr><td style="text-align: center;">Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;">(3a) \$150</td></tr> </table>	Rate Div Office Mid States -Remaining	Administrative Expenses	Transferred	Acct. 922	(3a) \$150
General Office Remaining																								
Administrative Expenses																								
Transferred																								
Acct. 922																								
(2a) \$ 700																								
General Office Mid States - Div 091																								
Administrative Expenses																								
Transferred																								
Acct. 922																								
(2) \$300 \$150 (3)																								
\$150 (3a)																								
Rate Div Office Mid States Div 009 **																								
Administrative Expenses																								
Transferred																								
Acct. 922																								
(3) \$150																								
Rate Div Office Mid States -Remaining																								
Administrative Expenses																								
Transferred																								
Acct. 922																								
(3a) \$150																								

* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

** Many rate division offices exist within Mid-States in addition to Div 009.

Flow of Activity

- (1) Purchase Office Supplies - Shared Services
- (2) Allocating Shared Services Expenses to General Offices - 30% Allocation rate for illustration purposes only
 - (2a) Allocation to remaining general offices
- (3) Allocating Shared Services Expenses to Rate Division Office - 50% Allocation rate for illustration purposes only
 - (3a) Allocation to remaining division offices

Note: Operating Divisions Mississippi, Mid-Tex and Atmos Pipeline – Texas have 1 rate division. There is no allocation to remaining division offices (3a).

Note: Please see the allocation of expenses from General Office to State Regional Office to Rate Division on the following pages:
 West Texas - 17, Colorado/Kansas - 19, Louisiana - 23

Service: SSU – Customer Support taxes other than income taxes

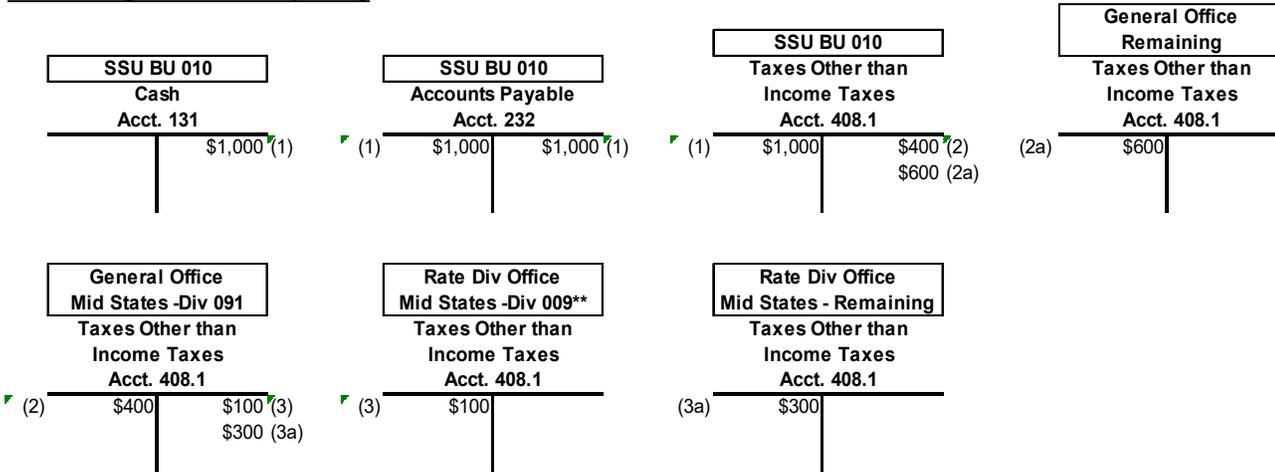
Description: Includes all taxes other than income tax charged in Shared Services – Customer Support.

Current Provider Of Services Shared Services

Current Use of Service
 West Texas Rate Divisions
 Louisiana Rate Divisions
 Kentucky/Mid-States Rate Divisions
 Mid-Tex Division
 Colorado-Kansas Rate Divisions
 Mississippi Division

Basis for allocation Costs are allocated to the applicable rate division level in total based on the average number of customers in each operating division as a percentage of the total number of customers in all of the operating divisions.
 If needed number of customers in the rate divisions is used to allocate from the operating division general office to the rate divisions.

General Ledger Entries: Example Only



** Many rate division offices exist in addition to Div 009.

Flow of Activity

- (1) Taxes Other than Income Taxes incurred
- (2) Allocating Shared Services Expenses to General Offices - 40% to Mid States BU - for illustration purposes
- (2a) Allocating to remaining division offices
- (3) Allocating Shared Services Expenses to Rate Division Office - 25% for Kentucky Rate Division Office - for illustration purposes only
- (3a) Allocating Shared Services Expenses to remaining Rate Division Offices

Note: Please see the allocation of expenses from General Office to State Regional Office to Rate Division on the following pages:
 West Texas - 17, Colorado/Kansas - 19, Louisiana - 23

Service:	SSU – General Office taxes other than income taxes
Description:	Includes all taxes other than income tax charged in Shared Services – General Office.
Current Provider Of Services	Shared Services
Current Use of Service	Atmos Energy Louisiana Industrial Gas, LLC Atmos Power Systems, Inc. WKG Storage, Inc. Trans Louisiana Gas Pipeline, Inc. West Texas Division Mid-Tex Division Atmos Pipeline – Texas Division Louisiana Division Kentucky/Mid-States Division Colorado-Kansas Division Mississippi Division UCG Storage, Inc. Atmos Energy Holdings, Inc.
Basis for allocation	<p>Costs are allocated to the applicable operating divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages:</p> <p>The percentage of Gross Direct Property Plant and Equipment in each operating division unit as a percentage of the total Direct Property Plant and Equipment in all of the operating divisions.</p> <p>The number of customers in each operating division as a percentage of the total number of customers in all of the operating divisions.</p> <p>The total direct O&M expense in each operating division as a percentage of the total direct O&M expense in all operating divisions.</p> <p>If needed, allocation from operating division general offices to rate division uses the composite rate.</p>

See page 13 for General Ledger Entry – Example Only.

Service: SSU – Customer Support depreciation

Description: Includes all depreciation charged in Shared Services – Customer Support.

Current Provider Of Services: Shared Services

Current Use of Service: West Texas Rate Divisions
Louisiana Rate Divisions
Kentucky/Mid-States Rate Divisions
Mid-Tex Division
Colorado-Kansas Rate Divisions
Mississippi Division

Basis for allocation: Costs are generally allocated to the applicable rate division level in total based on the average number of customers in each operating division as a percentage of the total number of customers in all of the operating divisions. If needed number of customers in the rate divisions is used to allocated from the operating division general office to the rate divisions. Depreciation associated with the Charles K. Vaughan Center is allocated based upon square footage, number of customers and employee training usage.

General Ledger Entries: Example Only

SSU BU 010 Depreciation Exp Acct. 403	SSU BU 010 Depreciation Exp Acct. 108	Rate Div Office Mid States -Div 009** Depreciation Exp Acct. 403
(1) \$5,000	\$5,000 (1)	(2) \$200
\$200 (2) \$4,800 (2a)	(1)	(2a) \$4,800

** Many rate division offices exist in addition to Div 009.

Flow of Activity

- ✓ (1) Monthly Depreciation Expense is booked through Powerplant and interfaces with the Oracle general ledger.
- ✓ (2) Current Month Depreciation Expense is allocated to the various utility rate divisions using the following allocation factors:
 - i. For SSU division 002 - General - Allocated using the composite factor
 - ii. For SSU division 012 - Call Center - Allocated using the customer factor.
- (2a) Allocation to remaining Rate Divisions

Note: Please see the allocation of expenses from General Office to State Regional Office to Rate Division on the following pages:
West Texas - 17, Colorado/Kansas - 19, Louisiana - 23

Service: SSU – General Office depreciation

Description:	Includes all depreciation charged in Shared Services – General Office.
Current Provider Of Services	Shared Services
Current Use of Service	Atmos Energy Louisiana Industrial Gas, LLC WKG Storage, Inc. Trans Louisiana Gas Pipeline, Inc. West Texas Division Mid-Tex Division Atmos Pipeline – Texas Division Louisiana Division Kentucky/Mid-States Division Colorado-Kansas Division Mississippi Division UCG Storage, Inc. Atmos Energy Holdings, Inc.
Basis for allocation	Costs are generally allocated to the applicable operating divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages:

- (1) The percentage of Gross Direct Property Plant and Equipment in each operating division unit as a percentage of the total Direct Property Plant and Equipment in all of the operating divisions.
- (2) The number of customers in each operating division as a percentage of the total number of customers in all of the operating divisions.
- (3) The total direct O&M expense in each operating division as a percentage of the total direct O&M expense in all operating divisions.

If needed, allocation from operating division general offices to rate division uses the composite rate.

The depreciation allocation for the Greenville Data Center is based upon the Composite Factor and square footage percent by business unit.

The depreciation allocation for SSU General Office (Div 002) assets that support the enterprise excluding our Atmos Pipeline – Texas (APT) Division are based on a composite factor that excludes APT. This rate is referred to as AEAM.

The depreciation allocation for our Align billing system assets are based upon invoiced volumes per business unit as a percentage of total volumes. Currently, only the Mid-Tex, APT and AELIG business units use this rate.

See page 15 for General Ledger Entry – Example Only.

Service:	West Texas Division operating division general office O&M, depreciation and taxes other than income taxes, to rate division level
Description:	Allocation of operating division general office expenses to rate division levels
Current Provider of Service	West Texas Division operating division general office
Current Use of Service	West Texas Division rate divisions
Basis for allocation	<p>Costs are allocated to the applicable operating divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages:</p> <ol style="list-style-type: none"> (1) The percentage of Gross Direct Property Plant and Equipment in each division as a percentage of the total Direct Property Plant and Equipment in the West Texas Division rate divisions. (2) The number of customers in each rate division as a percentage of the total number of customers in the West Texas Division rate divisions. (3) The total direct O&M expense in each municipal rate division as a percentage of the total direct O&M expense in the West Texas Division rate divisions.

See Page 18 for General Ledger Entries: Example Only.

General Ledger Entries: Example Only

General Office SSU – Div 002	
Cash Acct. 131	
	\$500 (1)
	\$400 (5)

General Office SSU – Div 002	
Accounts Payable Acct. 232	
	\$500 (1)
	\$400 (5)

General Office West Texas - Div 010 Office Supply and Expenses *	
Acct. 921	
	\$500 (1)

General Office West Texas - Div 010 Administrative Expenses Transferred	
Acct. 922	
	\$200 (2)
	\$300 (2a)

Rate Div Office West Texas Div 020**	
Administrative Expenses Transferred	
Acct. 922	
	\$200 (2)

Rate Div Office West Texas -Remaining	
Administrative Expenses Transferred	
Acct. 922	
	\$300 (2a)

General Office West Texas - Div 010 Depreciation Exp	
Acct. 403	
	\$100 (3)
	\$15 (4)
	\$85 (4a)

West Texas - Div 010 Accumulated Depreciation	
Acct. 108	
	\$100 (3)

Rate Div Office West Texas Div 020**	
Depreciation Exp	
Acct. 403	
	\$15 (4)

General Office West Texas - Div 010 Taxes Other than Income Taxes	
Acct. 408.1	
	\$400 (5)
	\$100 (6)
	\$300 (6a)

Rate Div Office West Texas Div 020**	
Taxes Other than Income Taxes	
Acct. 408.1	
	\$ 100 (6)

Rate Div Office West Texas -Remaining	
Taxes Other and Depreciation	
Acct. 408.1 and 403	
	\$85 (4a)
	\$300 (6a)

* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

** Many rate division offices exist in addition to Div 020.

Flow of Activity

- █ (1) Purchase Office Supplies - West Texas Division General Office
- █ (2) Allocating General Office Expenses to Rate Division Office - 40% Allocation rate for illustration purposes only
- (2a) Allocation to remaining division offices
- █ (3) Monthly Depreciation Expense is booked through Powerplant and interfaces with the Oracle general ledger.
- █ (4) Allocation from Division 010 - West Texas General Office to West Texas Rate Divisions
- (4a) Allocation to remaining division offices
- █ (5) Taxes Other than Income Taxes incurred
- █ (6) Allocating General Office Expenses to Rate Division Office - 25% to West Texas Rate Division Office - for illustration purposes only
- (6a) Allocation to remaining division offices

Service: Colorado-Kansas Division operating division general office expenses to state regional office division level.

Description: Allocation of division general office expenses to state regional office division levels.

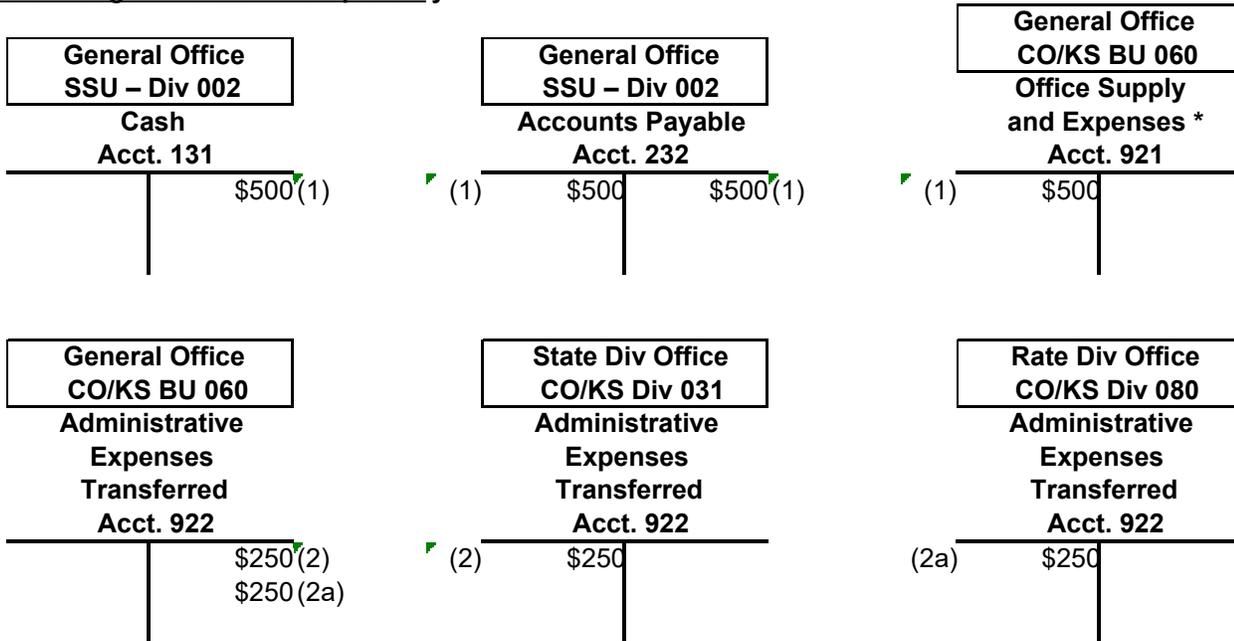
Current Provider of Service Colorado-Kansas Division operating division general office

Current Use of Service Colorado-Kansas Operating Division state office divisions.

Basis for allocation Costs are allocated to the applicable state regional office divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages:

- (1) The percentage of Gross Direct Property Plant and Equipment in each state as a percentage of the total Direct Property Plant and Equipment in Colorado-Kansas Division.
- (2) The number of customers in each state as a percentage of the total number of customers in Colorado-Kansas Division.
- (3) The total direct O&M expense in each state as a percentage of the total direct O&M expense in Colorado-Kansas Division.

General Ledger Entries: Example Only



* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

Flow of Activity

- ▶ (1) Purchase Office Supplies - Colorado/Kansas Division General Office
- ▶ (2) Allocating General Office Expenses to State Division Office - 50% Allocation rate for illustration purposes only
- (2a) Allocation to remaining state office

Service: Colorado-Kansas Division state regional office division level expenses to rate division level

Description: Allocation of state regional office division level expenses to rate division levels.

Current Provider of Service Colorado-Kansas Division regional division office

Current Use of Service Colorado-Kansas Division rate divisions

Basis for allocation Costs are allocated to the applicable rate divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages:

- (1) The percentage of Gross Direct Property Plant and Equipment in each state rate division as a percentage of the total Direct Property Plant and Equipment in each state.
- (2) The number of customers in each state rate division as a percentage of the total number of customers in each state.
- (3) The total direct O&M expense in each state rate division as a percentage of the total direct O&M expense in each state.

General Ledger Entries: Example Only

<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">General Office SSU – Div 002</td></tr> <tr><td style="padding: 5px;">Cash</td></tr> <tr><td style="padding: 5px;">Acct. 131</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$500 (1)</td></tr> </table>	General Office SSU – Div 002	Cash	Acct. 131	\$500 (1)	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">General Office SSU – Div 002</td></tr> <tr><td style="padding: 5px;">Accounts Payable</td></tr> <tr><td style="padding: 5px;">Acct. 232</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$500 (1) \$500 (1)</td></tr> </table>	General Office SSU – Div 002	Accounts Payable	Acct. 232	\$500 (1) \$500 (1)	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">State Div Office CO/KS BU 060</td></tr> <tr><td style="padding: 5px;">Office Supply and Expenses *</td></tr> <tr><td style="padding: 5px;">Acct. 921</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$500 (1)</td></tr> </table>	State Div Office CO/KS BU 060	Office Supply and Expenses *	Acct. 921	\$500 (1)
General Office SSU – Div 002														
Cash														
Acct. 131														
\$500 (1)														
General Office SSU – Div 002														
Accounts Payable														
Acct. 232														
\$500 (1) \$500 (1)														
State Div Office CO/KS BU 060														
Office Supply and Expenses *														
Acct. 921														
\$500 (1)														
<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">State Div Office CO/KS BU 060</td></tr> <tr><td style="padding: 5px;">Administrative Expenses Transferred</td></tr> <tr><td style="padding: 5px;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$200 (2) \$300 (2a)</td></tr> </table>	State Div Office CO/KS BU 060	Administrative Expenses Transferred	Acct. 922	\$200 (2) \$300 (2a)	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">Rate Div Office CO/KS Div 033 **</td></tr> <tr><td style="padding: 5px;">Administrative Expenses Transferred</td></tr> <tr><td style="padding: 5px;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$200 (2)</td></tr> </table>	Rate Div Office CO/KS Div 033 **	Administrative Expenses Transferred	Acct. 922	\$200 (2)	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">Rate Div Office CO/KS - Remaining</td></tr> <tr><td style="padding: 5px;">Administrative Expenses Transferred</td></tr> <tr><td style="padding: 5px;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; padding: 5px;">\$300 (2a)</td></tr> </table>	Rate Div Office CO/KS - Remaining	Administrative Expenses Transferred	Acct. 922	\$300 (2a)
State Div Office CO/KS BU 060														
Administrative Expenses Transferred														
Acct. 922														
\$200 (2) \$300 (2a)														
Rate Div Office CO/KS Div 033 **														
Administrative Expenses Transferred														
Acct. 922														
\$200 (2)														
Rate Div Office CO/KS - Remaining														
Administrative Expenses Transferred														
Acct. 922														
\$300 (2a)														

* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

** Many rate division offices exist within the state in addition to Div 033.

Flow of Activity

- (1) Purchase Office Supplies - Colorado/Kansas State Division Office
- (2) Allocating State Division Office Expenses to Rate Division Office - 40% Allocation rate for illustration purposes only
- (2a) Allocation to remaining division offices

Service:	Kentucky/Mid-States Division operating division general office O&M, depreciation and taxes other than income taxes, to rate division level
Description:	Allocation of operating division general office expenses to rate division levels
Current Provider Of Service	Kentucky/Mid-States Division operating division general office
Current Use of Service	Kentucky/Mid-States Division rate divisions
Basis for allocation	<p>Costs are allocated to the applicable rate divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages:</p> <ol style="list-style-type: none"> (1) The percentage of Gross Direct Property Plant and Equipment in each rate division as a percentage of the total Direct Property Plant and Equipment in Kentucky/Mid-States Division. (2) The number of customers in each rate division as a percentage of the total number of customers in Kentucky/Mid-States Division. (3) The total direct O&M expense in each rate division as a percentage of the total direct O&M expense in Kentucky/Mid-States Division.

See Page 22 for General Ledger Entries: Example Only.

General Ledger Entries: Example Only

**General Office
SSU – Div 002**

Cash	
Acct. 131	
	\$500 (1)
	\$400 (5)

**General Office
SSU – Div 002**

Accounts Payable	
Acct. 232	
(1)	\$500
(5)	\$400
	\$500 (1)
	\$400 (5)

**General Office
Mid States - Div 091**

Office Supply and Expenses *	
Acct. 921	
(1)	\$500

**General Office
Mid States - Div 091**

Administrative Expenses Transferred	
Acct. 922	
	\$200 (2)
	\$300 (2a)

**Rate Div Office
Mid States Div 009 ****

Administrative Expenses Transferred	
Acct. 922	
(2)	\$200

**Rate Div Office
Mid States -Remaining**

Administrative Expenses Transferred	
Acct. 922	
(2a)	\$300

**General Office
Mid States - Div 091**

Depreciation Exp	
Acct. 403	
(3)	\$100
	\$15 (4)
	\$85 (4a)

**Mid States - Div 091
Accumulated Depreciation**

Acct. 108	
	\$100 (3)

**Rate Div Office
Mid States Div 009 ****

Depreciation Exp	
Acct. 403	
(4)	\$15

**General Office
Mid States - Div 091**

Taxes Other than Income Taxes	
Acct. 408.1	
(5)	\$400
	\$100 (6)
	\$300 (6a)

**Rate Div Office
Mid States Div 009 ****

Taxes Other than Income Taxes	
Acct. 408.1	
(6)	\$ 100

**Rate Div Office
Mid States -Remaining**

Taxes Other and Depreciation	
Acct. 408.1 and 403	
(4a)	\$85
(6a)	\$300

* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

** Many rate division offices exist in addition to Div 009.

Flow of Activity

- (1) Purchase Office Supplies - Mid States Division General Office
- (2) Allocating General Office Expenses to Rate Division Office - 40% Allocation rate for illustration purposes only
 - (2a) Allocation to remaining division offices
- (3) Monthly Depreciation Expense is booked through Powerplant and interfaces with the Oracle general ledger.
- (4) Allocation from Division 091 - Mid States General Office to Mid States Rate Divisions - Allocated using the composite factor.
 - (4a) Allocation to remaining division offices
- (5) Taxes Other than Income Taxes incurred
- (6) Allocating General Office Expenses to Rate Division Office - 25% to Mid States Rate Division Office - for illustration purposes only
 - (6a) Allocation to remaining division offices

Service:	Louisiana Division operating division general office O&M, depreciation and taxes other than income taxes, to rate division level
Description:	Allocation of operating division general office expenses to rate division levels
Current Provider of Service	Louisiana Division operating division general office
Current Use of Service	Louisiana Division rate divisions
Basis for allocation	<p>Costs are allocated to the applicable rate divisions in total based on the Composite Factor. The Composite Factor is the simple average of three percentages:</p> <ol style="list-style-type: none"> (1) The percentage of Gross Direct Property Plant and Equipment in each rate division as a percentage of the total Direct Property Plant and Equipment in Louisiana Division. (2) The number of customers in each rate division as a percentage of the total number of customers in Louisiana Division. (3) The total direct O&M expense in each rate division as a percentage of the total direct O&M expense in Louisiana Division.

See Page 24 for General Ledger Entries: Example Only.

General Ledger Entries: Example Only

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">General Office SSU – Div 002</td></tr> <tr><td style="text-align: center;">Cash</td></tr> <tr><td style="text-align: center;">Acct. 131</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: right;">\$500 (1)</td></tr> <tr><td style="text-align: right;">\$400 (5)</td></tr> </table>	General Office SSU – Div 002	Cash	Acct. 131		\$500 (1)	\$400 (5)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">General Office SSU – Div 002</td></tr> <tr><td style="text-align: center;">Accounts Payable</td></tr> <tr><td style="text-align: center;">Acct. 232</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(1) \$500</td></tr> <tr><td style="text-align: left;">(5) \$400</td></tr> <tr><td style="text-align: right;">\$500 (1)</td></tr> <tr><td style="text-align: right;">\$400 (5)</td></tr> </table>	General Office SSU – Div 002	Accounts Payable	Acct. 232		(1) \$500	(5) \$400	\$500 (1)	\$400 (5)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">General Office LA - Div 107</td></tr> <tr><td style="text-align: center;">Office Supply and Expenses *</td></tr> <tr><td style="text-align: center;">Acct. 921</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(1) \$500</td></tr> </table>	General Office LA - Div 107	Office Supply and Expenses *	Acct. 921		(1) \$500
General Office SSU – Div 002																					
Cash																					
Acct. 131																					
\$500 (1)																					
\$400 (5)																					
General Office SSU – Div 002																					
Accounts Payable																					
Acct. 232																					
(1) \$500																					
(5) \$400																					
\$500 (1)																					
\$400 (5)																					
General Office LA - Div 107																					
Office Supply and Expenses *																					
Acct. 921																					
(1) \$500																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">General Office LA - Div 107</td></tr> <tr><td style="text-align: center;">Administrative Expenses Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: right;">\$200 (2)</td></tr> <tr><td style="text-align: right;">\$300 (2a)</td></tr> </table>	General Office LA - Div 107	Administrative Expenses Transferred	Acct. 922		\$200 (2)	\$300 (2a)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Rate Div Office LA Div 007</td></tr> <tr><td style="text-align: center;">Administrative Expenses Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(2) \$200</td></tr> </table>	Rate Div Office LA Div 007	Administrative Expenses Transferred	Acct. 922		(2) \$200	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Rate Div Office LA Div 007</td></tr> <tr><td style="text-align: center;">Administrative Expenses Transferred</td></tr> <tr><td style="text-align: center;">Acct. 922</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(2a) \$300</td></tr> </table>	Rate Div Office LA Div 007	Administrative Expenses Transferred	Acct. 922		(2a) \$300			
General Office LA - Div 107																					
Administrative Expenses Transferred																					
Acct. 922																					
\$200 (2)																					
\$300 (2a)																					
Rate Div Office LA Div 007																					
Administrative Expenses Transferred																					
Acct. 922																					
(2) \$200																					
Rate Div Office LA Div 007																					
Administrative Expenses Transferred																					
Acct. 922																					
(2a) \$300																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">General Office LA - Div 107</td></tr> <tr><td style="text-align: center;">Depreciation Exp</td></tr> <tr><td style="text-align: center;">Acct. 403</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(3) \$100</td></tr> <tr><td style="text-align: right;">\$15 (4)</td></tr> <tr><td style="text-align: right;">\$85 (4a)</td></tr> </table>	General Office LA - Div 107	Depreciation Exp	Acct. 403		(3) \$100	\$15 (4)	\$85 (4a)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">LA - Div 107</td></tr> <tr><td style="text-align: center;">Accumulated Depreciation</td></tr> <tr><td style="text-align: center;">Acct. 108</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: right;">\$100 (3)</td></tr> </table>	LA - Div 107	Accumulated Depreciation	Acct. 108		\$100 (3)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Rate Div Office LA Div 007</td></tr> <tr><td style="text-align: center;">Depreciation Exp</td></tr> <tr><td style="text-align: center;">Acct. 403</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(4) \$15</td></tr> <tr><td style="text-align: left;">(4a) \$85</td></tr> </table>	Rate Div Office LA Div 007	Depreciation Exp	Acct. 403		(4) \$15	(4a) \$85	
General Office LA - Div 107																					
Depreciation Exp																					
Acct. 403																					
(3) \$100																					
\$15 (4)																					
\$85 (4a)																					
LA - Div 107																					
Accumulated Depreciation																					
Acct. 108																					
\$100 (3)																					
Rate Div Office LA Div 007																					
Depreciation Exp																					
Acct. 403																					
(4) \$15																					
(4a) \$85																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">General Office LA - Div 107</td></tr> <tr><td style="text-align: center;">Taxes Other than Income Taxes</td></tr> <tr><td style="text-align: center;">Acct. 408.1</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(5) \$400.00</td></tr> <tr><td style="text-align: right;">\$100 (6)</td></tr> <tr><td style="text-align: right;">\$300 (6a)</td></tr> </table>	General Office LA - Div 107	Taxes Other than Income Taxes	Acct. 408.1		(5) \$400.00	\$100 (6)	\$300 (6a)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Rate Div Office LA Div 007</td></tr> <tr><td style="text-align: center;">Taxes Other than Income Taxes</td></tr> <tr><td style="text-align: center;">Acct. 408.1</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(6) \$ 100</td></tr> </table>	Rate Div Office LA Div 007	Taxes Other than Income Taxes	Acct. 408.1		(6) \$ 100	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Rate Div Office LA Div 007</td></tr> <tr><td style="text-align: center;">Taxes Other and Depreciation</td></tr> <tr><td style="text-align: center;">Acct. 408.1 and 403</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 1px solid black;"> </td></tr> <tr><td style="text-align: left;">(4a) \$85</td></tr> <tr><td style="text-align: left;">(6a) \$300</td></tr> </table>	Rate Div Office LA Div 007	Taxes Other and Depreciation	Acct. 408.1 and 403		(4a) \$85	(6a) \$300	
General Office LA - Div 107																					
Taxes Other than Income Taxes																					
Acct. 408.1																					
(5) \$400.00																					
\$100 (6)																					
\$300 (6a)																					
Rate Div Office LA Div 007																					
Taxes Other than Income Taxes																					
Acct. 408.1																					
(6) \$ 100																					
Rate Div Office LA Div 007																					
Taxes Other and Depreciation																					
Acct. 408.1 and 403																					
(4a) \$85																					
(6a) \$300																					

* Many O&M expense accounts exist in addition to 921 that get cleared out of account 922.

Flow of Activity

- ✓ (1) Purchase Office Supplies - LA Division General Office
- ✓ (2) Allocating General Office Expenses to Rate Division Office - 40% Allocation rate for illustration purposes only
- (2a) Allocation to remaining division offices
- ✓ (3) Monthly Depreciation Expense is booked through Powerplant and interfaces with the Oracle general ledger.
- ✓ (4) Allocation from Division 107 - LA General Office to LA Rate Divisions - Allocated using the composite factor.
- (4a) Allocation to remaining division offices
- ✓ (5) Taxes Other than Income Taxes incurred
- ✓ (6) Allocating General Office Expenses to Rate Division Office - 25% to LA Rate Division Office - for illustration purposes only
- (6a) Allocation to remaining division offices

Description of Relationship between Mid-Tex and Atmos Pipeline – Texas:

Mid-Tex performs operations and maintenance and capital services for the Atmos Pipeline – Texas (“APT”) Division.

Services are provided on an ongoing basis throughout the Mid-Tex and APT service areas. The field operations include, but are not limited to, services related to pipeline integrity, measurement, compliance work, painting, right of way mowing and reclamation, leak surveys, patrolling, regulator maintenance, fence replacements, line repairs and line replacements. Additionally, Technical and Support Services are provided to APT by centralized departments primarily located at the Mid-Tex headquarters in Dallas. These centralized functions include, but are not limited to, compliance monitoring and reporting, gas measurement, finance and human resources.

APT employs outside contractor labor services and purchases materials and supplies for field operations and construction in addition to the services provided by Mid-Tex. These services and materials are direct charged to APT and are not allocated from Mid-Tex.

APT employs some pipeline only personnel. This labor and the related benefit cost is primarily charged directly to APT and not allocated from Mid-Tex.

Service:	Mid-Tex/Atmos Pipeline – Texas Division - Intracompany Labor
Description:	Mid-Tex employees' labor supporting APT operations
Current Provider Of Service	Mid-Tex
Current Use of Service	Atmos Pipeline – Texas
Basis for allocation	<p>The Operational Split is calculated each fiscal year based upon budgeted non-supervisory employee labor and contract labor for the Mid-Tex and APT divisions.</p> <p>Mid-Tex supervisory and support employees (finance, human resources, etc) who charge time to APT generally use the operational split.</p> <p>Mid-Tex non-supervisory employees who charge time to APT generally record their time through the time reporting system.</p>

General Ledger Entry: Supervisory employee (Example Only)

Mid-Tex BU 080	
O&M Labor Acct. 853 Cost Center 4XXX	
(2) \$200	

SSU – Div 002	
Cash Acct. 131	
\$1,000	(1)

SSU – Div 002	
Accounts Payable Acct. 232	
(1) \$1,000	\$1,000 (2)

Mid-Tex BU 080	
Construction work In Progress Acct. 107 Cost Center 4XXX	
(2) \$ 400	

APT BU 180	
Construction work In Progress Acct. 107 Cost Center 9XXX	
(2) \$ 250	

APT BU 180	
O&M Labor Acct. 853 Cost Center 9XXX	
(2) \$150	

Flow of Activity:

- (1) Pay Mid-Tex Supervisory employee
- (2) Allocate labor to Mid-Tex and APT – for illustration purposes, this employee's time is charged 60% to Mid-Tex and 40% to APT. The APT portion is 63% capital.

General Ledger Entry: Non Supervisory employee (Example Only)

Mid-Tex BU 080	
O&M Labor Acct. 853 Cost Center 4XXX	
(2) \$400	

SSU – Div 002	
Cash Acct. 131	
\$800	(1)

SSU – Div 002	
Accounts Payable Acct. 232	
(1) \$800	\$800 (2)

APT BU 180	
Construction work In Progress Acct. 107 Cost Center 9XXX	
(2) \$ 100	

APT BU 180	
O&M Labor Acct. 853 Cost Center 9XXX	
(2) \$300	

Flow of Activity:

- (1) Pay Mid-Tex employee labor
- (2) Direct charge labor to Mid-Tex and APT – for illustration purposes, this employee's time for this payroll cycle was 50% Mid-Tex and 50% APT. The APT portion was 25% capital and 75% expense.

Service: Mid-Tex/Atmos Pipeline – Texas Division - Non Labor Expenses

Description: Allocation includes but is not limited to rents, heavy equipment, utilities, telecom, transportation (vehicles), uniforms, insurance, printing and postage.

Current Provider Of Service: Mid-Tex

Current Use of Service: Atmos Pipeline – Texas Division

Basis for allocation: Factors are primarily based on direct employee labor and contractor labor. The vehicle allocation is based on Company labor only. Allocations vary based on the cost center and sub account.

General Ledger Entries: Transportation Expense (Example Only)

<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">SSU – Div 002</td></tr> <tr><td style="padding: 5px;">Cash</td></tr> <tr><td style="padding: 5px;">Acct. 131</td></tr> <tr style="border-top: 1px solid black;"><td style="padding: 5px;">\$1,000</td><td style="padding: 5px;">(1)</td></tr> </table>	SSU – Div 002	Cash	Acct. 131	\$1,000	(1)	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">SSU – Div 002</td></tr> <tr><td style="padding: 5px;">Accounts Payable</td></tr> <tr><td style="padding: 5px;">Acct. 232</td></tr> <tr style="border-top: 1px solid black;"><td style="padding: 5px;">\$1,000</td><td style="padding: 5px;">(1)</td><td style="padding: 5px;">\$1,000</td><td style="padding: 5px;">(1)</td></tr> </table>	SSU – Div 002	Accounts Payable	Acct. 232	\$1,000	(1)	\$1,000	(1)	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">Mid Tex BU 080</td></tr> <tr><td style="padding: 5px;">O&M Transportation</td></tr> <tr><td style="padding: 5px;">Acct. 853</td></tr> <tr><td style="padding: 5px;">Cost Center 4XXX</td></tr> <tr style="border-top: 1px solid black;"><td style="padding: 5px;">\$1,000</td><td style="padding: 5px;">(1)</td><td style="padding: 5px;">\$780</td><td style="padding: 5px;">(2)</td></tr> </table>	Mid Tex BU 080	O&M Transportation	Acct. 853	Cost Center 4XXX	\$1,000	(1)	\$780	(2)
SSU – Div 002																						
Cash																						
Acct. 131																						
\$1,000	(1)																					
SSU – Div 002																						
Accounts Payable																						
Acct. 232																						
\$1,000	(1)	\$1,000	(1)																			
Mid Tex BU 080																						
O&M Transportation																						
Acct. 853																						
Cost Center 4XXX																						
\$1,000	(1)	\$780	(2)																			
<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">APT BU 180</td></tr> <tr><td style="padding: 5px;">CWIP</td></tr> <tr><td style="padding: 5px;">Acct. 107</td></tr> <tr><td style="padding: 5px;">Cost Center 9XXX</td></tr> <tr style="border-top: 1px solid black;"><td style="padding: 5px;">\$220</td><td style="padding: 5px;">(3)</td></tr> </table>	APT BU 180	CWIP	Acct. 107	Cost Center 9XXX	\$220	(3)	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 5px;">APT BU 180</td></tr> <tr><td style="padding: 5px;">O&M Transportation</td></tr> <tr><td style="padding: 5px;">Acct. 853</td></tr> <tr><td style="padding: 5px;">Cost Center 4XXX</td></tr> <tr style="border-top: 1px solid black;"><td style="padding: 5px;">\$780</td><td style="padding: 5px;">(2)</td><td style="padding: 5px;">\$220</td><td style="padding: 5px;">(3)</td></tr> </table>	APT BU 180	O&M Transportation	Acct. 853	Cost Center 4XXX	\$780	(2)	\$220	(3)							
APT BU 180																						
CWIP																						
Acct. 107																						
Cost Center 9XXX																						
\$220	(3)																					
APT BU 180																						
O&M Transportation																						
Acct. 853																						
Cost Center 4XXX																						
\$780	(2)	\$220	(3)																			

Flow of Activity

- (1) \$1000 in transportation expense
- (2) \$780 is allocated from Mid-Tex O&M to APT O&M
- (3) A portion of the cost is capitalized, for illustration purposes only (22%)

Service: Intercompany labor

Description: To the extent operating division employees provide labor services to an affiliate, the labor costs for the services will be charged to the appropriate affiliate.

Current Provider of Service: Louisiana Division
 Colorado-Kansas Division
 Kentucky/Mid-States Division
 Mississippi Division
 West Texas Division

Current Use of Service: UCG Storage, Inc.
 Atmos Energy Louisiana Industrial Gas, LLC
 WKG Storage, Inc.
 Trans Louisiana Gas Pipeline, Inc.
 Trans Louisiana Gas Storage, Inc.

Basis for allocation: Labor charges are captured through direct time sheet entries and transferred to the appropriate subsidiary receiving the labor services.

General Ledger Entries: Example Only

<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Cash</td></tr> <tr><td style="text-align: center;">Acct. 131</td></tr> <tr><td style="border-top: 1px solid black;"> </td></tr> <tr><td style="text-align: right; padding-right: 20px;">\$500 (2a)</td></tr> </table>	SSU BU 010	Cash	Acct. 131		\$500 (2a)	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">A/R from Assoc Co.</td></tr> <tr><td style="text-align: center;">Acct. 146</td></tr> <tr><td style="border-top: 1px solid black;"> </td></tr> <tr><td style="text-align: left; padding-left: 20px;">\$500 (2b)</td></tr> </table>	SSU BU 010	A/R from Assoc Co.	Acct. 146		\$500 (2b)	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">SSU BU 010</td></tr> <tr><td style="text-align: center;">Accounts Payable</td></tr> <tr><td style="text-align: center;">Acct. 232</td></tr> <tr><td style="border-top: 1px solid black;"> </td></tr> <tr><td style="text-align: left; padding-left: 20px;">\$500 (2a)</td></tr> <tr><td style="text-align: right; padding-right: 20px;">\$500 (2b)</td></tr> </table>	SSU BU 010	Accounts Payable	Acct. 232		\$500 (2a)	\$500 (2b)	
SSU BU 010																			
Cash																			
Acct. 131																			
\$500 (2a)																			
SSU BU 010																			
A/R from Assoc Co.																			
Acct. 146																			
\$500 (2b)																			
SSU BU 010																			
Accounts Payable																			
Acct. 232																			
\$500 (2a)																			
\$500 (2b)																			
<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">Atmos Energy Services</td></tr> <tr><td style="text-align: center;">AES BU 301</td></tr> <tr><td style="text-align: center;">Mains & Services Exp</td></tr> <tr><td style="text-align: center;">Acct. 8740</td></tr> <tr><td style="border-top: 1px solid black;"> </td></tr> <tr><td style="text-align: left; padding-left: 20px;">\$500 (1)</td></tr> </table>	Atmos Energy Services	AES BU 301	Mains & Services Exp	Acct. 8740		\$500 (1)	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">Mid States BU 050-Div 002</td></tr> <tr><td style="text-align: center;">A/R from Assoc Co.</td></tr> <tr><td style="text-align: center;">Acct. 146</td></tr> <tr><td style="border-top: 1px solid black;"> </td></tr> <tr><td style="text-align: right; padding-right: 20px;">\$500 (2b)</td></tr> </table>	Mid States BU 050-Div 002	A/R from Assoc Co.	Acct. 146		\$500 (2b)	<table border="1" style="margin: auto;"> <tr><td style="text-align: center;">Mid States BU 050-Div 091</td></tr> <tr><td style="text-align: center;">Accounts Payable</td></tr> <tr><td style="text-align: center;">Acct. 232</td></tr> <tr><td style="border-top: 1px solid black;"> </td></tr> <tr><td style="text-align: left; padding-left: 20px;">\$500 (2b)</td></tr> <tr><td style="text-align: right; padding-right: 20px;">\$500 (1)</td></tr> </table>	Mid States BU 050-Div 091	Accounts Payable	Acct. 232		\$500 (2b)	\$500 (1)
Atmos Energy Services																			
AES BU 301																			
Mains & Services Exp																			
Acct. 8740																			
\$500 (1)																			
Mid States BU 050-Div 002																			
A/R from Assoc Co.																			
Acct. 146																			
\$500 (2b)																			
Mid States BU 050-Div 091																			
Accounts Payable																			
Acct. 232																			
\$500 (2b)																			
\$500 (1)																			

Flow of Activity

- (1) Employee X is a Kentucky Employee. He worked on a special project in March for Atmos subsidiary, AES (Atmos Energy Services). Time is captured through a direct time sheet entry.
- (2a) Salary is paid to employee x
- (2b) JE is made to relieve payable in operating division.
 Intercompany Entry generated by Oracle to keep Operating Divisions in sync.

Service: Adjustments to Uncollectible Accounts Expense

Description: Allocation of additional expense amounts booked to adjust the Provision for Uncollectibles (Account 144)

Current Provider of Service West Texas Division rate divisions
Louisiana Division rate divisions
Kentucky/Mid-States Division rate divisions
Colorado-Kansas Division rate divisions
Mid-Tex Division rate division
Mississippi Division rate division

Current Use of Service West Texas Division rate divisions
Louisiana Division rate divisions
Kentucky/Mid-States Division rate divisions
Colorado-Kansas Division rate divisions
Mid-Tex Division rate division
Mississippi Division rate division

Basis of Intra-company Allocations Costs are allocated to the rate divisions in total based on Sales Revenue or Margin.

General Ledger Entries: Example Only

Rate Division * Accumulated Provision for Uncollectible Accounts Acct. 144 sub xxxxx	Rate Division Customer Accounts - Uncollectible Accounts Acct. 904	Rate Division Customer Accounts Receivable Acct. 142 sub xxxxx
(2) \$ 250 \$ 1,000 (1)	(1) \$ 1,000	\$ 250 (2)

* Each rate division has a different allocation rate.

Flow of Activity

- (1) Monthly allocated costs.
- (2) Write off of uncollectible accounts as needed.

Service: Intra-company labor allocation – other than operating division general office labor

Description: Certain employee activities cross multiple rate divisions within an operating division. The costs associated with such activities include labor, benefits and associated taxes.

Current Provider of Service Atmos Pipeline – Texas Division
West Texas Division
Louisiana Division
Kentucky/Mid-States Division
Mid-Tex Division
Colorado-Kansas Division
Mississippi Division

Current Use of Service Atmos Pipeline – Texas Division
West Texas Division
Louisiana Division
Kentucky/Mid-States Division
Mid-Tex Division
Colorado-Kansas Division
Mississippi Division

Basis of Intra-company Allocations Labor associated with cross-jurisdictional activities is charged to each jurisdiction based on the level of employee activity. The costs are captured either through direct time sheet entries or fixed labor distribution percentages.

General Ledger Entries: Example Only

SSU BU 010 Cash Acct. 131	SSU BU 010 A/R from Assoc Co. Acct. 146	SSU BU 010 Accounts Payable Acct. 232			
\$500 (2a)	\$500 (2b)	\$500 (2a)	\$500 (2b)		
Kentucky Division Mid-States BU 050-Div 009 Mains & Services Exp Acct. 8740	Tennessee Division Mid-States BU 050-Div 093 Mains & Services Exp Acct. 8740	Mid-States BU 050-Div 002 A/R from Assoc Co. Acct. 146	Mid-States BU 050-Div 091 Accounts Payable Acct. 232		
\$250 (1)	\$250 (1)	\$500 (2b)	\$500 (2b)	\$500 (1)	\$500 (1)

Flow of Activity

- (1) Employee x lives in Kentucky and works 50% in Kentucky and 50% in Tennessee every month.
Time is captured through fixed labor distribution
- (2a) Salary is paid to employee x
- (2b) JE is made to relieve payable in operating division.
Intercompany Entry generated by Oracle to keep Operating Divisions in sync

Service:	Other income and interest expense (All below the line accounts)
Description:	Allocation of Shared Services' other income and interest expense (All below the line accounts)
Current Provider of Service	Shared Services
Current Use of Service	West Texas Division Louisiana Division Kentucky/Mid-States Division Mid-Tex Division Colorado-Kansas Division Mississippi Division Atmos Pipeline – Texas Division
Basis for allocation	Interest Expense, Interest Income and Other Non-Operating Income in shared services are allocated to each utility division based on the budget allocation percentages. The budget allocation is based on projected average net investment by rate division for the budget year. For this purpose, 'net investment' is defined as regulatory rate base + goodwill. These allocation factors are the same throughout the fiscal year. The allocation stays in the account the charge was originally booked in. Headquarter allocation of below the line accounts to rate divisions follows the same process as described above.

See page 33 for General Ledger Entries: Example Only.

General Ledger Entries: Example Only

SSU BU 010 Cash Acct. 131 <hr/> \$1,000	SSU BU 010 Accounts Receivable Acct. 143 <hr/> (1) \$1,000 \$1,000 (1)	SSU BU 010 Interest and Dividend Income Acct. 419 <hr/> (2) \$20 \$1,000 (1)	Div 033 Interest and Dividend Income Acct. 419 <hr/> \$20
SSU BU 010 Cash Acct. 131 <hr/> \$2,000 (3)	SSU BU 010 Accounts Receivable Acct. 143 <hr/> (3) \$2,000 \$2,000 (3)	SSU BU 010 Other Deductions * Acct. 426.5 <hr/> (3) \$2,000 \$40 (4)	Div 033 Other Deductions Acct. 426.5 <hr/> (4) \$40
SSU BU 010 Cash Acct. 131 <hr/> \$3,000 (5)	SSU BU 010 Accounts Receivable Acct. 143 <hr/> (5) \$3,000 \$3,000 (5)	SSU BU 010 Interest Expense Acct. 431 (Short Term) <hr/> (5) \$600 \$12 (6)	Div 033 Interest Expense Acct. 431 (Short Term) <hr/> (6) \$ 12
		SSU BU 010 Interest Expense Acct. 431 (Long Term) <hr/> (5) \$2,400 \$48 (6)	Div 033 Interest Expense Acct. 431 (Long Term) <hr/> (6) \$ 48

* Includes various accounts but cleared out of account 426.5

Flow of Activity

- (1) Interest and Dividend Income generated
- (2) Allocating Shared Services Income and Dividend Income to Div 33 only - Assume 2% allocation rate
- (3) Other Income and Expenses generated
- (4) Allocating Shared Services Other Deductions to Div 33 only - Assume 2% allocation rate
- (5) Interest Expense generated
- (6) Allocating Shared Services Interest Expense to Div 33 only - Assume 2% allocation rate

Service: Gas cost between state jurisdictions for contiguous systems

Description: Gas costs that apply to contiguous systems that cross state jurisdictional boundaries are allocated between those rate jurisdictions.

Current Provider of Service: West Texas Division
Colorado-Kansas Division
Kentucky/Mid-States Division

Current Use of Service: West Texas Division
Colorado-Kansas Division
Kentucky/Mid-States Division

Basis of Allocations: Allocations are based upon throughput for the West Texas Division and the Colorado-Kansas Division's Southeast Colorado/Southwest Kansas operations. For the Colorado-Kansas Division's Kansas system and for the Kentucky/Mid-States Division, demand costs are allocated based on peak-day requirements. Commodity costs are allocated based upon throughput.

Atmos Energy Corporation

General Ledger Entries: Gas Costs between state jurisdictions for contiguous systems (Example Only)

<p>SSU BU 010 Cash Acct. 131</p> <hr style="border: 1px solid black;"/> <p style="text-align: right;">\$1,000 (1)</p>	<p>SSU BU 010 Accounts Payable Acct. 232</p> <hr style="border: 1px solid black;"/> <p style="text-align: left;">(1) \$1,000</p> <p style="text-align: right;">\$1,000 (2)</p>	
<p>Various BU's & Svc Areas Natural Gas City Gate Purchase Acct. 804</p> <hr style="border: 1px solid black;"/> <p>(2) \$1,000</p>		

- (1) Gas cost incurred
- (2) Gas cost paid

Service: Gas storage services between an operating division and an affiliate

Description: To the extent an operating division stores gas in a storage field owned by an affiliate, a rental fee for the use of the storage field shall be charged by the affiliate.

Current Provider of Service: UCG Storage, Inc.
WKG Storage, Inc.

Current Use of Service: Kentucky/Mid-States Division

Basis for allocation: The annual demand charge between UCG Storage, Inc. and Atmos Energy Corporation (Tennessee operations only) is calculated based on fiscal year plant in service, gas inventory, actual operational costs incurred, and application of revenue and cost of capital conversion factors based on prior regulatory approval. In the calculation of the demand charge, costs not specifically related to a designated area are allocated to each affiliate based on the percentage of total plant servicing that affiliate. The annual demand charge between WKG Storage, Inc. and Atmos Energy Corporation (Kentucky operation only) is based on services provided at actual cost, market rate or as otherwise provided under tariff or contract.

General Ledger Entries: Example Only

WKG Storage BU 233 Other Gas Revenues Acct. 495	KY/Mid-State BU 050, Div 009 Transportation to City Gate Acct. 8580				
\$100	\$100	(1)	(1)		
WKG Storage BU 233, Div 002 A/R from Assoc Co. Acct. 146	KY/Mid-State BU 050, Div 002 A/R from Assoc Co. Acct. 146				
\$100	\$100	(2)	(2)		

Flow of Activity - East Diamond Storage Facility

- 1 Monthly demand charge for the East Diamond Storage Facility
- 2 Intercompany Entry generated by Oracle to keep Operating Divisions in sync

UCG Storage BU 232 Other Gas Revenues Acct. 495	KY/Mid-State BU 050, Div 009 Other gas supply expenses Acct. 813				
\$100	\$100	(1)	(1)		
WKG Storage BU 232, Div 002 A/R from Assoc Co. Acct. 146	KY/Mid-State BU 050, Div 002 A/R from Assoc Co. Acct. 146				
\$100	\$100	(2)	(2)		

Flow of Activity - Barnsley Storage Facility

- 1 Monthly demand charge for the Barnsley Storage Facility
- 2 Intercompany Entry generated by Oracle to keep Operating Divisions in sync

Service: Working capital funds management (Intercompany account)

Description: Funds are invested on behalf of or provided to affiliates based on operations.

Current Provider of Service:	Atmos Energy Corporation	Atmos Energy Holdings, Inc.
Current Use of Service:	Atmos Energy Holdings, Inc.	Atmos Energy Corporation
Interest Income/Expense Calculation (See Below)	A	B

Basis for allocation Interest income or expense is recognized each month at the subsidiaries' level based on the total average outstanding balance of all intercompany receivable/payable balances using the following rates:

A (AEH is the borrower)
 Expense – One month LIBOR (last day of the month) plus 300 basis points
 Income – One month LIBOR (last day of the month)

B (AEC is the borrower)
 Expense – The lowest outstanding CP rate or the Eurodollar rate under the AEC Credit Facility (Credit Ag), which is LIBOR plus 100
 Income – One month LIBOR (last day of the month)

**Atmos Energy Corporation
 General Ledger Entries: Working Capital Funds Management (Example Only)**

<p>SSU BU 010 Interest and Dividend Income Acct. 419</p> <hr style="border: 1px solid black;"/>	<p>\$1,000 (1)</p>
<p>AEH BU 312 Other Interest Expense Acct. 431</p> <hr style="border: 1px solid black;"/>	<p>(1) \$1,000</p>

(1) Interest Income and/or expense is recognized each month at the subsidiaries' level

Service: Gas storage services provided between affiliates

Description: To the extent an affiliate stores gas in a storage field owned by another affiliate, a fee for the use of the storage field shall be charged.

Current Provider of Service: Trans Louisiana Gas Storage, Inc.

Current Use of Service: Trans Louisiana Gas Pipeline, Inc.

Basis for allocation: The fee to the affiliate utilizing the storage service is based on services provided at actual cost, market rate or as otherwise provided under tariff.

General Ledger Entries: Example Only

BU 234
Accounts Receivable from Associated Company Acct. 146
\$100

BU 234
Revenue Transportation - Industrial Acct. 4896
\$100

BU 303
Accounts Receivable from Associated Company Acct. 146
\$100

BU 303
Other Gas Supply Expense Acct. 813
\$100

Service: Property Insurance

Description: Blueflame Insurance Services, LTD provides a direct property insurance policy. The policy covers the property against all risks of direct physical loss or damage.

Current Provider of Service Blueflame Insurance Services, LTD

Current Use of Service Kentucky/Mid-States Division
 Colorado-Kansas Division
 Shared Services
 Louisiana Division
 Mississippi Division
 Mid-Tex Division
 West Texas Division
 Atmos Pipeline – Texas Division
 Atmos Energy Louisiana Industrial Gas, LLC
 Atmos Exploration & Production, Inc.
 Atmos Energy Services, LLC
 Atmos Power Systems, Inc.
 Trans Louisiana Gas Pipeline, Inc.
 Trans Louisiana Gas Storage, Inc.
 UCG Storage, Inc.
 WKG Storage, Inc.
 Atmos Gathering Company, LLC

Basis for allocation Atmos Energy Corporation is invoiced by Blueflame Insurance Services. Costs are allocated based on the gross property, plant and equipment and gas stored underground balances of each affiliate at a rate division level.

General Ledger Entries: Example Only

SSU BU 010 Cash Acct. 131	SSU BU 010 Accounts Payable Acct. 232	SSU BU 010 Prepayments Acct. 165
\$1,200 (1)	\$1,200 (1)	\$100 (2)
General Office CO/KS BU 060 Property Insurance Acct. 924		
(2) (3) \$100		

Flow of Activity

- (1) Purchase of property insurance
- (2) Monthly amortization to rate divisions
- (3) Amounts remaining in SSU cost centers are allocated to the divisions using the method described on pages 11 and 12.

Service: Intercompany Interest on Notes Payable

Description: Intercompany Interest on Notes Payable

Current Provider Of Services Shared Services

Current Use of Service Atmos Energy Holdings, Inc.

Current Provider of Service:	Atmos Energy Corporation	Atmos Energy Holdings, Inc.
Current Use of Service:	Atmos Energy Holdings, Inc.	Atmos Energy Corporation
Interest Income/Expense Calculation (See Below)	A	B

Basis for allocation Interest income and expense is recognized each month at the subsidiaries' level using the following rates:

A (AEH is the borrower)

Expense – One month LIBOR (last day of the month) plus 300 basis points

Income – One month LIBOR (last day of the month)

B (AEC is the borrower)

Expense – The lowest outstanding CP rate or the Eurodollar rate under the AEC Credit Facility (Credit Ag), which is LIBOR plus 100

Income – One month LIBOR (last day of the month)

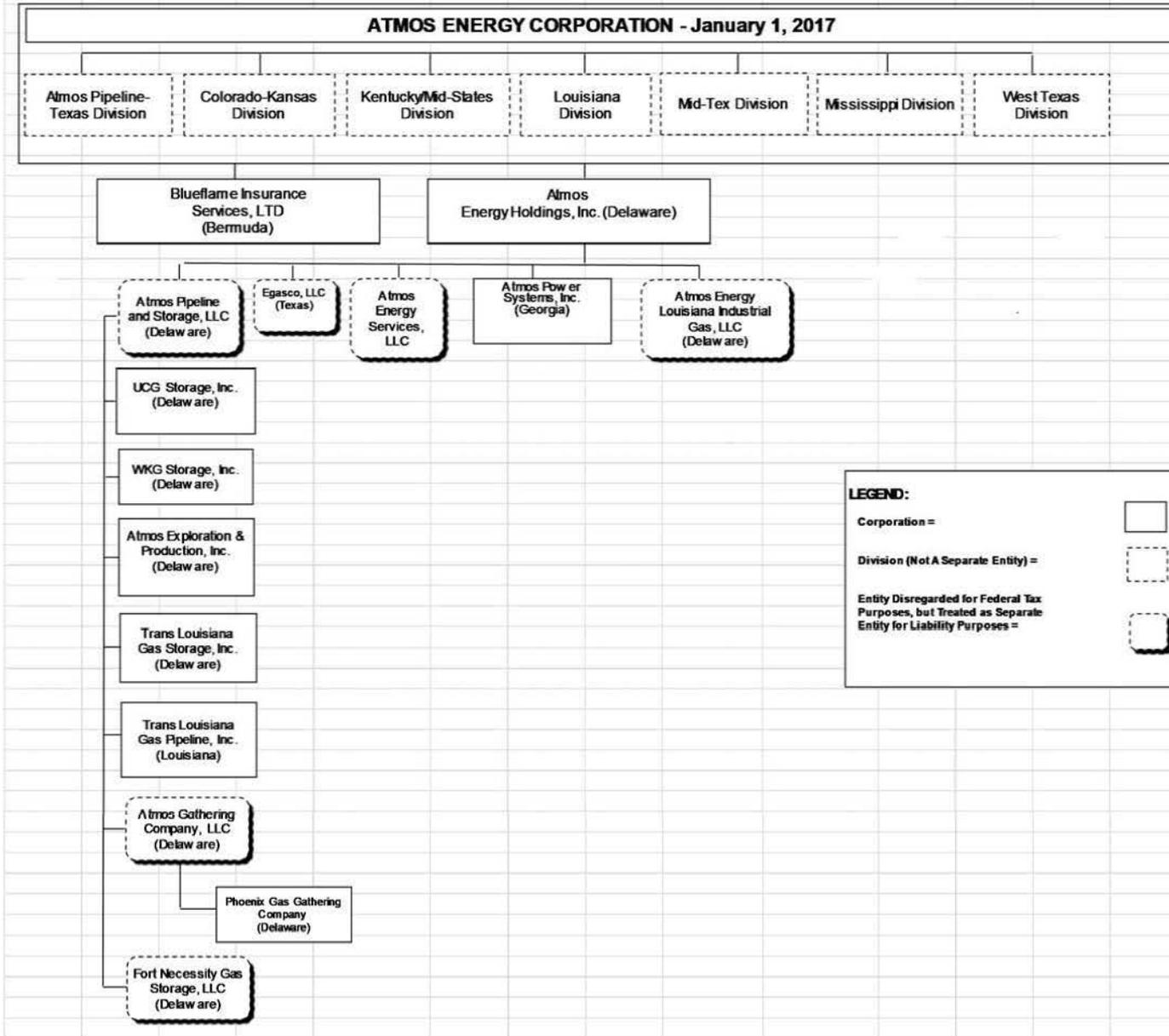
General Ledger Entries: Example Only

Shared Services Accounts Receivable from Associated Company Acct. 146		Shared Services Interest on Debt to Associated Companies Acct. 431
<div style="display: flex; justify-content: space-between;"> \$1,000 (1) </div>	(1)	<div style="display: flex; justify-content: space-between;"> \$1,000 </div>
Atmos Energy Holdings, Inc. Accounts Receivable from Associated Company Acct. 146		Atmos Energy Holdings, Inc. Interest and Dividend Income Acct. 419
<div style="display: flex; justify-content: space-between;"> (1) \$1,000 </div>		<div style="display: flex; justify-content: space-between;"> \$1,000 (1) </div>

Flow of Activity

(1) Intercompany Interest on Notes Payable is recognized each month at the subsidiary level.

Appendix A



BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY)
)
CORPORATION FOR AN ADJUSTMENT) Case No. 2018-00281
)
OF RATES AND TARIFF MODIFICATIONS)

TESTIMONY OF GREGORY W. SMITH

I. POSITION AND QUALIFICATIONS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Gregory W. Smith, P.E. My business address is 810 Crescent Centre Dr # 600, Franklin, Tennessee, 37067.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am the Vice President of Technical Services for Atmos Energy Corporation’s Kentucky/Mid-States Division (hereinafter “Atmos Energy” or the “Company”).

Q. WHAT ARE YOUR JOB RESPONSIBILITIES?

A. My current responsibilities for the Company include oversight of engineering, geographic information systems, measurement, compliance, safety, related information technology, and procurement. My department is responsible for execution of Projects within our Pipeline Integrity Plan, Annual DOT filings, Contracting, and Project Management for planned system growth, improvement, and replacement projects. I previously served as the Program Manager for the Kentucky Pipeline Replacement Program ("PRP") from 2011 through 2015.

1 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
2 **PROFESSIONAL EXPERIENCE.**

3 A. I earned a Bachelor of Science degree in Mechanical Engineering from Texas Tech
4 University in 1996. I am a Registered Professional Engineer in the states of Texas
5 and Kentucky. I have been employed by Atmos Energy for 22 years. During my
6 time at Atmos Energy I have held several different engineering positions (1996-2002)
7 in the West Texas and Colorado-Kansas Divisions, as an Operations Supervisor
8 (2002-2006) in the Kentucky/Mid-States Division, Manager of Strategic Sourcing
9 and Small Business Liaison Officer (2006-2011) in the Dallas Corporate Office, and
10 Operations/Engineering Manager over Kentucky PRP (2011-2015) in the
11 Kentucky/Mid-States Division - before moving to my current role in June of 2018.

12 **Q. ARE YOU A MEMBER OF ANY PROFESSIONAL ORGANIZATIONS?**

13 A. Yes, I have had previous membership with several different industry associations
14 including American Gas Association, Southern Gas Association and the Kentucky
15 Gas Association. Currently I serve as a member of the Board of Directors of the
16 Tennessee Gas Association.

17 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KENTUCKY PUBLIC**
18 **SERVICE COMMISSION OR OTHER REGULATORY ENTITIES?**

19 A. Yes, I submitted rebuttal testimony before this Commission in Case No. 2017-00349.

20 **II. INTRODUCTION**

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

22 A. The purpose of my testimony is to provide an overview of the Company's pipeline
23 replacement progress in Kentucky. As the Commission is aware, the Company has
24 been expediting the replacement of aging infrastructure in Kentucky pursuant to its
25 PRP. While the Company is proposing certain tariff changes related to the PRP in this
26 proceeding, the Company's risk-reduction efforts in Kentucky remains unchanged.

1 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

2 A. My testimony (1) discusses the history of the PRP; (2) explains from an engineering
3 perspective how the Company determines what projects to undertake each year; and
4 (3) affirms the Company's commitment to ensuring safe and reliable gas service.

5 **III. HISTORY OF PRP**

6 **Q. HAS THE COMPANY'S PRP FUNCTIONED WELL?**

7 A. Yes. As I testified in Case No. 2017-00349, the Company's most fundamental
8 objective is to provide safe and reliable gas service to all customers. The PRP
9 enabled the Company to expedite the replacement of older and no longer industry-
10 standard materials with safer, modern piping materials installed to current industry
11 specifications.

12 **Q. IS THE PRP ESTABLISHED IN CASE NO. 2009-00354 COMPLETE?**

13 A. The Company's replacement of bare steel pipe is not complete, however it is on
14 schedule as specified in Case No. 2017-00349. As the Commission stated, "the
15 original 15-year PRP time period should be extended and that annual ratepayer-
16 funded PRP investment should be limited to \$28 million, barring the identification of
17 a PRP eligible pipeline-related hazard that could not have been reasonably foreseen.
18 \$28 million in annual investment should cause the remaining PRP for bare steel
19 replacement to be complete in 8 - 9 years beginning in 2019 with estimated
20 completion in 2027, adding two years to the originally approved 15-year
21 timeframe."¹

¹ *In the Matter of Electronic Application of Atmos Energy Corporation for An Adjustment of Rates and Tariff Modifications*, Case No. 2017-00349, May 3, 2018.

1 **Q. HOW MUCH PROGRESS HAS BEEN MADE ON THE REPLACEMENT OF**
2 **BARE STEEL PURSUANT TO THE PRP?**

3 A. The Company had proposed to accelerate the replacement of bare steel in a manner
4 that would have resulted in the replacement of all bare steel by 2022 as proposed in
5 Case No. 2017-00349. However, in light of the Commission's final order in that
6 proceeding, the Company is now following the judgment of the Commission to slow
7 down replacement of bare steel at an annual rate targeting completion of bare steel
8 replacement by 2027. By the end of CY2018, the Company will have approximately
9 188 miles of the original 345 miles of bare steel remaining in Kentucky.

10 **Q. IS THE PRP ONLY MEANT TO ADDRESS THE REPLACEMENT OF BARE**
11 **STEEL?**

12 A. It is my understanding that, in light of the Commission's decision in Case No. 2017-
13 00349, with the exception of certain specific projects that were included in the past,
14 the PRP was only intended to address the accelerated replacement of natural gas
15 systems containing bare steel and related infrastructure.

16 **Q. DO YOU ADVOCATE THE ACCELERATED REPLACEMENT OF MORE**
17 **THAN JUST BARE STEEL?**

18 A. Yes. As I testified in Case No. 2017-00349, there are other types of pipeline materials
19 that I believe warrant accelerated replacement. Completion of our bare steel
20 replacement will also eliminate approximately 60% of the remaining low pressure
21 distribution systems. Utilities need to have appropriate replacement cycles for all of
22 their pipeline infrastructure. However, the industry recognizes bare steel as one of the
23 leading risk types.

24 **Q. WHAT DO YOU MEAN BY "REPLACEMENT CYCLES?"**

25 A. In the state of Kentucky, Atmos Energy has approximately 4200 miles of natural gas
26 distribution and transmission pipeline (plus associated service lines). If we were to
27 replace 42 miles of pipe per year (1%), it would take 100 years to renew the entire

1 system...and in the future we would be left with a pipeline system with 100 years old
2 segments. The reality is that a majority of our bare steel systems were installed in the
3 1930's-1950's, already making them 65-85 years old. A prudent pipeline operator
4 must consider the overall replacement cycle of its system.

5 **Q. IN CASE NO. 2017-00349, YOU TESTIFIED THAT THE ATMOS ENERGY**
6 **PIPLINE SYSTEM IN KENTUCKY WAS SAFE. IS IT STILL SAFE?**

7 A. Yes. The Company has been able to continue to replace aged and antiquated pipeline
8 materials since I testified in Case No. 2017-00349. Also, as noted in a recent article
9 in S&P Global, gas distribution pipeline incidents have fallen since 2009 when
10 PHMSA enacted rules for gas distribution systems that required pipeline operators to
11 "continually assess, evaluate, repair, and validate" the integrity of gas distribution
12 systems and take steps to fix threats and concerns.² Reducing bare steel reduces the
13 occurrence of leaks. Reducing leaks reduces risks to the public and enhances safety.
14 As the following chart demonstrates, pipeline leaks in Kentucky have fallen
15 dramatically since the PRP began.

Date	# Leaks
Jan, 2011	1,127
Jan, 2012	1,308
Jan, 2013	1,354
Jan, 2014	1,169
Jan, 2015	1,076
Jan, 2016	677
Jan, 2017	600
Jan, 2018	489

16

² Smith, Sarah. *Gas Distribution Pipe Incidents Down After 2009 Safety Rule, Study Shows.* S&P Global, August 27, 2018.

1 **IV. DETERMINATION OF PROJECTS**

2 **Q. DID YOU RESPOND TO POST-HEARING DATA REQUESTS RELATING**
3 **TO THE PRP IN CASE NO. 2017-00349?**

4 A. Yes. There were multiple rounds of post-hearing data requests, necessitated by some
5 confusion regarding the detail of information Commission Staff was seeking.

6 **Q. CAN YOU EXPLAIN WHAT YOU MEAN BY "CONFUSION?"**

7 A. I believe that there was some misunderstanding relating to whether certain estimates
8 related strictly to bare steel or also included other materials when distribution
9 systems are replaced. I also believe there was some confusion regarding the
10 Company's pipeline project forecasts. As previously described in Case No. 2017-
11 00349, Company has detailed estimates for a pool of projects 12-18 months in
12 advance and then an identified list of projects within its five year plan that may
13 require longer term engineering design, permitting, or easement acquisition. Within
14 that five year plan, the Company has an idea of a list of projects that it would like to
15 undertake, but unable to provide budget-level detail beyond the first 12-18 months.
16 Beyond five years, the Company only identifies total system mileage of target
17 replacement materials and the location of where those materials are located.

18 **Q. COULD THE COMPANY PROVIDE BUDGET LEVEL DETAIL MORE**
19 **THAN 12-18 MONTHS IN ADVANCE?**

20 A. In my opinion, not efficiently. Cost estimates performed ahead of the budget cycle
21 for that year would be very speculative without having final designs and taking into
22 consideration materials pricing, easement acquisition, contractor availability, and
23 permitting.

1 **Q. WHY ELSE IS THE COMPANY UNABLE TO PROVIDE BUDGET-LEVEL**
2 **DETAIL BEYOND APPROXIMATELY 12-18 MONTHS IN ADVANCE?**

3 A. In addition to the forecasting difficulties I just identified, providing budget-level
4 detail further out would be difficult given the Company's budget process. Mr. Waller
5 describes the Company's capital budgeting process in his Direct Testimony.

6 **Q. SO DOES THE BUDGET PROCESS DETERMINE WHICH PROJECTS ARE**
7 **PERFORMED EACH YEAR?**

8 A. Only indirectly. Ultimately, it is up to the Kentucky/Mid-States Division to determine
9 what portfolio of projects to undertake. The capital budgeting process determines the
10 capital available to be spent. The Kentucky/Mid-States Division decides how to
11 deploy that capital for the upcoming fiscal year. I would add that the Kentucky/Mid-
12 States Division often has projects that exceed any one year's capital budget - those
13 projects have to be completed in phases or in sequence over multiple years based on
14 the system type.

15 **V. AFFIRM COMMITMENT**

16 **Q. IN LIGHT OF THE ELIMINATION OF THE PRP FROM THE COMPANY'S**
17 **TARIFF, HAS THE IMPORTANCE OF PROACTIVELY REPLACING BARE**
18 **STEEL CHANGED?**

19 A. No. As I said earlier, replacing bare steel lines is a high priority and the Company
20 will still be replacing bare steel at the accelerated rate in accordance within the
21 timeframe set forth in the Commission's order in Case No. 2017-00349.

22 **Q. FROM YOUR PERSPECTIVE, DOES THE REMOVAL OF THE PRP**
23 **FROM THE COMPANY'S TARIFF CHANGE ANYTHING?**

24 A. Although I have been told that the timing of regulatory review may differ or that the
25 regulatory lag might be different than if the PRP was continued, those aren't really
26 my concerns. From an engineering and risk perspective, nothing has changed. The

1 exact same bare steel materials that were previously targeted for replacement will be
2 still replaced within the timeframe set forth by the Commission.

3 **Q. WILL THE COMPANY STILL PREPARE AND FILE THE SAME**
4 **INFORMATION AS IT DID UNDER THE PRP?**

5 A. Yes. Please see Mr. Martin's testimony the Company's commitment to prepare an
6 annual informational report showing bare steel replacement capital spending.
7 Additional information relating to pipeline replacement projects can be filed in
8 conjunction with the Company's general rate cases. However, the Kentucky/Mid-
9 States Division would still perform the same analysis and prepare and store all of the
10 same information it does now related to PRP projects.

11 **VI. CONCLUSION**

12 **Q. PLEASE SUMMARIZE YOUR TESTIMONY?**

13 A. The removal of the PRP from the Company's Tariff in no way changes the
14 Company's commitment to replacing bare steel materials. The replacement of bare
15 steel and aging infrastructure materials is still the highest priority for the Company's
16 accelerated system replacement planning purposes and will be accomplished within
17 the timeframe set forth in Case No. 2017-00349. While it is my understanding that
18 recognition of capital investment associated with bare steel replacement will now be
19 sought through rate case proceedings rather than through a PRP mechanism, from an
20 engineering standpoint, nothing has changed.

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

22 A. Yes.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2018-00281
ATMOS ENERGY CORPORATION)

CERTIFICATE AND AFFIDAVIT

The Affiant, Gregory W. Smith, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared direct testimony of this affiant in Case No. 2018-00281, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared direct pre-filed testimony.



Gregory W. Smith

STATE OF Tennessee
COUNTY OF Williamson

SUBSCRIBED AND SWORN to before me by Gregory W. Smith on this the 17th day of September, 2018.



Notary Public

My Commission Expires: MARCH 3, 2020



BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY)
)
CORPORATION FOR AN ADJUSTMENT) Case No. 2018-00281
)
OF RATES AND TARIFF MODIFICATIONS)

TESTIMONY OF JENNIFER K. STORY

I. INTRODUCTION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

A. My name is Jennifer K. Story. My business address is 5430 LBJ Freeway, Suite 700, Dallas, TX 75240. I am employed by Atmos Energy Corporation (“Atmos Energy” or the “Company”) as Director of Income Tax.

Q. PLEASE STATE YOUR EDUCATION AND PROFESSIONAL BACKGROUND.

A. I received my education at the University of Texas at Dallas. In 2002, I received a Bachelor of Science degree with a major in accounting. I am a licensed certified public accountant in the State of Texas.

I worked in both a large corporate tax department and in public accounting prior to joining Atmos Energy in December 2006. Since joining Atmos Energy, I have assumed the oversight and management of all income tax matters for the Company. I also serve as a representative for the Company on the American Gas Association’s Tax Committee.

1 **Q. WHAT ARE YOUR RESPONSIBILITIES AT ATMOS ENERGY?**

2 A. As Director of Income Tax for Atmos Energy, I am responsible for oversight and
3 management of all income tax matters for the Company. This oversight includes
4 ensuring that the income tax accounts recorded on the books and records accurately
5 reflect the Company’s tax filings and positions. I am also responsible for ensuring
6 that deferred taxes are recorded on the financial statements in accordance with
7 Generally Accepted Accounting Principles (“GAAP”). I oversee a group of six tax
8 professionals, who undertake tax planning to minimize taxes, prepare the Company’s
9 tax filings, and defend those filings under audit. I am also responsible for the
10 establishment of and compliance with the Company’s income tax policies and
11 controls.

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

14 A. Yes. I have submitted direct and rebuttal testimony regarding income taxes in the
15 following proceedings:

Regulatory Authority	Proceeding	Testimony Submitted
Kentucky Public Service Commission	Case No. 2017-00481	Direct
Kentucky Public Service Commission	Case No. 2017-00349	Rebuttal
Colorado Public Utilities Commission	Proceeding No. 15AL-0299G	Rebuttal
Mississippi Public Service Commission	Docket No. 2015-UN-049	Rebuttal
Texas Railroad Commission	GUD No. 10580	Rebuttal
Texas Railroad Commission	GUD No. 10640	Rebuttal
Texas Railroad Commission	GUD No. 10742	Direct
Texas Railroad Commission	GUD No. 10743	Direct
Tennessee Public Utility Commission	Docket No. 17-00012	Direct and Rebuttal
Tennessee Public Utility Commission	Docket No. 18-00067	Direct
Virginia State Corporation Commission	Case No. PUR-2018-00014	Direct

1 **II. PURPOSE OF TESTIMONY**

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

3 A. The purpose of my testimony is to (1) summarize the history of the Tax Cuts and
4 Jobs Act (“TCJA”); (2) provide an update of the current status of reflecting the
5 changes from the TCJA in Atmos Energy’s Kentucky rates and describe how the
6 current rate case will reflect TCJA changes; and (3) briefly discuss related TCJA
7 concepts.

8 The TCJA resulted in a reduction in the federal corporate tax rate from 35%
9 to 21%. That tax reduction resulted in the Company having to revalue its
10 Accumulated Deferred Income Taxes (“ADIT”), including Net Operating Loss
11 Carryforward (“NOLC”), to reflect the lower tax rate. Additionally, the Company had
12 to lower its rates to reflect the new ongoing tax expense¹.

13 Through settlement in Electronic Investigation of the Impact of the Tax Cuts
14 and Jobs Act on the Rates of Atmos Energy Corporation (KPSC Case No. 2018-
15 00039) and resolution of the Company’s last rate case, the Company has lowered its
16 rates to reflect the 21% federal statutory tax rate in tax expense, and to reflect the
17 return of the estimated excess deferred income tax liability (“EDITL”).

18 In the current rate case, the Company has proposed to refine the EDITL
19 estimate and continues to amortize this estimated liability over a period of 24 years,
20 as was approved in the last rate case.

21 In regards to the tax components discussed above, I am sponsoring the following
22 Filing Requirements (FR):

¹ Case No. 2017-00481

1 FR 16(8)(b) A jurisdictional rate base summary for both the base period
2 and the forecasted period with supporting schedules, which
3 include detailed analyses of each component of the rate base;
4 FR 16(8)(e) Jurisdictional federal and state income tax summaries;

5 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

6 A. No. I am not sponsoring any exhibits.

7 **Q. DO YOU ADOPT THESE FILING REQUIREMENTS AND THEIR**
8 **ASSOCIATED SCHEDULES, AND MAKE THEM PART OF YOUR**
9 **TESTIMONY?**

10 A. Yes.

11 **III. IMPACT OF TCJA**

12 **Q. HOW DID THE TCJA AFFECT ATMOS ENERGY?**

13 A. As I have previously testified in Electronic Investigation of the Impact of the Tax
14 Cuts and Jobs Act on the Rates of Atmos Energy Corporation, et al., Case No.
15 2017-00481, the TCJA resulted in a lowering of the maximum federal corporate tax
16 rate. As a result of that tax rate reduction, the Company was required to revalue its
17 ADIT, including NOLC, based upon the new statutory tax rate. The revaluation of
18 ADIT resulting from the reduction in the tax rate resulted both in the establishment
19 of a regulatory liability and an impact to the Company's fiscal year ended September
20 30, 2018 earnings. As stated in my Direct Testimony in Case No. 2017-00481,
21 additional complexity exists because Atmos Energy is a fiscal year taxpayer with a
22 fiscal year ended September 30. It is for this reason that the estimate of the EDITL

1 has changed slightly since the last rate case. This amount will be final once the
2 Company's fiscal year has ended and the corresponding tax return has been filed.

3 **Q. SO THE COMPANY HAS NOT HAD A FISCAL YEAR END SINCE THE**
4 **PASSAGE OF THE TCJA?**

5 A. That is correct. Also, even though the fiscal year end will occur shortly after the
6 filing of this direct testimony, the Company will not close its books on this fiscal year
7 until November 2018, nor file its tax return for this fiscal year until July 2019.

8 **Q. WHAT ADJUSTMENTS TO ADIT DID THE COMPANY HAVE TO MAKE**
9 **AS A RESULT OF THE REDUCTION IN FEDERAL CORPORATE TAX**
10 **RATES?**

11 A. As a result of the reduction in federal corporate tax rates, the Company revalued the
12 ADIT on its books at the new statutory rate. The reduction in the federal statutory
13 rate reduced the future tax liabilities for which the Company has deferred tax
14 liabilities recorded. In other words, the amount recorded on the Company's books
15 prior to the tax law change was in excess of what the Company now will have to pay
16 the federal government in the future. The Company established a regulatory liability
17 for the excess deferred taxes associated with items in rate base for each of the eight
18 jurisdictions in which it operates.

19 **IV. REFLECTING THE TCJA IN RATES**

20 **Q. WHAT ARE THE RATE IMPACTS OF THE TCJA?**

21 A. There were two main types of rate impacts (1) lower ongoing tax expense and (2) a
22 return of the liability for excess deferred income taxes.

1 **Q. HOW WAS THE LOWER ONGOING TAX EXPENSE REFLECTED IN THE**
2 **COMPANY’S KENTUCKY RATES?**

3 A. As a result of the Company’s rate case in Electronic Application of Atmos Energy
4 Corporation for An Adjustment of Rates and Tariff Modifications, Case No. 2017-
5 00349, which was pending at the time of the passage of the TCJA², the Company’s
6 rates were adjusted to reflect the lower tax expense. The federal income tax rate in
7 this filing also reflects the 21% federal statutory rate resulting from the TCJA.

8 **Q. HOW IS TAX EXPENSE CALCULATED IN THE CURRENT FILING?**

9 A. Tax expense is calculated by applying statutory tax rates to the forecasted return to
10 arrive at required operating income, as shown on Schedule C.1.

11 **Q. IS THIS CALCULATION CONSISTENT WITH THAT IN CASE NO. 2017-**
12 **00349?**

13 A. Yes. I would note that the Company excludes the impact of the \$1.4 million
14 amortization of EDITL in calculating the current income taxes but then provides the
15 benefit to customers on Schedule A.1. The Company’s method for flowing through
16 the benefit of EDITL to customers in this manner was affirmed by the Commission’s
17 Final Rehearing Order for Case No. 2017-00349 issued on September 17, 2018.

18 **Q. WHY IS CALCULATING THE CURRENT INCOME TAX, EXCLUSIVE OF**
19 **EDITL AMORTIZATION NECESSARY?**

20 A. If the reduction in present rates for amortization of EDITL was taken into account
21 when calculating the proposed increase, income tax expense calculated on Schedule
22 C.1, would be artificially lowered for the tax benefit related to the amortization of the

² The Company updated its proposed rate increase in rebuttal to reflect the impacts of TCJA

1 EDITL. This tax benefit has already been accounted for when the EDITL was
2 established on the Company's books.

3 **Q. HOW HAS THE TAX EFFECT OF THE AMORTIZATION OF THE EDITL**
4 **BEEN REFLECTED ON THE COMPANY'S BOOKS AND IN THIS FILING?**

5 A. Upon enactment of the TCJA, in accordance with Generally Accepted Accounting
6 Principles ("GAAP"), the Company recorded on its books and records the regulatory
7 liability for excess deferred income taxes, grossed up for taxes, as well as a deferred
8 tax asset for the tax gross up. Since the flow back of EDITL to customers represents
9 a return of tax expense collected in rates that is in excess of what the Company now
10 expects to pay the federal government, this flow back should not result in additional
11 tax expense or benefit for the customers or the Company. GAAP requirements state
12 that the EDITL must be grossed up for income taxes at the enacted income tax rates
13 to reflect the revenue requirements to be received from or refunded to customers in
14 the future. This grossed up liability is reflected on WP B.5F1 of the model and is the
15 amount the Company has proposed to amortize. The corresponding deferred tax asset
16 for the tax gross up is included in ADIT on Schedule B.5F

17 **Q. WHY WOULD IT BE INAPPROPRIATE TO INCLUDE THE**
18 **AMORTIZATION OF EDITL CURRENTLY IN RATES IN THE**
19 **CALCULATION OF THE PROPOSED INCREASE?**

20 A. To do so would duplicate the impact to the revenue requirement of taxes related to
21 the amortization. As I have described, the accounting requirements that the Company
22 complied with and reflected in this filing properly accounted for all impacts to the
23 revenue requirement.

1 **Q. FOCUSING NOW ON EDITL, HOW IS THE RETURN OF EDITL**
2 **REFLECTED IN THE COMPANY’S KENTUCKY RATES?**

3 A. The Company's rate case in Case No. 2017-00349 was updated in rebuttal and
4 adopted in the final order to reflect the Company's estimate of the amortization for
5 EDITL. Case No. 2017-00481 remains open to allow for finalization of both the
6 regulatory liability for EDITL and the amortization period over which it will be
7 flowed to customers.

8 **Q. IS THE COMPANY PROPOSING A FURTHER ADJUSTMENT TO THE**
9 **AMOUNT OF EDITL IN THIS PROCEEDING?**

10 A. Yes. Since the rate case in Case No. 2017-00349 concluded, the Company has
11 completed the third quarter of the 2018 fiscal year. Accordingly, the Company
12 proposes to update its estimate for the amount of the EDITL based on its financial
13 data through June 30, 2018.

14 **Q. IS THE COMPANY PROPOSING ANY ADJUSTMENT TO THE**
15 **AMORTIZATION PERIOD IN THIS PROCEEDING?**

16 A. No. At this time the Company continues to believe that 24 years is the appropriate
17 amortization period. As described in my rebuttal testimony in Case No. 2017-00349,
18 the amortization period will be finalized once necessary modifications to the
19 Company’s tax systems are complete.

20 **Q. HAS THE COMPANY DETERMINED THE TIME REQUIRED TO**
21 **COMPLETE THESE MODIFICATIONS?**

22 A. Yes. The Company began working with consultants to make these changes to its tax
23 systems during the last rate case. These modifications are expected to be completed

1 by the end of the calendar year. If the calculation of the amortization period is
2 completed prior to the Company submitting rebuttal testimony in this docket, the
3 Company will include updated amounts at that time.

4 **V. RELATED TCJA CONCEPTS**

5 **Q. HAS THE COMPANY DETERMINED HOW TO AMORTIZE THE**
6 **REGULATORY LIABILITY BACK TO CUSTOMERS IN A MANNER THAT**
7 **CONFORMS WITH THE INTERNAL REVENUE CODE AND THE**
8 **REGULATORS IN ITS OTHER JURISDICTIONS?**

9 A. Yes. As I discussed in my rebuttal testimony in Case No. 2017-00349, the TCJA
10 requires that the amortization of EDITL happen no more rapidly than it would using
11 the Average Rate Assumption Method (“ARAM”). The TCJA also provides an
12 alternative method for return of EDITL for companies whose records do not contain
13 the data required to implement ARAM. The alternative method is known as the
14 Reverse South Georgia Method (“RSGM”). The Company is proposing to use the
15 RSGM method in all jurisdictions in which it operates.

16 **Q. IS THIS COMPANY’S PROPOSED METHOD OF AMORTIZATION OF**
17 **EDITL IN THIS FILING CONSISTENT WITH THE METHODOLOGY**
18 **PROPOSED AND ACCEPTED IN THE OTHER JURISDICTIONS THE**
19 **COMPANY OPERATES IN?**

20 A. Yes. The Company's use of RSGM has been accepted in all states where rates reflect
21 the return of EDITL³. Furthermore, due to the Company's need to complete its fiscal

³ As of October 1, 2018 this includes Colorado, Louisiana, and Texas

1 year end and file its tax return, estimates of the excess deferred income tax regulatory
2 liability and related amortization period have been provided in all jurisdictions.

3 **Q. HOW WOULD YOU SUMMARIZE THE CURRENT STATUS OF THE**
4 **COMPANY'S EFFORTS TO REFLECT THE TCJA?**

5 A. The rates that the Company charges its ratepayers already reflect the new federal
6 income tax rate and will continue to do so. The Company has already taken the
7 necessary steps to ensure that its customers receive the full current tax benefit of the
8 new lower federal income tax rate. The Company is currently returning EDIT to
9 customers according to its best estimates of the amortization schedule required by the
10 RSGM in compliance with the Internal Revenue Code. In this proceeding, the
11 Company is proposing to adjust the EDIT liability amount to reflect additional
12 information determined after the conclusion of the Company's last general rate case.
13 As the Company is further able to refine the amortization schedule for the EDIT
14 liability, it will make further adjustments in future filings.

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

16 A. Yes.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2018-00281
ATMOS ENERGY CORPORATION)

CERTIFICATE AND AFFIDAVIT

The Affiant, Jennifer K. Story, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared direct testimony of this affiant in Case No. 2018-00281, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared direct pre-filed testimony.


Jennifer K. Story

STATE OF Texas
COUNTY OF Dallas

SUBSCRIBED AND SWORN to before me by Jennifer K. Story on this the 26th day of September, 2018.


Notary Public

My Commission Expires: 9/01/2020

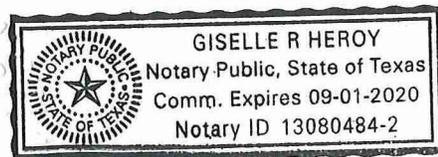


TABLE OF CONTENTS

I. INTRODUCTION AND PURPOSE1

II. SUMMARY OF TESTIMONY2

III. ECONOMIC AND LEGAL PRINCIPLES5

IV. BUSINESS AND FINANCIAL RISKS10

V. COST OF EQUITY ESTIMATION METHODS.....17

 A. DISCOUNTED CASH FLOW METHOD.....18

 B. RISK PREMIUM METHOD.....28

 1. Ex Ante Risk Premium Method30

 2. Ex Post Risk Premium Method.....33

 C. CAPITAL ASSET PRICING MODEL36

 1. Historical CAPM..... 38

 2. DCF-Based CAPM..... 44

VI. FAIR RATE OF RETURN ON EQUITY45

EXHIBIT:

Exhibit JWV-1 – Schedules and Appendices

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

I. INTRODUCTION AND PURPOSE

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

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

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

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

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

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

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

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

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

20 **II. SUMMARY OF TESTIMONY**

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

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

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

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

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

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

3 A. On the basis of my studies, I find that the cost of equity for my comparable
4 companies is 10.4 percent. This conclusion is based on my application of standard
5 cost of equity estimation techniques, including the DCF model, the ex ante risk
6 premium approach, the ex post risk premium approach, and the CAPM, to a broad
7 group of utilities of comparable business risk.

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

10 A. I conservatively recommend that Atmos Energy be allowed a fair rate of return on
11 common equity equal to 10.4 percent.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 **Q. IS THE ECONOMIC DEFINITION OF THE WEIGHTED AVERAGE**
16 **COST OF CAPITAL CONSISTENT WITH REGULATORS'**
17 **TRADITIONAL DEFINITION OF THE AVERAGE COST OF CAPITAL?**

18 A. No. The economic definition of the weighted average cost of capital is based on the
19 market costs of debt and equity, the market value percentages of debt and equity in
20 a company's capital structure, and the future expected risk of investing in the
21 company. In contrast, regulators have traditionally defined the weighted average
22 cost of capital using the embedded cost of debt and the book values of debt and
23 equity in a company's capital structure.

1 Q. ARE THE ECONOMIC PRINCIPLES REGARDING THE FAIR RETURN
2 FOR CAPITAL RECOGNIZED IN ANY UNITED STATES SUPREME
3 COURT CASES?

4 A. Yes. These economic principles, relating to the supply of and demand for capital,
5 are recognized in two United States Supreme Court cases: (1) *Bluefield Water*
6 *Works and Improvement Co. v. Public Service Comm'n. of W. Va.*; and (2) *Federal*
7 *Power Comm'n v. Hope Natural Gas Co.* In *Bluefield Water Works*, the Court
8 stated:

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

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

30 In the *Hope Natural Gas* case, the Court reiterates the financial soundness

1 and capital attraction principles of *Bluefield Water Works*:

2 From the investor or company point of view it is important that there
3 be enough revenue not only for operating expenses but also for the
4 capital costs of the business. These include service on the debt and
5 dividends on the stock... By that standard the return to the equity
6 owner should be commensurate with returns on investments in other
7 enterprises having corresponding risks. That return, moreover,
8 should be sufficient to assure confidence in the financial integrity of
9 the enterprise, so as to maintain its credit and to attract capital.
10 [*Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591,
11 603 (1944).]

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

16 **IV. BUSINESS AND FINANCIAL RISKS**

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

20 A. Investors estimate the expected rate of return in several steps. First, they estimate
21 the amount of their investment in the company. Second, they estimate the timing
22 and amounts of the cash flows they expect to receive from their investment over
23 the life of the investment. Third, they determine the return, or discount rate, that
24 equates the present value of the expected cash receipts from their investment in the
25 company to the current value of their investment in the company.

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

4 A. No. The return on an investment in Atmos Energy depends on the Company's
5 expected future cash flows over the life of the investment, as discussed above. Since
6 the Company's expected future cash flows are uncertain at the time the investment
7 is made, the return on the investment is also uncertain.

8 **Q. YOU NOTE THAT INVESTORS REQUIRE A RETURN ON**
9 **INVESTMENT THAT IS EQUAL TO THE RETURN THEY EXPECT TO**
10 **RECEIVE ON OTHER INVESTMENTS OF SIMILAR RISK. DOES THE**
11 **REQUIRED RETURN ON AN INVESTMENT DEPEND ON THE RISK OF**
12 **THAT INVESTMENT?**

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

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

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

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

20 A. Investors generally measure investment risk by estimating the probability, or
21 likelihood, of earning less than the required return on investment. For investments
22 with potential returns distributed symmetrically about the expected, or mean,

1 return, investors can also measure investment risk by estimating the variance, or
2 volatility, of the potential return on investment.

3 **Q. DO INVESTORS DISTINGUISH BETWEEN BUSINESS AND FINANCIAL**
4 **RISK?**

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

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

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

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

17 A. Demand uncertainty affects a natural gas utility's business risk through its impact
18 on the variability of the company's revenues and its return on investment. The
19 greater the uncertainty in demand, the greater is the uncertainty in the company's
20 revenues and its return on investment.

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

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

9 **Q. WHY ARE A NATURAL GAS UTILITY'S OPERATING EXPENSES**
10 **UNCERTAIN?**

11 A. Operating expense uncertainty arises as a result of variability in (1) purchased gas
12 costs; (2) pipeline capacity costs; (3) employee-related costs such as salaries and
13 wages, pensions, and insurance; (4) maintenance and materials costs; (5) customer
14 billing and accounting expenses; and (6) bad debt expenses.

15 **Q. WHY ARE A NATURAL GAS UTILITY'S INVESTMENT COSTS**
16 **UNCERTAIN?**

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

1 **Q. YOU NOTE ABOVE THAT HIGH OPERATING LEVERAGE**
2 **CONTRIBUTES TO THE BUSINESS RISK OF NATURAL GAS**
3 **UTILITIES. WHAT IS OPERATING LEVERAGE?**

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

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

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

9 **Q. WHAT IS THE DIFFERENCE BETWEEN FIXED AND VARIABLE**
10 **EXPENSES?**

11 A. Fixed expenses are expenses that do not vary with output, and variable expenses
12 are expenses that vary directly with output. For natural gas utilities, fixed expenses
13 include the fixed component of operating and maintenance costs, depreciation and
14 amortization, and taxes. Variable expenses include fuel costs and the variable
15 component of operations and maintenance costs.

16 **Q. DO NATURAL GAS UTILITIES EXPERIENCE HIGH OPERATING**
17 **LEVERAGE?**

18 A. Yes. As noted above, operating leverage increases when a firm's commitment to
19 fixed costs rises in relation to its operating margin on sales. The relatively high
20 degree of fixed costs in the natural gas utility business arises primarily from: (1)
21 the average natural gas utility's large investment in fixed, long-lived plant and
22 equipment; and (2) the relative "fixity" of a natural gas utility's operating and

1 maintenance costs. High operating leverage causes the average natural gas utility's
2 operating income to be highly sensitive to demand and revenue fluctuations.

3 **Q. HOW DOES OPERATING LEVERAGE AFFECT A COMPANY'S**
4 **BUSINESS RISK?**

5 A. Operating leverage affects a company's business risk through its impact on the
6 variability of the company's profits or income. Generally speaking, the higher a
7 company's operating leverage, the higher is the variability of the company's
8 operating profits.

9 **Q. DOES REGULATION CREATE UNCERTAINTY FOR NATURAL GAS**
10 **UTILITIES?**

11 A. Yes. Rates for natural gas distribution services are generally set by state regulatory
12 authorities in a manner that provides natural gas distribution companies an
13 opportunity to recover prudently incurred operating expenses and earn a fair rate of
14 return on their prudently incurred investment in property, plant, and equipment.
15 Investors' perceptions of the business and financial risks of natural gas utilities are
16 strongly influenced by their views of the quality of regulation. Investors are aware
17 that regulators in some jurisdictions may be unwilling at times to set rates that allow
18 companies an opportunity to recover their cost of service in a timely manner and
19 earn a fair and reasonable return on investment. Investors are also aware that, even
20 if a company presently has an opportunity to earn a fair return on its investment in
21 property, plant, and equipment, there is no assurance that they will continue to have
22 such an opportunity in the future. If investors perceive that regulators may not
23 provide an opportunity to earn a fair rate of return on investment, investors may

1 demand a higher rate of return for natural gas utilities operating in such
2 jurisdictions. If investors perceive that regulators are likely to continue to provide
3 an opportunity for a company to earn a fair rate of return on investment, investors
4 will view the risk of earning a less than fair return as minimal.

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

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

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

14 A. High financial leverage is a source of additional risk to utility stock investors
15 because it increases the percentage of the firm's costs that are fixed, and the
16 presence of higher fixed costs increases the variability of the equity investors'
17 return on investment.

18 **Q. CAN THE RISKS OF INVESTING IN NATURAL GAS UTILITIES SUCH**
19 **AS ATMOS ENERGY BE DISTINGUISHED FROM THE RISKS OF**
20 **INVESTING IN COMPANIES IN OTHER INDUSTRIES?**

21 A. Yes. The risks of investing in natural gas utilities such as Atmos Energy can be
22 distinguished from the risks of investing in companies in many other industries in
23 several ways. First, the risks of investing in natural gas utilities are increased

1 because of the greater capital intensity of the natural gas utility business and the
2 fact that most investments in natural gas facilities are largely irreversible once they
3 are made. Second, unlike returns in competitive industries, the returns from
4 investment in natural gas utilities are largely asymmetric. That is, there is little
5 opportunity for natural gas utilities to earn more than the required return, and a
6 significant chance that the utilities will earn less than the required return.

7 **V. COST OF EQUITY ESTIMATION METHODS**

8 **Q. WHAT METHODS DO YOU USE TO ESTIMATE ATMOS ENERGY'S**
9 **COST OF EQUITY?**

10 A. I use several generally accepted methods for estimating the cost of equity for Atmos
11 Energy. These are the DCF, the ex ante risk premium, the ex post risk premium,
12 and the CAPM. The DCF method assumes that the current market price of a firm's
13 stock is equal to the discounted value of all expected future cash flows. The ex ante
14 risk premium method assumes that an investor's expectations regarding the equity
15 risk premium can be estimated from data on the DCF expected rate of return on
16 equity compared to the interest rate on long-term bonds. The ex post risk premium
17 method assumes that an investor's expectations regarding the equity-debt return
18 differential are influenced by the historical record of comparable returns on stock
19 and bond investments. The cost of equity under both risk premium methods is then
20 equal to the expected interest rate on bond investments plus the expected risk
21 premium. The CAPM assumes that the investor's required rate of return on equity
22 is equal to an expected risk-free rate of interest plus the product of a company-
23 specific risk factor, beta, and the expected risk premium on the market portfolio.

- 1 C = Cash value of the coupon payment (assumed for notational
 2 convenience to occur annually rather than semi-annually);
 3 F = Face value of the bond;
 4 i = The rate of interest the investor could earn by investing her
 5 money in an alternative bond of equal risk; and
 6 n = The number of periods before the bond matures.

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

9 **EQUATION 2**

10
$$P_s = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n}$$

11 where:

- 12 P_s = Current price of the firm's stock;
 13 $D_1, D_2 \dots D_n$ = Expected annual dividend per share on the firm's stock;
 14 P_n = Price per share of stock at the time the investor expects to sell
 15 the stock; and
 16 k = Return the investor expects to earn on alternative investments
 17 of the same risk, i.e., the investor's required rate of return.

18 Equation 2 is frequently called the annual discounted cash flow model of stock
 19 valuation. Assuming that dividends grow at a constant annual rate, g , this equation
 20 can be solved for k , the cost of equity. The resulting cost of equity equation is $k =$
 21 $D_1/P_s + g$, where k is the cost of equity, D_1 is the expected next period annual
 22 dividend, P_s is the current price of the stock, and g is the constant annual growth
 23 rate in earnings, dividends, and book value per share. The term D_1/P_s is called the

1 expected dividend yield component of the annual DCF model, and the term g is
2 called the expected growth component of the annual DCF model. As in the case of
3 the price of a bond, the price of a stock is related to the timing, magnitude, and
4 relative risk of the expected cash flows.

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

7 A. No. The DCF model assumes that a company's stock price is equal to the present
8 discounted value of all expected future dividends. The annual DCF model is only a
9 correct expression for the present value of future dividends if dividends are paid
10 annually at the end of each year. Because the companies in my comparable group
11 all pay dividends quarterly, the current market price that investors are willing to
12 pay reflects the expected quarterly receipt of dividends. Therefore, a quarterly DCF
13 model should be used to estimate the cost of equity for these firms. The quarterly
14 DCF model differs from the annual DCF model in that it expresses a company's
15 price as the present value of a quarterly stream of dividend payments. A complete
16 analysis of the implications of the quarterly payment of dividends on the DCF
17 model is provided in Exhibit JVW-1, Appendix 2. For the reasons cited there, I
18 employed the quarterly DCF model throughout my calculations, even though the
19 results of the quarterly DCF model for my companies are approximately equal to
20 the results of a properly applied annual DCF model (in which the end-of-year
21 dividend is estimated by multiplying the current annual dividend by the factor one
22 plus the growth rate).

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

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

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

10 A. The quarterly DCF model requires an estimate of the dividends, d_1 , d_2 , d_3 , and d_4 ,
11 investors expect to receive over the next four quarters. I estimate the next four
12 quarterly dividends by multiplying the previous four quarterly dividends by the
13 factor, $(1 + \text{the growth rate}, g)$.

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

16 A. Yes. In the case of Atmos Energy, the first company shown in Exhibit JVW-1,
17 Schedule 1, the last four quarterly dividends are equal to 0.45, 0.485, 0.485, and
18 0.485. Thus, dividend d_1 is equal to 0.48 [$.45 \times (1 + .067) = 0.48$] and dividends d_2 ,
19 d_3 , and d_4 are equal to 0.517 [$0.485 \times (1 + .067) = 0.517$]. (As noted previously, the
20 logic underlying this procedure is described in Appendix 2.)

1 **Q. HOW DO YOU ESTIMATE THE GROWTH COMPONENT OF THE**
2 **QUARTERLY DCF MODEL?**

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

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

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

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

12 A. I/B/E/S is a division of Thomson Reuters that reports analysts' EPS growth
13 forecasts for a broad group of companies. The forecasts are expressed in terms of a
14 mean forecast and a standard deviation of forecast for each firm. Investors use the
15 mean forecast as an estimate of future firm performance.

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

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

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

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

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

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

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

15 A. We performed a correlation analysis to identify the historically oriented growth
16 rates which best described a firm's stock price. We then performed a regression
17 study comparing the historical growth rates and retention growth rates with the
18 average I/B/E/S analysts' forecasts. In every case, the regression equations
19 containing the average of analysts' forecasts statistically outperformed the
20 regression equations containing the historical growth and retention growth
21 estimates. These results are consistent with those found by Cragg and Malkiel, the
22 early major research in this area (John G. Cragg and Burton G. Malkiel,
23 *Expectations and the Structure of Share Prices*, University of Chicago Press, 1982).

1 These results are also consistent with the hypothesis that investors use analysts’
2 forecasts, rather than historically oriented growth calculations, in making decisions
3 to buy and sell stock. The results provide overwhelming evidence that the analysts’
4 forecasts of future growth are superior to historically-oriented growth measures in
5 predicting a firm’s stock price. I note that researchers at State Street Financial
6 Advisors updated my study in 2004, and their results continue to confirm that
7 analysts’ growth forecasts are superior to historically-oriented growth measures in
8 predicting a company’s stock price.

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

10 A. I use a simple average of the monthly high and low stock prices for each firm for
11 the three-month period ending July 2018. These high and low stock prices were
12 obtained from Thomson Reuters.

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

15 A. I use the three-month average stock price in applying the DCF method because
16 stock prices fluctuate daily, while financial analysts’ forecasts for a given company
17 are generally changed less frequently, often on a quarterly basis. Thus, to match the
18 stock price with an earnings forecast, it is appropriate to average stock prices over
19 a three-month period.

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

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

6 **Q. ARE YOU AWARE THAT THE COMMISSION CONCLUDED THAT**
7 **FLOTATION COSTS SHOULD BE EXCLUDED FROM COST OF**
8 **EQUITY ANALYSES BECAUSE, ACCORDING TO THE COMMISSION,**
9 **FLOTATION COSTS ARE ALREADY ACCOUNTED FOR IN CURRENT**
10 **STOCK PRICES? (SEE COMMISSION ORDER, CASE NO. 2017-00349,**
11 **MAY 3, 2018, AT P. 28.)**

12 A. Yes. However, I disagree with the Commission's assertion that flotation costs are
13 already accounted for in current stock prices. Rather, flotation costs are an expense
14 that is deducted from the proceeds associated with a stock issuance before the
15 proceeds are distributed to the issuing company. Because a company's stock price
16 reflects the return on the amount of cash actually invested by the company, and
17 flotation costs are deducted from the proceeds of a stock issuance prior to the
18 distribution of the net proceeds to the company, flotation costs are not included in
19 a company's stock price.

20 **Q. PLEASE EXPLAIN YOUR INCLUSION OF A FLOTATION COST**
21 **ALLOWANCE.**

22 A. All firms that have sold securities in the capital markets have incurred some level
23 of flotation costs, including the costs of underwriters' commissions, legal fees, and

1 printing expense, for example. These costs are withheld from the proceeds of the
2 stock sale or are paid separately and must be recovered over the life of the equity
3 issue. Costs vary depending upon the size of the issue, the type of registration
4 method used and other factors, but in general these costs range between three and
5 five percent of the proceeds from the issue [see Inmoo Lee, Scott Lochhead,
6 Jay Ritter, and Quanshui Zhao, “The Costs of Raising Capital,” *The Journal of*
7 *Financial Research*, Vol. XIX No 1 (Spring 1996), 59-74, and Clifford W. Smith,
8 “Alternative Methods for Raising Capital,” *Journal of Financial Economics* 5
9 (1977) 273-307]. In addition to these costs, for large equity issues (in relation to
10 outstanding equity shares), there is likely to be a decline in price associated with
11 the sale of shares to the public. On average, the decline in price associated with new
12 stock issuances has been estimated at two to three percent (see Richard H. Pettway,
13 “The Effects of New Equity Sales upon Utility Share Prices,” *Public Utilities*
14 *Fortnightly*, May 10, 1984, 35—39). Thus, the total flotation cost, including both
15 issuance expense and stock price decline, generally ranges from five to
16 eight percent of the proceeds of an equity issue. I believe a combined five percent
17 allowance for flotation costs is a conservative estimate that should be used in
18 applying the DCF model in this proceeding (see Exhibit JVW-1, Schedule 1).

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

21 A. No. As described in Exhibit JVW-1, Appendix 3, a flotation cost adjustment is
22 required whether or not a company issued new stock during the test year. Previously
23 incurred flotation costs have not been recovered in previous rate cases; rather, they

1 are a permanent cost associated with past issues of common stock. Just as an
2 adjustment is made to the embedded cost of debt to reflect previously incurred debt
3 issuance costs (regardless of whether additional bond issuances were made in the
4 test year), so should an adjustment be made to the cost of equity regardless of
5 whether additional stock was issued during the test year.

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

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

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

12 A. I select all the natural gas utilities followed by Value Line that: (1) paid dividends
13 during every quarter of the last two years; (2) did not decrease dividends during
14 any quarter of the past two years; (3) have an available positive I/B/E/S long-term
15 growth forecast; (4) have an investment grade bond rating and a Value Line Safety
16 Rank of 1, 2, or 3; and (5) are not the subject of a merger offer that has not been
17 completed.

18 **Q. WHY DO YOU ELIMINATE COMPANIES THAT HAVE EITHER**
19 **DECREASED OR ELIMINATED THEIR DIVIDEND IN THE PAST TWO**
20 **YEARS?**

21 A. The DCF model requires the assumption that dividends will grow at a constant rate
22 into the indefinite future. If a company has either decreased or eliminated its

1 dividend in recent years, an assumption that the company's dividend will grow at
2 the same rate into the indefinite future is questionable.

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

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

13 **Q. PLEASE SUMMARIZE THE RESULTS OF YOUR APPLICATION OF**
14 **THE DCF MODEL TO YOUR PROXY GROUP.**

15 A. As shown on JVW-1, Schedule 1, I obtain an average DCF result of 9.2 percent.

16 **B. RISK PREMIUM METHOD**

17 **Q. PLEASE DESCRIBE THE RISK PREMIUM METHOD OF ESTIMATING**
18 **THE COST OF EQUITY.**

19 A. The risk premium method is based on the principle that investors expect to earn a
20 return on an equity investment that reflects a "premium" above the interest rate they
21 expect to earn on an investment in bonds. This equity risk premium compensates
22 equity investors for the additional risk they bear in making equity investments
23 versus bond investments.

1 **Q. DOES THE RISK PREMIUM APPROACH SPECIFY WHAT DEBT**
2 **INSTRUMENT SHOULD BE USED TO ESTIMATE THE INTEREST**
3 **RATE COMPONENT IN THE METHODOLOGY?**

4 A. No. The risk premium approach can be implemented using virtually any debt
5 instrument. However, the risk premium approach does require that the debt
6 instrument used to estimate the risk premium be the same as the debt instrument
7 used to calculate the interest rate component of the risk premium approach. For
8 example, if the risk premium on equity is calculated by comparing the returns on
9 stocks to the interest rate on A-rated utility bonds, then the interest rate on A-rated
10 utility bonds must be used to estimate the interest rate component of the risk
11 premium approach.

12 **Q. DOES THE RISK PREMIUM APPROACH REQUIRE THAT THE SAME**
13 **COMPANIES BE USED TO ESTIMATE THE STOCK RETURN AS ARE**
14 **USED TO ESTIMATE THE BOND RETURN?**

15 A. No. For example, many analysts apply the risk premium approach by comparing
16 the return on a portfolio of stocks to the income return on Treasury securities such
17 as long-term Treasury bonds. Clearly, in this widely accepted application of the risk
18 premium approach, the same companies are not used to estimate the stock return as
19 are used to estimate the bond return, since the United States government is not a
20 company.

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

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

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

8 **Q. PLEASE DESCRIBE YOUR EX ANTE RISK PREMIUM APPROACH FOR**
9 **MEASURING THE REQUIRED RISK PREMIUM ON AN EQUITY**
10 **INVESTMENT IN NATURAL GAS UTILITIES.**

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

$$15 \quad \text{RP}_{\text{PROXY}} = \text{DCF}_{\text{PROXY}} - I_A$$

16 where:

17 RP_{PROXY} = the required risk premium on an equity investment in the
18 proxy group of companies;

19 $\text{DCF}_{\text{PROXY}}$ = average DCF estimated cost of equity on a portfolio of
20 proxy companies; and

21 I_A = the yield to maturity on an investment in A-rated utility
22 bonds.

23 I then perform regression analyses to determine if there is a relationship between

1 the calculated risk premium and interest rates. A detailed description of my ex ante
2 risk premium studies is contained in Appendix 4, and the underlying DCF results
3 and interest rates are displayed in Exhibit JWV-1, Schedule 2.

4 **Q. FROM YOUR REGRESSION ANALYSES, DO YOU FIND THAT THERE**
5 **IS A RELATIONSHIP BETWEEN THE CALCULATED EQUITY RISK**
6 **PREMIUM AND INTEREST RATES?**

7 A. Yes. My regression analyses confirm that there is an inverse relationship between
8 the calculated equity risk premium and interest rates. Specifically, my analyses
9 indicate that when the yield to maturity on A-rated utility bonds declines by 100
10 basis points, the required equity risk premium increases by approximately 60 basis
11 points; and when the yield on A-rated utility bonds increases by 100 basis points,
12 the required equity risk premium declines by 60 basis points (*see* Appendix 4, p.
13 3).

14 **Q. HOW DO YOU USE THE REGRESSION ANALYSES TO ESTIMATE THE**
15 **COST OF EQUITY IN YOUR EX ANTE RISK PREMIUM METHOD?**

16 A. To estimate the cost of equity, I add the estimated 5.2 percent required equity risk
17 premium obtained from my regression analyses to the forecasted interest rate on A-
18 rated utility bonds.

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

21 A. I obtain a cost of equity estimate of 10.9 percent using my ex ante risk premium
22 method. This cost of equity estimate is the sum of the estimated 5.2 percent equity

1 risk premium from my regression analyses and the 5.7 percent forecasted yield to
2 maturity on A-rated utility bonds.

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

5 A. I obtain the expected yield to maturity on A-rated utility bonds, 5.7 percent, by
6 averaging forecast data from Value Line and the U.S. Energy Information
7 Administration (EIA). Value Line Selection & Opinion (June1, 2018) projects a
8 AAA-rated Corporate bond yield equal to 4.8 percent. The average spread between
9 A-rated utility bonds and Aaa-rated Corporate bonds is 40 basis points (A-rated
10 utility, 4.27 percent, less Aaa-rated Corporate, 3.87 percent, equals 40 basis points).
11 Adding 40 basis points to the 4.8 percent Value Line Aaa Corporate bond forecast
12 equals a forecast yield of 5.2 percent for the A-rated utility bonds. The EIA
13 forecasts an AA-rated utility bond yield equal to 6.11 percent. The spread between
14 AA-rated utility and A-rated utility bonds is 17 basis points (4.27 percent less
15 4.10 percent). Adding 17 basis points to EIA's 6.11 percent AA-utility bond yield
16 forecast equals a forecast yield for A-rated utility bonds equal to 6.3 percent. The
17 average of the forecasts (5.2 percent using Value Line data and 6.3 percent using
18 EIA data) is 5.7 percent.

19 **Q. WHY DO YOU USE A FORECASTED YIELD TO MATURITY ON A-**
20 **RATED UTILITY BONDS RATHER THAN A CURRENT YIELD TO**
21 **MATURITY?**

22 A. I use a forecasted yield to maturity on A-rated utility bonds rather than a current
23 yield to maturity because the fair rate of return standard requires that a company

1 have an opportunity to earn its required return on its investment during the forward-
2 looking period during which rates will be in effect. Economists project that future
3 interest rates will be higher than current interest rates as the Federal Reserve raises
4 interest rates in order to prevent inflation. Thus, the use of forecasted interest rates
5 is consistent with the fair rate of return standard, whereas the use of current interest
6 rates at this time is not.

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

8 **Q. PLEASE DESCRIBE YOUR EX POST RISK PREMIUM METHOD FOR**
9 **MEASURING THE REQUIRED RISK PREMIUM ON AN EQUITY**
10 **INVESTMENT IN NATURAL GAS UTILITIES.**

11 A. I first perform a study of the comparable returns received by stock and bond
12 investors over the 81 years of my study. I estimate the returns on stock and bond
13 portfolios, using stock price and dividend yield data on the S&P 500 and bond yield
14 data on Moody's A-rated Utility Bonds. My study consists of making an investment
15 of one dollar in the S&P 500 and Moody's A-rated utility bonds at the beginning
16 of 1937, and reinvesting the principal plus return each year to 2018. The return
17 associated with each stock portfolio is the sum of the annual dividend yield and
18 capital gain (or loss) which accrued to this portfolio during the year(s) in which it
19 was held. The return associated with the bond portfolio, on the other hand, is the
20 sum of the annual coupon yield and capital gain (or loss) which accrued to the bond
21 portfolio during the year(s) in which it was held. The resulting annual returns on
22 the stock and bond portfolios purchased in each year from 1937 to 2018 are shown
23 on Exhibit JVW-1, Schedule 3. The average annual return on an investment in the

1 S&P 500 stock portfolio is 11.4 percent, while the average annual return on an
2 investment in the Moody's A-rated utility bond portfolio is 6.7 percent. The risk
3 premium on the S&P 500 stock portfolio is, therefore, 4.7 percent ($11.4 - 6.7 =$
4 4.7).

5 I also conduct a second study using stock data on the S&P Utilities rather
6 than the S&P 500. As shown on Exhibit JWV-1, Schedule 4, the average annual
7 return on an investment in the S&P Utility stock portfolio is 10.64 percent per year.
8 Thus, the return on the S&P Utility stock portfolio exceeded the return on the
9 Moody's A-rated utility bond portfolio by 4.0 percent ($10.64 - 6.67 = 3.97$, rounded
10 to 4.0 percent).

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

14 A. I perform my ex post risk premium analysis on both the S&P 500 and the S&P
15 Utilities because I believe natural gas utilities today face risks that are somewhere
16 in between the average risk of the S&P Utilities and the S&P 500 over the years
17 1937 to 2018. Thus, I use the average of the two historically-based risk premiums
18 as my estimate of the required risk premium in my ex post risk premium method.

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

21 A. Yes. The risk premium results vary somewhat depending on the historical time
22 period chosen. My policy is to go back as far in history as I can get reliable data. I
23 thought it would be most meaningful to begin after the passage and implementation

1 of the Public Utility Holding Company Act of 1935 (the 1935 Act). This Act
2 significantly changed the structure of the public utility industry. Because the 1935
3 Act was not implemented until the beginning of 1937, I concluded that data prior
4 to 1937 should not be used in my study. (The repeal of the 1935 Act has not
5 materially impacted the structure of the public utility industry; thus, the Act's repeal
6 does not have any impact on my choice of time period.)

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

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

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

4 A. My studies provide strong evidence that investors today require an equity return of
5 at least 4.0 to 4.7 percentage points above the expected yield on A-rated utility
6 bonds. As discussed above, the forecast yield on A-rated utility bonds is
7 5.7 percent. Adding a 4.0 to 4.7 percentage point risk premium to a yield of
8 5.7 percent on A-rated utility bonds, I obtain an expected return on equity in the
9 range 9.7 percent to 10.4 percent, with a midpoint of 10.1 percent. Adding a 15
10 basis-point allowance for flotation costs, I obtain an estimate of 10.2 percent as the
11 ex post risk premium cost of equity. (I determine the flotation cost allowance by
12 calculating the difference in my DCF results with and without a flotation cost
13 allowance.)

14 **C. CAPITAL ASSET PRICING MODEL**

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

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

19
$$\text{Cost of equity} = \text{Risk-free rate} + (\text{Equity beta} \times \text{Market risk premium})$$

20 The risk-free rate in this equation is the expected rate of return on a risk-free
21 government security, the equity beta is a measure of the company’s risk relative to
22 the market as a whole, and the market risk premium is the premium investors
23 require to invest in the market basket of all securities compared to the risk-free

1 security.

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

4 A. The CAPM requires an estimate of the risk-free rate, the company-specific risk
5 factor or beta, and the expected return on the market portfolio. For my estimate of
6 the risk-free rate, I use a forecasted yield to maturity on 20-year Treasury bonds of
7 3.9 percent, obtained using data from Value Line and EIA. For my estimate of the
8 company-specific risk, or beta, I use both the current average 0.69 Value Line beta
9 for my group of natural gas utilities and the 0.88 beta estimated from the
10 relationship between the historical risk premium on utilities and the historical risk
11 premium on the market portfolio. For my estimate of the expected risk premium on
12 the market portfolio, I use two approaches. First, I estimate the risk premium on the
13 market portfolio using historical risk premium data reported in the *2018 Valuation*
14 *Handbook* for the years 1926 through 2017, data which are consistent with the data
15 previously reported by Ibbotson[®] SBBI[®]. Second, I estimate the risk premium on
16 the market portfolio from the difference between the DCF cost of equity for the
17 S&P 500 and the forecasted yield to maturity on 20-year Treasury bonds.

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

20 A. As noted above, I use data from Value Line and EIA to obtain a forecasted yield to
21 maturity on 20-year Treasury bonds. Value Line forecasts a yield on 10-year
22 Treasury notes equal to 3.6 percent. The spread between the average yield on 10-
23 year Treasury notes (2.89 percent) and 20-year Treasury bonds (2.94 percent) is 5

1 basis points. Adding 5 basis points to Value Line's 3.6 percent forecasted yield on
2 10-year Treasury notes produces a forecasted yield of 3.65 percent for 20-year
3 Treasury bonds (see Value Line Investment Survey, Selection & Opinion, June 1,
4 2018). EIA forecasts a yield of 4.07 percent on 10-year Treasury notes. Adding the
5 5-basis point spread between 10-year Treasury notes and 20-year Treasury bonds
6 to the EIA forecast of 4.07 percent for 10-year Treasury notes produces an EIA
7 forecast for 20-year Treasury bonds equal to 4.12 percent. The average of the
8 forecasts is 3.9 percent (3.7 percent using Value Line data and 4.1 percent using
9 EIA data).

10 1. Historical CAPM

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

14 A. I estimate the expected risk premium on the market portfolio by calculating the
15 difference between the arithmetic mean total return on the S&P 500 from 1926 to
16 2018 (12.06 percent) and the average income return on 20-year U.S. Treasury
17 bonds over the same period (4.99 percent). Thus, my historical risk premium
18 method produces a risk premium of 7.07 percent ($12.06 - 4.99 = 7.07$).

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

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

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

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

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

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

20 A. Using a risk-free rate equal to 3.9 percent, a natural gas utility beta equal to 0.69, a
21 risk premium on the market portfolio equal to 7.1 percent, and a flotation cost
22 allowance equal to 15 basis points, I obtain an historical CAPM estimate of the cost

1 of equity equal to 8.9 percent for my natural gas utility group ($3.9 + 0.69 \times 7.1 +$
2 $0.15 = 8.9$) (see Exhibit JVW-1, Schedule 6).

3 **Q. CAN A REASONABLE APPLICATION OF THE CAPM PRODUCE**
4 **HIGHER COST OF EQUITY RESULTS THAN YOU HAVE JUST**
5 **REPORTED?**

6 A. Yes. There is evidence that the CAPM tends to underestimate the cost of equity for
7 small market capitalization companies, such as many of the natural gas utilities,
8 and for companies whose betas are less than 1.0.

9 **Q. DOES THE FINANCE LITERATURE SUPPORT AN ADJUSTMENT TO**
10 **THE CAPM EQUATION TO ACCOUNT FOR A COMPANY'S SIZE AS**
11 **MEASURED BY MARKET CAPITALIZATION?**

12 A. Yes. For example, the 2017 Valuation Yearbook supports such an adjustment. The
13 estimates of the size premium required to be added to the basic CAPM cost of
14 equity are shown below in TABLE 1.

15 **TABLE 1**
16 **ESTIMATES OF PREMIUMS FOR COMPANY SIZE**
17 **(2017 VALUATION YEARBOOK)**

Decile	Smallest Mkt. Cap. (\$Millions)	Largest Mkt. Cap. (\$Millions)	Premium
Large-Cap (No Adjustment)	10,712.000		0
Mid-Cap (3-5)	2,392.689	10,711.194	1.02%
Low-Cap (6-8)	569.279	2,390.899	1.75%
Micro-Cap (9-10)	2.516	567.843	3.67%

18

19 **Q. DO YOU MAKE AN ADJUSTMENT TO REFLECT THE SMALL**
20 **MARKET CAPITALIZATION OF THE NATURAL GAS UTILITIES?**

21 A. Yes. The size-adjusted CAPM result is 10.1 percent (see Exhibit JVW-1,
22 Schedule 6).

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

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

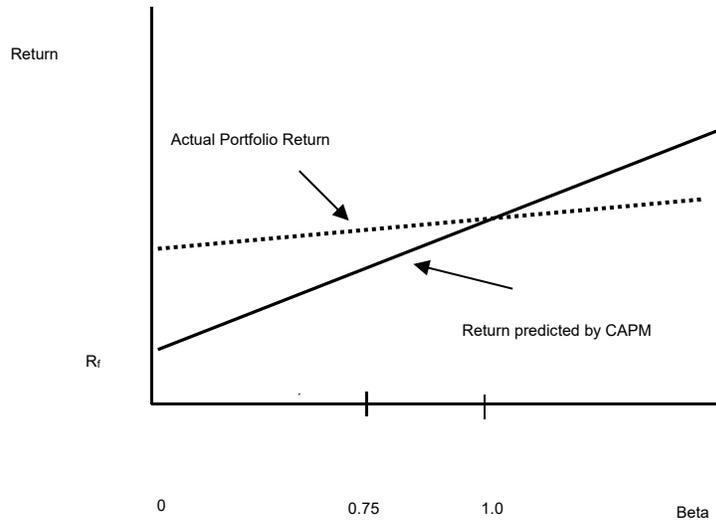
13 **Q. CAN YOU BRIEFLY SUMMARIZE THESE ARTICLES?**

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

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

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

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



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

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

4 A. Yes. As shown in Exhibit JVW-1, Schedule 7, over the period 1937 to 2018,
5 investors in the S&P Utilities Stock Index have earned a risk premium over the
6 yield on long-term Treasury bonds equal to 5.58 percent, while investors in the S&P
7 500 have earned a risk premium over the yield on long-term Treasury bonds equal
8 to 6.28 percent. According to the CAPM, investors in utility stocks should expect
9 to earn a risk premium over the yield on long-term Treasury securities equal to the
10 average utility beta times the expected risk premium on the S&P 500. Thus, the
11 ratio of the risk premium on the utility portfolio to the risk premium on the S&P
12 500 should equal the utility beta. However, the average natural gas utility beta at
13 the time of my studies is approximately 0.69, whereas the historical ratio of the
14 utility risk premium to the S&P 500 risk premium is 0.88 ($5.58 \div 6.28 = 0.88$). In
15 short, the current 0.69 measured beta for natural gas utilities underestimates the cost
16 of equity for natural gas utilities, providing further support for the conclusion that
17 the CAPM underestimates the cost of equity for natural gas utilities at this time.

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

21 A. Yes. I can implement the CAPM using the 0.88 beta I discuss above, which I obtain
22 by comparing the historical returns on utilities to historical returns on the S&P 500.

1 **Q. WHAT CAPM RESULT DO YOU OBTAIN WHEN YOU USE A BETA**
2 **EQUAL TO 0.88 RATHER THAN A NATURAL GAS UTILITY BETA**
3 **EQUAL TO 0.69?**

4 A. I obtain a CAPM result equal to 10.3 percent using a risk-free rate equal to 3.9
5 percent, a beta equal to 0.88, the historical market risk premium equal to 7.1
6 percent, and a flotation cost allowance of 15 basis points ($3.9 + 0.88 \times 7.1 + 0.15 =$
7 10.3). (See Exhibit JWV-1, Schedule 8.)

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

10 A. The average of my three historical CAPM results is 9.7 percent ($8.9 \text{ percent} + 10.1$
11 $\text{percent} + 10.3 \text{ percent}) \div 3 = 9.7 \text{ percent}$). I use 9.7 percent as my estimate of the
12 historical CAPM cost of equity.

13 **2. DCF-Based CAPM**

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

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

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

4 A. Using this method, I obtain a risk premium on the market portfolio equal to
5 9.8 percent (This value is obtained by subtracting the forecasted risk-free rate, 3.9
6 percent, from the DCF estimate of the market return, 13.7 percent ($13.7 - 3.9 =$
7 9.8). (See Exhibit JWV-1, Schedule 9.)

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

11 A. Using a risk-free rate of 3.9 percent, a natural gas utility beta of 0.69, a risk
12 premium on the market portfolio of 9.8 percent, and a flotation cost allowance equal
13 to 15 basis points, I obtain a CAPM result of 10.8 percent for my natural gas utility
14 group. Using a risk-free rate of 3.9 percent, a natural gas utility beta of 0.88, a risk
15 premium on the market portfolio of 9.8 percent, and a flotation cost allowance of
16 15 basis points, I obtain a CAPM result of 12.7 percent for my natural gas utility
17 group. The average of these two results is 11.7 percent [$(10.8 \text{ percent} +$
18 $12.7 \text{ percent}) \div 2 = 11.7 \text{ percent}$]. I use 11.7 percent as my estimate of the DCF-
19 based CAPM cost of equity.

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

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

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

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

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

9 A. Based on my application of several cost of equity methods, I conclude that the fair
10 rate of return on equity for my comparable companies is in the range 9.2 percent to
11 11.7 percent, with an average equal to 10.4 percent (see Table 2, apparent
12 discrepancy due to rounding). I conclude that the fair rate of return on equity for
13 my comparable companies is 10.4 percent.

TABLE 2
COST OF EQUITY MODEL RESULTS

METHOD	MODEL RESULT
DCF	9.2%
Ex Ante Risk Premium	10.9%
Ex Post Risk Premium	10.2%
CAPM-Historical	9.7%
CAPM-DCF Based	11.7%
Average	10.4%

14
15 **Q. IS THERE EVIDENCE THAT YOUR 10.4 PERCENT COST OF EQUITY**
16 **RECOMMENDATION IS CONSERVATIVE?**

17 A. Yes. My cost of equity analyses reflect the financial risk of my proxy companies as
18 measured by their average market value capital structure, which has more than

1 67 percent equity. If Atmos Energy's ratemaking, or book value capital structure,
2 is used to set rates, the cost of equity for Atmos Energy will necessarily be higher
3 than the cost of equity for the proxy group because the financial risk associated
4 with Atmos Energy's book value capital structure is significantly higher than the
5 financial risk reflected in the cost of equity estimate for my proxy companies.

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

8 A. Atmos Energy is recommending a ratemaking capital structure containing
9 3.4 percent short-term debt, 38.4 percent long-term debt, and 58.2 percent common
10 equity.

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

12 A. Yes, it does.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2018-00281
ATMOS ENERGY CORPORATION)

CERTIFICATE AND AFFIDAVIT

The Affiant, James H. Vander Weide, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared direct testimony of this affiant in Case No. 2018-00281, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared direct pre-filed testimony.

James H. Vander Weide
James H. Vander Weide

STATE OF North Carolina
COUNTY OF Durham

SUBSCRIBED AND SWORN to before me by James H. Vander Weide on this the 17th day of September, 2018.

JUSTIN COUCH
Notary Public
Orange Co., North Carolina
My Commission Expires Nov. 7, 2022

Justin Couch
Notary Public
My Commission Expires: 11-7-22

LIST OF SCHEDULES AND APPENDICES

Exhibit JVW-1 Schedule-1	Summary of Discounted Cash Flow Analysis for Natural Gas Utilities
Exhibit JVW-1 Schedule-2	Comparison of the DCF Expected Return on an Investment in Natural Gas Utilities to the Interest Rate on Moody's A-Rated Utility Bonds
Exhibit JVW-1 Schedule-3	Comparative Returns on S&P 500 Stock Index and Moody's A-Rated Bonds 1937—2018
Exhibit JVW-1 Schedule-4	Comparative Returns on S&P Utility Stock Index and Moody's A-Rated Bonds 1937—2018
Exhibit JVW-1 Schedule-5	Using the Arithmetic Mean to Estimate the Cost of Equity Capital
Exhibit JVW-1 Schedule-6	Calculation of Capital Asset Pricing Model Cost of Equity Using an Historical Risk Premium
Exhibit JVW-1 Schedule-7	Comparison of Risk Premiums on S&P500 and S&P Utilities 1937 – 2018
Exhibit JVW-1 Schedule-8	Calculation of Capital Asset Pricing Model Cost of Equity Using an Historical Risk Premium and a 0.88 Utility Beta
Exhibit JVW-1 Schedule-9	Calculation of Capital Asset Pricing Model Cost of Equity Using DCF Estimate of the Expected Rate of Return on the Market Portfolio
Exhibit JVW-1 Appendix 1	Qualifications of James H. Vander Weide
Exhibit JVW-1 Appendix 2	Derivation of the Quarterly DCF Model
Exhibit JVW-1 Appendix 3	Adjusting for Flotation Costs in Determining a Public Utility's Allowed Rate of Return on Equity
Exhibit JVW-1 Appendix 4	Ex Ante Risk Premium Method
Exhibit JVW-1 Appendix 5	Ex Post Risk Premium Method

ATMOS ENERGY
EXHIBIT__(JVW-1)
SCHEDULE 1
SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS
FOR NATURAL GAS UTILITIES

	COMPANY	MOST RECENT QUARTERLY DIVIDEND (d ₀)	STOCK PRICE (P ₀)	I/B/E/S FORECAST OF FUTURE EARNINGS GROWTH	MARKET CAP \$ (MIL)	DCF MODEL RESULT
1	Atmos Energy	0.485	88.832	6.7%	10,188	9.1%
2	Chesapeake Utilities	0.370	79.267	6.0%	1,383	7.9%
3	New Jersey Resources	0.273	43.967	6.4%	4,023	9.3%
4	NiSource Inc.	0.195	25.298	5.7%	9,486	9.2%
5	Northwest Nat. Gas	0.473	61.863	4.5%	1,848	8.0%
6	ONE Gas Inc.	0.460	73.848	5.5%	4,023	8.2%
7	South Jersey Inds.	0.280	32.717	12.0%	2,896	16.2%
8	Southwest Gas	0.520	75.607	4.0%	3,824	7.0%
9	Spire Inc.	0.563	70.675	3.5%	3,653	7.0%
10	UGI Corp.	0.260	50.957	7.9%	9,201	10.2%
11	Average					9.2%
12	Market-weighted Average					9.3%
13	Average Line 11, Line 12					9.2%

Notes:

- d_0 = Most recent quarterly dividend
 d_1, d_2, d_3, d_4 = Next four quarterly dividends, calculated by multiplying the last four quarterly dividends by the factor $(1 + g)$
 P_0 = Average of the monthly high and low stock prices during the three months ending July 2018 per Thomson Reuters
 FC = Flotation cost allowance (five percent) as a percent of stock price
 g = I/B/E/S forecast of future earnings growth July 2018 from Thomson Reuters
 k = Cost of equity using the quarterly version of the DCF model

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

ATMOS ENERGY
EXHIBIT __ (JVW-1)
SCHEDULE 2

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

In this analysis, I compute a natural gas utility equity risk premium by comparing the DCF estimated cost of equity for an electric utility proxy group to the interest rate on A-rated utility bonds. For each month in my June 1998 through July 2018 study period:

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

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

DATE	DCF	BOND YIELD	RISK PREMIUM
Jun-98	0.1154	0.0703	0.0451
Jul-98	0.1186	0.0703	0.0483
Aug-98	0.1234	0.0700	0.0534
Sep-98	0.1273	0.0693	0.0580
Oct-98	0.1260	0.0696	0.0564
Nov-98	0.1211	0.0703	0.0508
Dec-98	0.1185	0.0691	0.0494
Jan-99	0.1195	0.0697	0.0498
Feb-99	0.1243	0.0709	0.0534
Mar-99	0.1257	0.0726	0.0531
Apr-99	0.1260	0.0722	0.0538
May-99	0.1221	0.0747	0.0474
Jun-99	0.1208	0.0774	0.0434
Jul-99	0.1222	0.0771	0.0451
Aug-99	0.1220	0.0791	0.0429
Sep-99	0.1226	0.0793	0.0433
Oct-99	0.1233	0.0806	0.0427
Nov-99	0.1240	0.0794	0.0446
Dec-99	0.1280	0.0814	0.0466
Jan-00	0.1301	0.0835	0.0466
Feb-00	0.1344	0.0825	0.0519
Mar-00	0.1344	0.0828	0.0516
Apr-00	0.1316	0.0829	0.0487
May-00	0.1292	0.0870	0.0422
Jun-00	0.1295	0.0836	0.0459
Jul-00	0.1317	0.0825	0.0492
Aug-00	0.1290	0.0813	0.0477
Sep-00	0.1257	0.0823	0.0434
Oct-00	0.1260	0.0814	0.0446
Nov-00	0.1251	0.0811	0.0440
Dec-00	0.1239	0.0784	0.0455
Jan-01	0.1261	0.0780	0.0481
Feb-01	0.1261	0.0774	0.0487
Mar-01	0.1275	0.0768	0.0507
Apr-01	0.1227	0.0794	0.0433
May-01	0.1302	0.0799	0.0503
Jun-01	0.1304	0.0785	0.0519
Jul-01	0.1338	0.0778	0.0560
Aug-01	0.1327	0.0759	0.0568

DATE	DCF	BOND YIELD	RISK PREMIUM
Sep-01	0.1268	0.0775	0.0493
Oct-01	0.1268	0.0763	0.0505
Nov-01	0.1268	0.0757	0.0511
Dec-01	0.1254	0.0783	0.0471
Jan-02	0.1236	0.0766	0.0470
Feb-02	0.1241	0.0754	0.0487
Mar-02	0.1189	0.0776	0.0413
Apr-02	0.1159	0.0757	0.0402
May-02	0.1162	0.0752	0.0410
Jun-02	0.1170	0.0741	0.0429
Jul-02	0.1242	0.0731	0.0511
Aug-02	0.1234	0.0717	0.0517
Sep-02	0.1260	0.0708	0.0552
Oct-02	0.1250	0.0723	0.0527
Nov-02	0.1221	0.0714	0.0507
Dec-02	0.1216	0.0707	0.0509
Jan-03	0.1219	0.0706	0.0513
Feb-03	0.1232	0.0693	0.0539
Mar-03	0.1195	0.0679	0.0516
Apr-03	0.1162	0.0664	0.0498
May-03	0.1126	0.0636	0.0490
Jun-03	0.1114	0.0621	0.0493
Jul-03	0.1127	0.0657	0.0470
Aug-03	0.1139	0.0678	0.0461
Sep-03	0.1127	0.0656	0.0471
Oct-03	0.1123	0.0643	0.0480
Nov-03	0.1089	0.0637	0.0452
Dec-03	0.1071	0.0627	0.0444
Jan-04	0.1059	0.0615	0.0444
Feb-04	0.1039	0.0615	0.0424
Mar-04	0.1037	0.0597	0.0440
Apr-04	0.1041	0.0635	0.0406
May-04	0.1045	0.0662	0.0383
Jun-04	0.1036	0.0646	0.0390
Jul-04	0.1011	0.0627	0.0384
Aug-04	0.1008	0.0614	0.0394
Sep-04	0.0976	0.0598	0.0378
Oct-04	0.0974	0.0594	0.0380
Nov-04	0.0962	0.0597	0.0365
Dec-04	0.0970	0.0592	0.0378
Jan-05	0.0990	0.0578	0.0412
Feb-05	0.0979	0.0561	0.0418
Mar-05	0.0979	0.0583	0.0396
Apr-05	0.0988	0.0564	0.0424
May-05	0.0981	0.0553	0.0427
Jun-05	0.0976	0.0540	0.0436
Jul-05	0.0966	0.0551	0.0415
Aug-05	0.0969	0.0550	0.0419
Sep-05	0.0980	0.0552	0.0428
Oct-05	0.0990	0.0579	0.0411
Nov-05	0.1049	0.0588	0.0461
Dec-05	0.1045	0.0580	0.0465
Jan-06	0.0982	0.0575	0.0407
Feb-06	0.1124	0.0582	0.0542
Mar-06	0.1127	0.0598	0.0529

DATE	DCF	BOND YIELD	RISK PREMIUM
Apr-06	0.1100	0.0629	0.0471
May-06	0.1056	0.0642	0.0414
Jun-06	0.1049	0.0640	0.0409
Jul-06	0.1087	0.0637	0.0450
Aug-06	0.1041	0.0620	0.0421
Sep-06	0.1053	0.0600	0.0453
Oct-06	0.1030	0.0598	0.0432
Nov-06	0.1033	0.0580	0.0453
Dec-06	0.1035	0.0581	0.0454
Jan-07	0.1013	0.0596	0.0417
Feb-07	0.1018	0.0590	0.0428
Mar-07	0.1018	0.0585	0.0433
Apr-07	0.1007	0.0597	0.0410
May-07	0.0967	0.0599	0.0368
Jun-07	0.0970	0.0630	0.0340
Jul-07	0.1006	0.0625	0.0381
Aug-07	0.1021	0.0624	0.0397
Sep-07	0.1014	0.0618	0.0396
Oct-07	0.1080	0.0611	0.0469
Nov-07	0.1083	0.0597	0.0486
Dec-07	0.1084	0.0616	0.0468
Jan-08	0.1113	0.0602	0.0511
Feb-08	0.1139	0.0621	0.0518
Mar-08	0.1147	0.0621	0.0526
Apr-08	0.1167	0.0629	0.0538
May-08	0.1069	0.0627	0.0442
Jun-08	0.1062	0.0638	0.0424
Jul-08	0.1086	0.0640	0.0446
Aug-08	0.1123	0.0637	0.0486
Sep-08	0.1130	0.0649	0.0481
Oct-08	0.1213	0.0756	0.0457
Nov-08	0.1221	0.0760	0.0461
Dec-08	0.1162	0.0654	0.0508
Jan-09	0.1131	0.0639	0.0492
Feb-09	0.1155	0.0630	0.0524
Mar-09	0.1198	0.0642	0.0556
Apr-09	0.1146	0.0648	0.0498
May-09	0.1225	0.0649	0.0576
Jun-09	0.1208	0.0620	0.0588
Jul-09	0.1145	0.0597	0.0548
Aug-09	0.1109	0.0571	0.0538
Sep-09	0.1109	0.0553	0.0556
Oct-09	0.1146	0.0555	0.0592
Nov-09	0.1148	0.0564	0.0584
Dec-09	0.1123	0.0579	0.0544
Jan-10	0.1198	0.0577	0.0621
Feb-10	0.1167	0.0587	0.0580
Mar-10	0.1074	0.0584	0.0490
Apr-10	0.0934	0.0582	0.0352
May-10	0.0970	0.0552	0.0418
Jun-10	0.0953	0.0546	0.0407
Jul-10	0.1050	0.0526	0.0524
Aug-10	0.1038	0.0501	0.0537
Sep-10	0.1034	0.0501	0.0533
Oct-10	0.1050	0.0510	0.0540

DATE	DCF	BOND YIELD	RISK PREMIUM
Nov-10	0.1041	0.0536	0.0505
Dec-10	0.1029	0.0557	0.0472
Jan-11	0.1019	0.0557	0.0462
Feb-11	0.1004	0.0568	0.0436
Mar-11	0.1014	0.0556	0.0458
Apr-11	0.1031	0.0555	0.0476
May-11	0.1018	0.0532	0.0486
Jun-11	0.1020	0.0526	0.0494
Jul-11	0.1035	0.0527	0.0508
Aug-11	0.1179	0.0469	0.0710
Sep-11	0.1155	0.0448	0.0707
Oct-11	0.1150	0.0452	0.0698
Nov-11	0.1120	0.0425	0.0695
Dec-11	0.1092	0.0435	0.0657
Jan-12	0.1078	0.0434	0.0644
Feb-12	0.1081	0.0436	0.0645
Mar-12	0.1081	0.0448	0.0633
Apr-12	0.1133	0.0440	0.0693
May-12	0.1203	0.0420	0.0783
Jun-12	0.1013	0.0408	0.0605
Jul-12	0.0978	0.0393	0.0585
Aug-12	0.1025	0.0400	0.0625
Sep-12	0.1040	0.0402	0.0638
Oct-12	0.1011	0.0391	0.0620
Nov-12	0.1032	0.0384	0.0648
Dec-12	0.1023	0.0400	0.0623
Jan-13	0.1013	0.0415	0.0598
Feb-13	0.0982	0.0418	0.0564
Mar-13	0.1018	0.0420	0.0598
Apr-13	0.1001	0.0400	0.0601
May-13	0.1000	0.0417	0.0583
Jun-13	0.1000	0.0453	0.0547
Jul-13	0.0983	0.0468	0.0515
Aug-13	0.0982	0.0473	0.0509
Sep-13	0.0991	0.0480	0.0511
Oct-13	0.0998	0.0470	0.0528
Nov-13	0.0964	0.0477	0.0487
Dec-13	0.0966	0.0481	0.0485
Jan-14	0.0948	0.0463	0.0485
Feb-14	0.1019	0.0453	0.0566
Mar-14	0.1027	0.0451	0.0576
Apr-14	0.1081	0.0441	0.0640
May-14	0.1069	0.0426	0.0643
Jun-14	0.1059	0.0429	0.0630
Jul-14	0.1075	0.0423	0.0652
Aug-14	0.1069	0.0413	0.0656
Sep-14	0.1058	0.0424	0.0634
Oct-14	0.1131	0.0406	0.0725
Nov-14	0.1113	0.0409	0.0704
Dec-14	0.1105	0.0395	0.0710
Jan-15	0.1043	0.0358	0.0685
Feb-15	0.1043	0.0367	0.0676
Mar-15	0.1062	0.0374	0.0688
Apr-15	0.1072	0.0375	0.0697
May-15	0.1067	0.0417	0.0650

DATE	DCF	BOND YIELD	RISK PREMIUM
Jun-15	0.1020	0.0439	0.0581
Jul-15	0.0974	0.0440	0.0534
Aug-15	0.0949	0.0425	0.0524
Sep-15	0.0975	0.0439	0.0536
Oct-15	0.0961	0.0429	0.0532
Nov-15	0.1007	0.0440	0.0567
Dec-15	0.1027	0.0435	0.0592
Jan-16	0.1017	0.0427	0.0590
Feb-16	0.1002	0.0411	0.0591
Mar-16	0.0973	0.0416	0.0557
Apr-16	0.0974	0.0400	0.0574
May-16	0.0944	0.0393	0.0551
Jun-16	0.0963	0.0378	0.0585
Jul-16	0.0952	0.0357	0.0595
Aug-16	0.0971	0.0359	0.0612
Sep-16	0.0978	0.0366	0.0612
Oct-16	0.0990	0.0377	0.0613
Nov-16	0.1041	0.0408	0.0633
Dec-16	0.1032	0.0427	0.0605
Jan-17	0.1021	0.0414	0.0607
Feb-17	0.0991	0.0418	0.0573
Mar-17	0.0983	0.0423	0.0560
Apr-17	0.0975	0.0412	0.0563
May-17	0.0984	0.0412	0.0572
Jun-17	0.0968	0.0394	0.0574
Jul-17	0.0975	0.0399	0.0576
Aug-17	0.0955	0.0386	0.0569
Sep-17	0.0957	0.0387	0.0570
Oct-17	0.0975	0.0391	0.0584
Nov-17	0.0975	0.0383	0.0592
Dec-17	0.0915	0.0379	0.0536
Jan-18	0.0938	0.0386	0.0552
Feb-18	0.0994	0.0409	0.0585
Mar-18	0.0936	0.0413	0.0523
Apr-18	0.0920	0.0417	0.0503
May-18	0.0917	0.0428	0.0489
Jun-18	0.0920	0.0427	0.0493
Jul-18	0.0927	0.0427	0.0500

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

d_0	=	Latest quarterly dividend
P_0	=	Average of the monthly high and low stock prices for each month per Thomson Reuters
FC	=	Flotation cost allowance (five percent) as a percentage of stock price
g	=	I/B/E/S forecast of future earnings growth for each month
k	=	Cost of equity using the quarterly version of the DCF model

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

ATMOS ENERGY
EXHIBIT __ (JVW-1)
SCHEDULE 3
COMPARATIVE RETURNS ON S&P 500 STOCK INDEX
AND MOODY'S A-RATED UTILITY BONDS 1937 – 2018

LINE	YEAR	S&P 500 STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RETURN	RISK PREMIUM
1	2017	2,275.12	0.0209	24.71%	\$96.13	10.75%	13.97%
2	2016	1,918.60	0.0222	20.80%	\$95.48	4.87%	15.93%
3	2015	2,028.18	0.0208	-3.32%	\$107.65	-7.59%	4.26%
4	2014	1,822.36	0.0210	13.39%	\$89.89	24.20%	-10.81%
5	2013	1,481.11	0.0220	25.24%	\$97.45	-3.65%	28.89%
6	2012	1,300.58	0.0214	16.02%	\$94.36	7.52%	8.50%
7	2011	1,282.62	0.0185	3.25%	\$77.36	27.14%	-23.89%
8	2010	1,123.58	0.0203	16.18%	\$75.02	8.44%	7.74%
9	2009	865.58	0.0310	32.91%	\$68.43	15.48%	17.43%
10	2008	1,378.76	0.0206	-35.16%	\$72.25	0.24%	-35.40%
11	2007	1,424.16	0.0181	-1.38%	\$72.91	4.59%	-5.97%
12	2006	1,278.72	0.0183	13.20%	\$75.25	2.20%	11.01%
13	2005	1,181.41	0.0177	10.01%	\$74.91	5.80%	4.21%
14	2004	1,132.52	0.0162	5.94%	\$70.87	11.34%	-5.40%
15	2003	895.84	0.0180	28.22%	\$62.26	20.27%	7.95%
16	2002	1,140.21	0.0138	-20.05%	\$57.44	15.35%	-35.40%
17	2001	1,335.63	0.0116	-13.47%	\$56.40	8.93%	-22.40%
18	2000	1,425.59	0.0118	-5.13%	\$52.60	14.82%	-19.95%
19	1999	1,248.77	0.0130	15.46%	\$63.03	-10.20%	25.66%
20	1998	963.35	0.0162	31.25%	\$62.43	7.38%	23.87%
21	1997	766.22	0.0195	27.68%	\$56.62	17.32%	10.36%
22	1996	614.42	0.0231	27.02%	\$60.91	-0.48%	27.49%
23	1995	465.25	0.0287	34.93%	\$50.22	29.26%	5.68%
24	1994	472.99	0.0269	1.05%	\$60.01	-9.65%	10.71%
25	1993	435.23	0.0288	11.56%	\$53.13	20.48%	-8.93%
26	1992	416.08	0.0290	7.50%	\$49.56	15.27%	-7.77%
27	1991	325.49	0.0382	31.65%	\$44.84	19.44%	12.21%
28	1990	339.97	0.0341	-0.85%	\$45.60	7.11%	-7.96%
29	1989	285.41	0.0364	22.76%	\$43.06	15.18%	7.58%
30	1988	250.48	0.0366	17.61%	\$40.10	17.36%	0.25%
31	1987	264.51	0.0317	-2.13%	\$48.92	-9.84%	7.71%
32	1986	208.19	0.0390	30.95%	\$39.98	32.36%	-1.41%
33	1985	171.61	0.0451	25.83%	\$32.57	35.05%	-9.22%
34	1984	166.39	0.0427	7.41%	\$31.49	16.12%	-8.72%
35	1983	144.27	0.0479	20.12%	\$29.41	20.65%	-0.53%
36	1982	117.28	0.0595	28.96%	\$24.48	36.48%	-7.51%
37	1981	132.97	0.0480	-7.00%	\$29.37	-3.01%	-3.99%
38	1980	110.87	0.0541	25.34%	\$34.69	-3.81%	29.16%
39	1979	99.71	0.0533	16.52%	\$43.91	-11.89%	28.41%
40	1978	90.25	0.0532	15.80%	\$49.09	-2.40%	18.20%
41	1977	103.80	0.0399	-9.06%	\$50.95	4.20%	-13.27%

LINE	YEAR	S&P 500 STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RETURN	RISK PREMIUM
42	1976	96.86	0.0380	10.96%	\$43.91	25.13%	-14.17%
43	1975	72.56	0.0507	38.56%	\$41.76	14.75%	23.81%
44	1974	96.11	0.0364	-20.86%	\$52.54	-12.91%	-7.96%
45	1973	118.40	0.0269	-16.14%	\$58.51	-3.37%	-12.77%
46	1972	103.30	0.0296	17.58%	\$56.47	10.69%	6.89%
47	1971	93.49	0.0332	13.81%	\$53.93	12.13%	1.69%
48	1970	90.31	0.0356	7.08%	\$50.46	14.81%	-7.73%
49	1969	102.00	0.0306	-8.40%	\$62.43	-12.76%	4.36%
50	1968	95.04	0.0313	10.45%	\$66.97	-0.81%	11.26%
51	1967	84.45	0.0351	16.05%	\$78.69	-9.81%	25.86%
52	1966	93.32	0.0302	-6.48%	\$86.57	-4.48%	-2.00%
53	1965	86.12	0.0299	11.35%	\$91.40	-0.91%	12.26%
54	1964	76.45	0.0305	15.70%	\$92.01	3.68%	12.02%
55	1963	65.06	0.0331	20.82%	\$93.56	2.61%	18.20%
56	1962	69.07	0.0297	-2.84%	\$89.60	8.89%	-11.73%
57	1961	59.72	0.0328	18.94%	\$89.74	4.29%	14.64%
58	1960	58.03	0.0327	6.18%	\$84.36	11.13%	-4.95%
59	1959	55.62	0.0324	7.57%	\$91.55	-3.49%	11.06%
60	1958	41.12	0.0448	39.74%	\$101.22	-5.60%	45.35%
61	1957	45.43	0.0431	-5.18%	\$100.70	4.49%	-9.67%
62	1956	44.15	0.0424	7.14%	\$113.00	-7.35%	14.49%
63	1955	35.60	0.0438	28.40%	\$116.77	0.20%	28.20%
64	1954	25.46	0.0569	45.52%	\$112.79	7.07%	38.45%
65	1953	26.18	0.0545	2.70%	\$114.24	2.24%	0.46%
66	1952	24.19	0.0582	14.05%	\$113.41	4.26%	9.79%
67	1951	21.21	0.0634	20.39%	\$123.44	-4.89%	25.28%
68	1950	16.88	0.0665	32.30%	\$125.08	1.89%	30.41%
69	1949	15.36	0.0620	16.10%	\$119.82	7.72%	8.37%
70	1948	14.83	0.0571	9.28%	\$118.50	4.49%	4.79%
71	1947	15.21	0.0449	1.99%	\$126.02	-2.79%	4.79%
72	1946	18.02	0.0356	-12.03%	\$126.74	2.59%	-14.63%
73	1945	13.49	0.0460	38.18%	\$119.82	9.11%	29.07%
74	1944	11.85	0.0495	18.79%	\$119.82	3.34%	15.45%
75	1943	10.09	0.0554	22.98%	\$118.50	4.49%	18.49%
76	1942	8.93	0.0788	20.87%	\$117.63	4.14%	16.73%
77	1941	10.55	0.0638	-8.98%	\$116.34	4.55%	-13.52%
78	1940	12.30	0.0458	-9.65%	\$112.39	7.08%	-16.73%
79	1939	12.50	0.0349	1.89%	\$105.75	10.05%	-8.16%
80	1938	11.31	0.0784	18.36%	\$99.83	9.94%	8.42%
81	1937	17.59	0.0434	-31.36%	\$103.18	0.63%	-31.99%
82	Average			11.4%		6.7%	4.7%

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

ATMOS ENERGY
EXHIBIT __ (JVW-1)
SCHEDULE 4
COMPARATIVE RETURNS ON S&P UTILITY STOCK INDEX
AND MOODY'S A-RATED UTILITY BONDS 1937 – 2018

LINE	YEAR	S&P UTILITY STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A- RATED BOND PRICE	BOND RETURN	RISK PREMIUM
1	2017			11.72%	\$96.13	10.75%	0.97%
2	2016			17.44%	\$95.48	4.87%	12.57%
3	2015			-3.90%	\$107.65	-7.59%	3.69%
4	2014			28.91%	\$89.89	24.20%	4.71%
5	2013			13.01%	\$97.45	-3.65%	16.66%
6	2012			2.09%	\$94.36	7.52%	-5.43%
7	2011			19.99%	\$77.36	27.14%	-7.15%
8	2010			7.04%	\$75.02	8.44%	-1.40%
9	2009			10.71%	\$68.43	15.48%	-4.77%
10	2008			-25.90%	\$72.25	0.24%	-26.14%
11	2007			16.56%	\$72.91	4.59%	11.96%
12	2006			20.76%	\$75.25	2.20%	18.56%
13	2005			16.05%	\$74.91	5.80%	10.25%
14	2003			23.48%	\$62.26	20.27%	3.21%
16	2002			-14.73%	\$57.44	15.35%	-30.08%
17	2001	307.70	0.0287	-17.90%	\$56.40	8.93%	-26.83%
18	2000	239.17	0.0413	32.78%	\$52.60	14.82%	17.96%
19	1999	253.52	0.0394	-1.72%	\$63.03	-10.20%	8.48%
20	1998	228.61	0.0457	15.47%	\$62.43	7.38%	8.09%
21	1997	201.14	0.0492	18.58%	\$56.62	17.32%	1.26%
22	1996	202.57	0.0454	3.83%	\$60.91	-0.48%	4.31%
23	1995	153.87	0.0584	37.49%	\$50.22	29.26%	8.23%
24	1994	168.70	0.0496	-3.83%	\$60.01	-9.65%	5.82%
25	1993	159.79	0.0537	10.95%	\$53.13	20.48%	-9.54%
26	1992	149.70	0.0572	12.46%	\$49.56	15.27%	-2.81%
27	1991	138.38	0.0607	14.25%	\$44.84	19.44%	-5.19%
28	1990	146.04	0.0558	0.33%	\$45.60	7.11%	-6.78%
29	1989	114.37	0.0699	34.68%	\$43.06	15.18%	19.51%
30	1988	106.13	0.0704	14.80%	\$40.10	17.36%	-2.55%
31	1987	120.09	0.0588	-5.74%	\$48.92	-9.84%	4.10%
32	1986	92.06	0.0742	37.87%	\$39.98	32.36%	5.51%
33	1985	75.83	0.0860	30.00%	\$32.57	35.05%	-5.04%
34	1984	68.50	0.0925	19.95%	\$31.49	16.12%	3.83%
35	1983	61.89	0.0948	20.16%	\$29.41	20.65%	-0.49%
36	1982	51.81	0.1074	30.20%	\$24.48	36.48%	-6.28%
37	1981	52.01	0.0978	9.40%	\$29.37	-3.01%	12.41%
38	1980	50.26	0.0953	13.01%	\$34.69	-3.81%	16.83%
39	1979	50.33	0.0893	8.79%	\$43.91	-11.89%	20.68%
40	1978	52.40	0.0791	3.96%	\$49.09	-2.40%	6.36%
41	1977	54.01	0.0714	4.16%	\$50.95	4.20%	-0.04%
42	1976	46.99	0.0776	22.70%	\$43.91	25.13%	-2.43%

LINE	YEAR	S&P UTILITY STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A- RATED BOND PRICE	BOND RETURN	RISK PREMIUM
43	1975	38.19	0.0920	32.24%	\$41.76	14.75%	17.49%
44	1974	48.60	0.0713	-14.29%	\$52.54	-12.91%	-1.38%
45	1973	60.01	0.0556	-13.45%	\$58.51	-3.37%	-10.08%
46	1972	60.19	0.0542	5.12%	\$56.47	10.69%	-5.57%
47	1971	63.43	0.0504	-0.07%	\$53.93	12.13%	-12.19%
48	1970	55.72	0.0561	19.45%	\$50.46	14.81%	4.64%
49	1969	68.65	0.0445	-14.38%	\$62.43	-12.76%	-1.62%
50	1968	68.02	0.0435	5.28%	\$66.97	-0.81%	6.08%
51	1967	70.63	0.0392	0.22%	\$78.69	-9.81%	10.03%
52	1966	74.50	0.0347	-1.72%	\$86.57	-4.48%	2.76%
53	1965	75.87	0.0315	1.34%	\$91.40	-0.91%	2.25%
54	1964	67.26	0.0331	16.11%	\$92.01	3.68%	12.43%
55	1963	63.35	0.0330	9.47%	\$93.56	2.61%	6.86%
56	1962	62.69	0.0320	4.25%	\$89.60	8.89%	-4.64%
57	1961	52.73	0.0358	22.47%	\$89.74	4.29%	18.18%
58	1960	44.50	0.0403	22.52%	\$84.36	11.13%	11.39%
59	1959	43.96	0.0377	5.00%	\$91.55	-3.49%	8.49%
60	1958	33.30	0.0487	36.88%	\$101.22	-5.60%	42.48%
61	1957	32.32	0.0487	7.90%	\$100.70	4.49%	3.41%
62	1956	31.55	0.0472	7.16%	\$113.00	-7.35%	14.51%
63	1955	29.89	0.0461	10.16%	\$116.77	0.20%	9.97%
64	1954	25.51	0.0520	22.37%	\$112.79	7.07%	15.30%
65	1953	24.41	0.0511	9.62%	\$114.24	2.24%	7.38%
66	1952	22.22	0.0550	15.36%	\$113.41	4.26%	11.10%
67	1951	20.01	0.0606	17.10%	\$123.44	-4.89%	21.99%
68	1950	20.20	0.0554	4.60%	\$125.08	1.89%	2.71%
69	1949	16.54	0.0570	27.83%	\$119.82	7.72%	20.10%
70	1948	16.53	0.0535	5.41%	\$118.50	4.49%	0.92%
71	1947	19.21	0.0354	-10.41%	\$126.02	-2.79%	-7.62%
72	1946	21.34	0.0298	-7.00%	\$126.74	2.59%	-9.59%
73	1945	13.91	0.0448	57.89%	\$119.82	9.11%	48.79%
74	1944	12.10	0.0569	20.65%	\$119.82	3.34%	17.31%
75	1943	9.22	0.0621	37.45%	\$118.50	4.49%	32.96%
76	1942	8.54	0.0940	17.36%	\$117.63	4.14%	13.22%
77	1941	13.25	0.0717	-28.38%	\$116.34	4.55%	-32.92%
78	1940	16.97	0.0540	-16.52%	\$112.39	7.08%	-23.60%
79	1939	16.05	0.0553	11.26%	\$105.75	10.05%	1.21%
80	1938	14.30	0.0730	19.54%	\$99.83	9.94%	9.59%
81	1937	24.34	0.0432	-36.93%	\$103.18	0.63%	-37.55%
82	Average			10.64%		6.67%	3.97%

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

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

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

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

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

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

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

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

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

The arithmetic mean of this investment is:

$$(30\%) (.5) + (-10\%) (.5) = 10\%.$$

Thus, the arithmetic mean is equal to the cost of equity capital.

The geometric mean of this investment is:

$$[(1.3) (.9)]^{.5} - 1 = .082 = 8.2\%.$$

Thus, the geometric mean is not equal to the cost of equity capital.

The lesson is obvious: for an investment with an uncertain outcome, the arithmetic mean is the best measure of the cost of equity capital.

ATMOS ENERGY
EXHIBIT__(JVW-1)
SCHEDULE-6
CALCULATION OF CAPITAL ASSET PRICING MODEL COST OF EQUITY
USING AN HISTORICAL 7.1 PERCENT RISK PREMIUM

LINE	COMPANY	VALUE LINE BETA	RISK-FREE RATE	MARKET RISK PREMIUM	BETA X RISK PREMIUM	CAPM RESULT	MARKET CAP \$ (MIL)	SIZE PREMIUM	SIZE-ADJUSTED CAPM
1	Atmos Energy	0.60	3.9%	7.1%	4.24%	8.3%	10,188	1.02%	9.3%
2	Chesapeake Utilities	0.70	3.9%	7.1%	4.95%	9.0%	1,383	1.75%	10.7%
3	New Jersey Resources	0.70	3.9%	7.1%	4.95%	9.0%	4,023	1.02%	10.0%
4	NiSource Inc.	0.55	3.9%	7.1%	3.89%	7.9%	9,486	1.02%	9.0%
5	Northwest Nat. Gas	0.65	3.9%	7.1%	4.60%	8.6%	1,848	1.75%	10.4%
6	ONE Gas Inc.	0.65	3.9%	7.1%	4.60%	8.6%	4,023	1.02%	9.7%
7	South Jersey Inds.	0.75	3.9%	7.1%	5.30%	9.4%	2,896	1.02%	10.4%
8	Southwest Gas	0.75	3.9%	7.1%	5.30%	9.4%	3,824	1.02%	10.4%
9	Spire Inc.	0.65	3.9%	7.1%	4.60%	8.6%	3,653	1.02%	9.7%
10	UGI Corp.	0.85	3.9%	7.1%	6.01%	10.1%	9,201	1.02%	11.1%
11	Historical CAPM Model Results	0.69	3.9%	7.1%	4.84%	8.9%			10.1%
Notes									
Estimates of Premiums for Company Size									
Decile		Smallest Mkt. Cap. (\$Millions)	Largest Mkt. Cap. (\$Millions)			Premium			
Large-Cap (No Adjustment)		10,712.000				0			
Mid-Cap (3-5)		2,392.689	10,711.194			1.02%			
Low-Cap (6-8)		569.279	2,390.899			1.75%			
Micro-Cap (9-10)		2.516	567.843			3.67%			
Risk-free Rate		3.9%	Forecast Yield on Long-term Treasury Bonds						
Market Risk Premium		7.1%	Ibbotson						
Flotation - Natural Gas Utilities		0.15%							

Historical Ibbotson® SBBI® risk premium including years 1926 through year end 2017 from 2018 SBBI®. Value Line beta for comparable companies from Value Line Investment Analyzer. Treasury bond yield forecast from data in Value Line Selection & Opinion, June 1, 2018, and Energy Information Administration, 2018, determined as follows. Value Line forecasts a yield on 10-year Treasury notes equal to 3.6 percent. The spread between the average yield on 10-year Treasury notes (2.89 percent) and 20-year Treasury bonds (2.94 percent) is 5 basis points. Adding 5 basis points to Value Line's 3.6 percent forecasted yield on 10-year Treasury notes produces a forecasted yield of 3.65 percent for 20-year Treasury bonds (see Value Line Investment Survey, Selection & Opinion, June 1, 2018). EIA forecasts a yield of 4.07 percent on 10-year Treasury notes. Adding the 5-basis point spread between 10-year Treasury notes and 20-year Treasury bonds to the EIA forecast of 4.07 percent for 10-year Treasury notes produces an EIA forecast for 20-year Treasury bonds equal to 4.12 percent. The average of the forecasts is 3.9 percent (3.7 percent using Value Line data and 4.1 percent using EIA data).

ATMOS ENERGY
EXHIBIT __ (JVW-1)
SCHEDULE-7
COMPARISON OF RISK PREMIUMS ON
S&P500 AND S&P UTILITIES 1937 – 2018

YEAR	S&P UTILITIES STOCK RETURN	SP500 STOCK RETURN	10-YR. TREASURY BOND YIELD	UTILITIES RISK PREMIUM	MARKET RISK PREMIUM
2017	0.1172	0.2471	0.0233	0.0939	0.2238
2016	0.1744	0.2080	0.0184	0.1560	0.1896
2015	-0.0390	-0.0332	0.0214	-0.0604	-0.0546
2014	0.2891	0.1339	0.0254	0.2637	0.1085
2013	0.1301	0.2524	0.0235	0.1066	0.2289
2012	0.0209	0.1602	0.0180	0.0029	0.1422
2011	0.1999	0.0325	0.0278	0.1721	0.0047
2010	0.0704	0.1618	0.0322	0.0382	0.1296
2009	0.1071	0.3291	0.0326	0.0745	0.2965
2008	-0.2590	-0.3516	0.0367	-0.2957	-0.3883
2007	0.1656	-0.0138	0.0463	0.1193	-0.0601
2006	0.2076	0.1320	0.0479	0.1597	0.0841
2005	0.1605	0.1001	0.0429	0.1176	0.0572
2004	0.2284	0.0594	0.0427	0.1857	0.0167
2003	0.2348	0.2822	0.0401	0.1947	0.2421
2002	-0.1473	-0.2005	0.0461	-0.1934	-0.2466
2001	-0.1790	-0.1347	0.0502	-0.2292	-0.1849
2000	0.3278	-0.0513	0.0603	0.2675	-0.1116
1999	-0.0172	0.1546	0.0564	-0.0736	0.0982
1998	0.1547	0.3125	0.0526	0.1021	0.2599
1997	0.1858	0.2768	0.0635	0.1223	0.2133
1996	0.0383	0.2702	0.0644	-0.0261	0.2058
1995	0.3749	0.3493	0.0658	0.3091	0.2835
1994	-0.0383	0.0105	0.0708	-0.1091	-0.0603
1993	0.1095	0.1156	0.0587	0.0508	0.0569
1992	0.1246	0.0750	0.0701	0.0545	0.0049
1991	0.1425	0.3165	0.0786	0.0639	0.2379
1990	0.0033	-0.0085	0.0855	-0.0822	-0.0940
1989	0.3468	0.2276	0.0850	0.2618	0.1426
1988	0.1480	0.1761	0.0884	0.0596	0.0877
1987	-0.0574	-0.0213	0.0838	-0.1412	-0.1051
1986	0.3787	0.3095	0.0768	0.3019	0.2327
1985	0.3000	0.2583	0.1062	0.1938	0.1521
1984	0.1995	0.0741	0.1244	0.0751	-0.0503
1983	0.2016	0.2012	0.1110	0.0906	0.0902
1982	0.3020	0.2896	0.1300	0.1720	0.1596
1981	0.0940	-0.0700	0.1391	-0.0451	-0.2091
1980	0.1301	0.2534	0.1146	0.0155	0.1388
1979	0.0879	0.1652	0.0944	-0.0065	0.0708

YEAR	S&P UTILITIES STOCK RETURN	SP500 STOCK RETURN	10-YR. TREASURY BOND YIELD	UTILITIES RISK PREMIUM	MARKET RISK PREMIUM
1978	0.0396	0.1580	0.0841	-0.0445	0.0739
1977	0.0416	-0.0906	0.0742	-0.0326	-0.1648
1976	0.2270	0.1096	0.0761	0.1509	0.0335
1975	0.3224	0.3856	0.0799	0.2425	0.3057
1974	-0.1429	-0.2086	0.0756	-0.2185	-0.2842
1973	-0.1345	-0.1614	0.0684	-0.2029	-0.2298
1972	0.0512	0.1758	0.0621	-0.0109	0.1137
1971	-0.0007	0.1381	0.0616	-0.0623	0.0765
1970	0.1945	0.0708	0.0735	0.1210	-0.0027
1969	-0.1438	-0.0840	0.0667	-0.2105	-0.1507
1968	0.0528	0.1045	0.0565	-0.0037	0.0480
1967	0.0022	0.1605	0.0507	-0.0485	0.1098
1966	-0.0172	-0.0648	0.0492	-0.0664	-0.1140
1965	0.0134	0.1135	0.0428	-0.0294	0.0707
1964	0.1611	0.1570	0.0419	0.1192	0.1151
1963	0.0947	0.2082	0.0400	0.0547	0.1682
1962	0.0425	-0.0284	0.0395	0.0030	-0.0679
1961	0.2247	0.1894	0.0388	0.1859	0.1506
1960	0.2252	0.0618	0.0412	0.1840	0.0206
1959	0.0500	0.0757	0.0433	0.0067	0.0324
1958	0.3688	0.3974	0.0332	0.3356	0.3642
1957	0.0790	-0.0518	0.0365	0.0425	-0.0883
1956	0.0716	0.0714	0.0318	0.0398	0.0396
1955	0.1016	0.2840	0.0282	0.0734	0.2558
1954	0.2237	0.4552	0.0240	0.1997	0.4312
1953	0.0962	0.0270	0.0281	0.0681	-0.0011
1952	0.1536	0.1405	0.0248	0.1288	0.1157
1951	0.1710	0.2039	0.0241	0.1469	0.1798
1950	0.0460	0.3230	0.0205	0.0255	0.3025
1949	0.2783	0.1610	0.0193	0.2590	0.1417
1948	0.0541	0.0928	0.0215	0.0326	0.0713
1947	-0.1041	0.0199	0.0185	-0.1226	0.0014
1946	-0.0700	-0.1203	0.0174	-0.0874	-0.1377
1945	0.5789	0.3818	0.0173	0.5616	0.3645
1944	0.2065	0.1879	0.0209	0.1856	0.1670
1943	0.3745	0.2298	0.0207	0.3538	0.2091
1942	0.1736	0.2087	0.0211	0.1525	0.1876
1941	-0.2838	-0.0898	0.0199	-0.3037	-0.1097
1940	-0.1652	-0.0965	0.0220	-0.1872	-0.1185
1939	0.1126	0.0189	0.0235	0.0891	-0.0046
1938	0.1954	0.1836	0.0255	0.1699	0.1581
1937	-0.3693	-0.3136	0.0269	-0.3962	-0.3405
Risk Premium 1937 to 2018				0.0552	0.0628
RP Utilities/RP SP500				0.88	

ATMOS ENERGY
EXHIBIT __ (JVW-1)
SCHEDULE-8
CALCULATION OF CAPITAL ASSET PRICING MODEL COST OF EQUITY
USING AN HISTORICAL 7.1 PERCENT RISK PREMIUM AND A 0.88 UTILITY BETA

		BETA	RISK-FREE RATE	MARKET RISK PREMIUM	BETA X MRP	MODEL RESULT
1	Historical Utility Beta	0.88	3.9%	7.1%	6.22%	10.3%

Historical utility beta per Schedule 7. Flotation cost of 15 basis points. Treasury bond yield forecast from data in Value Line Selection & Opinion, June 1, 2018, and Energy Information Administration, 2018, determined as follows. Value Line forecasts a yield on 10-year Treasury notes equal to 3.6 percent. The spread between the average yield on 10-year Treasury notes (2.89 percent) and 20-year Treasury bonds (2.94 percent) is 5 basis points. Adding 5 basis points to Value Line's 3.6 percent forecasted yield on 10-year Treasury notes produces a forecasted yield of 3.65 percent for 20-year Treasury bonds (see Value Line Investment Survey, Selection & Opinion, June 1, 2018). EIA forecasts a yield of 4.07 percent on 10-year Treasury notes. Adding the 5-basis point spread between 10-year Treasury notes and 20-year Treasury bonds to the EIA forecast of 4.07 percent for 10-year Treasury notes produces an EIA forecast for 20-year Treasury bonds equal to 4.12 percent. The average of the forecasts is 3.9 percent (3.7 percent using Value Line data and 4.1 percent using EIA data).

ATMOS ENERGY
EXHIBIT __ (JVW-1)
SCHEDULE 9
CALCULATION OF CAPITAL ASSET PRICING MODEL COST OF EQUITY
USING DCF ESTIMATE OF THE EXPECTED RATE OF RETURN
ON THE MARKET PORTFOLIO

LINE	COMPANY	VALUE LINE BETA	RISK- FREE RATE	DCF S&P 500	MARKET RISK PREMIUM	BETA X RISK PREMIUM	CAPM COST OF EQUITY
1	Atmos Energy	0.60	3.9%	13.7%	9.8%	5.89%	9.9%
2	Chesapeake Utilities	0.70	3.9%	13.7%	9.8%	6.87%	10.9%
3	New Jersey Resources	0.70	3.9%	13.7%	9.8%	6.87%	10.9%
4	NiSource Inc.	0.55	3.9%	13.7%	9.8%	5.40%	9.5%
5	Northwest Nat. Gas	0.65	3.9%	13.7%	9.8%	6.38%	10.4%
6	ONE Gas Inc.	0.65	3.9%	13.7%	9.8%	6.38%	10.4%
7	South Jersey Inds.	0.75	3.9%	13.7%	9.8%	7.37%	11.4%
8	Southwest Gas	0.75	3.9%	13.7%	9.8%	7.37%	11.4%
9	Spire Inc.	0.65	3.9%	13.7%	9.8%	6.38%	10.4%
10	UGI Corp.	0.85	3.9%	13.7%	9.8%	8.35%	12.4%
11	DCF CAPM Result	0.69	3.9%	13.7%	9.8%	6.73%	10.8%
	<i>Beta Equal to 0.88</i>						
1	DCF CAPM Result	0.88	3.9%	13.7%	9.8%	8.64%	12.7%
	Risk-free Rate	3.9%	Forecast Yield on Long-term Treasury Bonds				
	Flotation	0.15%					
	DCF S&P 500 July 2018	13.7%					

Beta per Value Line for proxy utilities and per Schedule 7. Treasury bond yield forecast from data in Value Line Selection & Opinion, June 1, 2018, and Energy Information Administration, 2018, determined as follows. Value Line forecasts a yield on 10-year Treasury notes equal to 3.6 percent. The spread between the average yield on 10-year Treasury notes (2.89 percent) and 20-year Treasury bonds (2.94 percent) is 5 basis points. Adding 5 basis points to Value Line's 3.6 percent forecasted yield on 10-year Treasury notes produces a forecasted yield of 3.65 percent for 20-year Treasury bonds (see Value Line Investment Survey, Selection & Opinion, June 1, 2018). EIA forecasts a yield of 4.07 percent on 10-year Treasury notes. Adding the 5-basis point spread between 10-year Treasury notes and 20-year Treasury bonds to the EIA forecast of 4.07 percent for 10-year Treasury notes produces an EIA forecast for 20-year Treasury bonds equal to 4.12 percent. The average of the forecasts is 3.9 percent (3.7 percent using Value Line data and 4.1 percent using EIA data).

ATMOS ENERGY
EXHIBIT (JVW-1)
SCHEDULE 9 (CONTINUED)
SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS
FOR S&P 500 COMPANIES

	COMPANY	STOCK PRICE (P ₀)	D ₀	FORECAST OF FUTURE EARNINGS GROWTH	MODEL RESULT	MARKET CAP \$ (MILS)
1	3M	200.21	5.44	8.44%	11.4%	118,261
2	ABBOTT LABORATORIES	61.65	1.12	11.90%	13.9%	111,890
3	ADV.AUTO PARTS	131.76	0.24	14.00%	14.2%	10,614
4	AETNA	182.28	2.00	10.06%	11.3%	62,219
5	AGILENT TECHS.	64.32	0.60	10.20%	11.2%	20,525
6	ALBEMARLE	95.81	1.34	11.78%	13.4%	10,657
7	AMERICAN AIRLINES GROUP	40.98	0.40	10.84%	11.9%	17,851
8	AMERICAN EXPRESS	99.70	1.40	11.80%	13.4%	86,252
9	AMERISOURCEBERGEN	87.55	1.52	10.00%	11.9%	18,806
10	APPLE	184.99	2.92	12.78%	14.6%	943,117
11	APTIV	93.96	0.88	13.37%	14.4%	25,145
12	AT&T	32.16	2.00	5.29%	12.0%	229,084
13	AVERY DENNISON	106.39	2.08	13.46%	15.7%	9,153
14	BALL	37.29	0.40	10.11%	11.3%	13,365
15	BAXTER INTL.	72.66	0.76	13.48%	14.7%	40,022
16	BECTON DICKINSON	234.41	3.00	14.14%	15.6%	66,083
17	BEST BUY	74.16	1.80	12.75%	15.5%	21,787
18	BLACKROCK	517.63	12.52	13.80%	16.6%	80,868
19	BRISTOL MYERS SQUIBB	54.12	1.60	10.85%	14.2%	92,266
20	BROADCOM	240.10	7.00	13.23%	16.6%	90,813
21	CENTERPOINT EN.	26.71	1.11	8.51%	13.1%	12,090
22	CH ROBINSON WWD.	87.21	1.84	12.07%	14.5%	12,474
23	CHURCH & DWIGHT CO.	50.46	0.87	10.44%	12.4%	13,248
24	CIGNA	173.48	0.04	13.57%	13.6%	42,791
25	CISCO SYSTEMS	43.38	1.32	9.29%	12.7%	199,402
26	CLOROX	126.92	3.84	8.00%	11.3%	16,880
27	COGNIZANT TECH.SLTN.'A'	79.13	0.80	13.45%	14.6%	48,266
28	CONSTELLATION BRANDS 'A'	220.80	2.08	12.56%	13.6%	36,228
29	COSTCO WHOLESALE	205.01	2.28	11.86%	13.1%	95,400
30	CUMMINS	141.09	4.56	10.73%	14.4%	22,508
31	CVS HEALTH	66.62	2.00	11.40%	14.8%	67,241
32	DARDEN RESTAURANTS	98.80	3.00	11.88%	15.3%	13,813
33	DISCOVER FINANCIAL SVS.	72.83	1.60	13.07%	15.6%	24,955
34	DOMINION ENERGY	66.50	3.34	6.38%	11.8%	47,071
35	ECOLAB	142.07	1.64	12.69%	14.0%	40,995
36	ELI LILLY	86.29	2.25	11.61%	14.5%	97,070
37	EXPEDITOR INTL.OF WASH.	72.43	0.90	11.23%	12.6%	12,762
38	FEDEX	242.65	2.60	13.44%	14.7%	62,904
39	FIDELITY NAT.INFO.SVS.	104.06	1.28	13.89%	15.3%	35,988
40	GAP	30.76	0.97	10.31%	13.8%	11,899
41	GENERAL DYNAMICS	196.24	3.72	12.31%	14.5%	57,582
42	GENERAL MOTORS	39.86	1.52	11.07%	15.4%	55,462
43	HCA HEALTHCARE	106.13	1.40	13.50%	15.0%	37,620
44	HERSHEY	93.32	2.69	9.60%	12.8%	13,710
45	HONEYWELL INTL.	148.21	2.98	10.67%	12.9%	109,565
46	HP	22.78	0.56	9.46%	12.2%	37,348

	COMPANY	STOCK PRICE (P ₀)	D ₀	FORECAST OF FUTURE EARNINGS GROWTH	MODEL RESULT	MARKET CAP \$(MILS)
47	HUMANA	296.38	2.00	14.65%	15.4%	43,864
48	ILLINOIS TOOL WORKS	143.41	4.00	12.81%	16.0%	48,780
49	INTEL	52.17	1.20	10.09%	12.6%	239,680
50	INVESCO	27.24	1.20	8.44%	13.3%	10,555
51	JACOBS ENGR.	63.40	0.60	15.36%	16.5%	9,477
52	JP MORGAN CHASE & CO.	109.09	2.48	9.32%	11.8%	369,327
53	L BRANDS	34.57	2.40	7.38%	15.0%	9,084
54	M&T BANK	174.67	3.20	14.23%	16.3%	25,092
55	MCCORMICK & COMPANY NV.	110.12	2.08	10.61%	12.7%	14,326
56	MCDONALDS	161.46	4.04	9.03%	11.8%	122,119
57	MICROSOFT	100.26	1.68	12.50%	14.4%	802,125
58	MONDELEZ INTERNATIONAL CL.A	40.36	1.04	9.91%	12.8%	62,307
59	MOTOROLA SOLUTIONS	113.82	2.08	13.03%	15.1%	19,826
60	NIKE 'B'	74.47	0.80	12.21%	13.4%	98,703
61	NVIDIA	246.13	0.60	14.06%	14.3%	152,982
62	PACKAGING CORP.OF AM.	116.05	3.16	11.35%	14.4%	10,972
63	PAYCHEX	67.09	2.24	8.33%	12.0%	25,306
64	PEPSICO	105.31	3.71	7.54%	11.4%	163,736
65	PERKINELMER	75.06	0.28	14.22%	14.6%	8,674
66	PHILIP MORRIS INTL.	80.58	4.56	7.15%	13.3%	125,757
67	PVH	155.32	0.15	12.27%	12.4%	11,837
68	QUEST DIAGNOSTICS	108.44	2.00	9.90%	11.9%	15,715
69	RALPH LAUREN CL.A	131.04	2.50	9.23%	11.3%	7,543
70	ROCKWELL AUTOMATION	174.06	3.68	12.20%	14.6%	21,193
71	ROCKWELL COLLINS	135.72	1.32	12.51%	13.6%	22,524
72	ROSS STORES	83.28	0.90	10.89%	12.1%	32,925
73	S&P GLOBAL	202.06	2.00	14.97%	16.1%	53,092
74	SHERWIN-WILLIAMS	400.30	3.44	15.33%	16.3%	40,068
75	SKYWORKS SOLUTIONS	97.37	1.52	12.32%	14.1%	18,342
76	STANLEY BLACK & DECKER	140.98	2.64	10.90%	13.0%	21,549
77	STRYKER	170.56	1.88	9.97%	11.2%	64,648
78	SYMANTEC	21.94	0.30	10.56%	12.1%	13,233
79	T ROWE PRICE GROUP	118.76	2.80	13.46%	16.2%	29,238
80	TAPESTRY	46.23	1.35	11.51%	14.8%	13,821
81	TEXAS INSTRUMENTS	110.75	2.48	13.70%	16.3%	112,174
82	THERMO FISHER SCIENTIFIC	214.25	0.68	11.88%	12.2%	87,036
83	TIFFANY & CO	128.69	2.20	10.16%	12.1%	16,910
84	TJX	92.06	1.56	10.63%	12.5%	61,076
85	TOTAL SYSTEM SERVICES	87.54	0.52	14.92%	15.6%	16,296
86	TRACTOR SUPPLY	74.90	1.24	13.73%	15.6%	9,693
87	TWENTY-FIRST CENTURY FOX CL.A	43.08	0.36	11.50%	12.4%	49,171
88	TWENTY-FIRST CENTURY FOX CL.B	43.08	0.36	11.50%	12.4%	49,171
89	UNITED PARCEL SER.'B'	112.92	3.64	11.01%	14.6%	77,810
90	V F	82.94	1.84	11.59%	14.1%	35,201
91	WALGREENS BOOTS ALLIANCE	64.13	1.76	11.64%	14.7%	64,437
92	WALT DISNEY	105.01	1.68	11.52%	13.3%	166,709
93	WASTE MANAGEMENT	83.41	1.86	12.73%	15.3%	35,736
94	WHIRLPOOL	148.23	4.60	9.73%	13.2%	10,786
95	WILLIS TOWERS WATSON	153.66	2.40	11.72%	13.5%	20,941
96	XILINX	68.87	1.44	12.17%	14.5%	17,363
97	ZOETIS	84.37	0.50	15.19%	15.9%	41,332
98	Market-weighted Average				13.7%	

Notes: In applying the DCF model to the S&P 500, I included in the DCF analysis only those companies in the S&P 500 group which pay a dividend, have a positive growth rate, and have at least three analysts' long-term growth estimates. I also eliminated those 25 percent of companies with the highest and lowest DCF results, a decision which had no impact on my CAPM estimate of the cost of equity.

D_0	=	Current dividend per Thomson Reuters
P_0	=	Average of the monthly high and low stock prices during the three months ending July 2018 per Thomson Reuters
g	=	I/B/E/S forecast of future earnings growth July 2018
k	=	Cost of equity using the quarterly version of the DCF model shown below:

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

APPENDIX 1

QUALIFICATIONS OF JAMES H. VANDER WEIDE, PH.D.

3606 STONEYBROOK DRIVE

DURHAM, NC 27705

JIM.VANDERWEIDE@DUKE.EDU

James H. Vander Weide is President of Financial Strategy Associates, a consulting firm that provides financial and economic consulting services, including cost of capital and valuation studies, to corporate clients. Dr. Vander Weide holds a Ph.D. in Finance from Northwestern University and a Bachelor of Arts in Economics from Cornell University. After receiving his Ph.D. in Finance, Dr. Vander Weide joined the faculty at Duke University, the Fuqua School of Business, and was named Assistant Professor, Associate Professor, Professor, and then Research Professor of Finance and Economics.

As a Professor at Duke University and the Fuqua School of Business, Dr. Vander Weide has published research in the areas of finance and economics and taught courses in corporate finance, investment management, management of financial institutions, statistics, economics, operations research, and the theory of public utility pricing. Dr. Vander Weide has been active in executive education at Duke and Duke Corporate Education, leading executive development seminars on topics including financial analysis, cost of capital, creating shareholder value, mergers and acquisitions, capital budgeting, measuring corporate performance, and valuation. In addition, Dr. Vander Weide designed and served as Program Director for several executive education programs, including the Advanced Management Program, Competitive Strategies in Telecommunications, and the Duke Program for Manager Development for managers from the former Soviet Union. He is now retired from his teaching responsibilities at Duke.

As an expert financial economist and industry expert, Dr. Vander Weide has participated in approximately five hundred regulatory and legal proceedings, appearing in United States courts and federal and state or provincial proceedings in the United States and Canada. He has testified as an expert witness on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, valuation, and other financial and economic issues. His clients include investor-owned electric, gas, and water utilities, natural gas pipelines, oil pipelines, telecommunications companies, and insurance companies.

Publications

Dr. Vander Weide has written research papers on such topics as portfolio management, capital budgeting, investments, the effect of regulation on the performance of public utilities, and cash management. His articles have been published in *American Economic Review*, *Journal of Finance*, *Journal of Financial and Quantitative Analysis*, *Management Science*, *Financial Management*, *Journal of Portfolio Management*, *International Journal of Industrial Organization*, *Journal of Bank Research*, *Journal of Accounting Research*, *Journal of Cash Management*, *Atlantic Economic Journal*, *Journal of Economics and Business*, and *Computers and Operations Research*. He has written a book entitled *Managing Corporate Liquidity: An Introduction to Working Capital Management* published by John Wiley and Sons, Inc.; and he has written a chapter titled "Financial Management in the Short Run" for *The Handbook of Modern Finance*, and a chapter

titled “Principles for Lifetime Portfolio Selection: Lessons from Portfolio Theory” for *The Handbook of Portfolio Construction: Contemporary Applications of Markowitz Techniques*. *The Handbook of Portfolio Construction* is a peer-reviewed collection of research papers by notable scholars on portfolio optimization, published in 2010 in honor of Nobel Prize winner Harry Markowitz.

Professional Consulting Experience

Dr. Vander Weide has provided financial and economic consulting services to firms in the electric, gas, insurance, oil and gas pipeline, telecommunications, and water industries for more than thirty years. He has testified on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, valuation, and other financial and economic issues in more than five hundred cases before the Federal Energy Regulatory Commission, the National Energy Board (Canada), the Federal Communications Commission, the Canadian Radio-Television and Telecommunications Commission, the National Telecommunications and Information Administration, the United States Tax Court, the public service commissions of forty-five states and the District of Columbia, four Canadian provinces, the insurance commissions of five states, the Iowa State Board of Tax Review, and the North Carolina Property Tax Commission. In addition, he has testified as an expert witness in proceedings before numerous federal district courts, including the United States District Court for the District of Nebraska; the United States District Court for the District of New Hampshire; the United States District Court for the District of Northern Illinois; the United States District Court for the Eastern District of North Carolina; the Montana Second Judicial District Court, Silver Bow County; the United States District Court for the Northern District of California; the Superior Court, North Carolina; the United States Bankruptcy Court for the Southern District of West Virginia; the United States District Court for the Eastern District of Michigan; and the Supreme Court of the State of New York. Dr. Vander Weide testified in thirty states on issues relating to the pricing of unbundled network elements and universal service cost studies and consulted with Bell Canada, Deutsche Telekom, and Telefónica on similar issues. Dr. Vander Weide has provided consulting and expert witness testimony to the following companies:

ELECTRIC, GAS, PIPELINE, WATER COMPANIES	
Alcoa Power Generating, Inc.	MidAmerican Energy and subsidiaries
Alliant Energy and subsidiaries	National Fuel Gas
AltaLink, L.P.	Nevada Power Company
Ameren	Newfoundland Power Inc.
American Water Works and subsidiaries	NICOR
Atmos Energy and subsidiaries	North Carolina Natural Gas
BP p.l.c.	North Shore Gas
Buckeye Partners, L.P.	Northern Natural Gas Company
Central Illinois Public Service	NOVA Gas Transmission Ltd.
Citizens Utilities	PacifiCorp
Consolidated Edison and subsidiaries	Peoples Energy and its subsidiaries
Consolidated Natural Gas and subsidiaries	PG&E
Dominion Resources and subsidiaries	Plains All American Pipeline, L.P.
Duke Energy and subsidiaries	Progress Energy and subsidiaries
Empire District Electric and subsidiaries	PSE&G
EPCOR Distribution & Transmission Inc.	Public Service Company of North Carolina
EPCOR Energy Alberta Inc.	Sempra Energy/San Diego Gas and Electric
FortisAlberta Inc.	South Carolina Electric and Gas
FortisBC Utilities	Southern Company and subsidiaries
Hope Natural Gas	Spectra Energy
Iberdrola Renewables	Tennessee-American Water Company
Interstate Power Company	The Peoples Gas, Light and Coke Co.
Iowa Southern	Trans Québec & Maritimes Pipeline Inc.
Iowa-American Water Company	TransCanada
Iowa-Illinois Gas and Electric	Union Gas
Kentucky Power Company	United Cities Gas Company
Kentucky-American Water Company	Virginia-American Water Company
Kinder Morgan Energy Partners	West Virginia-American Water Company
Maritimes & Northeast Pipeline	Westcoast Energy Inc.
	Wisconsin Energy Corporation
	Xcel Energy

TELECOMMUNICATIONS COMPANIES	
ALLTEL and subsidiaries	Phillips County Cooperative Tel. Co.
Ameritech (now AT&T new)	Pine Drive Cooperative Telephone Co.
AT&T (old)	Roseville Telephone Company (SureWest)
Bell Canada/Nortel	SBC Communications (now AT&T new)
BellSouth and subsidiaries	Sherburne Telephone Company
Centel and subsidiaries	Siemens
Cincinnati Bell (Broadwing)	Southern New England Telephone
Cisco Systems	Sprint/United and subsidiaries
Citizens Telephone Company	Telefónica
Concord Telephone Company	Tellabs, Inc.
Contel and subsidiaries	The Stentor Companies

TELECOMMUNICATIONS COMPANIES	
Deutsche Telekom	U S West (Qwest)
GTE and subsidiaries (now Verizon)	Union Telephone Company
Heins Telephone Company	United States Telephone Association
JDS Uniphase	Valor Telecommunications (Windstream)
Lucent Technologies	Verizon (Bell Atlantic) and subsidiaries
Minnesota Independent Equal Access Corp.	Woodbury Telephone Company
NYNEX and subsidiaries (Verizon)	
Pacific Telesis and subsidiaries	

INSURANCE COMPANIES
Allstate
North Carolina Rate Bureau
United Services Automobile Association (USAA)
The Travelers Indemnity Company
Gulf Insurance Company

Other Professional Experience

Dr. Vander Weide has conducted in-house seminars and training sessions on topics such as creating shareholder value, financial analysis, competitive strategy, cost of capital, real options, financial strategy, managing growth, mergers and acquisitions, valuation, measuring corporate performance, capital budgeting, cash management, and financial planning. Among the firms for whom he has designed and taught tailored programs and training sessions are ABB Asea Brown Boveri, Accenture, Allstate, Ameritech, AT&T, Bell Atlantic/Verizon, BellSouth, Progress Energy/Carolina Power & Light, Contel, Fisons, GlaxoSmithKline, GTE, Lafarge, MidAmerican Energy, New Century Energies, Norfolk Southern, Pacific Bell Telephone, The Rank Group, Siemens, Southern New England Telephone, TRW, and Wolseley Plc. Dr. Vander Weide has also hosted a nationally prominent conference/workshop on estimating the cost of capital. In 1989, at the request of Mr. Fuqua, Dr. Vander Weide designed the Duke Program for Manager Development for managers from the former Soviet Union, the first in the United States designed exclusively for managers from Russia and the former Soviet republics.

Early in his career, Dr. Vander Weide helped found University Analytics, Inc., one of the fastest growing small firms in the country at that time. As an officer at University Analytics, he designed cash management models, databases, and software used by most major United States banks in consulting with their corporate clients. Having sold his interest in University Analytics, Dr. Vander Weide now concentrates on strategic and financial consulting, academic research, and executive education.

PUBLICATIONS
JAMES H. VANDER WEIDE

The Lock-Box Location Problem: a Practical Reformulation, *Journal of Bank Research*, Summer, 1974, pp. 92-96 (with S. Maier). Reprinted in *Management Science in Banking*, edited by K. J. Cohen and S. E. Gibson, Warren, Gorham and Lamont, 1978.

A Finite Horizon Dynamic Programming Approach to the Telephone Cable Layout Problem, *Conference Record*, 1976 International Conference on Communications (with S. Maier and C. Lam).

A Note on the Optimal Investment Policy of the Regulated Firm, *Atlantic Economic Journal*, Fall, 1976 (with D. Peterson).

A Unified Location Model for Cash Disbursements and Lock-Box Collections, *Journal of Bank Research*, Summer, 1976 (with S. Maier). Reprinted in *Management Science in Banking*, edited by K. J. Cohen and S. E. Gibson, Warren Gorham and Lamont, 1978. Also reprinted in *Readings on the Management of Working Capital*, edited by K. V. Smith, West Publishing Company, 1979.

Capital Budgeting in the Decentralized Firm,' *Management Science*, Vol. 23, No. 4, December 1976, pp. 433-443 (with S. Maier).

A Monte Carlo Investigation of Characteristics of Optimal Geometric Mean Portfolios, *Journal of Financial and Quantitative Analysis*, June, 1977, pp. 215-233 (with S. Maier and D. Peterson).

A Strategy which Maximizes the Geometric Mean Return on Portfolio Investments, *Management Science*, June, 1977, Vol. 23, No. 10, pp. 1117-1123 (with S. Maier and D. Peterson).

A Decision Analysis Approach to the Computer Lease-Purchase Decision, *Computers and Operations Research*, Vol. 4, No. 3, September, 1977, pp. 167-172 (with S. Maier).

A Practical Approach to Short-run Financial Planning, *Financial Management*, Winter, 1978 (with S. Maier). Reprinted in *Readings on the Management of Working Capital*, edited by K. V. Smith, West Publishing Company, 1979.

Effectiveness of Regulation in the Electric Utility Industry,' *Journal of Economics and Business*, May, 1979 (with F. Tapon).

On the Decentralized Capital Budgeting Problem Under Uncertainty, *Management Science*, September 1979 (with B. Obel).

Expectations Data and the Predictive Value of Interim Reporting: A Comment, *Journal of Accounting Research*, Spring 1980 (with L. D. Brown, J. S. Hughes, and M. S. Rozeff).

General Telephone's Experience with a Short-run Financial Planning Model, *Cash Management Forum*, June 1980, Vol. 6, No. 1 (with J. Austin and S. Maier).

Deregulation and Oligopolistic Price-Quality Rivalry, *American Economic Review*, March 1981 (with J. Zalkind).

Forecasting Disbursement Float, *Financial Management*, Spring 1981 (with S. Maier and D. Robinson).

Recent Developments in Management Science in Banking, *Management Science*, October 1981 (with K. Cohen and S. Maier).

Incentive Considerations in the Reporting of Leveraged Leases, *Journal of Bank Research*, April 1982 (with J. S. Hughes).

A Decision-Support System for Managing a Short-term Financial Instrument Portfolio, *Journal of Cash Management*, March 1982 (with S. Maier).

An Empirical Bayes Estimate of Market Risk, *Management Science*, July 1982 (with S. Maier and D. Peterson).

The Bond Scheduling Problem of the Multi-subsidiary Holding Company, *Management Science*, July 1982 (with K. Baker).

Deregulation and Locational Rents in Banking: a Comment, *Journal of Bank Research*, Summer 1983.

What Lockbox and Disbursement Models Really Do, *Journal of Finance*, May 1983 (with S. Maier).

Financial Management in the Short Run, *Handbook of Modern Finance*, edited by Dennis Logue, published by Warren, Gorham, & Lamont, Inc., New York, 1984.

Managing Corporate Liquidity: an Introduction to Working Capital Management, John Wiley and Sons, 1984 (with S. Maier)

Measuring Investors' Growth Expectations: Analysts vs. History, *The Journal of Portfolio Management*, Spring 1988 (with W. Carleton).

Entry Auctions and Strategic Behavior under Cross-Market Price Constraints, *International Journal of Industrial Organization*, 20 (2002) 611-629 (with J. Anton and N. Vettas).

Principles for Lifetime Portfolio Selection: Lessons from Portfolio Theory, *Handbook of Portfolio Construction: Contemporary Applications of Markowitz Techniques*, John B. Guerard, (Ed.), Springer, 2009.

APPENDIX 2

DERIVATION OF THE QUARTERLY DCF MODEL

The simple DCF Model assumes that a firm pays dividends only at the end of each year. Since firms in fact pay dividends quarterly and investors appreciate the time value of money, the annual version of the DCF Model generally underestimates the value investors are willing to place on the firm's expected future dividend stream. In these workpapers, we review two alternative formulations of the DCF Model that allow for the quarterly payment of dividends.

When dividends are assumed to be paid annually, the DCF Model suggests that the current price of the firm's stock is given by the expression:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n} \quad (1)$$

where

P_0	=	current price per share of the firm's stock,
D_1, D_2, \dots, D_n	=	expected annual dividends per share on the firm's stock,
P_n	=	price per share of stock at the time investors expect to sell the stock, and
k	=	return investors expect to earn on alternative investments of the same risk, i.e., the investors' required rate of return.

Unfortunately, expression (1) is rather difficult to analyze, especially for the purpose of estimating k . Thus, most analysts make a number of simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate g into the indefinite future. Second, they assume that the stock price at time n is simply the present value of all dividends expected in periods subsequent to n . Third, they assume that the investors' required rate of return, k , exceeds the expected dividend growth rate g . Under the above simplifying assumptions, a firm's stock price may be written as the following sum:

$$P_0 = \frac{D_0(1+g)}{(1+k)} + \frac{D_0(1+g)^2}{(1+k)^2} + \frac{D_0(1+g)^3}{(1+k)^3} + \dots, \quad (2)$$

where the three dots indicate that the sum continues indefinitely.

As we shall demonstrate shortly, this sum may be simplified to:

$$P_0 = \frac{D_0(1+g)}{(k-g)}$$

First, however, we need to review the very useful concept of a geometric progression.

Geometric Progression

Consider the sequence of numbers 3, 6, 12, 24, ..., where each number after the first is obtained by multiplying the preceding number by the factor 2. Obviously, this sequence of numbers may also be expressed as the sequence $3, 3 \times 2, 3 \times 2^2, 3 \times 2^3$, etc. This sequence is an example of a geometric progression.

Definition: A geometric progression is a sequence in which each term after the first is obtained by multiplying some fixed number, called the common ratio, by the preceding term.

A general notation for geometric progressions is: a , the first term, r , the common ratio, and n , the number of terms. Using this notation, any geometric progression may be represented by the sequence:

$$a, ar, ar^2, ar^3, \dots, ar^{n-1}.$$

In studying the DCF Model, we will find it useful to have an expression for the sum of n terms of a geometric progression. Call this sum S_n . Then

$$S_n = a + ar + \dots + ar^{n-1}. \quad (3)$$

However, this expression can be simplified by multiplying both sides of equation (3) by r and then subtracting the new equation from the old. Thus,

$$rS_n = ar + ar^2 + ar^3 + \dots + ar^n$$

and

$$S_n - rS_n = a - ar^n ,$$

or

$$(1 - r) S_n = a (1 - r^n) .$$

Solving for S_n , we obtain:

$$S_n = \frac{a(1 - r^n)}{(1 - r)} \quad (4)$$

as a simple expression for the sum of n terms of a geometric progression. Furthermore, if $|r| < 1$, then S_n is finite, and as n approaches infinity, S_n approaches $a \div (1-r)$. Thus, for a geometric progression with an infinite number of terms and $|r| < 1$, equation (4) becomes:

$$S = \frac{a}{1 - r} \quad (5)$$

Application to DCF Model

Comparing equation (2) with equation (3), we see that the firm's stock price (under the DCF assumption) is the sum of an infinite geometric progression with the first term

$$a = \frac{D_0(1 + g)}{(1 + k)}$$

and common factor

$$r = \frac{(1 + g)}{(1 + k)}$$

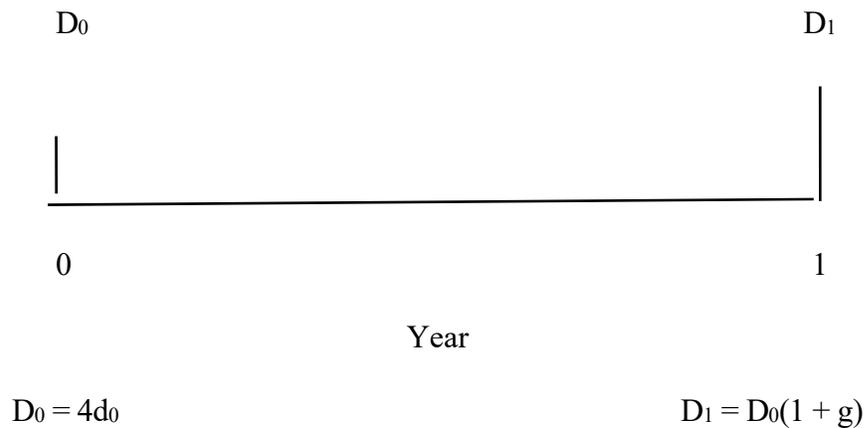
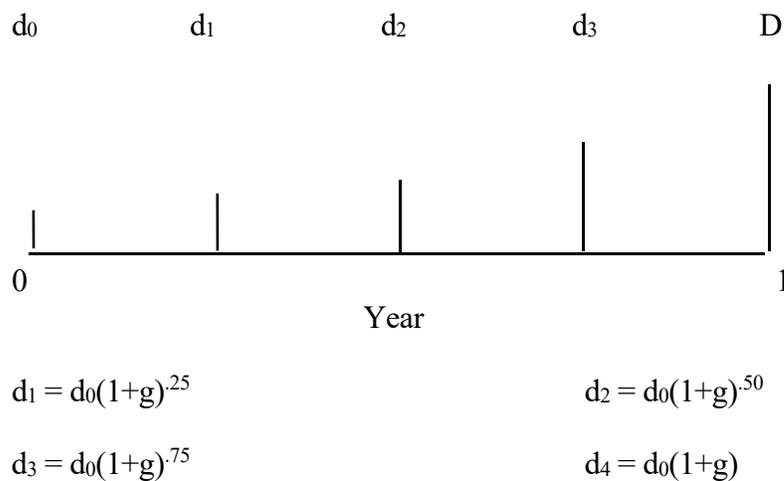
Applying equation (5) for the sum of such a geometric progression, we obtain

$$S = a \cdot \frac{1}{(1-r)} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1}{1 - \frac{1+g}{1+k}} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1+k}{k-g} = \frac{D_0(1+g)}{k-g}$$

as we suggested earlier.

Quarterly DCF Model

The Annual DCF Model assumes that dividends grow at an annual rate of $g\%$ per year (see Figure 1).

Figure 1Annual DCF ModelFigure 2Quarterly DCF Model (Constant Growth Version)

In the Quarterly DCF Model, it is natural to assume that quarterly dividend payments differ from the preceding quarterly dividend by the factor $(1 + g)^{.25}$, where g is expressed in terms of percent per year and the decimal .25 indicates that the growth has only occurred for one quarter of the year. (See Figure 2.) Using this assumption, along with the assumption of

constant growth and $k > g$, we obtain a new expression for the firm's stock price, which takes account of the quarterly payment of dividends. This expression is:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}}} + \frac{d_0(1+g)^{\frac{2}{4}}}{(1+k)^{\frac{2}{4}}} + \frac{d_0(1+g)^{\frac{3}{4}}}{(1+k)^{\frac{3}{4}}} + \dots \quad (6)$$

where d_0 is the last quarterly dividend payment, rather than the last annual dividend payment.

(We use a lower case d to remind the reader that this is not the annual dividend.)

Although equation (6) looks formidable at first glance, it too can be greatly simplified using the formula [equation (4)] for the sum of an infinite geometric progression. As the reader can easily verify, equation (6) can be simplified to:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}} - (1+g)^{\frac{1}{4}}} \quad (7)$$

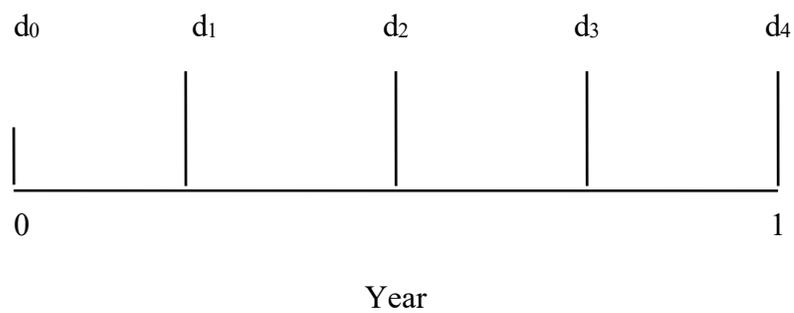
Solving equation (7) for k , we obtain a DCF formula for estimating the cost of equity under the quarterly dividend assumption:

$$k = \left[\frac{d_0(1+g)^{\frac{1}{4}}}{P_0} + (1+g)^{\frac{1}{4}} \right]^4 - 1 \quad (8)$$

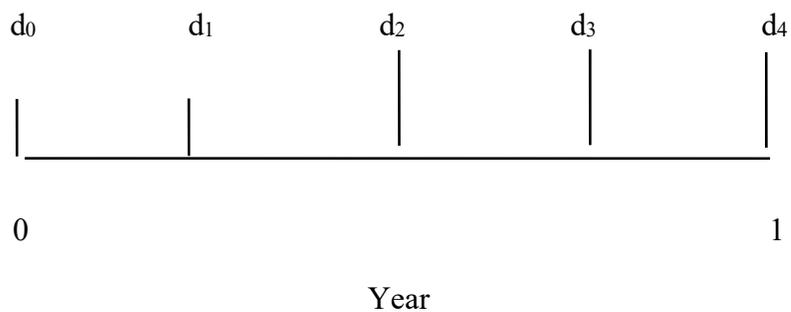
An Alternative Quarterly DCF Model

Although the constant growth Quarterly DCF Model [equation (8)] allows for the quarterly timing of dividend payments, it does require the assumption that the firm increases its dividend payments each quarter. Since this assumption is difficult for some analysts to accept, we now discuss a second Quarterly DCF Model that allows for constant quarterly dividend payments within each dividend year.

Assume then that the firm pays dividends quarterly and that each dividend payment is constant for four consecutive quarters. There are four cases to consider, with each case distinguished by varying assumptions about when we are evaluating the firm in relation to the time of its next dividend increase. (See Figure 3.)

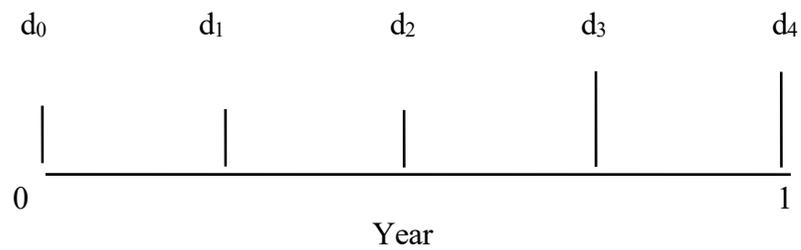
Figure 3**Quarterly DCF Model (Constant Dividend Version)****Case 1**

$$d_1 = d_2 = d_3 = d_4 = d_0(1+g)$$

Case 2

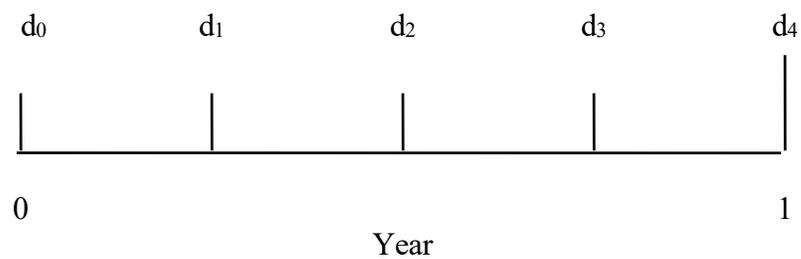
$$d_1 = d_0$$

$$d_2 = d_3 = d_4 = d_0(1+g)$$

Figure 3 (continued)**Case 3**

$$d_1 = d_2 = d_0$$

$$d_3 = d_4 = d_0(1+g)$$

Case 4

$$d_1 = d_2 = d_3 = d_0$$

$$d_4 = d_0(1+g)$$

If we assume that the investor invests the quarterly dividend in an alternative investment of the same risk, then the amount accumulated by the end of the year will in all cases be given by:

$$D_1^* = d_1 (1+k)^{3/4} + d_2 (1+k)^{1/2} + d_3 (1+k)^{1/4} + d_4$$

where d_1 , d_2 , d_3 and d_4 are the four quarterly dividends. Under these new assumptions, the firm's stock price may be expressed by an Annual DCF Model of the form (2), with the exception that:

$$D_1^* = d_1 (1+k)^{3/4} + d_2 (1+k)^{1/2} + d_3 (1+k)^{1/4} + d_4 \quad (9)$$

is used in place of $D_0(1+g)$. But, we already know that the Annual DCF Model may be reduced to:

$$P_0 = \frac{D_0(1+g)}{k-g}$$

Thus, under the assumptions of the second Quarterly DCF Model, the firm's cost of equity is given by:

$$k = \frac{D_1^*}{P_0} + g \quad (10)$$

with D_1^* given by (9).

Although equation (10) looks like the Annual DCF Model, there are at least two very important practical differences. First, since D_1^* is always greater than $D_0(1+g)$, the estimates of the cost of equity are always larger (and more accurate) in the Quarterly Model (10) than in the Annual Model. Second, since D_1^* depends on k through equation (9), the unknown "k" appears on both sides of (10), and an iterative procedure is required to solve for k .

APPENDIX 3

ADJUSTING FOR FLOTATION COSTS IN DETERMINING A PUBLIC UTILITY'S ALLOWED RATE OF RETURN ON EQUITY

I. Introduction

Regulation of public utilities is guided by the principle that utility revenues should be sufficient to allow recovery of all prudently incurred expenses, including the cost of capital. As set forth in the 1944 *Hope Natural Gas Case* [*Federal Power Comm'n v. Hope Natural Gas Co.* 320 U. S. 591 (1944) at 603], the U. S. Supreme Court states:

From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock....By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks.

Since the flotation costs arising from the issuance of debt and equity securities are an integral component of capital costs, this standard requires that the company's revenues be sufficient to fully recover flotation costs.

Despite the widespread agreement that flotation costs should be recovered in the regulatory process, several issues still need to be resolved. These include:

1. How is the term "flotation costs" defined? Does it include only the out-of-pocket costs associated with issuing securities (e. g., legal fees, printing costs, selling and underwriting expenses), or does it also include the reduction in a security's price that frequently accompanies flotation?
2. What should be the time pattern of cost recovery? Should a company be allowed to recover flotation costs immediately, or should flotation costs be recovered over the life of the issue?
3. For the purposes of regulatory accounting, should flotation costs be included as an expense? As an addition to rate base? Or as an additional element of a firm's allowed rate of return?
4. Do existing regulatory methods for flotation cost recovery allow a firm *full* recovery of flotation costs?

In this paper, I review the literature pertaining to the above issues and discuss my own views regarding how this literature applies to the cost of equity for a regulated firm.

II. Definition of Flotation Cost

The value of a firm is related to the future stream of net cash flows (revenues minus expenses measured on a cash basis) that can be derived from its assets. In the process of

acquiring assets, a firm incurs certain expenses which reduce its value. Some of these expenses or costs are directly associated with revenue production in one period (e. g., wages, cost of goods sold), others are more properly associated with revenue production in many periods (e. g., the acquisition cost of plant and equipment). In either case, the word “cost” refers to any item that reduces the value of a firm.

If this concept is applied to the act of issuing new securities to finance asset purchases, many items are properly included in issuance or flotation costs. These include: (1) compensation received by investment bankers for underwriting services, (2) legal fees, (3) accounting fees, (4) engineering fees, (5) trustee’s fees, (6) listing fees, (7) printing and engraving expenses, (8) SEC registration fees, (9) Federal Revenue Stamps, (10) state taxes, (11) warrants granted to underwriters as extra compensation, (12) postage expenses, (13) employees’ time, (14) market pressure, and (15) the offer discount. The finance literature generally divides these flotation cost items into three categories, namely, underwriting expenses, issuer expenses, and price effects.

III. Magnitude of Flotation Costs

The finance literature contains several studies of the magnitude of the flotation costs associated with new debt and equity issues. These studies differ primarily with regard to the time period studied, the sample of companies included, and the source of data. The flotation cost studies generally agree, however, that for large issues, underwriting expenses represent approximately one and one-half percent of the proceeds of debt issues and three to five percent of the proceeds of seasoned equity issues. They also agree that issuer expenses represent approximately 0.5 percent of both debt and equity issues, and that the difference between the offering price and the last reported sales price is at least two to three percent of the proceeds from the stock issue. (Underwriters set the public offering price at a value less than the most recent market price in order to reduce the risk that they would have to sell the equity at a loss.) Thus, total flotation costs represent approximately two percent¹ of the proceeds from debt issues, and five and one-half to eight and one-half percent of the proceeds of equity issues.

Lee *et. al.* [14] is an excellent example of the type of flotation cost studies found in the finance literature. The Lee study is a comprehensive study of the underwriting and issuer costs associated with debt and equity issues for both utilities and non-utilities. The results of the Lee *et. al.* study are reproduced in Tables 1 and 2. Table 1 demonstrates that the total underwriting and issuer expenses for the 1,092 debt issues in their study averaged 2.24 percent of the proceeds of the issues, while the total underwriting and issuer costs for the 1,593 seasoned equity issues in their study averaged 7.11 percent of the proceeds of the new issue. Table 1 also demonstrates that the total underwriting and issuer costs of seasoned equity offerings, as a percent of proceeds, decline with the size of the issue. For

[1] The two percent flotation cost on debt only recognizes the cost of newly-issued debt. When interest rates decline, many companies exercise the call provisions on higher cost debt and reissue debt at lower rates. This process involves reacquisition costs that are not included in the academic studies. If reacquisition costs were included in the academic studies, debt flotation costs could increase significantly.

issues above \$60 million, total underwriting and issuer costs amount to from three to five percent of the amount of the proceeds.

Table 2 reports the total underwriting and issuer expenses for 135 utility debt issues and 136 seasoned utility equity issues. Total underwriting and issuer expenses for utility bond offerings averaged 1.47 percent of the amount of the proceeds and for seasoned utility equity offerings averaged 4.92 percent of the amount of the proceeds. Again, there are some economies of scale associated with larger equity offerings. Total underwriting and issuer expenses for equity offerings in excess of 40 million dollars generally range from three to four percent of the proceeds.

The results of the Lee study for large equity issues are consistent with results of earlier studies by Bhagat and Frost [4], Mikkelson and Partch [17], and Smith [24]. Bhagat and Frost found that total underwriting and issuer expenses average approximately four and one-half percent of the amount of proceeds from negotiated utility offerings during the period 1973 to 1980, and approximately three and one-half percent of the amount of the proceeds from competitive utility offerings over the same period. Mikkelson and Partch found that total underwriting and issuer expenses average five and one-half percent of the proceeds from seasoned equity offerings over the 1972 to 1982 period. Smith found that total underwriting and issuer expenses for larger equity issues generally amount to four to five percent of the proceeds of the new issue.

The finance literature also contains numerous studies of the decline in price associated with sales of large blocks of stock to the public. These articles relate to the price impact of: (1) initial public offerings; (2) the sale of large blocks of stock from one investor to another; and (3) the issuance of seasoned equity issues to the general public. All of these studies generally support the notion that the announcement of the sale of large blocks of stock produces a decline in a company's share price. The decline in share price for initial public offerings is significantly larger than the decline in share price for seasoned equity offerings; and the decline in share price for public utilities is less than the decline in share price for non-public utilities. A comprehensive study of the magnitude of the decline in share price associated specifically with the sale of new equity by public utilities is reported in Pettway [19], who found the market pressure effect for a sample of 368 public utility equity sales to be in the range of two to three percent. This decline in price is a real cost to the utility, because the proceeds to the utility depend on the stock price on the day of issue.

In addition to the price decline associated with the announcement of a new equity issue, the finance literature recognizes that there is also a price decline associated with the actual issuance of equity securities. In particular, underwriters typically sell seasoned new equity securities to investors at a price lower than the closing market price on the day preceding the issue. The Rules of Fair Practice of the National Association of Securities Dealers require that underwriters not sell shares at a price above the offer price. Because the offer price represents a binding constraint to the underwriter, the underwriter tends to set the offer price slightly below the last reported market price to compensate for the risk that the price received by the underwriter may go down, but cannot increase.

In summary, the finance literature provides strong support for the conclusion that total underwriting and issuer expenses for public utility debt offerings represent approximately two percent of the amount of the proceeds, while total underwriting and issuer expenses for public utility equity offerings represent at least four to five percent of the amount of the proceeds. In addition, the finance literature supports the conclusion that the cost associated with the decline in stock price at the announcement date represents approximately two to three percent as a result of a large public utility equity issue.

IV. Time Pattern Of Flotation Cost Recovery

Although flotation costs are incurred only at the time a firm issues new securities, there is no reason why an issuing firm ought to recognize the expense only in the current period. In fact, if assets purchased with the proceeds of a security issue produce revenues over many years, a sound argument can be made in favor of recognizing flotation expenses over a reasonably lengthy period of time. Such recognition is certainly consistent with the generally accepted accounting principle that the time pattern of expenses match the time pattern of revenues, and it is also consistent with the normal treatment of debt flotation expenses in both regulated and unregulated industries.

In the context of a regulated firm, it should be noted that there are many possible time patterns for the recovery of flotation expenses. However, if it is felt that flotation expenses are most appropriately recovered over a period of years, then it should be recognized that investors must also be compensated for the passage of time. That is to say, the value of an investor's capital will be reduced if the expenses are merely distributed over time, without any allowance for the time value of money.

V. Accounting For Flotation Cost In A Regulatory Setting

In a regulatory setting, a firm's revenue requirements are determined by the equation:

$$\text{Revenue Requirement} = \text{Total Expenses} + \text{Allowed Rate of Return} \times \text{Rate Base}$$

Thus, there are three ways in which an issuing firm can account for and recover its flotation expenses: (1) treat flotation expenses as a current expense and recover them immediately; (2) include flotation expenses in rate base and recover them over time; and (3) adjust the allowed rate of return upward and again recover flotation expenses over time. Before considering methods currently being used to recover flotation expenses in a regulatory setting, I shall briefly consider the advantages and disadvantages of these three basic recovery methods.

Expenses. Treating flotation costs as a current expense has several advantages. Because it allows for recovery at the time the expense occurs, it is not necessary to compute amortized balances over time and to debate which interest rate should be applied to these balances. A firm's stockholders are treated fairly, and so are the firm's customers, because they pay neither more nor less than the actual flotation expense. Since flotation costs are relatively small compared to the total revenue requirement, treatment as a current expense does not cause unusual rate hikes in the year of flotation, as would the

introduction of a large generating plant in a state that does not allow Construction Work in Progress in rate base.

On the other hand, there are two major disadvantages of treating flotation costs as a current expense. First, since the asset purchased with the acquired funds will likely generate revenues for many years into the future, it seems unfair that current ratepayers should bear the full cost of issuing new securities, when future ratepayers share in the benefits. Second, this method requires an estimate of the underpricing effect on each security issue. Given the difficulties involved in measuring the extent of underpricing, it may be more accurate to estimate the average underpricing allowance for many securities than to estimate the exact figure for one security.

Rate Base. In an article in *Public Utilities Fortnightly*, Bierman and Hass [5] recommend that flotation costs be treated as an intangible asset that is included in a firm's rate base along with the assets acquired with the stock proceeds. This approach has many advantages. For ratepayers, it provides a better match between benefits and expenses: the future ratepayers who benefit from the financing costs contribute the revenues to recover these costs. For investors, if the allowed rate of return is equal to the investors' required rate of return, it is also theoretically fair since they are compensated for the opportunity cost of their investment (including both the time value of money and the investment risk).

Despite the compelling advantages of this method of cost recovery, there are several disadvantages that probably explain why it has not been used in practice. First, a firm will only recover the proper amount for flotation expenses if the rate base is multiplied by the appropriate cost of capital. To the extent that a commission under or over estimates the cost of capital, a firm will under or over recover its flotation expenses. Second, it is may be both legally and psychologically difficult for commissioners to include an intangible asset in a firm's rate base. According to established legal doctrine, assets are to be included in rate base only if they are "used and useful" in the public service. It is unclear whether intangible assets such as flotation expenses meet this criterion.

Rate of Return. The prevailing practice among state regulators is to treat flotation expenses as an additional element of a firm's cost of capital or allowed rate of return. This method is similar to the second method above (treatment in rate base) in that some part of the initial flotation cost is amortized over time. However, it has a disadvantage not shared by the rate base method. If flotation cost is included in rate base, it is fairly easy to keep track of the flotation cost on each new equity issue and see how it is recovered over time. Using the rate of return method, it is not possible to track the flotation cost for specific issues because the flotation cost for a specific issue is never recorded. Thus, it is not clear to participants whether a current allowance is meant to recover (1) flotation costs actually incurred in a test period, (2) expected future flotation costs, or (3) past flotation costs. This confusion never arises in the treatment of debt flotation costs. Because the exact costs are recorded and explicitly amortized over time, participants recognize that current allowances for debt flotation costs are meant to recover some fraction of the flotation costs on all past debt issues.

VI. Existing Regulatory Methods

Although most state commissions prefer to let a regulated firm recover flotation expenses through an adjustment to the allowed rate of return, there is considerable controversy about the magnitude of the required adjustment. The following are some of the most frequently asked questions: (1) Should an adjustment to the allowed return be made every year, or should the adjustment be made only in those years in which new equity is raised? (2) Should an adjusted rate of return be applied to the entire rate base, or should it be applied only to that portion of the rate base financed with paid-in capital (as opposed to retained earnings)? (3) What is the appropriate formula for adjusting the rate of return?

This section reviews several methods of allowing for flotation cost recovery. Since the regulatory methods of allowing for recovery of debt flotation costs is well known and widely accepted, I will begin my discussion of flotation cost recovery procedures by describing the widely accepted procedure of allowing for debt flotation cost recovery.

Debt Flotation Costs

Regulators uniformly recognize that companies incur flotation costs when they issue debt securities. They typically allow recovery of debt flotation costs by making an adjustment to both the cost of debt and the rate base (see Brigham [6]). Assume that: (1) a regulated company issues \$100 million in bonds that mature in 10 years; (2) the interest rate on these bonds is seven percent; and (3) flotation costs represent four percent of the amount of the proceeds. Then the cost of debt for regulatory purposes will generally be calculated as follows:

$$\begin{aligned} \text{Cost of Debt} &= \frac{\text{Interest expense} + \text{Amortization of flotation costs}}{\text{Principal value} - \text{Unamortized flotation costs}} \\ &= \frac{\$7,000,000 + \$400,000}{\$100,000,000 - \$4,000,000} \\ &= 7.71\% \end{aligned}$$

Thus, current regulatory practice requires that the cost of debt be adjusted upward by approximately 71 basis points, in this example, to allow for the recovery of debt flotation costs. This example does not include losses on reacquisition of debt. The flotation cost allowance would increase if losses on reacquisition of debt were included.

The logic behind the traditional method of allowing for recovery of debt flotation costs is simple. Although the company has issued \$100 million in bonds, it can only invest \$96 million in rate base because flotation costs have reduced the amount of funds received by \$4 million. If the company is not allowed to earn a 71 basis point higher rate of return on the \$96 million invested in rate base, it will not generate sufficient cash flow to pay the seven percent interest on the \$100 million in bonds it has issued. Thus, proper regulatory treatment is to increase the required rate of return on debt by 71 basis points.

Equity Flotation Costs

The finance literature discusses several methods of recovering equity flotation costs. Since each method stems from a specific model, (i. e., set of assumptions) of a firm and its cash flows, I will highlight the assumptions that distinguish one method from another.

Arzac and Marcus. Arzac and Marcus [2] study the proper flotation cost adjustment formula for a firm that makes continuous use of retained earnings and external equity financing and maintains a constant capital structure (debt/equity ratio). They assume at the outset that underwriting expenses and underpricing apply only to new equity obtained from external sources. They also assume that a firm has previously recovered all underwriting expenses, issuer expenses, and underpricing associated with previous issues of new equity.

To discuss and compare various equity flotation cost adjustment formulas, Arzac and Marcus make use of the following notation:

k	=	an investors' required return on equity
r	=	a utility's allowed return on equity base
S	=	value of equity in the absence of flotation costs
S _f	=	value of equity net of flotation costs
K _t	=	equity base at time t
E _t	=	total earnings in year t
D _t	=	total cash dividends at time t
b	=	(E _t -D _t) ÷ E _t = retention rate, expressed as a fraction of earnings
h	=	new equity issues, expressed as a fraction of earnings
m	=	equity investment rate, expressed as a fraction of earnings, m = b + h < 1
f	=	flotation costs, expressed as a fraction of the value of an issue.

Because of flotation costs, Arzac and Marcus assume that a firm must issue a greater amount of external equity each year than it actually needs. In terms of the above notation, a firm issues $hE_t \div (1-f)$ to obtain hE_t in external equity funding. Thus, each year a firm loses:

Equation 1

$$L = \frac{hE_t}{1-f} - hE_t = \frac{f}{1-f} \times hE_t$$

due to flotation expenses. The present value, V , of all future flotation expenses is:

Equation 2

$$V = \sum_{t=1}^{\infty} \frac{fhE_t}{(1-f)(1+k)^t} = \frac{fh}{1-f} \times \frac{rK_0}{k-mr}$$

To avoid diluting the value of the initial stockholder's equity, a regulatory authority needs to find the value of r , a firm's allowed return on equity base, that equates the value of equity net of flotation costs to the initial equity base ($S_f = K_0$). Since the value of equity net of flotation costs equals the value of equity in the absence of flotation costs minus the present value of flotation costs, a regulatory authority needs to find that value of r that solves the following equation:

$$S_f = S - L.$$

This value is:

Equation 3

$$r = \frac{k}{1 - \frac{fh}{1-f}}$$

To illustrate the Arzac-Marcus approach to adjusting the allowed return on equity for the effect of flotation costs, suppose that the cost of equity in the absence of flotation costs is 12 percent. Furthermore, assume that a firm obtains external equity financing each year equal to 10 percent of its earnings and that flotation expenses equal 5 percent of the value of each issue. Then, according to Arzac and Marcus, the allowed return on equity should be:

$$r = \frac{.12}{1 - \frac{(.05) \cdot (.1)}{.95}} = .1206 = 12.06\%$$

Summary. With respect to the three questions raised at the beginning of this section, it is evident that Arzac and Marcus believe the flotation cost adjustment should be applied each year, since continuous external equity financing is a fundamental assumption of their model. They also believe that the adjusted rate of return should be applied to the entire equity-financed portion of the rate base because their model is based on the assumption that the flotation cost adjustment mechanism will be applied to the entire equity financed portion of the rate base. Finally, Arzac and Marcus recommend a flotation cost adjustment formula, Equation (3), that implicitly excludes recovery of financing costs associated with financing in previous periods and includes only an allowance for the fraction of equity financing obtained from external sources.

Patterson. The Arzac-Marcus flotation cost adjustment formula is significantly different from the conventional approach (found in many introductory textbooks) which recommends the adjustment equation:

Equation 4

$$r = \frac{D_t}{P_{t-1}(1-f)} + g$$

where P_{t-1} is the stock price in the previous period and g is the expected dividend growth rate. Patterson [18] compares the Arzac-Marcus adjustment formula to the conventional approach and reaches the conclusion that the Arzac-Marcus formula effectively expenses issuance costs as they are incurred, while the conventional approach effectively amortizes them over an assumed infinite life of the equity issue. Thus, the conventional formula is similar to the formula for the recovery of debt flotation costs: it is not meant to compensate investors for the flotation costs of future issues, but instead is meant to compensate investors for the flotation costs of previous issues. Patterson argues that the conventional approach is more appropriate for rate making purposes because the plant purchased with external equity funds will yield benefits over many future periods.

Illustration. To illustrate the Patterson approach to flotation cost recovery, assume that a newly organized utility sells an initial issue of stock for \$100 per share, and that the utility plans to finance all new investments with retained earnings. Assume also that: (1) the initial dividend per share is six dollars; (2) the expected long-run dividend growth rate is six percent; (3) the flotation cost is five percent of the amount of the proceeds; and (4) the payout ratio is 51.28 percent. Then, the investor's required rate of return on equity is [$k = (D/P) + g = 6 \text{ percent} + 6 \text{ percent} = 12 \text{ percent}$]; and the flotation-cost-adjusted cost of equity is [$6 \text{ percent} (1/.95) + 6 \text{ percent} = 12.316 \text{ percent}$].

The effects of the Patterson adjustment formula on the utility's rate base, dividends, earnings, and stock price are shown in Table 3. We see that the Patterson formula allows earnings and dividends to grow at the expected six percent rate. We also see that the present value of expected future dividends, \$100, is just sufficient to induce investors to part with their money. If the present value of expected future dividends were less than \$100, investors would not have been willing to invest \$100 in the firm. Furthermore, the present value of future dividends will only equal \$100 if the firm is allowed to earn the 12.316 percent flotation-cost-adjusted cost of equity on its entire rate base.

Summary. Patterson's opinions on the three issues raised in this section are in stark contrast to those of Arzac and Marcus. He believes that: (1) a flotation cost adjustment should be applied in every year, regardless of whether a firm issues any new equity in each year; (2) a flotation cost adjustment should be applied to the entire equity-financed portion of the rate base, including that portion financed by retained earnings; and (3) the rate of return adjustment formula should allow a firm to recover an appropriate fraction of all previous flotation expenses.

VII. Conclusion

Having reviewed the literature and analyzed flotation cost issues, I conclude that:

Definition of Flotation Cost: A regulated firm should be allowed to recover both the total underwriting and issuance expenses associated with issuing securities and the cost of market pressure.

Time Pattern of Flotation Cost Recovery. Shareholders are indifferent between the alternatives of immediate recovery of flotation costs and recovery over time, as long as they are fairly compensated for the opportunity cost of their money. This opportunity cost must include both the time value of money and a risk premium for equity investments of this nature.

Regulatory Recovery of Flotation Costs. The Patterson approach to recovering flotation costs is the only rate-of-return-adjustment approach that meets the *Hope* case criterion that a regulated company's revenues must be sufficient to allow the company an opportunity to recover all prudently incurred expenses, including the cost of capital. The Patterson approach is also the only rate-of-return-adjustment approach that provides an incentive for investors to invest in the regulated company.

Implementation of a Flotation Cost Adjustment. As noted earlier, prevailing regulatory practice seems to be to allow the recovery of flotation costs through an adjustment to the required rate of return. My review of the literature on this subject indicates that there are at least two recommended methods of making this adjustment: the Patterson approach and the Arzac-Marcus approach. The Patterson approach assumes that a firm's flotation expenses on new equity issues are treated in the same manner as flotation expenses on new bond issues, i. e., they are amortized over future time periods. If this assumption is true (and I believe it is), then the flotation cost adjustment should be applied to a firm's entire equity base, including retained earnings. In practical terms, the Patterson approach produces an increase in a firm's cost of equity of approximately twenty to thirty basis points. The Arzac-Marcus approach assumes that flotation costs on new equity issues are recovered entirely in the year in which the securities are sold. Under the Arzac-Marcus assumption, a firm should not be allowed any adjustments for flotation costs associated with previous flotations. Instead, a firm should be allowed only an adjustment on future security sales as they occur. Under reasonable assumptions about the rate of new equity sales, this method produces an increase in the cost of equity of approximately six basis points. Since the Arzac-Marcus approach does not allow the company to recover the entire amount of its flotation cost, I recommend that this approach be rejected and the Patterson approach be accepted.

BIBLIOGRAPHY

1. Armknecht, Raymond, Fred Grygiel and Patrick Hess, "Market Pressure: The Sales of New Common Equity and Rate of Return Regulation," *Proceedings of the Business and Economic Statistics Section of the American Statistical Association*, 1974, pp. 80—91.
2. Arzac, E. R., and M. Marcus, "Flotation Cost Allowance in Rate of Return Regulation: A Note," *Journal of Finance*, December 1981, pp. 1199—1202.
3. Barclay, M. J. and R. H. Litzenberger, 1988, "Announcement Effects of New Equity Issues and the Use of Intraday Price Data," *Journal of Financial Economics* 21, 71—99.
4. Bhagat, S. and P. A. Frost, 1986, "Issuing Costs to Existing Shareholders in Competitive and Negotiated Underwritten Public Utility Equity Offerings," *Journal of Financial Economics* 15, 233—59.
5. Bierman, H., and J. E. Hass, "Equity Flotation Cost Adjustments in Utilities' Cost of Service," *Public Utilities Fortnightly*, March 1, 1983, pp.46—49 .
6. Bowyer, Jr., John W., and Jess B. Yawitz, "The Effect of New Equity Issues on Utility Stock Prices," *Public Utilities Fortnightly*, May 22, 1980.
7. Brigham, Eugene F., Dana Aberwald, and Louis C. Gapenski, "Common Equity Flotation Costs and Rate Making," *Public Utilities Fortnightly*, May 2, 1985, pp. 28—26.
8. Calomiris, C. W. and D. M. G Raff, 1995, "The Evolution of Market Structure, Information, and Spreads in American Investment Banking," in M. B. Bordo and R. Sylla, eds., *Anglo-American Finance: Financial Markets and Institutions in 20th Century North America and the U. K.* (Business One-Irwin Homewood, IL), 103—60.
9. Dunbar, C. G., 1995, "The Use of Warrants as Underwriter Compensation in Initial Public Offerings," *Journal of Financial Economics* 38, 59—78.
10. Evans, Robert E., "On the Existence, Measurement, and Economic Significance of Market Pressure in the Pricing of New Equity Shares," unpublished dissertation, University of Wisconsin, 1978.
11. Howe, K. M., "Flotation Cost Allowance in Rate of Return Regulation: Comment," *Journal of Finance*, March 1984, pp. 289—290.
12. Howe, K. M., "Flotation Cost Allowance for the Regulated Firm: A Comparison of Alternatives," unpublished working paper, School of Business, Iowa State University.
13. Ibbotson, R. C., "Price Performance of Common Stock New Issues," *Journal of Financial Economics*, 1975, pp. 235—272.
14. Lee, Inmoo, Scott Lochhead, Jay Ritter, and Quanshui Zhao, "The Costs of Raising Capital," *The Journal of Financial Research*, Vol XIX No 1 (Spring 1996), 59—74
15. Logue, D. E., "On the Pricing of Unseasoned Equity Offerings: 1965—1969," *Journal of Financial and Quantitative Analysis*, January 1973, pp. 91—103.
16. McDonald, J. G. and A. K. Fisher, "New Issue Stock Price Behavior," *Journal of Finance*, March 1972, pp. 97—102.
17. Mikkelson, Wayne H. and M. Megan Partch, "Valuation Effects of Security Offerings and the Issuance Process," *Journal of Financial Economics* 15 (1986), pp. 31-60.
18. Patterson, C. S., "Flotation Cost Allowance in Rate of Return Regulation: Comment," *Journal of Finance*, September 1983, pp. 1335—1338.
19. Pettway, R. H., "The Effects of New Equity Sales Upon Utility Share Prices," *Public Utilities Fortnightly*, May 10, 1984, pp. 35—39.
20. Reilly, F. K. and K. Hatfield, "Investor Experience with New Stock Issues," *Financial Analysts' Journal*, September--October 1969, pp. 73—80.

21. Richter, P. H., "The Ever Present Need for an Underpricing Allowance," *Public Utilities Fortnightly*, February 18, 1982, pp. 58—61.
22. Scholes, M., "The Market for New Securities: Substitution versus Price Pressure and the Effects of Information on Share Prices," *Journal of Business*, April 1972, pp. 179—211.
23. Securities and Exchange Commission, Report of Special Study on Securities Markets, U. S. Government Printing Office, Washington, D. C. 1963.
24. Smith, Clifford W. Jr., "Alternative Methods for Raising Capital," *Journal of Financial Economics* 5 (1977) 273-307.

Table 1
Direct Costs as a Percentage of Gross Proceeds
for Equity (IPOs and SEOs) and Straight and Convertible Bonds
Offered by Domestic Operating Companies 1990—1994²

Equities

Line No.	Proceeds (\$ in millions)	IPOs				SEOs			
		No. of Issues	Gross Spreads	Other Direct Expenses	Total Direct Costs	No. of Issues	Gross Spreads	Other Direct Expenses	Total Direct Costs
1	2-9.99	337	9.05%	7.91%	16.96%	167	7.72%	5.56%	13.28%
2	10-19.99	389	7.24%	4.39%	11.63%	310	6.23%	2.49%	8.72%
3	20-39.99	533	7.01%	2.69%	9.70%	425	5.60%	1.33%	6.93%
4	40-59.99	215	6.96%	1.76%	8.72%	261	5.05%	0.82%	5.87%
5	60-79.99	79	6.74%	1.46%	8.20%	143	4.57%	0.61%	5.18%
6	80-99.99	51	6.47%	1.44%	7.91%	71	4.25%	0.48%	4.73%
7	100-199.99	106	6.03%	1.03%	7.06%	152	3.85%	0.37%	4.22%
8	200-499.99	47	5.67%	0.86%	6.53%	55	3.26%	0.21%	3.47%
9	500 and up	10	5.21%	0.51%	5.72%	9	3.03%	0.12%	3.15%
10	Total/Average	1,767	7.31%	3.69%	11.00%	1,593	5.44%	1.67%	7.11%

Bonds

Line No.	Proceeds (\$ in millions)	Convertible Bonds				Straight Bonds			
		No. of Issues	Gross Spreads	Other Direct Expenses	Total Direct Costs	No. of Issues	Gross Spreads	Other Direct Expenses	Total Direct Costs
1	2-9.99	4	6.07%	2.68%	8.75%	32	2.07%	2.32%	4.39%
2	10-19.99	14	5.48%	3.18%	8.66%	78	1.36%	1.40%	2.76%
3	20-39.99	18	4.16%	1.95%	6.11%	89	1.54%	0.88%	2.42%
4	40-59.99	28	3.26%	1.04%	4.30%	90	0.72%	0.60%	1.32%
5	60-79.99	47	2.64%	0.59%	3.23%	92	1.76%	0.58%	2.34%
6	80-99.99	13	2.43%	0.61%	3.04%	112	1.55%	0.61%	2.16%
7	100-199.99	57	2.34%	0.42%	2.76%	409	1.77%	0.54%	2.31%
8	200-499.99	27	1.99%	0.19%	2.18%	170	1.79%	0.40%	2.19%
9	500 and up	3	2.00%	0.09%	2.09%	20	1.39%	0.25%	1.64%
10	Total/Average	211	2.92%	0.87%	3.79%	1,092	1.62%	0.62%	2.24%

[2] Inmoo Lee, Scott Lochhead, Jay Ritter, and Quanshui Zhao, "The Costs of Raising Capital," *Journal of Financial Research* Vol 19 No 1 (Spring 1996) pp. 59-74.

Notes:

Closed-end funds and unit offerings are excluded from the sample. Rights offerings for SEOs are also excluded. Bond offerings do not include securities backed by mortgages and issues by Federal agencies. Only firm commitment offerings and non-shelf-registered offerings are included.

Gross Spreads as a percentage of total proceeds, including management fee, underwriting fee, and selling concession.

Other Direct Expenses as a percentage of total proceeds, including management fee, underwriting fee, and selling concession.

Total Direct Costs as a percentage of total proceeds (total direct costs are the sum of gross spreads and other direct expenses).

Table 2
Direct Costs of Raising Capital 1990—1994
Utility versus Non-Utility Companies³

Equities

Line No.	Non-Utilities	IPOs			SEOs		
	Proceeds (\$ in millions)	No. of Issues	Gross Spreads	Total Direct Costs	No. Of Issues	Gross Spreads	Total Direct Costs
1	2-9.99	332	9.04%	16.97%	154	7.91%	13.76%
2	10-19.99	388	7.24%	11.64%	278	6.42%	9.01%
3	20-39.99	528	7.01%	9.70%	399	5.70%	7.07%
4	40-59.99	214	6.96%	8.71%	240	5.17%	6.02%
5	60-79.99	78	6.74%	8.21%	131	4.68%	5.31%
6	80-99.99	47	6.46%	7.88%	60	4.35%	4.84%
7	100-199.99	101	6.01%	7.01%	137	3.97%	4.36%
8	200-499.99	44	5.65%	6.49%	50	3.27%	3.48%
9	500 and up	10	5.21%	5.72%	8	3.12%	3.25%
10	Total/Average	1,742	7.31%	11.01%	1,457	5.57%	7.32%
11	Utilities Only						
12	2-9.99	5	9.40%	16.54%	13	5.41%	7.68%
13	10-19.99	1	7.00%	8.77%	32	4.59%	6.21%
14	20-39.99	5	7.00%	9.86%	26	4.17%	4.96%
15	40-59.99	1	6.98%	11.55%	21	3.69%	4.12%
16	60-79.99	1	6.50%	7.55%	12	3.39%	3.72%
17	80-99.99	4	6.57%	8.24%	11	3.68%	4.11%
18	100-199.99	5	6.45%	7.96%	15	2.83%	2.98%
19	200-499.99	3	5.88%	7.00%	5	3.19%	3.48%
20	500 and up	0			1	2.25%	2.31%
21	Total/Average	25	7.15%	10.14%	136	4.01%	4.92%

[3] Lee *et al*, *op. cit.*

Table 2 (continued)
Direct Costs of Raising Capital 1990—1994
Utility versus Non-Utility Companies⁴

Bonds							
Line No.	Non- Utilities Proceeds (\$ in millions)	Convertible Bonds			Straight Bonds		
		No. of Issues	Gross Spreads	Total Direct Costs	No. of Issues	Gross Spreads	Total Direct Costs
1	2-9.99	4	6.07%	8.75%	29	2.07%	4.53%
2	10-19.99	12	5.54%	8.65%	47	1.70%	3.28%
3	20-39.99	16	4.20%	6.23%	63	1.59%	2.52%
4	40-59.99	28	3.26%	4.30%	76	0.73%	1.37%
5	60-79.99	47	2.64%	3.23%	84	1.84%	2.44%
6	80-99.99	12	2.54%	3.19%	104	1.61%	2.25%
7	100-199.99	55	2.34%	2.77%	381	1.83%	2.38%
8	200-499.99	26	1.97%	2.16%	154	1.87%	2.27%
9	500 and up	3	2.00%	2.09%	19	1.28%	1.53%
10	Total/Average	203	2.90%	3.75%	957	1.70%	2.34%
11	Utilities Only						
12	2-9.99	0			3	2.00%	3.28%
13	10-19.99	2	5.13%	8.72%	31	0.86%	1.35%
14	20-39.99	2	3.88%	5.18%	26	1.40%	2.06%
15	40-59.99	0			14	0.63%	1.10%
16	60-79.99	0			8	0.87%	1.13%
17	80-99.99	1	1.13%	1.34%	8	0.71%	0.98%
18	100-199.99	2	2.50%	2.74%	28	1.06%	1.42%
19	200-499.99	1	2.50%	2.65%	16	1.00%	1.40%
20	500 and up	0			1	3.50%	na ⁵
21	Total/Average	8	3.33%	4.66%	135	1.04%	1.47%

Notes:

Total proceeds raised in the United States, excluding proceeds from the exercise of over allotment options.

Gross spreads as a percentage of total proceeds (including management fee, underwriting fee, and selling concession).

Other direct expenses as a percentage of total proceeds (including registration fee and printing, legal, and auditing costs).

[4] Lee *et al*, *op. cit.*

[5] Not available because of missing data on other direct expenses.

Table 3
Illustration of Patterson Approach to Flotation Cost Recovery

LINE NO.	TIME PERIOD	RATE BASE	EARNINGS @ 12.32%	EARNINGS @ 12.00%	DIVIDENDS	AMORTIZATION INITIAL FC
1	0	95.00				
2	1	100.70	11.70	11.40	6.00	0.3000
3	2	106.74	12.40	12.08	6.36	0.3180
4	3	113.15	13.15	12.81	6.74	0.3371
5	4	119.94	13.93	13.58	7.15	0.3573
6	5	127.13	14.77	14.39	7.57	0.3787
7	6	134.76	15.66	15.26	8.03	0.4015
8	7	142.84	16.60	16.17	8.51	0.4256
9	8	151.42	17.59	17.14	9.02	0.4511
10	9	160.50	18.65	18.17	9.56	0.4782
11	10	170.13	19.77	19.26	10.14	0.5068
12	11	180.34	20.95	20.42	10.75	0.5373
13	12	191.16	22.21	21.64	11.39	0.5695
14	13	202.63	23.54	22.94	12.07	0.6037
15	14	214.79	24.96	24.32	12.80	0.6399
16	15	227.67	26.45	25.77	13.57	0.6783
17	16	241.33	28.04	27.32	14.38	0.7190
18	17	255.81	29.72	28.96	15.24	0.7621
19	18	271.16	31.51	30.70	16.16	0.8078
20	19	287.43	33.40	32.54	17.13	0.8563
21	20	304.68	35.40	34.49	18.15	0.9077
22	21	322.96	37.52	36.56	19.24	0.9621
23	22	342.34	39.77	38.76	20.40	1.0199
24	23	362.88	42.16	41.08	21.62	1.0811
25	24	384.65	44.69	43.55	22.92	1.1459
26	25	407.73	47.37	46.16	24.29	1.2147
27	26	432.19	50.21	48.93	25.75	1.2876
28	27	458.12	53.23	51.86	27.30	1.3648
29	28	485.61	56.42	54.97	28.93	1.4467
30	29	514.75	59.81	58.27	30.67	1.5335
31	30	545.63	63.40	61.77	32.51	1.6255
32	Present Value@12%		195.00	190.00	100.00	5.00

APPENDIX 4
EX ANTE RISK PREMIUM APPROACH

My ex ante risk premium method is based on studies of the DCF expected return on proxy companies compared to the interest rate on Moody's A-rated utility bonds. Specifically, for each month in my study period, I calculate the risk premium using the equation,

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

where:

- RP_{PROXY} = the required risk premium on an equity investment in the proxy group of companies,
- DCF_{PROXY} = average DCF estimated cost of equity on a portfolio of proxy companies; and
- I_A = the yield to maturity on an investment in A-rated utility bonds.

For my ex ante risk premium analysis, I begin with my comparable group of natural gas companies. Previous studies have shown that the ex ante risk premium tends to vary inversely with the level of interest rates, that is, the risk premium tends to increase when interest rates decline, and decrease when interest rates go up. To test whether my studies also indicate that the ex ante risk premium varies inversely with the level of interest rates, I perform a regression analysis of the relationship between the ex ante risk premium and the yield to maturity on A-rated utility bonds, using the equation,

$$RP_{\text{PROXY}} = a + (b \times I_A) + e$$

where:

- RP_{PROXY} = risk premium on proxy company group;
- I_A = yield to maturity on A-rated utility bonds;
- e = a random residual; and
- a, b = coefficients estimated by the regression procedure.

Regression analysis assumes that the statistical residuals from the regression equation are random. My examination of the residuals reveals that there is a significant probability that the residuals are serially correlated (non-zero serial correlation indicates that the residual in one time period tends to be correlated with the residual in the previous time period). Therefore, I make adjustments to my data to correct for the possibility of serial correlation in the residuals.

The common procedure for dealing with serial correlation in the residuals is to estimate the regression coefficients in two steps. First, a multiple regression analysis is used to estimate the serial correlation coefficient, r . Second, the estimated serial correlation coefficient is used to transform the original variables into new variables whose serial correlation is approximately zero. The regression coefficients are then re-estimated using the transformed variables as inputs in the regression equation. Based on my knowledge of the statistical relationship between the yield to maturity on A-rated utility bonds and the required risk premium, my estimate of the ex ante risk premium on an investment in my proxy natural gas company group as compared to an investment in A-rated utility bonds is given by the equation:

$$RP_{\text{PROXY}} = 8.50 - 0.587 \times I_A$$

$$(14.82) \quad (-6.20) \text{ [6]}$$

Using a 5.74 percent forecasted yield to maturity on A-rated utility bonds at July 2018,⁷ the regression equation produces an ex ante risk premium based on the natural gas proxy group equal to 5.14 percent ($8.50 - .587 \times 5.74 = 5.14$).

To estimate the cost of equity using the ex ante risk premium method, one may add the estimated risk premium over the yield on A-rated utility bonds to the forecasted yield to maturity on A-rated utility bonds. As described above, my analyses produce an estimated risk premium over the yield on A-rated utility bonds equal to 5.14 percent. Adding an estimated risk premium of 5.14 percent to the 5.74 percent forecasted yield to maturity on A-rated utility bonds produces a cost of equity estimate of 10.9 percent using the ex ante risk premium method.

[6] The t-statistics are shown in parentheses.

[7] As described in my testimony, I obtain the expected yield to maturity on A-rated utility bonds, 5.74 percent, by averaging forecast data from Value Line Selection & Opinion (June 1, 2018) and the United States Energy Information Administration (EIA). Value Line Selection & Opinion (June 1, 2018) projects a AAA-rated Corporate bond yield equal to 4.8 percent. The average spread between A-rated utility bonds and Aaa-rated Corporate bonds is 40 basis points (A-rated utility, 4.27 percent, less Aaa-rated Corporate, 3.87 percent, equals 40 basis points). Adding 40 basis points to the 4.8 percent Value Line Aaa Corporate bond forecast equals a forecast yield of 5.2 percent for the A-rated utility bonds. The EIA forecasts an AA-rated utility bond yield equal to 6.11 percent. The spread between AA-rated utility and A-rated utility bonds is 17 basis points (4.27 percent less 4.10 percent). Adding 17 basis points to EIA's 6.11 percent AA-utility bond yield forecast equals a forecast yield for A-rated utility bonds equal to 6.3 percent. The average of the forecasts (5.2 percent using Value Line data and 6.3 percent using EIA data) is 5.7 percent.

APPENDIX 5
EX POST RISK PREMIUM APPROACH

Source

Stock price and yield information is obtained from Standard & Poor's Security Price publication. Standard & Poor's derives the stock dividend yield by dividing the aggregate cash dividends (based on the latest known annual rate) by the aggregate market value of the stocks in the group. The bond price information is obtained by calculating the present value of a bond due in thirty years with a \$4.00 coupon and a yield to maturity of a particular year's indicated Moody's A-rated utility bond yield. The values shown in the schedules are the January values of the respective indices.

Calculation of Stock and Bond Returns

Sample calculation of "Stock Return" column:

$$\text{Stock Return (2017)} = \left[\frac{\text{Stock Price (2018)} - \text{Stock Price (2017)} + \text{Dividend (2017)}}{\text{Stock Price (2017)}} \right]$$

where $\text{Dividend (2017)} = \text{Stock Price (2017)} \times \text{Stock Div. Yield (2017)}$

Sample calculation of "Bond Return" column:

$$\text{Bond Return (2017)} = \left[\frac{\text{Bond Price (2018)} - \text{Bond Price (2017)} + \text{Interest (2017)}}{\text{Bond Price (2017)}} \right]$$

where $\text{Interest} = \$4.00$.

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY)

)

CORPORATION FOR AN ADJUSTMENT)

Case No. 2018-00281

)

OF RATES AND TARIFF MODIFICATIONS)

TESTIMONY OF DANE A. WATSON, PE CDP

TABLE OF CONTENTS

I. POSITION AND QUALIFICATIONS 1

II. PURPOSE OF DIRECT TESTIMONY 3

III. KENTUCKY DIRECT GAS DEPRECIATION STUDY 5

IV. KENTUCKY MID-STATES GENERAL OFFICE DEPRECIATION STUDY 13

V. CONCLUSION..... 16

EXHIBITS:

Exhibit DAW-1 – Experience of Dane A. Watson

Exhibit DAW-2 – Atmos Energy Corporation - Kentucky Depreciation Rate Study at September 30, 2017

Exhibit DAW-3 – Atmos Energy Corporation - Kentucky Mid-States General Office Depreciation Rate Study at September 30, 2017

1 (1) assembling and analyzing historical and simulated data, (2) conducting field
2 reviews, (3) determining service life and net salvage estimates, (4) calculating annual
3 depreciation, (5) presenting recommended depreciation rates to utility management
4 for its consideration, and (6) supporting such rates before regulatory bodies.

5 My prior employment from 1985 to 2004 was with Texas Utilities (“TXU”).
6 During my tenure with TXU, I was responsible for, among other things, conducting
7 valuation and depreciation studies for the domestic TXU companies. During that
8 time, I served as Manager of Property Accounting Services and Records
9 Management in addition to my depreciation responsibilities.

10 I have twice been Chair of the Edison Electric Institute (“EEI”) Property
11 Accounting and Valuation Committee and have been Chairman of EEI’s
12 Depreciation and Economic Issues Subcommittee. I am a Registered Professional
13 Engineer (“PE”) in the State of Texas and a Certified Depreciation Professional. I
14 am a Senior Member of the Institute of Electrical and Electronics Engineers (“IEEE”)
15 and have held numerous offices on the Executive Board of the Dallas Section,
16 Region and worldwide offices of IEEE. I am also twice Past President of the Society
17 of Depreciation Professionals.

18 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY**
19 **COMMISSIONS?**

20 A. Yes. In my 33-year career, I have testified in more than 165 proceedings before
21 approximately 35 regulatory commissions across the United States. I have also
22 presented expert testimony before the Federal Energy Regulatory Commission

1 (“FERC”). A complete listing of my filed written testimony is provided in Exhibit
2 DAW-1.

3 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THE KENTUCKY**
4 **PUBLIC SERVICE COMMISSION?**

5 A. Yes. I provided written testimony on behalf of Atmos Energy in Case Nos. 2013-
6 00148, 2015-00343, and 2017-00349 Rebuttal.

7 **II. PURPOSE OF DIRECT TESTIMONY**

8 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**
9 **PROCEEDING?**

10 A. I sponsor and support the depreciation studies performed for Atmos Energy
11 Corporation - Kentucky (“Kentucky” or “Atmos Energy” or “Company”), and its
12 Kentucky Mid-States General Office (“KY Mid-States”). In that regard, I am
13 sponsoring the following Filing Requirements (“FR”):

14 FR 16(7)(s) Summary of latest depreciation study with schedules itemized
15 by major plant accounts.

16 **Q. ARE YOU SPONSORING ANY EXHIBITS IN THIS PROCEEDING?**

17 A. Yes. I am sponsoring the following exhibits:

- 18 • DAW-1 - List of Experience (Studies Performed, Filed Testimony and/or
19 Regulatory Appearances);
- 20 • DAW-2 - Atmos Energy Corporation - Kentucky Depreciation Rate Study at
21 September 30, 2017; and
- 22 • DAW-3 - Atmos Energy Corporation - Kentucky Mid-States General Office
23 Depreciation Rate Study at September 30, 2017.

1 **Q. WERE THESE EXHIBITS PREPARED BY YOU OR UNDER YOUR**
2 **SUPERVISION AND CONTROL?**

3 A. Yes.

4 **Q. PLEASE SUMMARIZE YOUR CONCLUSIONS.**

5 A. The Atmos Energy Kentucky and KY Mid-States depreciation studies and analyses
6 that I have performed support establishing depreciation rates at the level
7 recommended in my testimony. The Kentucky depreciation rate study is attached to
8 my testimony as Exhibit DAW-2. The Kentucky study shows that a decrease in the
9 annual depreciation expense for Atmos Energy's assets of approximately \$38
10 thousand per year is needed to ensure that the appropriate amount of depreciation
11 expense is collected by the Company. This amount was determined by comparing
12 the depreciation expense between the current rates and the proposed rates as shown
13 in Appendix B of Exhibit DAW-2. Changes in various accounts in the Distribution
14 Plant function are the drivers for the decrease. The KY Mid-States depreciation rate
15 study is attached as Exhibit DAW-3. Before allocation to the KY Mid-States rate
16 divisions, the KY Mid-States depreciation study results in an approximate \$2,600
17 annual increase in depreciation expense. The allocated impact of this increase to
18 Kentucky customers can be provided by Company Witness Greg Waller.

19 **Q. DO THE DEPRECIATION STUDIES YOU SPONSOR IN THIS CASE**
20 **REFLECT THE MOST CURRENT DATA AVAILABLE?**

21 A. Yes. The data used reflects the most recent experience and future expectations for
22 life and net salvage characteristics for assets in Atmos' Kentucky and KY Mid-States
23 depreciation studies as of September 30, 2017.

1 **III. KENTUCKY DIRECT GAS DEPRECIATION STUDY**

2 **Q. DID YOU PREPARE THE KENTUCKY DIRECT DEPRECIATION STUDY?**

3 A. Yes. The Atmos Kentucky Depreciation Study is attached to my testimony as Exhibit
4 DAW-2. The study in Exhibit DAW-2 analyzes the life and net salvage percentage
5 for Atmos Energy’s gas assets at September 30, 2017.

6 **Q. WHAT PROPERTY IS INCLUDED IN THE DEPRECIATION STUDY?**

7 A. There are four general classes, or functional groups, of depreciable property: Storage
8 Plant, Transmission Plant, Distribution Plant and General Plant property. The
9 Storage Plant functional group primarily consists of facilities that store natural gas
10 for use as needed. The Transmission Plant functional group primarily consists of
11 high and intermediate pressure transmission assets that deliver gas to various receipt
12 points or city gates. The Distribution Plant functional group primarily consists of
13 lines and associated facilities used to distribute and meter gas within the areas served
14 by Atmos Energy. General Plant property, both depreciated and amortized, is not
15 location specific but is used to support the overall distribution of gas to its customers.

16 **Q. WHAT DEFINITION OF DEPRECIATION HAVE YOU USED FOR THE**
17 **PURPOSES OF CONDUCTING A DEPRECIATION STUDY AND**
18 **PREPARING YOUR TESTIMONY?**

19 A. The term "depreciation," as used herein, is considered in the accounting sense; that
20 is, a system of accounting that distributes the cost of assets, less net salvage (if any),
21 over the estimated useful life of the assets in a systematic and rational manner.
22 Depreciation is a process of allocation, not valuation. Depreciation expense is
23 systematically allocated to accounting periods over the life of the properties. The

1 amount allocated to any one accounting period does not necessarily represent the loss
2 or decrease in value that will occur during that particular period. Thus, depreciation
3 is considered an expense or cost, rather than a loss or decrease in value. The
4 Company accrues depreciation based on the original cost of all property included in
5 each depreciable plant account. On retirement, the full cost of depreciable property,
6 less the net salvage amount, if any, is charged to the depreciation reserve.

7 **Q. PLEASE DESCRIBE YOUR DEPRECIATION STUDY APPROACH.**

8 A. I conducted the depreciation studies in four phases as shown in my Exhibits DAW-2
9 and DAW-3. The four phases are: Data Collection, Analysis, Evaluation, and
10 Calculation. During the initial phase of the study, I collected historical data to be
11 used in the analysis. After the data was assembled, I performed analyses to
12 determine the life and net salvage percentage for the different property groups being
13 studied. As part of this process, I conferred with field personnel, engineers, and
14 managers responsible for the installation, operation, and removal of the assets to gain
15 their input into the operation, maintenance, and salvage of the assets. The
16 information obtained from field personnel, engineers, and managerial personnel,
17 combined with the study results, was then evaluated to determine how the results of
18 the historical asset activity analysis, in conjunction with the Company's expected
19 future plans should be applied. Using all of these resources, I then calculated the
20 depreciation rate for each function.

21 **Q. WHAT DEPRECIATION METHODOLOGY DID YOU USE?**

22 A. The straight-line (method), Equal Life Group ("ELG") (procedure), and remaining-
23 life (technique) depreciation system were employed to calculate annual and accrued

1 depreciation in this study. This methodology is consistent with the existing approved
2 rates.

3 **Q. HOW ARE THE DEPRECIATION RATES DETERMINED USING THE ELG**
4 **PROCEDURE?**

5 A. In this system, the annual depreciation expense for each group is computed by
6 dividing the original cost of the asset less allocated depreciation reserve less
7 estimated net salvage by its respective equal life group remaining life. The resulting
8 annual accrual amounts of all depreciable property within a function were
9 accumulated, and the total was divided by the original cost of all functional
10 depreciable property to determine the depreciation rate. The calculated remaining
11 lives and annual depreciation accrual rates were based on attained ages of plant in
12 service and the estimated service life and salvage characteristics of each depreciable
13 group. The computations of the annual depreciation rates are shown in Appendix A
14 of my Exhibit DAW-2.

15 **Q. HAVE INDUSTRY AND DEPRECIATION EXPERTS DESCRIBED THE ELG**
16 **PROCEDURE AS A MORE THEORETICALLY CORRECT DEPRECIATION**
17 **PROCEDURE?**

18 A. Yes. The ELG procedure has been recognized as the more theoretically correct
19 depreciation procedure. This conclusion was first reached by Mr. Robley Winfrey
20 (who helped design the current depreciation system we use today) approximately 60
21 years ago. Specifically, Mr. Winfrey, the founding father of modern depreciation
22 systems, has stated that the ELG procedure is the “only mathematically correct
23 [depreciation] procedure.” Similarly, Dr. W. Chester Fitch and Dr. Frank K. Wolf

1 (who literally wrote the book on depreciation and trained many of the depreciation
2 professional working today, including myself), are also in agreement with Mr.
3 Winfrey on the validity of the ELG method. I would note again that a number of
4 regulatory commissions have approved the use of the ELG procedure, and this
5 Commission has consistently approved the use of ELG rates for Atmos Energy.

6 **Q. WHAT TIME PERIOD DID YOU USE TO DEVELOP THE PROPOSED**
7 **DEPRECIATION RATES?**

8 A. The account level depreciation rates were developed based on the depreciable
9 property recorded on the Company's books at September 30, 2017.

10 **Q. PLEASE SUMMARIZE THE DEPRECIATION STUDY RESULTS WITH**
11 **RESPECT TO DEPRECIATION RATES.**

12 A. Exhibit DAW-2, Appendix A shows the approved and proposed annual depreciation
13 rates and accrual for each account. Based on this comparison there is an overall
14 decrease in annual depreciation expense of \$38 thousand. This is comprised of a
15 decrease of approximately \$3 thousand for Storage Plant; a decrease of \$154
16 thousand for Transmission Plant; an increase of \$255 thousand for Distribution Plant;
17 and a decrease of \$136 thousand for General Plant (depreciated and amortized).

18 **Q. WHAT FACTORS INFLUENCE THE DEPRECIATION RATES FOR AN**
19 **ACCOUNT?**

20 A. The primary factors that influence the depreciation rate for an account are: (1) the
21 remaining investment to be recovered in the account, (2) the depreciable life of the
22 account, and (3) the net salvage for the account.

1 **Q. WHAT ARE THE PRIMARY FACTORS DRIVING THE DECREASE IN THE**
2 **KY DIRECT DEPRECIATION STUDY?**

3 A. Adjustments in life and net salvage factors for various accounts were recommended
4 as discussed later and in Exhibit DAW-2. The largest decrease in annual depreciation
5 expense is due to the changes in life for Transmission and Distribution Mains and
6 Distribution Services accounts. For Mains and Services, the Company has been in a
7 major pipe and service replacement program. While it is not yet complete, the life is
8 expected to increase over existing and is recognized in this study. The adjustments in
9 life impact the reserve position, which is also contributing to the change in each
10 function as described above.

11 **Q. WHAT METHOD DID YOU USE TO ANALYZE HISTORICAL DATA TO**
12 **DETERMINE LIFE CHARACTERISTICS?**

13 A. Accounts were analyzed using both the retirement rate method (actuarial method)
14 and simulated plant record balances analysis (SPR method) to estimate the life of
15 property. However, as the Company's aged database continues to be developed over
16 time, we are trying to move to using the actuarial method exclusively and confirming
17 results with the SPR analysis, when needed. In much the same manner as human
18 mortality is analyzed by actuaries, depreciation analysts use models of property
19 mortality characteristics that have been validated in research and empirical
20 applications. Further detail is found in the life analysis section of Exhibit DAW-2.

1 **Q. HOW DID YOU DETERMINE THE AVERAGE SERVICE LIVES FOR**
2 **EACH ASSET GROUP?**

3 A. The establishment of appropriate average service lives for each account was
4 determined by using the Actuarial and/or SPR analysis methods. Graphs illustrating
5 the chosen Iowa Curves used to determine the average service lives for analyzed
6 accounts are found in the Life Analysis section of my Exhibit DAW-2. A summary
7 of the depreciable life for each account is shown in Exhibit DAW-2, Appendix C.

8 **Q. PLEASE DESCRIBE SOME OF THE CHANGES IN THE AVERAGE**
9 **SERVICE LIVES FOR THE VARIOUS ACCOUNTS?**

10 A. The detailed analysis of each account is described fully in Exhibit DAW-2.
11 Examples of some of the changes in average service lives are:

- 12 • There were only three decreases in life and were in the General Plant
13 Function. Two of these accounts are technology based accounts, which had
14 lives that were too long for the assets and/or Atmos' current policy and
15 practices.
- 16 • The largest increases in life were 17, 15, and 13 years for Cushion Gas in
17 Storage; Mains in Distribution; and Mains in Transmission functions,
18 respectively. Also in the Storage Function, Accounts 35301 and 35302 -
19 Field Lines and Tributary Lines, each increased by 10 years to match the life
20 of Transmission Mains.
- 21 • There are 62 accounts of which 23 had no change, three had a decrease, and
22 36 had an increase in life.

1 **Q. WHAT IS NET SALVAGE?**

2 A. While discussed more fully in the study itself, net salvage is the difference between
3 the gross salvage (what the asset was sold for) and the removal cost (cost to remove
4 and dispose of the asset). Salvage and removal cost percentages are calculated by
5 dividing the current cost of salvage or removal by the original installed cost of the
6 asset. Some plant assets can experience significant negative removal cost
7 percentages due to the amount of removal cost and the timing of the addition versus
8 the retirement. For example, a Distribution asset in FERC Account 376.01 Steel
9 Mains with a current installed cost of \$500 (2017) would have had an installed cost
10 of \$15.40¹ in 1947. A removal cost of \$50 for the asset calculated (incorrectly) on
11 current installed cost would only have a negative 10 percent removal cost
12 (\$50/\$500). However, a correct removal cost calculation would show a negative 325
13 percent removal cost for that asset (\$50/\$15.40). Inflation from the time of
14 installation of the asset until the time of its removal must be taken into account in the
15 calculation of the removal cost percentage because the depreciation rate, which
16 includes the removal cost percentage, will be applied to the original installed cost of
17 assets.

18 **Q. HOW DID YOU DETERMINE THE NET SALVAGE PERCENTAGES FOR**
19 **EACH ASSET GROUP?**

20 A. Using the approach described above, the net salvage as a percent of retirements for
21 various bands (i.e. groupings of years such as the five-year or 10-year average) for
22 each account is shown in my Exhibit DAW-2 on Appendix D. The historical

¹ Using the Handy-Whitman Bulletin No. 187, G-2, line 44, $\$15.40 = \$500 \times 24/779$.

1 experience, input from company experts and judgment were used to select a net
2 salvage percentage that represents the future expectations for each account. Atmos
3 has implemented the results of the Time and Motion Study across all its jurisdictions,
4 the results of which would not yet be fully identifiable. However, when evaluating
5 net salvage for the accounts in the Time and Motion Studies, a conservative approach
6 was taken for net salvage recommendations.

7 **Q. CAN YOU EXPLAIN WHAT YOU MEAN BY A CONSERVATIVE**
8 **APPROACH?**

9 A. Yes. In some accounts, net salvage was trending towards a more negative indication.
10 Knowing there can be timing differences that occur in net salvage when there are
11 large replacement programs, as well as understanding the implementation of the
12 Time and Motion Studies would not yet be fully shown in the analysis, I chose to
13 retain the approved net salvage parameters for some accounts rather than follow the
14 trend seen in the last couple years.

15 **Q. PLEASE DESCRIBE SOME OF THE CHANGES IN THE NET SALVAGE**
16 **PERCENTAGES FOR THE VARIOUS ACCOUNTS?**

17 A. The detailed analysis of each account is described fully in Exhibit DAW-2.
18 Examples of some of the changes in net salvage are:

- 19 • The largest increase (i.e. less negative) was a 39 percent change for Account
20 38100 - Distribution Meters, which moved from a negative 50 percent to a
21 negative 11 percent. Account 38200 - Distribution Meter Installations moved
22 from a negative 50 percent to a negative 35 percent. There was a 4 percent
23 change (less negative) for all M&R accounts across Storage, Transmission,

1 and Distribution functions. There was a slight increase (less negative) in net
2 salvage for Services, a change from a negative 20 percent to negative 18
3 percent. Finally, the General Plant function also saw an increase in net
4 salvage for Account 396 Power Operated Equipment from 8 percent to 16
5 percent.

6 • The largest decrease (i.e. more negative or less positive) is in Account 383.00
7 and 384.00 - Distribution House Regulators and House Regulator Installation
8 moved from 0 percent to negative 35 percent, which is due to the combined
9 meter loop analysis. Account 354 Compressor Station Equipment also
10 changed from 0 percent to a negative 5 percent, based on historical
11 experience.

12 • Overall, 13 accounts experienced some level of increase (less negative) in net
13 salvage while 4 accounts experienced a decrease (more negative or less
14 positive) in net salvage, and 45 accounts remained unchanged.

15 **IV. KENTUCKY MID-STATES GENERAL OFFICE DEPRECIATION STUDY**

16 **Q. DID ALLIANCE PREPARE A 2017 DEPRECIATION STUDY FOR ATMOS**
17 **KENTUCKY MID-STATES GENERAL OFFICE?**

18 A. Yes. We have conducted a study as of September 30, 2017. The study
19 recommendations and results are attached to my direct testimony as Exhibit DAW-3.

20 **Q. ARE THE STEPS DESCRIBED ABOVE FOR THE KENTUCKY**
21 **DEPRECIATION STUDY THE SAME FOR THE KY MID-STATES**
22 **GENERAL OFFICE ASSETS?**

23 A. Yes. The same approach and methods were used.

1 **Q. WHAT PROPERTY IS INCLUDED IN THE KY MID-STATES GENERAL**
2 **OFFICE DEPRECIATION STUDY?**

3 A. For KY Mid-States General Office, there is one general class of depreciable property
4 which is related to general office activities. These assets include office buildings and
5 leasehold improvements, office furniture, communications equipment, transportation
6 equipment, computer software and hardware and other miscellaneous general office
7 assets.

8 **Q. WHAT TIME PERIOD WAS USED TO DEVELOP THE PROPOSED**
9 **DEPRECIATION RATES?**

10 A. The depreciation rates were developed based on the depreciable property recorded on
11 KY Mid-States General Office books at September 30, 2017.

12 **Q. WHAT ARE THE RESULTS OF THE KY MID-STATES GENERAL OFFICE**
13 **DEPRECIATION STUDY?**

14 A. The 2017 KY Mid-States General Office Depreciation Study is found in Exhibit
15 DAW-3. The proposed annual depreciation expense, before allocation, is
16 approximately \$51 thousand per year compared to the existing annual depreciation
17 expense of \$48 thousand per year or a slight increase of approximately \$3 thousand
18 per year. More details related to the study and results are found in Exhibit DAW-3.

19 **Q. WHAT ARE THE PRIMARY FORCES AFFECTING THE DEPRECIATION**
20 **RATES RECOMMENDED IN THIS STUDY?**

21 A. Generally, depreciation rates are affected by three separate factors - changes in
22 average service life, changes in net salvage, and the effect of reserve position. The
23 KY Mid-States General Office depreciation rates have all three of these affecting the

1 rates. Also, due to the age and/or reserve position of the assets, numerous accounts
2 are considered fully depreciated at this time.

3 **Q. DO YOU HAVE ANY GENERAL OBSERVATIONS REGARDING THE**
4 **RECOMMENDATIONS IN THE STUDY YOU WOULD LIKE TO EXPLAIN?**

5 A. Yes. The change in expense is related to technology-based assets, which generally
6 have shorter life expectations than gas operational assets. There are accounts that
7 are fully depreciated. For those accounts we provide a whole life rate, which can be
8 applied in the future. The proposed rates for all accounts are shown on Exhibit
9 DAW-3 Appendix A and Appendix B. A comparison of the mortality characteristics
10 (average service life, curve, salvage and cost of removal) for each account is shown
11 on Exhibit DAW-3 Appendix C. Accounts 390, 392 and 396 are the only accounts
12 experiencing or expected to incur any level of net salvage. Detailed discussions for
13 each account can be found in Exhibit DAW-3.

14 **Q. WHAT ASSETS WERE ANALYZED FOR THE 2017 KY MID-STATES**
15 **GENERAL OFFICE DEPRECIATION STUDY?**

16 A. The KY Mid-States General Office assets perform a common service to all of Atmos'
17 KY Mid-States Division, which includes its regulated utility operations across
18 multiple states, Kentucky being one of the states. The assets used to perform these
19 common services were analyzed during the depreciation study. As previously stated
20 these assets include, but are not limited to, office buildings, furniture and equipment,
21 communication equipment, and any computer hardware or software utilized to serve
22 general utility operations. The top largest investments in KY Mid-States General

1 Office are Application Software, Miscellaneous Equipment, and Structures &
2 Improvements.

3 **Q. WHAT DEPRECIATION RATES DOES THE COMPANY PROPOSE TO USE**
4 **FOR KY MID-STATES GENERAL OFFICE ASSETS?**

5 A. The Company proposes to utilize the depreciation rates recommended in my
6 depreciation study, which can be found in Exhibit DAW-3 on Appendix A and
7 Appendix B.

8 **Q. HAS ALLIANCE QUANTIFIED THE DEPRECIATION EXPENSE FOR KY**
9 **MID-STATES GENERAL OFFICE AS A RESULT OF THE DEPRECIATION**
10 **STUDY IT PERFORMED?**

11 A. Yes. Based on September 30, 2017 plant balances and before allocation, the
12 proposed annual depreciation expense related to KY Mid-States General Office is
13 approximately \$51 thousand. The individual account depreciation rates and resulting
14 annual depreciation expense can be found on Appendix A and Appendix B in Exhibit
15 DAW-3.

16 **V. CONCLUSION**

17 **Q. WHAT ACCOUNT DEPRECIATION RATES ARE YOU PROPOSING, AND**
18 **HOW DO THEY COMPARE WITH THE CURRENT RATES?**

19 A. The current depreciation rates and the rates I am now proposing related to Kentucky
20 are found in Appendix B of my Exhibit DAW-2. The proposed rates for KY Mid-
21 States General Office are in Appendix B of my Exhibit DAW-3. Detailed
22 calculations and comparisons of these rates are found in my studies, Exhibit DAW-2
23 and DAW-3.

1 Q. **MR. WATSON, DO YOU HAVE ANY CONCLUDING REMARKS?**

2 A. Yes. The depreciation studies and analysis performed under my supervision fully
3 support setting depreciation rates at the level I have indicated in my testimony. The
4 Company should continue to periodically review the annual depreciation rates for its
5 property. In this way, all customers are charged for their appropriate share of the
6 capital expended for their benefit. The depreciation studies for Atmos Energy's
7 Kentucky, and Kentucky Mid-States General Office property as of September 30,
8 2017 describes the extensive analysis performed and the resulting rates that are now
9 appropriate for Company property. The Company's depreciation rates should be set
10 at my recommended amounts in order to recover the Company's total investment in
11 property over the estimated remaining life of the assets.

12 Q. **DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

13 A. Yes, it does.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2018-00281
ATMOS ENERGY CORPORATION)

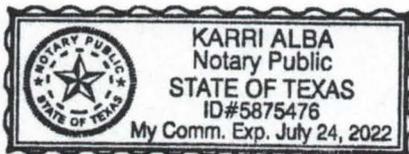
CERTIFICATE AND AFFIDAVIT

The Affiant, Dane A. Watson, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared direct testimony of this affiant in Case No. 2018-00281, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared direct pre-filed testimony.


Dane A. Watson

STATE OF TEXAS
COUNTY OF COLLIN

SUBSCRIBED AND SWORN to before me by Dane A. Watson on this the 24th day of September, 2018.




Notary Public
My Commission Expires: 7/24/22

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Alaska	Regulatory Commission of Alaska	U-18-054	Matanuska Electric Coop	2018	Electric Generation Depreciation Study
California	California Public Utilities Commission	A17-10-007	San Diego Gas and Electric	2018	Electric and Gas Depreciation Study
Texas	Public Utility Commission of Texas	48401	Texas New Mexico Power	2018	Electric Depreciation Study
Nevada	Public Utility Commission of Nevada	18-05031	Southwest Gas	2018	Gas Depreciation Study
Texas	Public Utility Commission of Texas	48231	Oncor Electric Delivery	2018	Depreciation Rates
Texas	Public Utility Commission of Texas	48371	Entergy Texas	2018	Electric Depreciation Study
Kansas	Kansas Corporation Commission	18-KCPE-480-RTS	Kansas City Power and Light	2018	Electric Depreciation Study
Arkansas	Arkansas Public Service Commission	18-027-U	Liberty Pine Bluff Water	2018	Water Depreciation Study
Kentucky	Kentucky Public Service Commission	2017-00349	Atmos KY	2018	Gas Depreciation Rates
Tennessee	Tennessee Public Utility Commission	18-00017	Chattanooga Gas	2018	Gas Depreciation Study
Texas	Railroad Commission of Texas	10679	Si Energy	2018	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-17-104	Anchorage Water and Wastewater	2017	Water and Waste Water Depreciation Study
Michigan	Michigan Public Service Commission	U-18488	Michigan Gas Utilities Corporation	2017	Gas Depreciation Study
Texas	Railroad Commission of Texas	10669	CenterPoint South Texas	2017	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	17-061-U	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Kansas	Kansas Corporation Commission	18-EPDE-184-PRE	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Oklahoma	Oklahoma Corporation Commission	PUD 201700471	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Missouri	Missouri Public Service Commission	EO-2018-0092	Empire District Electric Company	2017	Depreciation Rates for New Wind Generation
Michigan	Michigan Public Service Commission	U-18457	Upper Peninsula Power Company	2017	Electric Depreciation Study
Florida	Florida Public Service Commission	20170179-GU	Florida City Gas	2017	Gas Depreciation Study
Michigan	FERC	ER18-56-000	Consumers Energy	2017	Electric Depreciation Study
Missouri	Missouri Public Service Commission	GR-2018-0013	Liberty Utilites	2017	Gas Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Michigan	Michigan Public Service Commission	U-18452	SEMCO	2017	Gas Depreciation Study
Texas	Public Utility Commission of Texas	47527	SPS	2017	Electric Production Depreciation Study
MultiState	FERC	ER17-1664	American Transmission Company	2017	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-17-008	Municipal Power and Light City of Anchorage	2017	Generating Unit Depreciation Study
Mississippi	Mississippi Public Service Commission	2017-UN-041	Atmos Energy	2017	Gas Depreciation Study
Texas	Public Utility Commission of Texas	46957	Oncor Electric Delivery	2017	Electric Depreciation Study
Oklahoma	Oklahoma Corporation Commission	PUD 201700078	CenterPoint Oklahoma	2017	Gas Depreciation Study
New York	FERC	ER17-1010-000	New York Power Authority	2017	Electric Depreciation Study
Texas	Railroad Commission of Texas	GUD 10580	Atmos Pipeline Texas	2017	Gas Depreciation Study
Texas	Railroad Commission of Texas	GUD 10567	CenterPoint Texas	2016	Gas Depreciation Study
MultiState	FERC	ER17-191-000	American Transmission Company	2016	Electric Depreciation Study
New Jersey	New Jersey Public Utilities Board	GR16090826	Elizabethtown Natural Gas	2016	Gas Depreciation Study
North Carolina	North Carolina Utilities Commission	Docket G-9 Sub 77H	Piedmont Natural Gas	2016	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-18195	Consumers Energy/DTE Electric	2016	Ludington Pumped Storage Depreciation Study
Alabama	FERC	ER16-2313-000	SEGCO	2016	Electric Depreciation Study
Alabama	FERC	ER16-2312-000	Alabama Power Company	2016	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-18127	Consumers Energy	2016	Natural Gas Depreciation Study
Mississippi	Mississippi Public Service Commission	2016 UN 267	Willmut Natural Gas	2016	Natural Gas Depreciation Study
Iowa	Iowa Utilities Board	RPU-2016-0003	Liberty-Iowa	2016	Natural Gas Depreciation Study
Illinois	Illinois Commerce Commission	GRM #16-208	Liberty-Illinois	2016	Natural Gas Depreciation Study
Kentucky	FERC	RP16-097-000	KOT	2016	Natural Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-16-067	Alaska Electric Light and Power	2016	Generating Unit Depreciation Study
Florida	Florida Public Service Commission	160170-EI	Gulf Power	2016	Electric Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
California	California Public Utilities Commission	A 16-07-002	California American Water	2016	Water and Waste Water Depreciation Study
Arizona	Arizona Corporation Commission	G-01551A-16-0107	Southwest Gas	2016	Gas Depreciation Study
Texas	Public Utility Commission of Texas	45414	Sharyland	2016	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	16A-0231E	Public Service of Colorado	2016	Electric Depreciation Study
Multi-State NE US	FERC	16-453-000	Northeast Transmission Development, LLC	2015	Electric Depreciaton Study
Arkansas	Arkansas Public Service Commission	15-098-U	CenterPoint Arkansas	2015	Gas Depreciation Study and Cost of Removal Study
New Mexico	New Mexico Public Regulation Commission	15-00296-UT	SPS NM	2015	Electric Depreciation Study
Atmos Energy Corporation	Tennessee Regulatory Authority	14-00146	Atmos Tennessee	2015	Natural Gas Depreciation Study
New Mexico	New Mexico Public Regulation Commission	15-00261-UT	Public Service Company of New Mexico	2015	Electric Depreciation Study
Hawaii	NA	NA	Hawaii American Water	2015	Water/Wastewater Depreciation Study
Kansas	Kansas Corporation Commission	16-ATMG-079-RTS	Atmos Kansas	2015	Gas Depreciation Study
Texas	Public Utility Commission of Texas	44704	Entergy Texas	2015	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-15-089	Fairbanks Water and Wastewater	2015	Water and Waste Water Depreciation Study
Arkansas	Arkansas Public Service Commission	15-031-U	Source Gas Arkansas	2015	Underground Storage Gas Depreciation Study
New Mexico	New Mexico Public Regulation Commission	15-00139-UT	SPS NM	2015	Electric Depreciation Study
Texas	Public Utility Commission of Texas	44746	Wind Energy Transmission Texas	2015	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	15-AL-0299G	Atmos Colorado	2015	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	15-011-U	Source Gas Arkansas	2015	Gas Depreciation Study
Texas	Railroad Commission of Texas	GUD 10432	CenterPoint- Texas Coast Division	2015	Gas Depreciation Study
Kansas	Kansas Corporation Commission	15-KCPE-116-RTS	Kansas City Power and Light	2015	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-120	Alaska Electric Light and Power	2014-2015	Electric Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Texas	Public Utility Commission of Texas	43950	Cross Texas Transmission	2014	Electric Depreciation Study
New Mexico	New Mexico Public Regulation Commission	14-00332-UT	Public Service of New Mexico	2014	Electric Depreciation Study
Texas	Public Utility Commission of Texas	43695	Xcel Energy	2014	Electric Depreciation Study
Multi State – SE US	FERC	RP15-101	Florida Gas Transmission	2014	Gas Transmission Depreciation Study
California	California Public Utilities Commission	A.14-07-006	Golden State Water	2014	Water and Waste Water Depreciation Study
Michigan	Michigan Public Service Commission	U-17653	Consumers Energy Company	2014	Electric and Common Depreciation Study
Colorado	Public Utilities Commission of Colorado	14AL-0660E	Public Service of Colorado	2014	Electric Depreciation Study
Wisconsin	Wisconsin	05-DU-102	WE Energies	2014	Electric, Gas, Steam and Common Depreciation Studies
Texas	Public Utility Commission of Texas	42469	Lone Star Transmission	2014	Electric Depreciation Study
Nebraska	Nebraska Public Service Commission	NG-0079	Source Gas Nebraska	2014	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-055	TDX North Slope Generating	2014	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-054	Sand Point Generating LLC	2014	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-045	Matanuska Electric Coop	2014	Electric Generation Depreciation Study
Texas, New Mexico	Public Utility Commission of Texas	42004	Xcel Energy	2013-2014	Electric Production, Transmission, Distribution and General Plant Depreciation Study
New Jersey	Board of Public Utilities	GR13111137	South Jersey Gas	2013	Gas Depreciation Study
Various	FERC	RP14-247-000	Sea Robin	2013	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	13-078-U	Arkansas Oklahoma Gas	2013	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	13-079-U	Source Gas Arkansas	2013	Gas Depreciation Study
California	California Public Utilities Commission	Proceeding No.: A.13-11-003	Southern California Edison	2013	Electric Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
North Carolina/South Carolina	FERC	ER13-1313	Progress Energy Carolina	2013	Electric Depreciation Study
Wisconsin	Public Service Commission of Wisconsin	4220-DU-108	Northern States Power-Wisconsin	2013	Electric, Gas and Common Transmission, Distribution and General
Texas	Public Utility Commission of Texas	41474	Sharyland	2013	Electric Depreciation Study
Kentucky	Kentucky Public Service Commission	2013-00148	Atmos Energy Corporation	2013	Gas Depreciation Study
Minnesota	Minnesota Public Utilities Commission	13-252	Allete Minnesota Power	2013	Electric Depreciation Study
New Hampshire	New Hampshire Public Service Commission	DE 13-063	Liberty Utilities	2013	Electric Distribution and General
Texas	Railroad Commission of Texas	10235	West Texas Gas	2013	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-154	Alaska Telephone Company	2012	Telecommunications Utility
New Mexico	New Mexico Public Regulation Commission	12-00350-UT	SPS	2012	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	12AL-1269ST	Public Service of Colorado	2012	Gas and Steam Depreciation Study
Colorado	Colorado Public Utilities Commission	12AL-1268G	Public Service of Colorado	2012	Gas and Steam Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-149	Municipal Power and Light City of Anchorage	2012	Electric Depreciation Study
Texas	Texas Public Utility Commission	40824	Xcel Energy	2012	Electric Depreciation Study
South Carolina	Public Service Commission of South Carolina	Docket 2012-384-E	Progress Energy Carolina	2012	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-141	Interior Telephone Company	2012	Telecommunications Utility
Michigan	Michigan Public Service Commission	U-17104	Michigan Gas Utilities Corporation	2012	Gas Depreciation Study
North Carolina	North Carolina Utilities Commission	E-2 Sub 1025	Progress Energy Carolina	2012	Electric Depreciation Study
Texas	Texas Public Utility Commission	40606	Wind Energy Transmission Texas	2012	Electric Depreciation Study
Texas	Texas Public Utility Commission	40604	Cross Texas Transmission	2012	Electric Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Minnesota	Minnesota Public Utilities Commission	12-858	Minnesota Northern States Power	2012	Electric, Gas and Common Transmission, Distribution and General
Texas	Railroad Commission of Texas	10170	Atmos Mid-Tex	2012	Gas Depreciation Study
Texas	Railroad Commission of Texas	10174	Atmos West Texas	2012	Gas Depreciation Study
Texas	Railroad Commission of Texas	10182	CenterPoint Beaumont/ East Texas	2012	Gas Depreciation Study
Kansas	Kansas Corporation Commission	12-KCPE-764-RTS	Kansas City Power and Light	2012	Electric Depreciation Study
Nevada	Public Utility Commission of Nevada	12-04005	Southwest Gas	2012	Gas Depreciation Study
Texas	Railroad Commission of Texas	10147, 10170	Atmos Mid-Tex	2012	Gas Depreciation Study
Kansas	Kansas Corporation Commission	12-ATMG-564-RTS	Atmos Kansas	2012	Gas Depreciation Study
Texas	Texas Public Utility Commission	40020	Lone Star Transmission	2012	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-16938	Consumers Energy Company	2011	Gas Depreciation Study
Colorado	Public Utilities Commission of Colorado	11AL-947E	Public Service of Colorado	2011	Electric Depreciation Study
Texas	Texas Public Utility Commission	39896	Entergy Texas	2011	Electric Depreciation Study
MultiState	FERC	ER12-212	American Transmission Company	2011	Electric Depreciation Study
California	California Public Utilities Commission	A1011015	Southern California Edison	2011	Electric Depreciation Study
Mississippi	Mississippi Public Service Commission	2011-UN-184	Atmos Energy	2011	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-16536	Consumers Energy Company	2011	Wind Depreciation Rate Study
Texas	Public Utility Commission of Texas	38929	Oncor	2011	Electric Depreciation Study
Texas	Railroad Commission of Texas	10038	CenterPoint South TX	2010	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-10-070	Inside Passage Electric Cooperative	2010	Electric Depreciation Study
Texas	Public Utility Commission of Texas	36633	City Public Service of San Antonio	2010	Electric Depreciation Study
Texas	Texas Railroad Commission	10000	Atmos Pipeline Texas	2010	Gas Depreciation Study
Multi State – SE US	FERC	RP10-21-000	Florida Gas Transmission	2010	Gas Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Maine/ New Hampshire	FERC	10-896	Granite State Gas Transmission	2010	Gas Depreciation Study
Texas	Public Utility Commission of Texas	38480	Texas New Mexico Power	2010	Electric Depreciation Study
Texas	Public Utility Commission of Texas	38339	CenterPoint Electric	2010	Electric Depreciation Study
Texas	Texas Railroad Commission	10041	Atmos Amarillo	2010	Gas Depreciation Study
Georgia	Georgia Public Service Commission	31647	Atlanta Gas Light	2010	Gas Depreciation Study
Texas	Public Utility Commission of Texas	38147	Southwestern Public Service	2010	Electric Technical Update
Alaska	Regulatory Commission of Alaska	U-09-015	Alaska Electric Light and Power	2009-2010	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-10-043	Utility Services of Alaska	2009-2010	Water Depreciation Study
Michigan	Michigan Public Service Commission	U-16055	Consumers Energy/DTE Energy	2009-2010	Ludington Pumped Storage Depreciation Study
Michigan	Michigan Public Service Commission	U-16054	Consumers Energy	2009-2010	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-15963	Michigan Gas Utilities Corporation	2009	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-15989	Upper Peninsula Power Company	2009	Electric Depreciation Study
Texas	Railroad Commission of Texas	9869	Atmos Energy	2009	Shared Services Depreciation Study
Mississippi	Mississippi Public Service Commission	09-UN-334	CenterPoint Energy Mississippi	2009	Gas Depreciation Study
Texas	Railroad Commission of Texas	9902	CenterPoint Energy Houston	2009	Gas Depreciation Study
Colorado	Colorado Public Utilities Commission	09AL-299E	Public Service of Colorado	2009	Electric Depreciation Study
Tennessee	Tennessee Regulatory Authority	11-00144	Piedmont Natural Gas	2009	Gas Depreciation Study
Louisiana	Louisiana Public Service Commission	U-30689	Cleco	2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	35763	SPS	2008	Electric Production, Transmission, Distribution and General Plant Depreciation Study
Wisconsin	Wisconsin	05-DU-101	WE Energies	2008	Electric, Gas, Steam and Common Depreciation Studies
North Dakota	North Dakota Public Service Commission	PU-07-776	Northern States Power	2008	Net Salvage

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
New Mexico	New Mexico Public Regulation Commission	07-00319-UT	SPS	2008	Testimony – Depreciation
Multiple States	Railroad Commission of Texas	9762	Atmos Energy	2007-2008	Shared Services Depreciation Study
Minnesota	Minnesota Public Utilities Commission	E015/D-08-422	Minnesota Power	2007-2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	35717	Oncor	2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	34040	Oncor	2007	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-15629	Consumers Energy	2006-2009	Gas Depreciation Study
Colorado	Colorado Public Utilities Commission	06-234-EG	Public Service of Colorado	2006	Electric Depreciation Study
Arkansas	Arkansas Public Service Commission	06-161-U	CenterPoint Energy – Arkla Gas	2006	Gas Distribution Depreciation Study and Removal Cost Study
Texas, New Mexico	Public Utility Commission of Texas	32766	Xcel Energy	2005-2006	Electric Production, Transmission, Distribution and General Plant Depreciation Study
Texas	Railroad Commission of Texas	9670/9676	Atmos Energy Corp	2005-2006	Gas Distribution Depreciation Study

ATMOS ENERGY CORPORATION KENTUCKY PROPERTIES

DEPRECIATION RATE STUDY

As of September 30, 2017



<http://www.utilityalliance.com>

ATMOS ENERGY CORPORATION
KENTUCKY PROPERTIES
DEPRECIATION RATE STUDY
EXECUTIVE SUMMARY

Atmos Energy Corporation (“Atmos” or “Company”) engaged Alliance Consulting Group to conduct a depreciation study of the Company’s Kentucky Properties (“Kentucky”) natural gas operations depreciable assets as of fiscal year end September 30, 2017.

The existing depreciation rates were based on the straight-line method, equal life group (“ELG”) procedure, and remaining-life technique and the same method, procedure and technique are retained in this study. This study recommends a decrease of approximately \$38 thousand in annual depreciation expense when compared to the depreciation rates currently in effect. Life estimates showed the following changes: 35 accounts have an increase in life; three accounts have a decrease in life, and 23 accounts remain unchanged. Net salvage showed the following changes: 13 accounts have a decrease in net salvage (more negative or less positive), four accounts have an increase in net salvage (more positive or less negative), and 45 accounts remain unchanged.

The depreciation study we conducted analyzed and developed depreciation recommendations at an account level resulting in annual depreciation accrual amounts and depreciation rates at that level. The depreciation study also reflects the continuation of Vintage Group Amortization for certain General Plant accounts. Appendix B demonstrates the change in depreciation expense.

ATMOS ENERGY CORPORATION
KENTUCKY PROPERTIES
DEPRECIATION RATE STUDY
As of September 30, 2017
Table of Contents

PURPOSE	4
STUDY RESULTS	5
GENERAL DISCUSSION	6
DEFINITION	6
BASIS OF DEPRECIATION ESTIMATES	6
SURVIVOR CURVES	7
ACTUARIAL ANALYSIS	10
SIMULATED PLANT RECORD PROCEDURE (“SPR”)	11
JUDGMENT	13
EQUAL LIFE GROUP DEPRECIATION	14
THEORETICAL DEPRECIATION RESERVE	15
DETAILED DISCUSSION	16
DEPRECIATION STUDY PROCESS	16
DEPRECIATION RATE CALCULATION	19
REMAINING LIFE CALCULATION	19
CALCULATION PROCESS	19
LIFE ANALYSIS	21
SALVAGE ANALYSIS	59
SALVAGE CHARACTERISTICS	60
APPENDIX A - CALCULATION OF EQUAL LIFE GROUP DEPRECIATION RATES	73
APPENDIX B - COMPARISON OF DEPRECIATION RATES	77
APPENDIX C – COMPARISON OF MORTALITY CHARACTERISTICS	81
APPENDIX D - NET SALVAGE	85

PURPOSE

The purpose of this study is to develop depreciation rates for the depreciable property as recorded on Atmos Kentucky books at September 30, 2017. The account based depreciation rates were designed to recover the total remaining undepreciated investment, adjusted for net salvage, over the remaining life of Atmos' property on a straight-line basis. Non-depreciable property and property which is amortized such as intangible assets were excluded from this study.

Atmos Energy provides local gas distribution service to over 180,000 customers in Kentucky. Its assets currently consists of various storage, transmission, and distribution plant, including approximately 2,400 miles of steel and 1,600 miles of plastic gas distribution mains, located across the service area. It has a number of receipt points or city gates, throughout the system where gas enters the distribution system and is then delivered to customers for burner tip consumption.

STUDY RESULTS

The existing and current study of annual depreciation expense results from the use of Iowa Curve dispersion patterns with the straight-line method, equal life group (“ELG”) procedure and remaining-life technique, and consideration of net salvage in the development of the study recommended depreciation rates. Detailed information for each of these factors will follow in this report.

Overall depreciation rates for Kentucky depreciable property are shown in Appendix A and B. The recommended rates translate into an annual depreciation accrual of approximately \$18.358 million based on Kentucky’s depreciable investment at September 30, 2017. The annual equivalent depreciation expense calculated by the same method using the currently approved rates was \$18.396 million. An increase in depreciation expense for the Distribution function was offset by decreases in the Storage, Transmission, and General plant functions, resulting in a slight decrease in overall depreciation expense of \$38 thousand.

Consistent with the prior study and FERC Rule AR-15, this depreciation study continues the use of Vintage Group Amortization in Accounts 391 through 399, excluding 392 and 396 accounts. This approach provides for the timely retirement of assets, at the end of the amortized life property will be retired from the books and simplifies accounting for general property.

Appendix A presents development of the depreciation rates and annual accruals. Appendix B presents a comparison of the composite existing rates versus the recommended study rates. Appendix C presents the mortality and net salvage parameters by account. Appendix D shows the net salvage analysis by plant account.

GENERAL DISCUSSION

Definition

The term "depreciation" as used in this study is considered in the accounting sense, that is, a system of accounting that distributes the cost of assets, less net salvage (if any), over the estimated useful life of the assets in a systematic and rational manner. It is a process of allocation, not valuation. This expense is systematically allocated to accounting periods over the life of the properties. The amount allocated to any one accounting period does not necessarily represent the loss or decrease in value that will occur during that particular period. The Company accrues depreciation on the basis of the original cost of all depreciable property included in each functional property group. On retirement the full cost of depreciable property, less the net salvage value, is charged to the depreciation reserve.

Basis of Depreciation Estimates

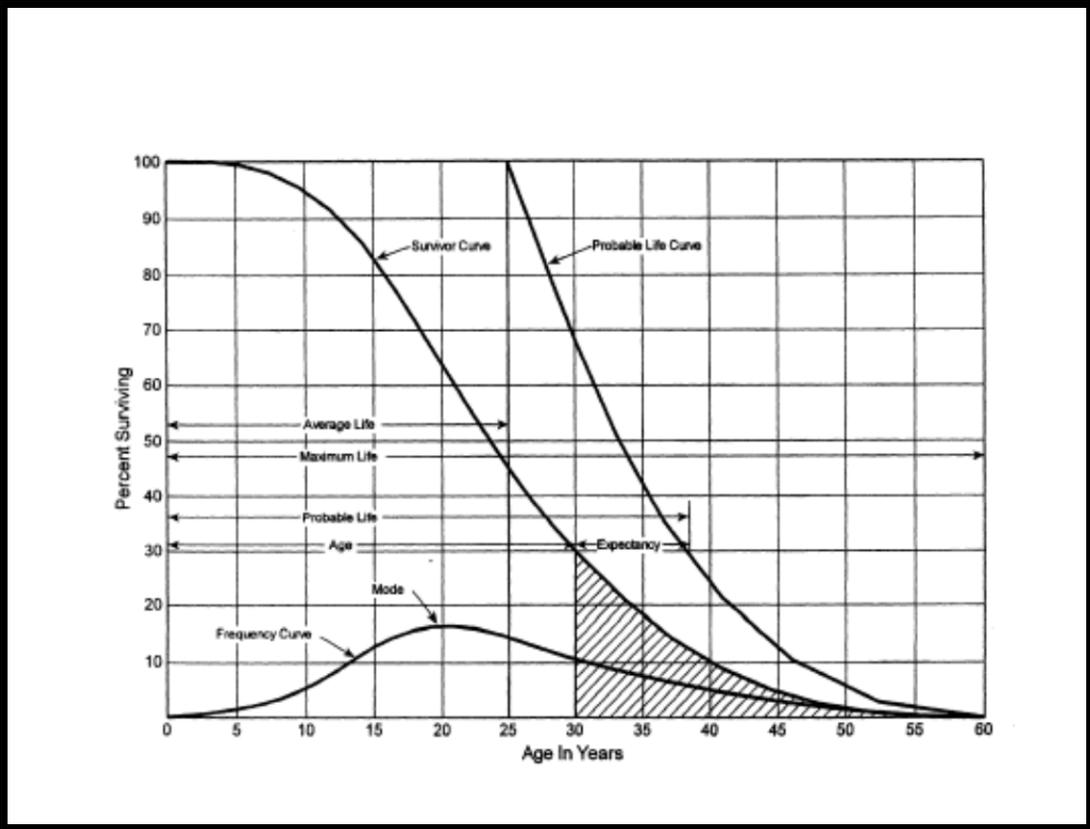
The straight-line, equal life group, remaining-life depreciation system was employed to calculate annual and accrued depreciation in this study. In this system, the annual depreciation expense for each group is computed by dividing the original cost of the asset, less allocated depreciation reserve, less estimated net salvage, by its respective equal life group remaining lives. The resulting annual accrual amounts of all depreciable property within an account were accumulated, and the total was divided by the original cost of assets in the account to determine the depreciation rate. The calculated remaining lives and annual depreciation accrual rates were based on attained ages of plant in service and the estimated service life and salvage characteristics of each depreciable group. The computations of the annual depreciation rates are shown in Appendix B and in the study workpapers.

Two life estimation approaches were incorporated into the life analyses. Both Simulated Plant Record (SPR) analysis and Actuarial Analysis are commonly used mortality analysis techniques for gas utility property. Historically, Atmos has used the SPR analysis, but has been developing its actuarial

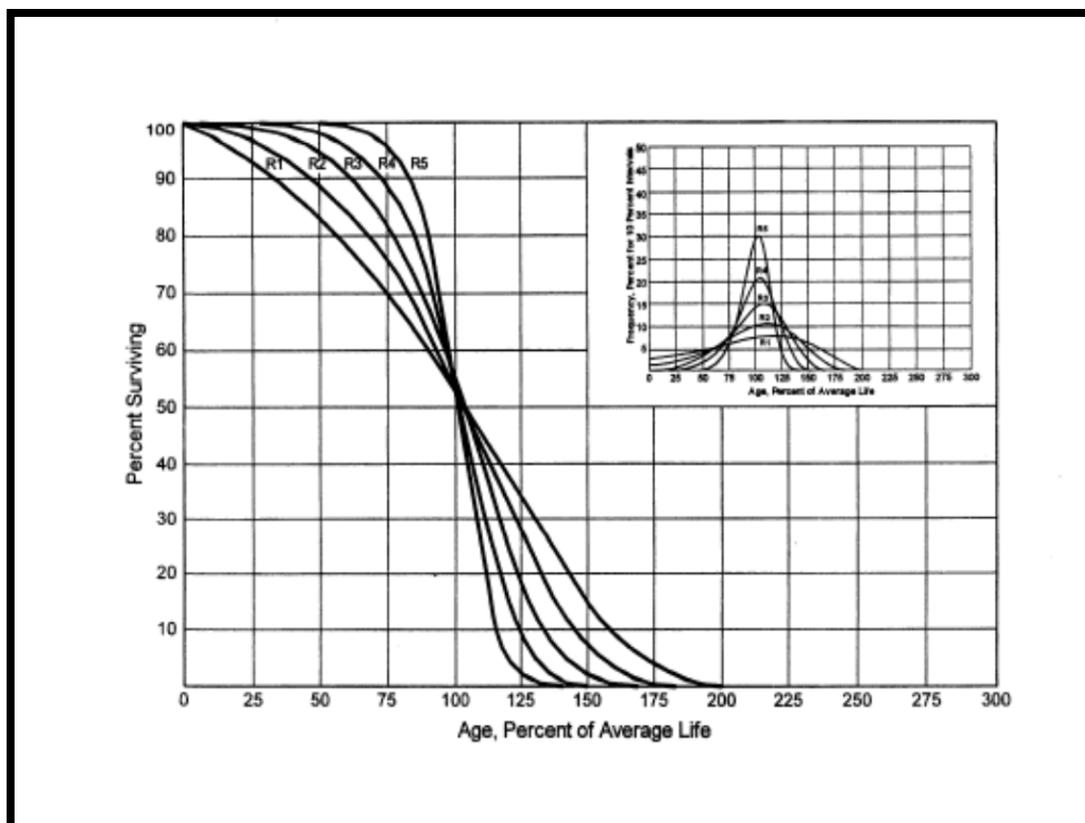
database so the actuarial analysis was performed and relied upon. However, the SPR analysis was also run to benchmark life indications. For the accounts the experience bands varied depending on the amount of data. Judgment was used to a greater or lesser degree on all accounts. Each approach is more fully described in a later section.

Survivor Curves

To fully understand depreciation projections in a regulated utility setting, there must be a basic understanding of survivor curves. Individual property units within a group do not normally have identical lives or investment amounts. The average life of a group can be determined by first constructing a survivor curve which is plotted as a percentage of the units surviving at each age. A survivor curve represents the percentage of property remaining in service at various age intervals. The Iowa Curves are the result of an extensive investigation of life characteristics of physical property made at Iowa State College Engineering Experiment Station in the first half of the prior century. Through common usage, revalidation and regulatory acceptance, these curves have become a descriptive standard for the life characteristics of industrial property. An example of an Iowa Curve is shown below.



There are four families in the Iowa Curves that are distinguished by the relation of the age at the retirement mode (largest annual retirement frequency) and the average life. For distributions with the mode age greater than the average life, an "R" designation (i.e., Right modal) is used. The family of "R" moded curves is shown below.



Similarly, an "S" designation (i.e., Symmetric modal) is used for the family whose mode age is symmetric about the average life. An "L" designation (i.e., Left modal) is used for the family whose mode age is less than the average life. A special case of left modal dispersion is the "O" or origin modal curve family. Within each curve family, numerical designations are used to describe the relative magnitude of the retirement frequencies at the mode. A "6" indicates that the retirements are not greatly dispersed from the mode (i.e., high mode frequency) while a "1" indicates a large dispersion about the mode (i.e., low mode frequency). For example, a curve with an average life of 30 years and an "L3" dispersion is a moderately dispersed, left modal curve that can be designated as a 30 L3 Curve. An SQ, or square, survivor curve occurs where no dispersion is present (i.e., units of common age retire simultaneously).

Most property groups can be closely fitted to one Iowa Curve with a unique average service life. The blending of judgment concerning current conditions and future trends along with the matching of historical data permits the

depreciation analyst to make an informed selection of an account's average life and retirement dispersion pattern.

Actuarial Analysis

Actuarial analysis (retirement rate method) was used in evaluating historical asset retirement experience where vintage data were available and sufficient retirement activity was present. In actuarial analysis, interval exposures (total property subject to retirement at the beginning of the age interval, regardless of vintage) and age interval retirements are calculated. The complement of the ratio of interval retirements to interval exposures establishes a survivor ratio. The survivor ratio is the fraction of property surviving to the end of the selected age interval, given that it has survived to the beginning of that age interval. Survivor ratios for all of the available age intervals were chained by successive multiplications to establish a series of survivor factors, collectively known as an observed life table. The observed life table shows the experienced mortality characteristic of the account and may be compared to standard mortality curves such as the Iowa Curves. Consistent with the prior study some accounts were analyzed using this method. Placement bands were used to illustrate the composite history over a specific era, and experience bands were used to focus on retirement history for all vintages during a set period. Matching data in observed life tables for each experience and placement band to an Iowa Curve requires visual examination. As stated in Depreciation Systems by Wolf and Fitch, “the analyst must decide which points or sections of the curve should be given the most weight. Points at the end of the curve are often based on fewer exposures and may be given less weight than those points based on larger samples” (page 46). Some analysts chose to use mathematical fitting as a tool to narrow the population of curves using a least squares technique. Use of the least squares approach does not imply a statistical validity, however, because the underlying data does not meet criteria for independence between vintages and the same average price for property units through time. Thus, Depreciation Systems cautions, “... the results of mathematical fitting should be checked

visually and the final determination of best fit made by the analyst” (page 48). This study uses the visual matching approach to match Iowa Curves, since mathematical fitting produces theoretically possible curve matches. Visual examination and experienced judgment allow the depreciation professional to make the final determination as to the best curve type. Detailed information for each account is shown later in this study and in workpapers.

Simulated Plant Record Procedure (“SPR”)

The SPR - Balances approach is one of the commonly accepted approaches to analyze mortality characteristics of utility property. SPR was also run on the accounts, where feasible, to confirm the actuarial results. In this method, an Iowa Curve and average service life are selected as a starting point of the analysis and its survivor factors are applied to the actual annual additions to give a sequence of annual balance totals. These simulated balances are compared with the actual balances by using both graphical and statistical analysis. Through multiple comparisons, the mortality characteristics (as defined by an average life and Iowa Curve) that are the best match to the property in the account can be found.

The Conformance Index (CI) is one measure used to evaluate SPR analyses. CIs are also used to evaluate the "goodness of fit" between the actual data and the Iowa Curve being referenced. The sum of squares difference (SSD) is a summation of the difference between the calculated balances and the actual balances for the band or test year being analyzed. This difference is squared and then summed to arrive at the SSD, where n is the number of years in the test band.

$$SSD = \sum_i^n (Calculated\ Balance_i - Observed\ Balance_i)^2$$

This calculation can then be used to develop other calculations, which the analyst feels might give a better indication for the “goodness of fit” for the representative curve under consideration. The residual measure (RM) is the

square root of the average squared differences as developed above. The residual measure is calculated as follows:

$$RM = \sqrt{\left(\frac{SSD}{n} \right)}$$

The conformance index (CI) is developed from the residual measure and the average observed plant balances for the band or test year being analyzed. The calculation of conformance index is shown below:

$$CI = \frac{\sum_i^n Balances_i / n}{RM}$$

The retirement experience index (REI) gives an indication of the maturity of the account and is the percent of the property retired from the oldest vintage in the band at the end of the test year. Retirement indices range from 0 percent to 100 percent and a REI of 100 percent indicates that a complete curve was used. A retirement index less than 100 percent indicates that the survivor curve was truncated at that point. The originator of the SPR method, Alex Bauhan, suggests ranges of value for the CI and REI. The relationship for CI proposed by Bauhan is shown below¹:

CI	Value
Over 75	Excellent
50 to 75	Good
25 to 50	Fair
Under 25	Poor

The relationship for REI proposed by Bauhan² is shown below:

REI	Value
Over 75	Excellent
50 to 75	Good
33 to 50	Fair
17 to 33	Poor
17 and below	Valueless

¹ Public Utility Depreciation Practices, p. 96.

² Public Utility Depreciation Practices, p. 97.

Depreciation analysts have used these measures in analyzing SPR results for nearly 60 years, since the SPR method was developed. Both the CI and REI statistics provide the analyst with important information with which to make a comparison between a band of simulated or calculated balances and the observed or actual balances in the account being studied. It is important to understand that observing the pattern of best-fitting curves over various bands, as well as considering other company and asset-specific information, is important in the ultimate decision for the most appropriate live and curve combination that will reflect future retirements of each account.

Statistics are useful in analyzing mortality characteristics of accounts, as well as determining a range of service lives to be analyzed using the detailed graphical method. However, these statistics boil all the information down to one, or at most, a few numbers for comparison. Visual matching through comparison between actual and calculated balances expands the analysis by permitting the analyst to view many points of data at a time. The goodness of fit should be visually compared to plots of other Iowa Curve dispersions and average lives for the selection of the appropriate curve and life. Detailed information for each account is shown later in this study and in workpapers.

Judgment

Any depreciation study requires informed judgment by the analyst conducting the study. A knowledge of the property being studied, company policies and procedures, general trends in technology and industry practice, and a sound basis of understanding depreciation theory are needed to apply this informed judgment. Judgment was used in areas such as survivor curve modeling and selection, depreciation method selection, simulated plant record method analysis, and actuarial analysis.

Judgment is not defined as being used in cases where there are specific, significant pieces of information that influence the choice of a life or curve. Those cases would simply be a reflection of specific facts into the analysis. Where there are multiple factors, activities, actions, property characteristics,

statistical inconsistencies, implications of applying certain curves, property mix in accounts or a multitude of other considerations that impact the analysis (potentially in various directions), judgment is used to take all of these factors and synthesize them into a general direction or understanding of the characteristics of the property. In these cases, it is rare for one factor to individually have a, substantial impact on the analysis. However, individual factors may shed light on the utilization and characteristics of assets. Judgment may also be defined as deduction, inference, wisdom, common sense, or the ability to make sensible decisions. There is no single correct result from statistical analysis; hence, there is no answer absent judgment. At the very least for example, any analysis requires choosing upon which bands to place more emphasis.

The establishment of appropriate average service lives and retirement dispersions for the Storage, Transmission, Distribution and General accounts requires judgment to incorporate the understanding of the operation of the system with the available accounting information analyzed using the SPR balance and actuarial methods. The appropriateness of lives and curves depends not only on statistical analyses, but also on how well future retirement patterns will match past retirements.

Current applications and trends in use of the equipment also need to be factored into life and survivor curve choices in order for appropriate mortality characteristics to be chosen.

Equal Life Group Depreciation

Atmos continues to support the use of the ELG depreciation procedure for its Kentucky property. In addition to being approved by this Commission for the Company's currently authorized rates, the Kentucky Public Service Commission has repeatedly approved the use of ELG for Atmos. This study uses the ELG depreciation procedure to group the assets within each account. After an average service life and dispersion were selected for each account, those parameters were used to estimate what portion of the surviving investment of

each vintage was expected to retire. The depreciation of the group continues until all investment in the vintage group is retired. ELG groups are defined by their respective account dispersion, life, and net salvage estimates. A straight-line rate for each ELG group is computed and accumulated across each vintage. The resulting rate for each ELG group is designed to recover all retirements less net salvage as each vintage retires. The ELG procedure recovers net book cost over the life of each ELG group rather than averaging many components. It also closely matches the concept of component or item accounting found in all accounting textbooks.

Theoretical Depreciation Reserve

The Company's book depreciation reserves were reallocated within each function by plant account based on the theoretical reserves for each account. This study used a reserve model that relied on a prospective concept relating future retirement and accrual patterns for property, given current life and salvage estimates. The theoretical reserve of a group is developed from the estimated remaining life, total life of the property group, and estimated net salvage. The theoretical reserve represents the portion of the group cost that would have been accrued if current forecasts were used throughout the life of the group for future depreciation accruals. The computation involves multiplying the vintage balances within the group by the theoretical reserve ratio for each vintage. The equal life group method requires an estimate of dispersion and service life to establish how much of each vintage is expected to be retired in each year until all property within the vintage is retired. Estimated average service lives and dispersion determine the amount within each equal life group. The equal life group-remaining-life theoretical reserve ratio (RRELG) is calculated as:

$$RRELG = 1 - \frac{(ELG \text{ Remaining Life})}{(ELG \text{ Life})} * (1 - \text{Net Salvage Ratio})$$

DETAILED DISCUSSION

Depreciation Study Process

This depreciation study encompassed four distinct phases. The first phase involved data collection and field interviews. The second phase was where the initial data analysis occurred. The third phase was where the information and analysis was evaluated. Once the first three stages were complete, the fourth phase began. This phase involved the calculation of depreciation rates and documenting the corresponding recommendations.

During the Phase I data collection process, historical data was compiled from continuing property records and general ledger systems. Data was validated for accuracy by extracting and comparing to multiple financial system sources. Audit of this data was validated against historical data from prior periods, historical general ledger sources, and field personnel discussions. This data was reviewed extensively to put in the proper format for a depreciation study. Further discussion on data review and adjustment is found in the Salvage Considerations Section of this study. Also as part of the Phase I data collection process, numerous discussions were conducted with engineers and field operations personnel to obtain information that would assist in formulating life and salvage recommendations in this study. One of the most important elements of performing a proper depreciation study is to understand how the Company utilizes assets and the environment of those assets. Interviews with engineering and operations personnel are important ways to allow the analyst to obtain information that is beneficial when evaluating the output from the life and net salvage programs in relation to the Company's actual asset utilization and environment. Information that was gleaned in these discussions is found both in the Detailed Discussion of this study in the life analysis section, the salvage analysis section, and also in workpapers.

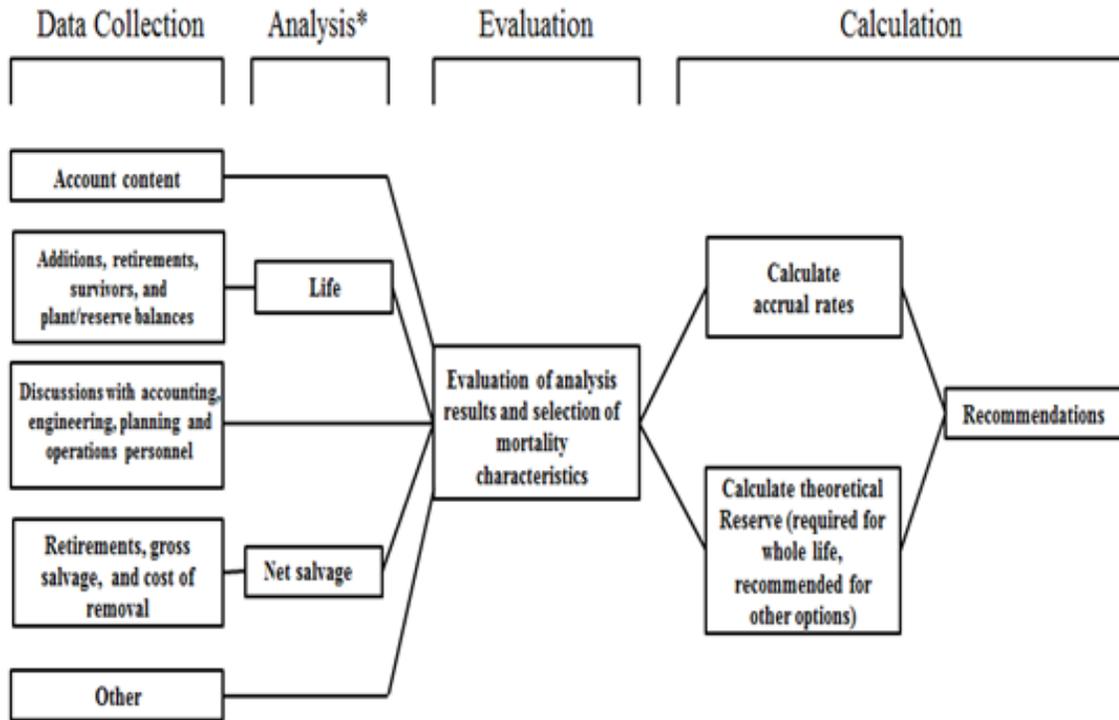
Phase 2 was where the actuarial and SPR analysis was performed. Phase 2 and 3 overlap to a significant degree. The detailed property records information is used in phase 2 to develop observed life tables for life analysis. These tables were visually compared to industry standard tables to determine historical life characteristics. It is possible that the analyst would cycle back to this phase based on the evaluation process performed in phase 3. Net salvage analysis consists of compiling historical salvage and removal data by functional group to determine values and trends in gross salvage and removal cost. This information was then carried forward into phase 3 for the evaluation process.

Phase 3 was the evaluation process which synthesized analysis, interviews, and operational characteristics into a final selection of asset lives and net salvage parameters. The historical analysis from phase 2 was further enhanced by the incorporation of recent or future changes in the characteristics or operations of assets that were revealed in phase 1. Phases 2 and 3 allowed the depreciation analyst to validate the asset characteristics as seen in the accounting transactions with actual Company operational experience.

Finally, Phase 4 involved the calculation of accrual rates, making recommendations and documenting the conclusions in the final report. The calculation of accrual rates is found in Appendix A. Recommendations for the various accounts are contained within the Detailed Discussion of this report. The depreciation study flow diagram shown as Figure 1³ documents the steps used in conducting this study. Depreciation Systems, page 289 documents the same basic processes in performing a depreciation study which are: Statistical analysis, evaluation of statistical analysis, discussions with management, forecast assumptions, write logic supporting forecasts and estimation, and write final report.

³ Public Utility Finance & Accounting, A Reader

Book Depreciation Study Flow Diagram



Source: Introduction to Depreciation for Public Utilities and Other Industries, AGA EEI, 2013.

*Although not specifically noted, the mathematical analysis may need some level of input from other sources (for example, to determine analysis bands for life and adjustments to data used in all analysis).

Figure 1

KENTUCKY DEPRECIATION STUDY PROCESS

Depreciation Rate Calculation

Annual depreciation expense amounts for the depreciable accounts of the Company were calculated by the straight line, equal life group, remaining life depreciation system. With this approach, remaining lives were calculated according to standard ELG group expectancy techniques, using the Iowa Survivor Curves noted in the calculation. For each plant account, the difference between the surviving investment, adjusted for estimated net salvage, and the allocated book depreciation reserve, was divided by the average remaining life to yield the annual depreciation expense. These calculations are shown in Appendix A.

Remaining Life Calculation

The establishment of appropriate average service lives and retirement dispersions for each account within a functional group was based on engineering judgment that incorporated available accounting information analyzed using the retirement rate actuarial and the SPR methods. After establishment of appropriate average service lives and retirement dispersion, remaining life was computed for each account. Theoretical depreciation reserve with zero net salvage was calculated using theoretical reserve ratios as defined in the theoretical reserve portion of the General Discussion section. The difference between plant balance and theoretical reserve was then spread over the ELG depreciation accruals. Remaining life is shown for each account in Appendix A.

Calculation Process

Annual depreciation expense amounts for all accounts were calculated by the straight line method, remaining life technique.

In a whole life representation, the annual accrual rate is computed by the following equation,

$$\text{Annual Accrual Rate} = \frac{(100\% - \text{Net Salvage Percent})}{\text{Average Service Life}}$$

Use of the remaining life depreciation technique adds a self-correcting mechanism, which accounts for any differences between theoretical and book depreciation reserve over the remaining life of the group. With the straight line, remaining life, equal life group system using Iowa Curves, composite remaining lives were calculated according to standard broad group expectancy techniques, noted in the formula below:

$$\text{Composite Remaining Life} = \frac{\sum \text{Original Cost} - \text{Theoretical Reserve}}{\sum \text{Whole Life Annual Accrual}}$$

For each plant account, the difference between the surviving investment, adjusted for estimated net salvage, and the allocated book depreciation reserve, was divided by the composite remaining life to yield the annual depreciation expense as noted in this equation.

$$\text{Annual Depreciation Expense} = \frac{\text{Original Cost} - \text{Book Reserve} - (\text{Original Cost}) * (1 - \text{Net Salvage \%})}{\text{Composite Remaining Life}}$$

Where the net salvage percent represents future net salvage.

Within a group, the sum of the group annual depreciation expense amounts, as a percentage of the depreciable original cost investment summed, gives the annual depreciation rate as shown below:

$$\text{Annual Depreciation Rate} = \frac{\sum \text{Annual Depreciation Expense}}{\sum \text{Original Cost}}$$

These calculations are shown in Appendix B. The calculations of the theoretical depreciation reserve values and the corresponding remaining life calculations are shown in workpapers. Book depreciation reserves were

allocated from a functional level to individual accounts and the theoretical reserve computation was used to compute a composite remaining life for each account.

Life Analysis

The actuarial and SPR semi-actuarial analysis method was applied to most accounts for Kentucky. For SPR the analysis was performed at intervals for the overall band and at various (usually 10-year) intervals within the overall balance period.

The retirement rate actuarial analysis method was applied to those accounts where sufficient vintage retirement detail is available. For each account, an actuarial retirement rate analysis was made with placement and experience bands of varying width. The historical observed life table was plotted and compared with various Iowa Survivor Curves to obtain the most appropriate match. A graph of the observed life table, for a selected placement and experience band, is shown in the life analysis section below, where possible. The remainder of placement and experience band analyses performed is contained in the workpapers.

For each account on the overall band (i.e. placement from earliest vintage year through 2017 and experience band from earliest available experience year through 2017, most recently approved survivor curves were used as a starting point. Then using the same life, various dispersion curves were plotted. Frequently, visual matching would confirm one specific dispersion pattern (i.e. L, S. or R) as an obviously better match than others. The next step would be to determine the most appropriate life using that dispersion pattern. Then, after looking at the overall experience band, different experience bands were plotted and analyzed. Repeated matching usually pointed to a focus on one dispersion family and small range of service lives. Generally, the goal of visual matching was to minimize the differential between the observed life table and Iowa curve in top and mid-range of the plots. When adequate activity is present a graph of the observed life table versus the proposed life and curve is provided for each

account where the actuarial life analysis was used.

The historical analysis is used to help predict the life of the assets currently in service, in conjunction with other factors, such as asset mix, Subject Matter Expert input (“SME”), programs, etc. that may influence asset lives.

Storage Plant – FERC Accounts 350.20 – 356.00

There are five storage fields using wells previously used to as gas wells. There are approximately 55 wells between the five fields. One well, Bon Harbor, was retired (around 2009-2010). In 2017, 3 more wells were plugged based on risk due to surrounding neighborhoods encroaching on wells. Another well was plugged at Grand View in 2017 and the Company abandoned 2 others in Kirkwood Springs in 2016 due to integrity issues. There are 4 compressors, which are all reciprocating engines.

Account 350.20 Rights-of-Way (75 R5)

This account includes the cost of rights of way used in connection with storage plant operations. There is approximately \$5 thousand in this account. The existing life is 70 R5. There has been no activity so no analysis was performed. Based on the type of assets, this study recommends moving to a 75 year life and R5 dispersion. No graph is provided.

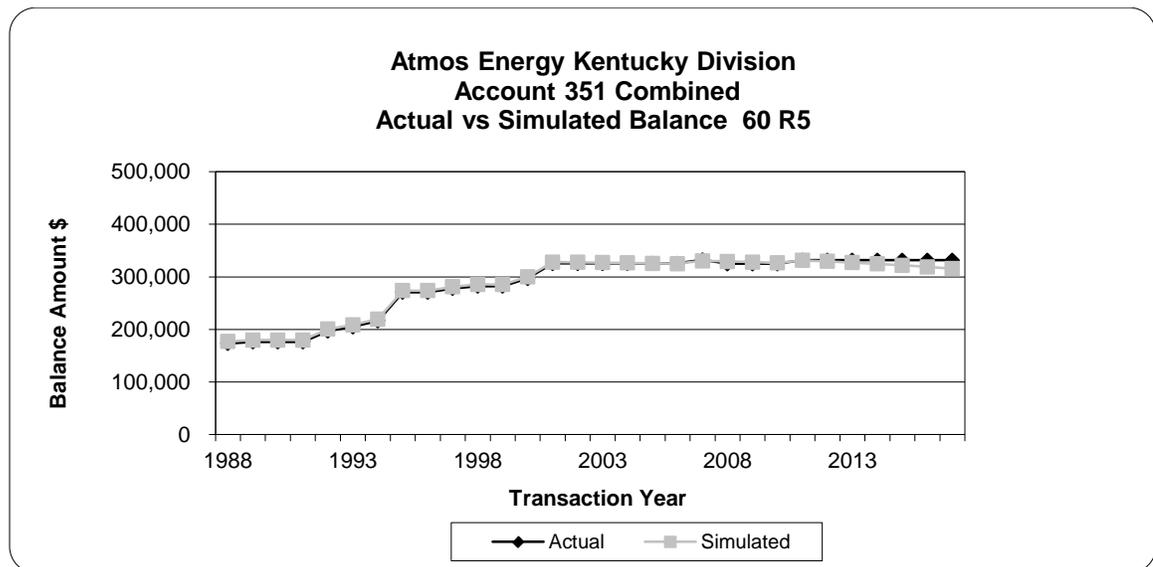
Account 351.00-351.04 Structures & Improvements, Compressor Structures, M&R Structures, and Other Structures (60 R5)

These accounts include the cost of structures and improvements, buildings, fencing and other structures used in connection with storage plant operations. There is approximately \$332 thousand in total for these accounts. No change has taken place since the last study. The assets in these accounts are similar in form and function, have the same life expectations, and are combined in this study for analysis purposes.

Discussions with Company personnel indicated these are like “pole

barns”. Most buildings are fairly old. A few fences have been replaced in recent years (e.g. Bon Harbor and maybe Hickory). Company personnel indicated the existing 60 years is a reasonable life for structures in general. The current average age of the investment is approximately 34 years.

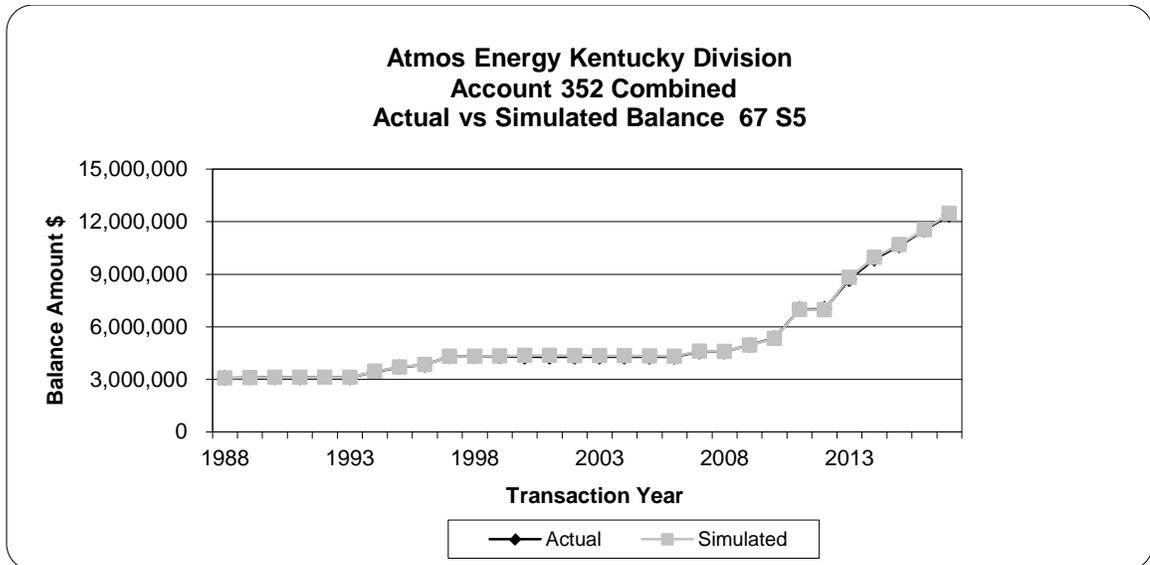
The Company is maintaining aged retirement data, but there is not enough aged retirement activity for a meaningful life analysis to be performed. There has been no additional activity since the prior study. Based upon lack of activity since the last study, discussions with Company personnel, and judgment, this study recommends retaining the 60 R5 at this time. A comparison of actual versus simulated balances is shown below for the 60 R5.



Accounts 352.00, 352.01, 352.02 Wells, Well Construction, and Well Equipment (67 S5)

These accounts include the cost of wells, well construction, and well equipment used in connection with storage plant operations. There is approximately \$10.5 million total for the combined accounts. The existing life is 67 S5.

Discussions with Company personnel indicated Bon Harbor was retired around 2009-2010. In 2017, three more wells were plugged based on risk to surrounding neighborhoods that were encroaching on the wells. One well at Grand View was plugged in 2017 and two wells in Kirkwood Springs were abandoned in 2016 due to integrity issues. They have 55 wells - most of which are fairly old. Most wells have had the well heads replaced (starting in 2009) and they expect to finish well head replacement by fall of 2018. Company personnel indicated the existing 67 year average life for this account is reasonable. The casing and original drilling is 50 years old or older on average. The Company has been building an aged (actuarial) database, but there is not sufficient activity for a meaningful actuarial life analysis. However, there has been no additional activity since the prior study. Based upon lack of activity, discussions with Company personnel, and future expectations, this study recommends retaining the 67 S5 at this time. A comparison of actual versus simulated balances is shown below for the 67 S5.



Account 352.03 Cushion Gas (67 S5)

This account includes the cost of cushion gas used in connection with storage plant operations. There is approximately \$1.7 million in this account. The existing life is 50 SQ. Based on discussions with Company personnel and the specific facts related to the capitalization of the cushion gas, the life for the cushion gas was set to the same 67 S5 life as the wells. This study recommends moving from 50 SQ to 67 S5. No graph is provided.

Account 352.10 Storage Leaseholds (67 S5)

This account includes the cost of storage leaseholds used in connection with storage plant operations. There is approximately \$178 thousand in this account. The existing life is 67 S5. Consistent with the life of the underlying assets (Wells), this study recommends retaining the 67 year life and S5 dispersion. No graph is provided.

Account 352.11 Storage Rights (67 S5)

This account includes the cost of storage rights used in connection with storage plant operations. There is approximately \$55 thousand in this account.

The existing life is 67 S5. Consistent with the life of the underlying assets (Wells), this study recommends retaining the 67 year life and S5 dispersion. No graph is provided.

Accounts 353.01 & 353.02 Storage Field and Tributary Lines (70 R1.5)

These accounts include the cost of field and tributary lines used in connection with storage plant operations. There is approximately \$385 thousand between these two accounts. The existing life is 60 S1. The current average age of the combined investment is nearly 49 years.

Discussions with Company personnel indicated there has been little capital activity on these lines that run from wells to the dehydration plant. Company personnel believe these assets have similar characteristics and will exhibit the same life as transmission steel mains.

There has been approximately \$3 thousand in retirements recorded for these two accounts, which is not sufficient activity for a meaningful analysis under SPR or actuarial analysis. Based on the activity, discussions with Company personnel and the study recommendation to increase the life of Transmission Account 367.01 Steel Mains, this study recommends increasing the life to 70 years to match the life of steel mains and moving to the R1.5 dispersion. No graph is provided.

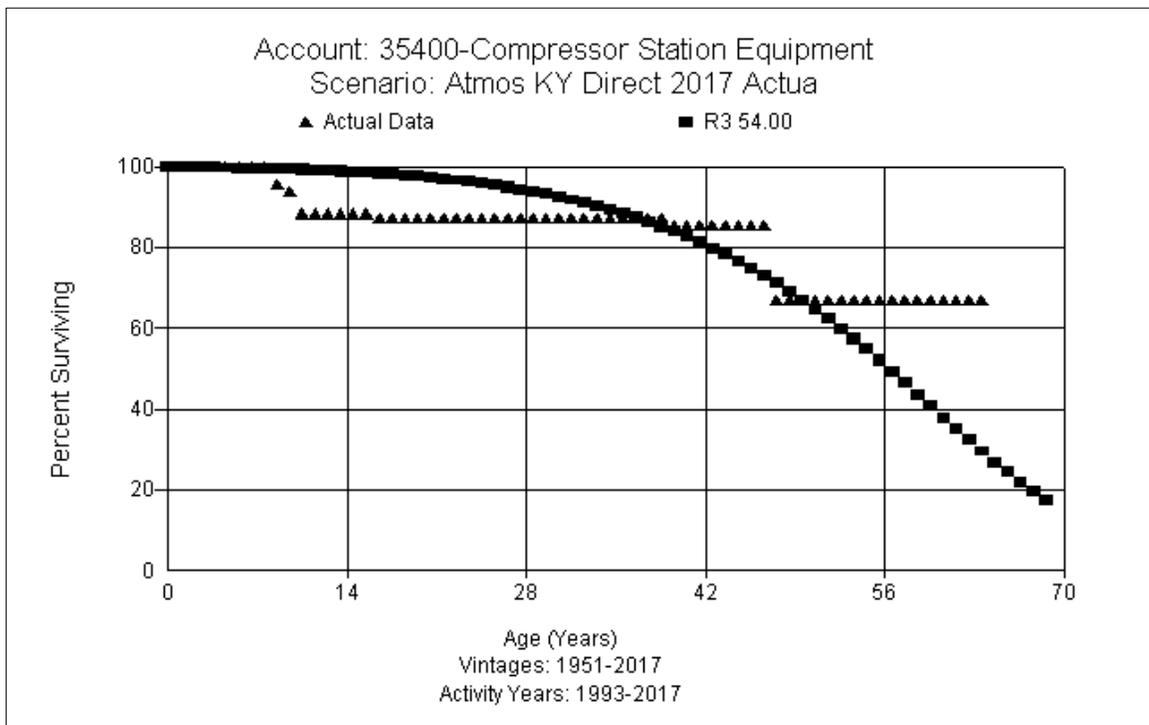
Account 354.00 Compressor Station Equipment (54 R3)

This account includes the cost of compressor station equipment used in connection with storage plant operations. There is approximately \$923 thousand in this account. The existing life is 51 R3. The current average age of investment is 21 years.

Discussions with Company personnel indicated the cost of overhauls on compressors is considered capital. They will be retiring one compressor in 2019, which will be around 54 years old at retirement. Company personnel indicated that a life around 55 years is reasonable with appropriate overhauls and

maintenance. They did note that one driver of compressor retirements is when parts are no longer available.

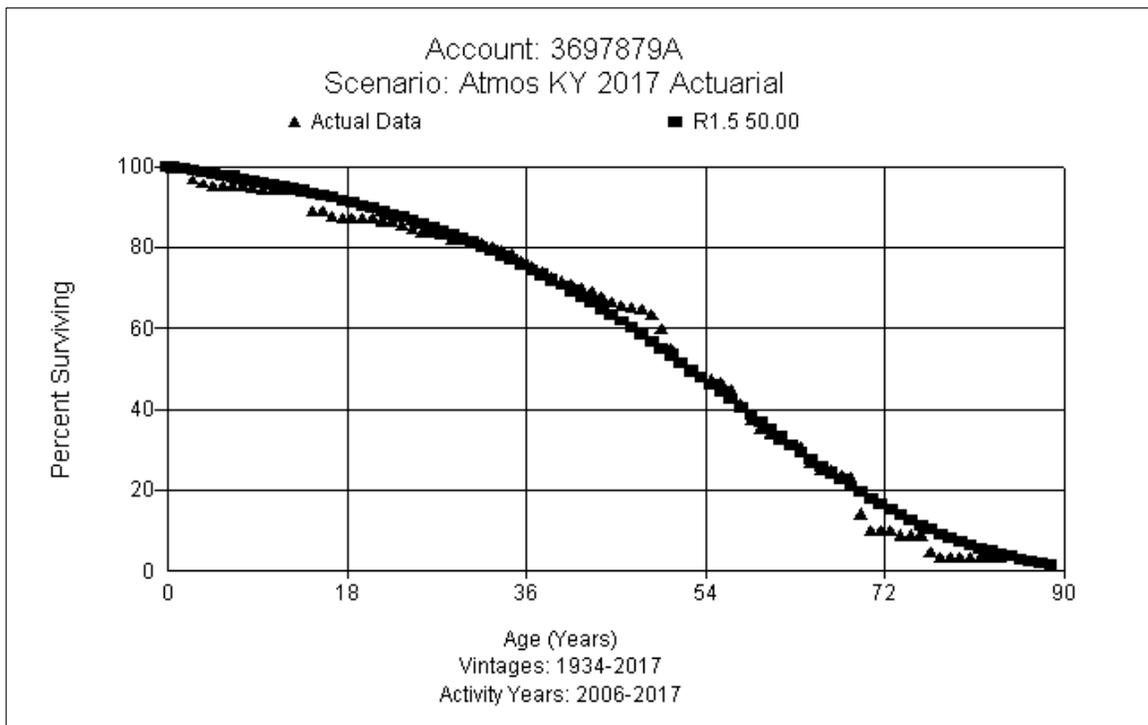
The full placement and experience band are the only bands where the percent surviving curve drops to near 60 percent. As can be seen in the graph below, there is a drop in the percent surviving when the investment is around 47 years old. The majority of the other visual curve fits in the fuller bands indicate a life near the existing life of 51 years. The more recent bands indicate a much lower life and steeper dispersion pattern than what would be expected for these assets. There have been no retirements recorded since 2012. Considering the analysis and activity, discussions with Company personnel, type of assets, and judgment this study recommends retaining the existing 54 R3. A graph of the observed life table and recommendation is shown below for the 54 R3.



Account 355.00 Measuring and Regulating (50 R1.5)

This account includes the cost of measuring and regulating (M&R) equipment used in connection with storage plant operations. There is approximately \$273 thousand in this account. The existing life is 46 R5.

Discussions with Company personnel indicated the life of these assets should be the same as M&R assets recorded in other functions. In a combined analysis of Accounts 369, 378, and 379, the full band has an excellent fit with 50 R1.5. Other bands had a mix of different best fitting lives and dispersions. The full band fit is at the top end of Company expectations of 40-50 years. Based on the analysis, discussions with Company, and judgment, this study recommends increasing the life to 50 years and also changing to the R1.5 dispersion. A graph of the combined observed life table and recommendation is shown below for the 50 R1.5.

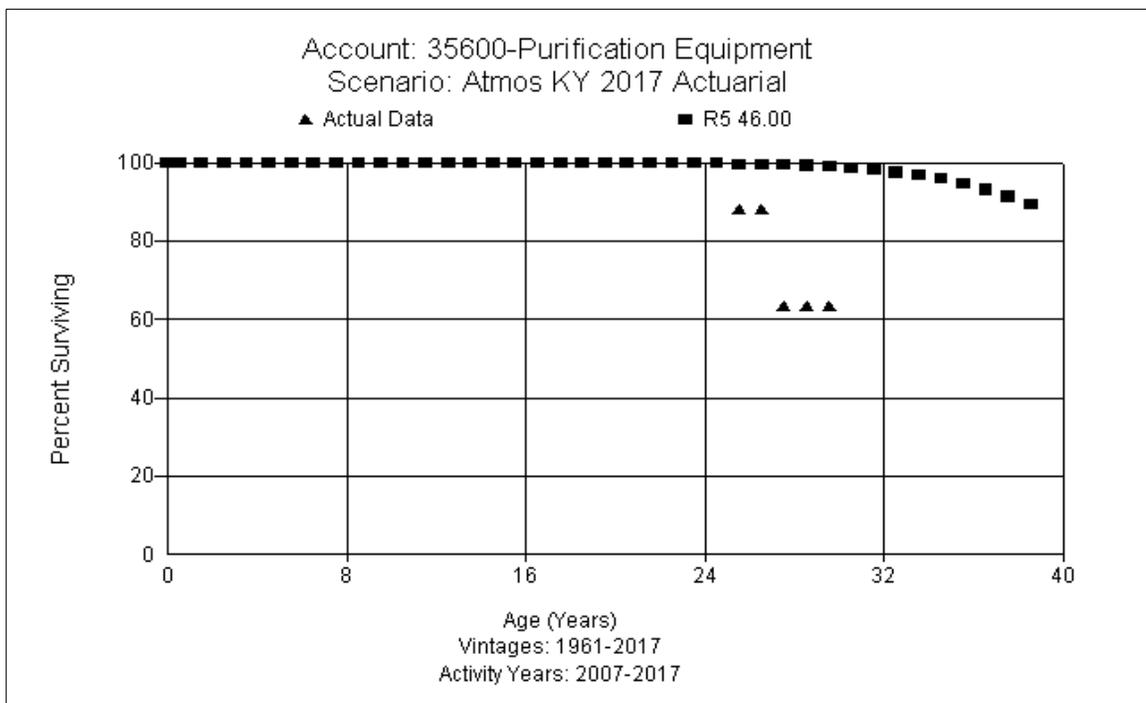


Account 356.00 Purification Equipment (46 R5)

This account includes the cost of purification equipment including dehydration units, tanks, and piping. There is approximately \$415 thousand in this account. The existing life is 46 R5.

Discussions with Company personnel confirmed there are currently five dehydration plants in operation. In 2013, the Company replaced two dehydration units and has plans to replace two more in 2019 all of which will be around 50 years old at retirement. The corrosive environment within the units is the primary cause for replacement.

Most of the retirement activity has come over the past five years. The average age of retirements is 41 years and the average age of the surviving investment is nearly 17 years. The visual fits performed for this account are indicating a life less than existing life. Based on the analysis, Company plans and expectations as well as the recent replacements, this study recommends retaining the existing 46 R5. A graph of the observed life table and recommendation is shown below for the 46 R5.



Transmission Plant – FERC Accounts 365.20 – 369.01

Account 365.20 Rights-of-Way (75 R5)

This account includes the cost of rights of way used in connection with transmission operations. There is approximately \$868 thousand in this account. The existing life is 70 R5.

Discussions with Company personnel indicated few rights have been released in recent years. Land rights are generally owned as long as assets are on the rights of way.

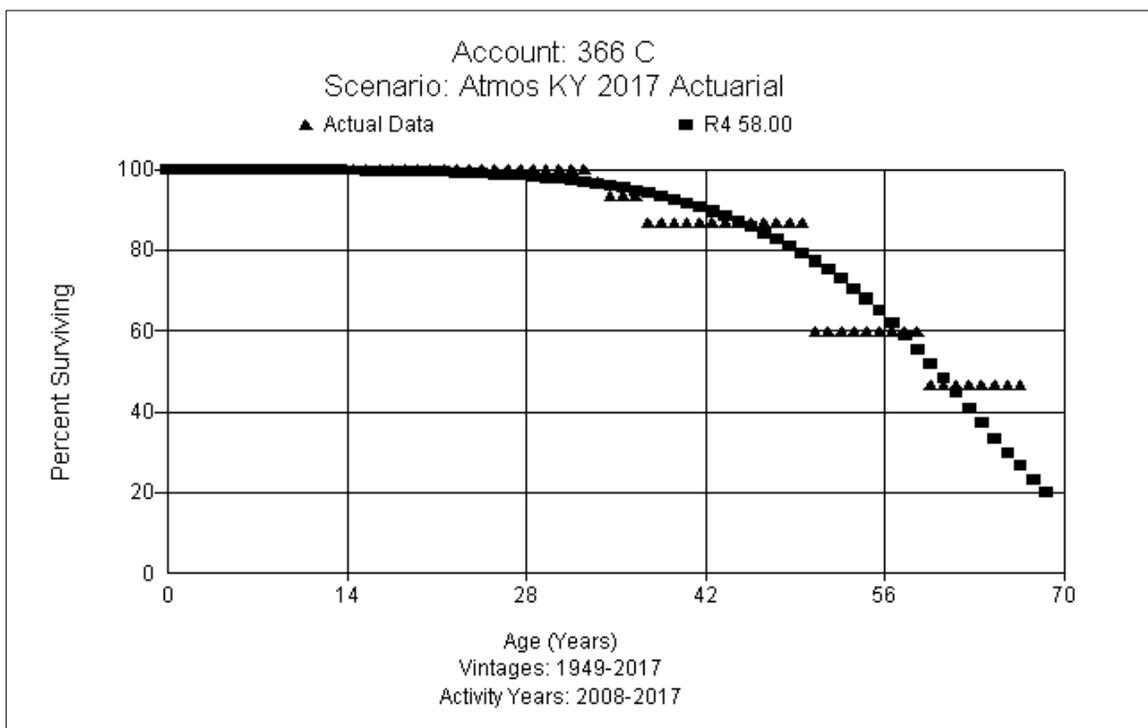
There has been only one retirement recorded, and that was in 1974. There is not sufficient historical retirement activity for SPR or actuarial life analysis. Based on the proposed life increase for the underlying assets in the Transmission function, this study recommends moving to a 75 year life and R5 dispersion. No graph is provided.

Account 366.02 & 366.03 Meas. & Reg. Station Structures & Other Structures (58 R4)

These accounts include the cost of measuring and regulating station structures and other structures used in connection with transmission operations. There is approximately a combined investment of \$110 thousand. The existing life is 53 R4. The current average age of investment is 28 years.

Discussions with Company personnel indicated buildings are generally small metal buildings and a 50 year life would be reasonable life. Fencing will not last that long, maybe 25-30 years.

Based on the combined actuarial analysis, the most complete curve drops to nearly 40 percent surviving and was observed in the full placement band. The other bands only dropped to 80 percent surviving. The full band fit was excellent at 58 R4, which is reaching the high end of the range of expectations for these types of assets. Based on the analysis indications and Company input, this study recommends moving from the existing 53 year life to 58 but retaining the R4 dispersion. A graph of the observed life table and the proposed is shown below.



Account 367.00 Mains – Cathodic Protection (25 R4)

This account includes the cost of cathodic protection for mains such as rectifiers, groundbeds, and other related equipment used in connection with transmission operations. There is approximately \$47 thousand in this account. The existing life is 20 SQ.

Discussions with Company personnel indicated the assets have a life range of 18 to 25 years. In this study, anodes have been segregated to a separate account to be amortized. The remaining assets will stay in this account and are expected to have a slightly longer life than anodes. This study recommends moving the life to 25 years and changing to the R4 dispersion. No graph is provided.

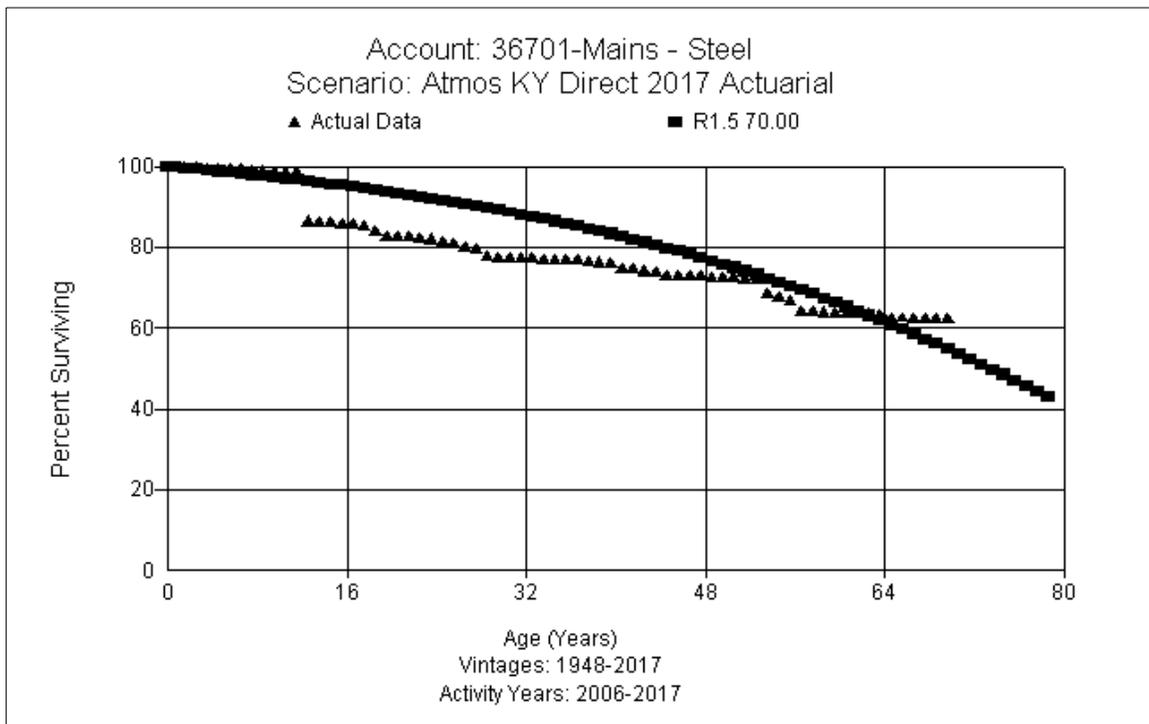
Account 367.01 Mains Steel (70 R1.5)

This account includes the cost of steel mains used in connection with transmission operations. There is approximately \$27.68 million in this account. The existing life is 57 R4. The current average age of the investment is 29 years.

Discussions with Company personnel indicated that any steel mains put in the ground now will be classified as high pressure distribution. Less than 25% of the transmission pipe will be replaced and moved to distribution under the PRP program. The earliest transmission pipe still in the ground is from the late 1950s or 1960s. No bare steel is left on the transmission system. The current 57 year life is shorter than expected for steel mains. Company SMEs would expect at least a 65 year life for transmission mains. There have been only a couple of times where transmission pipe had to be pulled out of right of way in order to do the replacement in the last few years (2013-2014).

The visual fits performed under actuarial analysis indicate a life shorter than expectations, which is a reflection of the ongoing PRP program. Eventually, we expect the analysis to begin reflecting a longer life. The R1.5 dispersion is in the top three ranked curves, but the CI and REIs are not in an excellent range and the life is not reasonable. When the CI and REIs do move in the excellent

range the life is shorter than expected. Based upon discussions with Company personnel and the indications in both the SPR and actuarial analysis, this study recommends increasing the life from the existing 57 R4 and moving to the 70 R1.5. This is consistent with Company expectations and Distribution Mains Accounts 376.01 and 376.02. A graph of the observed life table and the proposed is shown below.



Account 367.03 Mains – Anodes (20 SQ)

This account includes the cost of anodes used in cathodic protection in connection with transmission mains and operations. There is approximately \$92 thousand in this account. The existing life is 20 SQ.

Discussions with Company personnel indicated these assets should be segregated from other cathodic protection equipment because they have a shorter life expectancy and no current mechanism to properly record retirements. Additionally, Atmos is working to obtain consistency among its jurisdictions with

the segregation of anodes. This study recommends retaining the existing 20 SQ. No graph is provided.

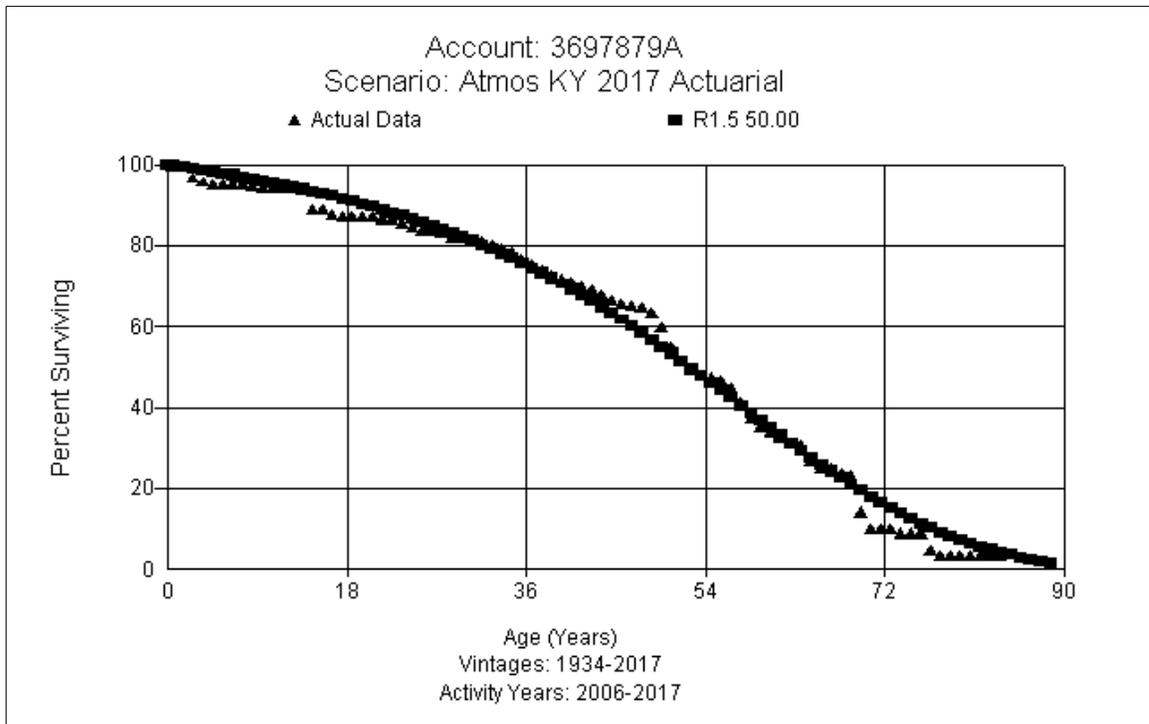
Account 369.00 & 369.01 Measuring & Regulating Station Equipment (50 R1.5)

These accounts include the cost of measuring and regulating station equipment used in connection with transmission operations. There is approximately \$3.0 million for the combined accounts. The existing life is 49 R1.5. The current average age of the investment is 29 years.

Discussions with Company personnel indicated the earliest generation regulators were replaced at 60-70 years old (Jet stream), the next generation (Axial flow) was 40-50 year old at retirement. Mooney is the more current generation with 30-40 year expectation at retirement based on its technology. Technology has significantly changed in the last 15 years. Axial flow regulators had some operational concerns and are actively being replaced. The technology changes going on now would drive future lives to be shorter. Some electronic control equipment is expected to have a shorter life. Heaters/boilers would have a 50+ year life expectation. The old odorizers are bypass and the new are injection. The electronics used in injection odorizers are Flow Computers. The Company expects to see a shorter life for this account based on technology change, more electronics and the shorter life realized for regulators. Account 369, 378 and 379 all have similar assets with few differences. Due to the similarity in the assets between these accounts, there can be confusion in retirements between the three accounts and also movement due to shifting definitions between transmission and distribution.

The combined actuarial analysis of Measuring & Regulating Equipment for Transmission and Distribution functions indicated the 50 R1.5 to be a good visual fit on the full placement band. The full placement band provides the most complete curve illustration. The SPR analysis was performed on individual accounts and had a range of top ranked curves and life depending on the

account. This confirms Company information of possible cross recording of assets and/or an indication of changing lives over the years from 60-70 years to 40-50 years. Newer generations are more technology driven and we could see a decrease in life, but this is not evident yet in the combined actuarial analysis. Giving consideration to the various generations still in service and the combined actuarial analysis, this study recommends continuing a life around the currently approved life and moving to 50 R1.5 until more evidence for a decreasing life is present. A graph of the combined accounts observed life table and recommendation is shown below for the 50 R1.5.

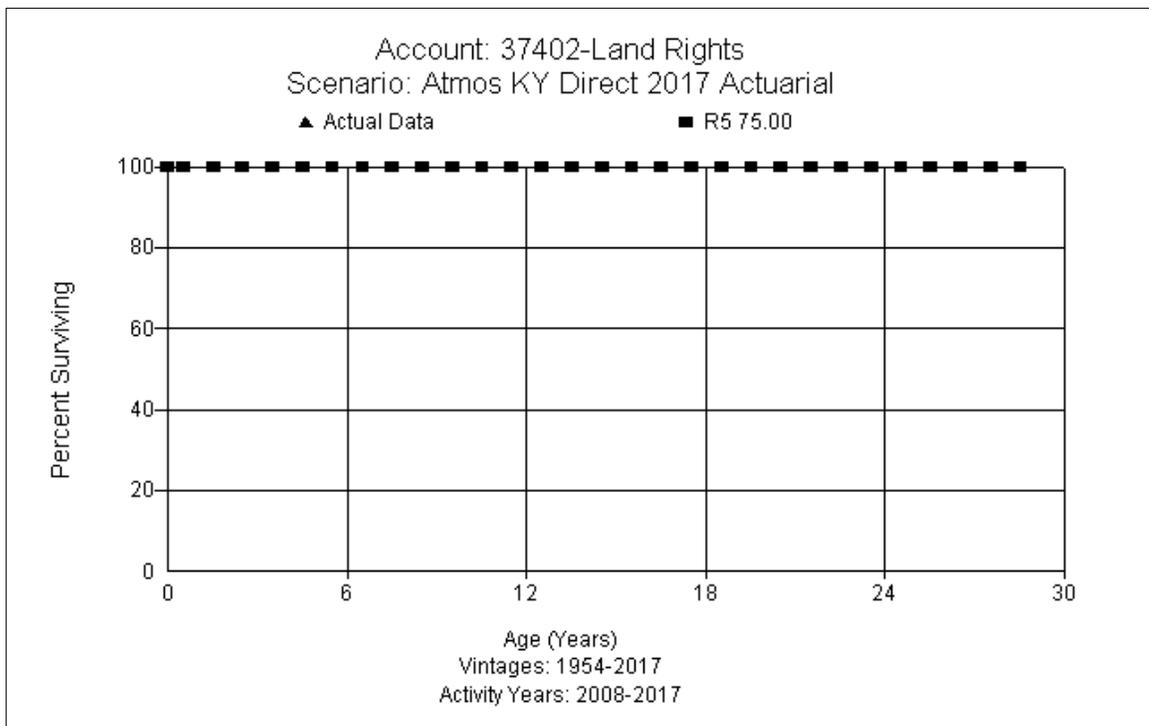


Distribution Plant – FERC Accounts 374.02-385

Account 374.02 Land Rights (75 R5)

This account includes the cost of land rights used in connection with distribution operations. There is approximately \$2.4 million in this account. The existing life is 75 R5. The average age of the surviving investment is 4 years.

The balance in this account has increased significantly between the prior study and this study as evidenced in the average age. There have been few retirements and few are expected in the near future. Generally, the life of land rights and right of ways are tied to the underlying assets. Based on the increase in life for Transmission and Distribution mains, this study recommends increasing the life to 75 years, while retaining the R5 dispersion. A graph of the account observed life table and recommendation is shown below for the R5 75.

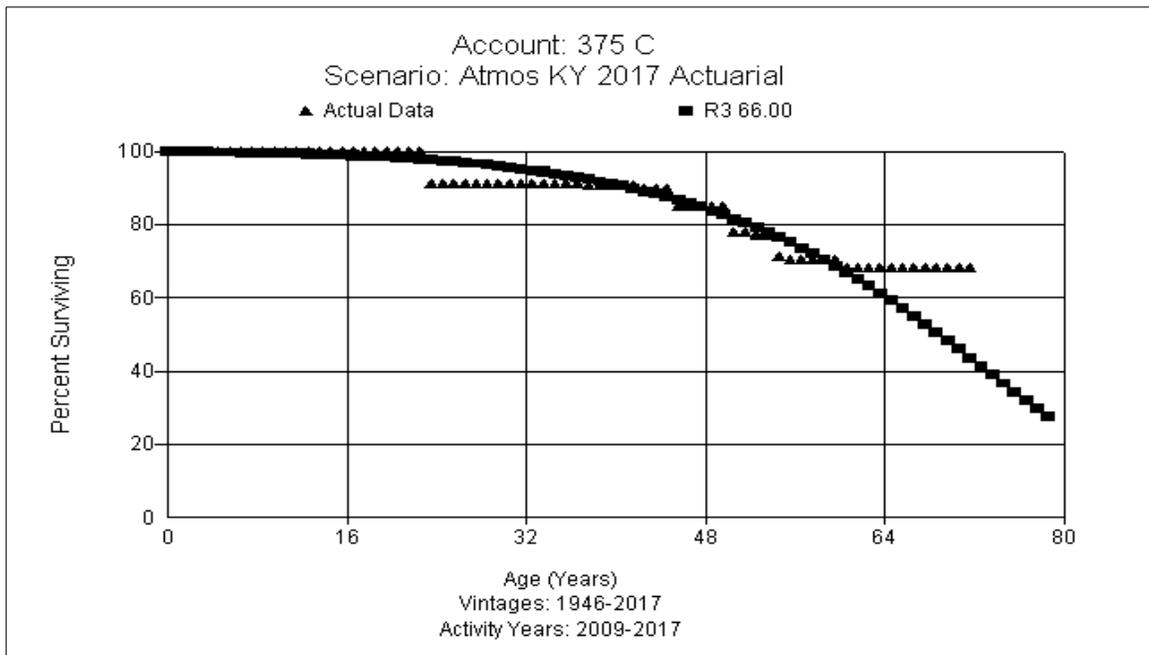


Account 375.00, 375.01, 375.02, & 375.03 Structures & Improvements (66 R3)

These accounts include the cost of border and regulating station structures, fences, and other related assets used in distribution operations. There is approximately \$486 thousand total for the combined accounts. The existing life is 57 R2.5. The current average age of the surviving investment is approximately 23 years.

Discussions with Company personnel indicated there is little difference between these assets in the transmission and distribution function but there are more stations on the distribution system.

The actuarial analysis in the full band had a good visual fit with a 66 R3 and drops to near 60 percent surviving. The SPR analysis showed the 59 R3 as the first pattern with a near 100 REI, but a CI in the poor range. However, no CI was above the fair range. No retirements have been recorded since 2015. Based on input from Company personnel, considering the type assets and both life analyses, this study recommends moving to 66 R3. A graph of the accounts observed life table and recommendation is shown below for the R3 66.



Account 376.00 Mains - Cathodic Protected (25 R4)

This account includes the cost of rectifiers, groundbeds, weldovers and other miscellaneous cathodic protection equipment used for distribution mains. There is approximately \$2.3 million in this account. The existing life is the 20 SQ.

Based on discussions with Company personnel, they expect the ground bed and rectifiers to last a little longer than anodes - maybe 20 - 25 years. This study reflects the further segregation of cathodic protection assets by creating separate anode and leak clamp accounts. This is consistent with Atmos' other jurisdictions and more reflective of the accounting and operational practices.

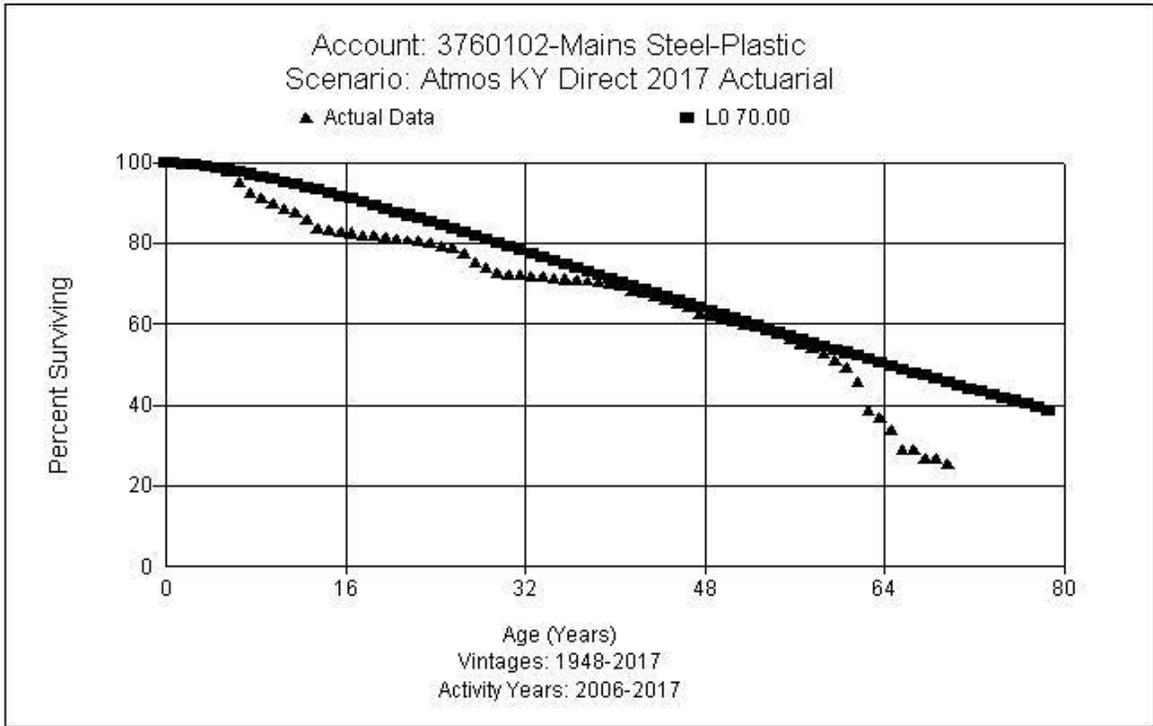
This study recommends reflecting a longer life, 25 years, for the remaining assets used for cathodic protection of distribution mains as well as changing the dispersion pattern to the R4. No graph is provided.

Account 376.01 & 376.02 Mains - Steel and Plastic (70 L0)

These accounts include the cost of steel and plastic mains. There is approximately \$247.1 million for the combined accounts. This nearly doubles the investment since the prior study. The existing life is the 55 R3 dispersion pattern. The current average age of the surviving investment is nearly 10 years old.

Discussions with Company personnel indicated there is approximately 2,234 miles of coated steel, 121.3 miles of bare steel, and 1,616.2 of plastic. Plastic mains are approximately 49% of the total mile of mains. The Commission approved a Pipe Replacement Program (PRP) in 2010, which is a 15 year program. Most pipe is installed in public easements. Road moves trigger a number of retirements and the Company expects it to stay at the increased levels of the last few years. Plastic pipe was not installed in large measure until the early 1980s. Except for the high pressure (HP) distribution moving from transmission in conjunction with the PRP project, all new installations of pipe (with few exceptions) will be plastic. Protected steel will last longer than 55 years (maybe 65 to 70 years). Everything installed after 1957 has cathodic protection on the pipe. There is an expectation for a longer life than the current 55 years.

Our actuarial life analysis indications suggested the visual best fits in the full band continue to show the existing life as the best fits with some indications of longer life in the more recent bands. However, we expect these life indications to be temporary and likely the result of the PRP. While there is at least another 5 or more years of the PRP, our expectation is that the assets currently in this account will demonstrate a longer life. This should become more evident once the PRP is complete. In the actuarial analysis we see a fairly good fit with the L0 65 in the 1963-2017 placement band 2006-2017 experience band. We typically do not fit the L dispersion pattern with mains but factoring in the effects of the PRP, the 65 year life is a better reflection of the account and expectations at this time. The SPR analysis in the full band had the top rank curve R4 with a 46 year life. The CIs were fair and REIs were at 100 or an excellent value. Consideration should be given now that the PRP has 5-10 years to complete, and the account's life will likely increase as that program ends. In fact, the shorter bands of actuarial analysis reflect this reality already. Company personnel also believe mains will definitely have a life longer than the existing. Based on all these factors, this study recommends making a significant move to increase the life from 55 R3 to 70 L0 at this time. A graph of the accounts observed life table and recommendation is shown below for the L0 70.



Account 376.03 Mains - Anodes (20 SQ)

This account includes the cost of anodes used in cathodic protection in connection with distribution mains and operations. There is approximately \$4.4 million in this account. The existing life is 20 SQ.

Discussions with Company personnel indicated anodes should last 15-18 years. They believe these assets should be segregated from other cathodic protection equipment because they have a shorter life expectancy and no current mechanism to properly record retirements. Additionally, Atmos is working to obtain consistency among its jurisdictions with the segregation of anodes.

This study recommends retaining the existing 20 SQ when these assets were recorded to 376.00 Cathodic Protection. No graph is provided.

Account 376.04 Mains – Leak Clamps (20 SQ)

This account includes the cost of leak clamps used in connection with distribution mains and operations. There is approximately \$14.3 million in this account. The existing life is 20 SQ.

Discussions with Company personnel indicated these assets should be segregated from other cathodic protection equipment because they have a shorter life expectancy and no current mechanism to properly record retirements. Additionally, Atmos is working to obtain consistency among its jurisdictions with the segregation of leak clamps.

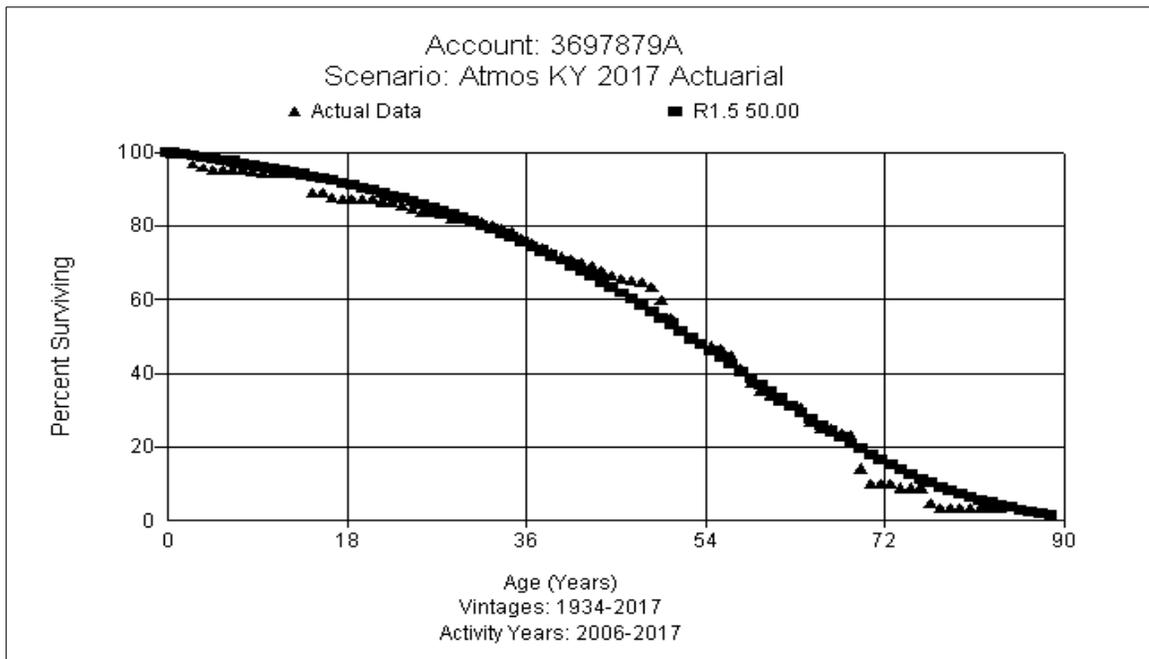
This study recommends retaining the existing 20 SQ when these assets were recorded to 376.00 Cathodic Protection. No graph is provided.

Account 378.00 M&R Station Equipment (50 R1.5)

This account consists of various measuring equipment, regulator station and valves used in distribution operations. There is approximately \$9.7 million of investment in this account. The existing life is 49 years with the R1.5 dispersion.

Due to similarities in assets between the different M&R accounts, a combined analysis was performed for all measuring and regulating equipment in Transmission and Distribution functions. See a more detail about discussions with Company personnel in Account 369 above. In summary, the indicated lives of the assets have changed over the years from 60-70 year life expectancy, recent past generation to be 40-50 year life expectancy, to the most current generation, more technology driven, to be 30-40 year life expectancy.

The combined actuarial analysis full placement band yielded an excellent visual fit with the 50 R1.5. This study recommends moving to the 50 year life while retaining the R1.5 dispersion pattern at this time. Giving consideration to the various generations still in service and the combined actuarial analysis, this study recommends moving to 50 R1.5. A graph of the accounts observed life table and recommendation is shown below for the 50 R1.5.

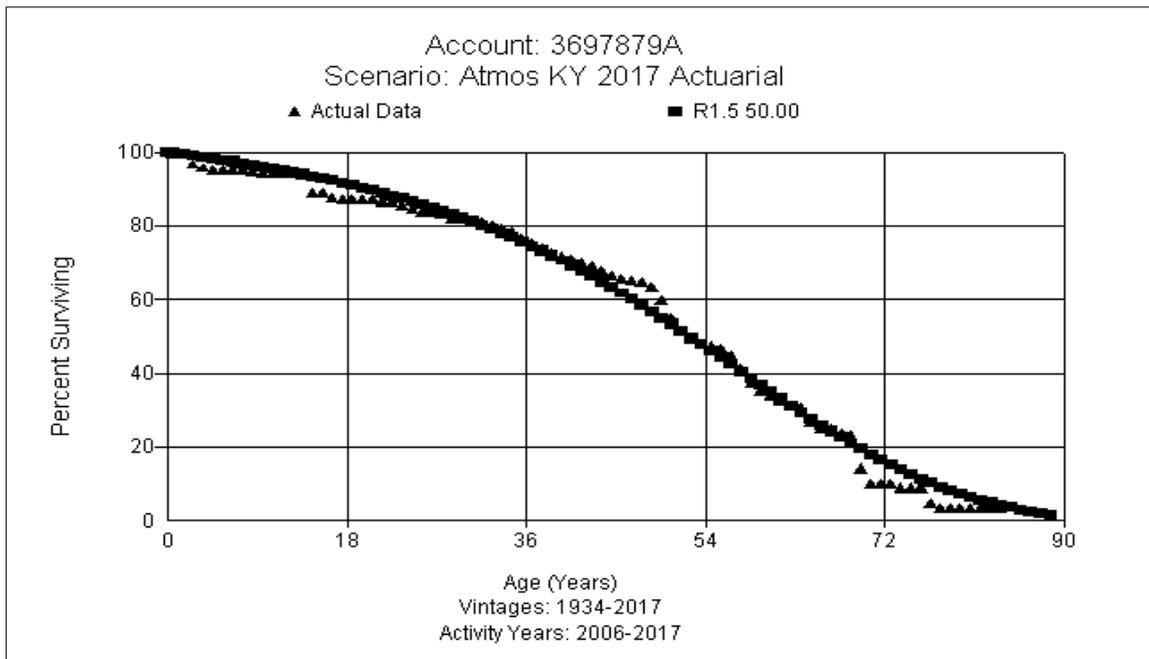


Account 379.00 & 379.05 M&R – City Gate Equipment (50 R1.5)

These accounts include the cost of measuring and regulating stations and other related equipment for city gate. There is approximately \$5.6 million for combined accounts. The existing life is 49 R1.5.

Due to similarities in assets between M&R accounts, a combined analysis was performed for all measuring and regulating equipment in Transmission and Distribution functions. See a more detail about discussions with Company personnel in Account 369 above. In summary indicated lives of the assets have changed over the years from 60-70 year life expectancy to recent past generation of 40-50 year life expectancy to the most current generation, which is more technology driven, to be 30-40 year life expectancy.

The combined actuarial analysis full placement band yielded an excellent visual fit with the 50 R1.5. This study recommends moving to the 50 year life while retaining the R1.5 dispersion pattern at this time. Giving consideration to the various generations still in service and the combined actuarial analysis, this study recommends moving to 50 R1.5. A graph of the accounts observed life table and recommendation is shown below for the 50 R1.5.

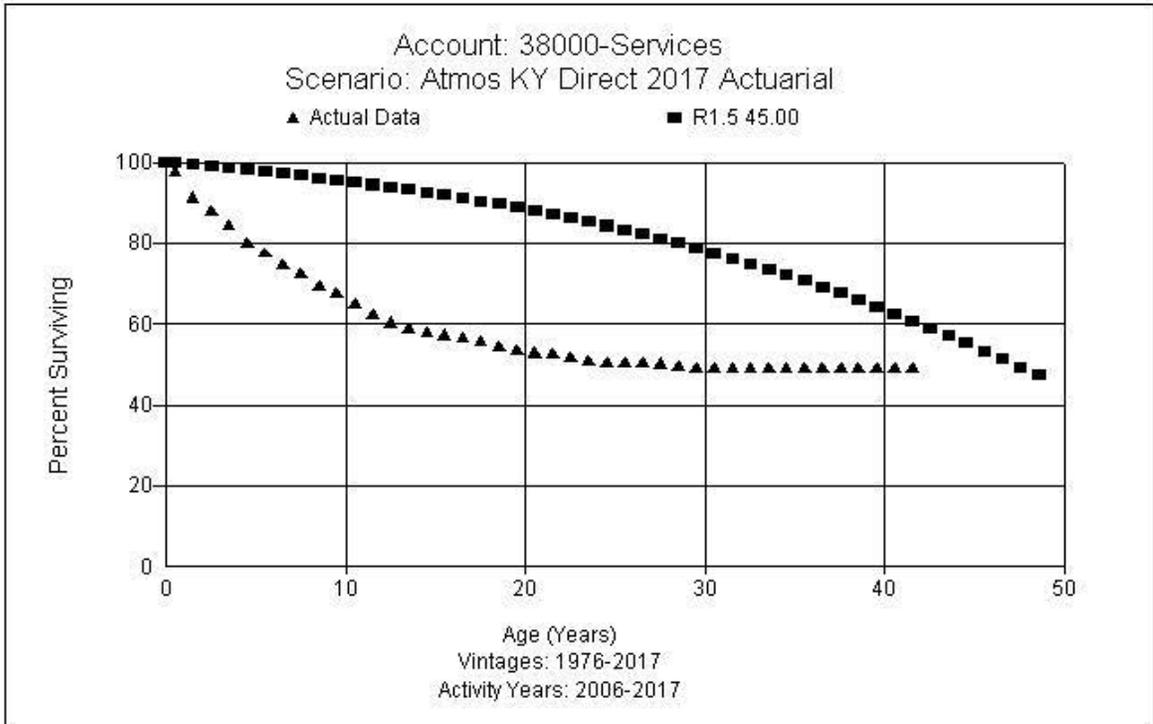


Account 380.00 Services (45 R1.5)

This account consists of all types of services used in distribution operations. There is approximately \$117.6 million of investment in this account. The existing life is 40 years with the R1.5 dispersion. The current average age of investment is approximately 13 years.

Discussions with Company personnel indicated the PRP is causing an increased replacement of services and they would expect the life to decrease until the program is over. They are replacing around 2,000 services per year for a total of 180,240 services. There are approximately 3,231 in unprotected steel services, protected steel services of 76,717 and 100,282 of plastic services currently installed on the system. Previously, meter to property line was owned by customer and from main to property line was owned by Atmos. Recent changes now have Atmos owning all of the service line (main to meter). If the main is part of the PRP and the service is not owned to the house, their policy is to replace the service. The Company indicated the life of services is less than that of mains. Thinner pipe walls, more exposure to third party damage, relocations and bringing older services up to code are all cause of retirement. Company expects a 40 or 45 year life for services would be reasonable.

The actuarial analysis visual fit was difficult to match and had a tendency to flat L and R dispersion patterns. This is likely due to the effects of the PRP. The SPR analysis indicated the top ranked fit to be the S1 with a 30 year life. This had excellent REI but poor CI. This is too low of a life based on expectations and is even lower than existing. The R1.5 had a 33 year life and was ranked in the top 10. Giving consideration to the analysis, discussions with Company personnel, and the temporary impact on life from the PRP, this study recommends moving out to 45 years and retaining the R1.5 dispersion. A graph of the account observed life table and recommendation is shown below for the 45 R1.5.

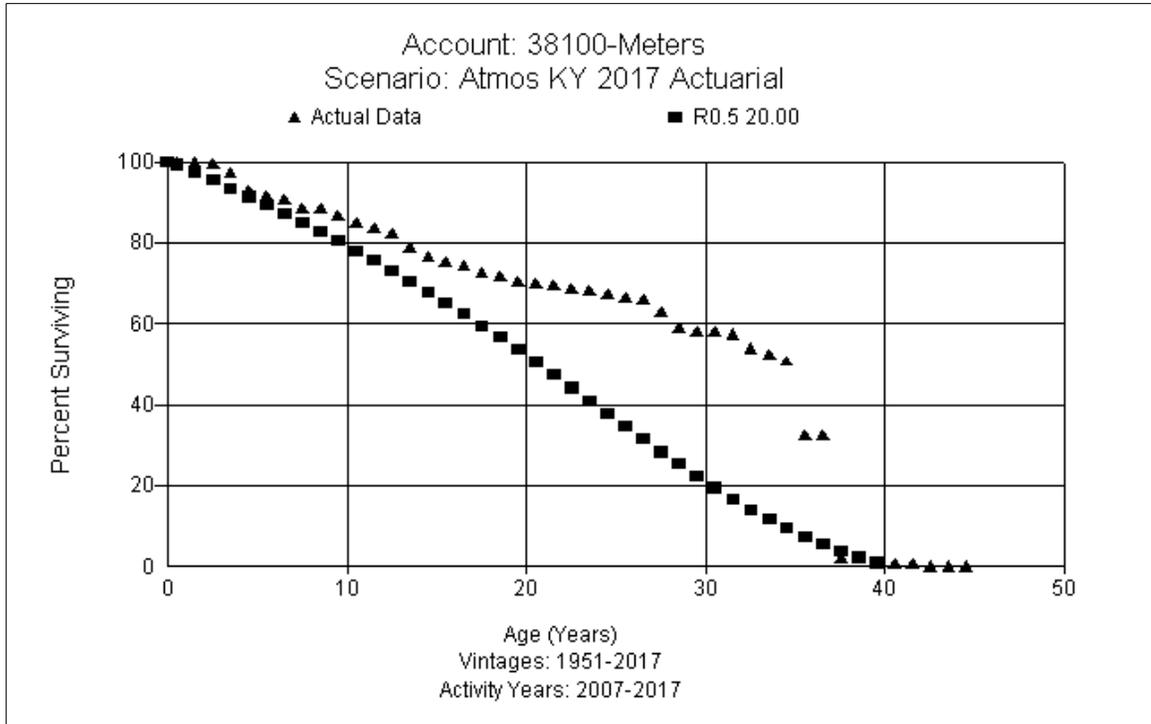


Account 381.00 Meters (20 R0.5)

This account includes the cost of all type of meters. The balance is \$31.4 million and the existing life is 20 R0.5. The current average age of investment is 9 years.

Discussions with Company personnel indicated that approximately 67,547 out of 183,224 (at 6-2018) are WMR, with a life of 20 years for those assets. Non-compatible meters have been replaced over the last 6-7 years, if they are over 25 years old. There are 1,600-2,000 meters that are obsolete and have been pulled out each year. The Company is using Sensus WMR meters, but there are some meters without WMR. Newer meters cost less, but are not as durable as old ones. When a meter is brought in, it is retired and sent to a third party to refurbish. Company personnel believe 20 years is a reasonable life for meters. The Company has been doing military sampling since 1999. In Kentucky, if no military sampling is performed, the Company would have to change out meters every 10 years. Military sampling groups meters into groups, performing random sample test of all groups and then react if a particular group fails the test. Non-WMR meters would have a maximum life of 25 years based on the military sampling. When a WMR device fails, they will generally replace the meter as well. The life of the WMR battery is 20 years at most.

The actuarial analysis produced visual fits that were generally longer than the existing 20 years. More recent bands were indicating lives at existing, maybe a little less. The SPR analysis has the R0.5 dispersion with a 20 year life in the top ranked curves, but the CIs are poor with excellent REIs. The historical retirement experience is based on the longer-lived old meters. Consideration was given to input of Company SMEs, the analysis, changes in the assets with plans to continue implementing technology based equipment, manufacturers and Company expectations which all point to a life around 20 years. This is also consistent with the expected battery life. This study recommends retaining the 20 R0.5. A graph of the account observed life table and recommendation is shown below for the 20 R0.5.

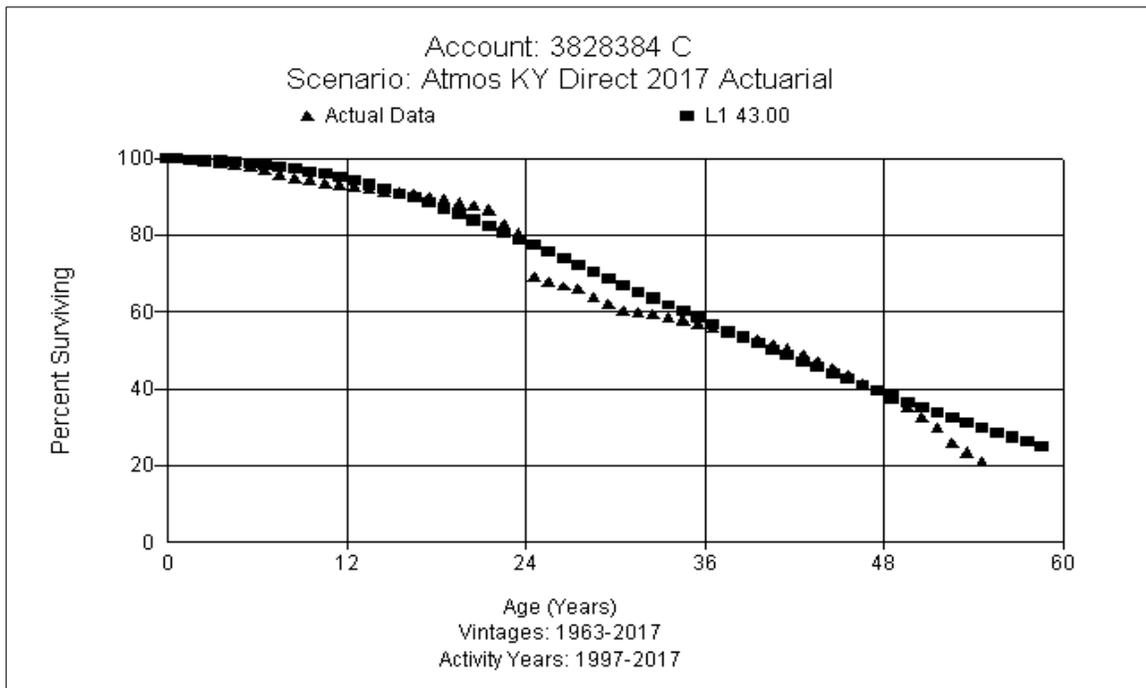


Account 382.00 Meter Installations (43 L1)

This account includes the cost of meter installations. This account has a balance of \$55.2 million. The existing life is 42 R1.5. The current average age of investment is approximately 12 years.

Discussions with Company personnel indicated they will evaluate the meter loop when a meter is pulled and replace as necessary. The installation would not be replaced as often as the meter. However, with PRP replacements, they will replace the meter bar a well. The Company started buying premanufactured loops in early 2000s (perhaps 2002). With the meter loops, the life of the meter installation, house regulator, and house regulator installations are treated as one.

The combined (382-384) actuarial analysis produces a great fit for the combined in the placement (1963-2017) band and experience (1997-2017) band of 43 L1, which is close to existing. Based on the implementation of the premanufactured meter loop, PRP, and both life analysis indications, this study recommends moving to 43 L1. A graph of the account observed life table and recommendation is shown below for the 43 L1.

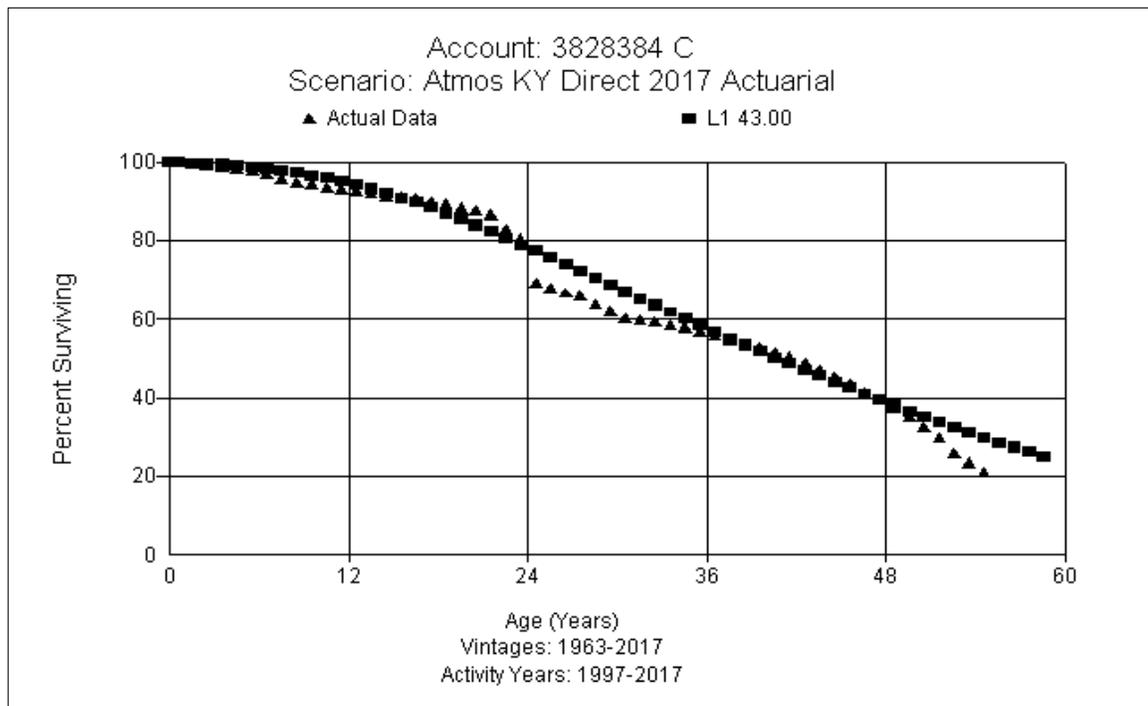


Account 383.00 House Regulators (43 L1)

This account includes the cost of house regulators. There is approximately \$10.7 million in this account. The existing life is a 31 S6.

Discussions with Company personnel indicated when a meter is replaced, they will check the regulator for lock up and only change if it fails locked up. The life is expected to be longer than the meter but less than or equal to the life of the meter installation. Company personnel indicated the existing 31 years seems short for regulators.

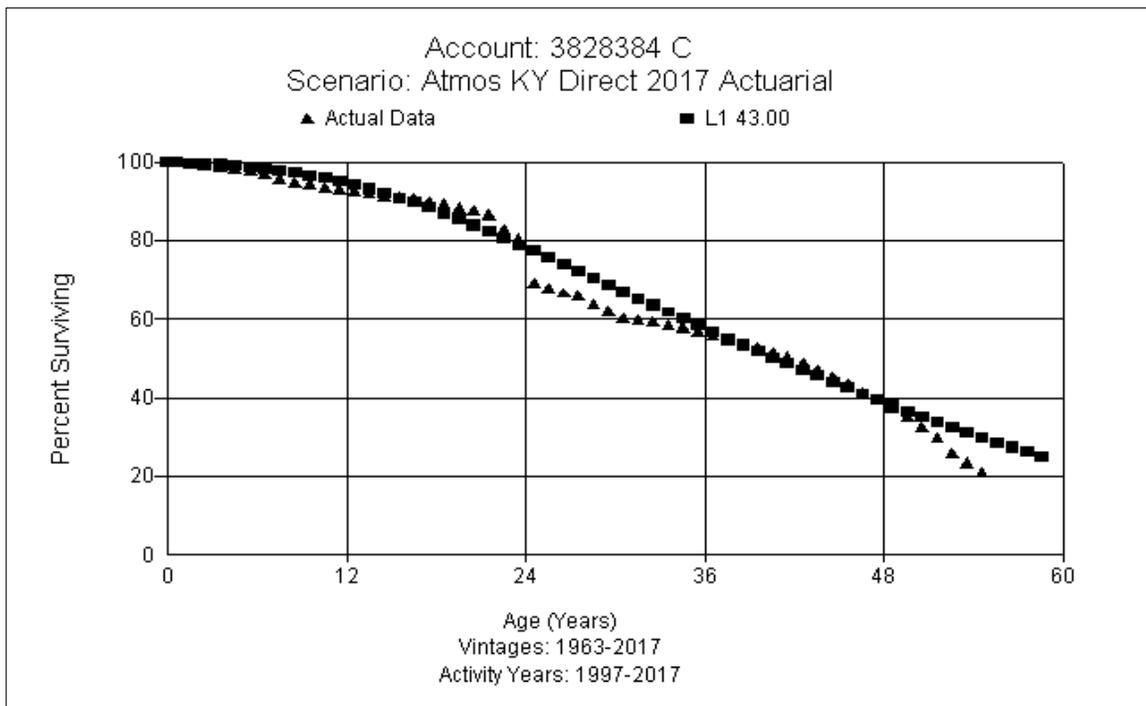
Due to the premanufactured meter loop, running a combined analysis is reasonable. See Account 382 for more discussion. Based on the combined analysis and Company input, this study recommends using the 43 L1. A graph of the combined accounts observed life table and recommendation is shown below for the 43 L1.



Account 384.00 House Regulator Installations (43 L1)

This account includes the cost of house regulators installations. There is approximately \$200 thousand in this account. The existing life is a 42 R1.5.

Discussions with Company personnel indicated the current retirement practice for house regulator installation is not as robust. Company would expect the life of the meter installation, regulator and regulator installation to be the same since the loops are now prefabricated (in the last 15 years) and if a regulator is replaced, the “stick” loop is rebuilt. This account has limited retirement activity being recorded and with the premanufactured meter loop, a combined analysis makes sense. See Account 382 detailed discussion. Based on the combined analysis and Company input, this study recommends using the 43 L1. A graph of the combined accounts observed life table and recommendation is shown below for the 43 L1.

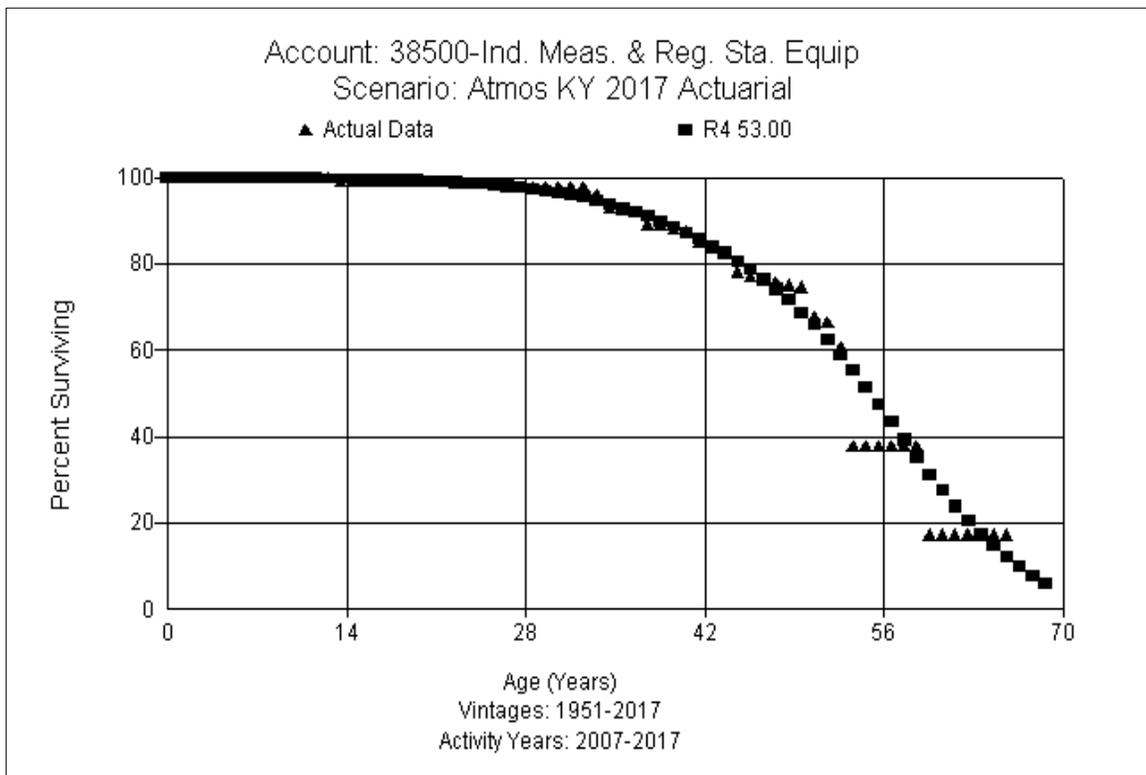


Account 385.00 Industrial Measuring (53 R4)

This account includes the cost of regulator installations, regulator stations, valves and pressure recorders for industrial customers. There is approximately \$5.2 million in this account. The existing life is a 42 L5.

Discussions with Company personnel indicated this equipment is more expensive and heavy duty due for use with industrial customers. This equipment is tested on site more frequently and only replaced if it fails. Company personnel expect a life around 40 years or more.

The actuarial analysis indicated the life was increasing with a good visual fit of 53 R4 across the bands analyzed. This study recommends moving to 53 R4 at this time. A graph of the combined accounts observed life table and recommendation is shown below for the 53 R4.

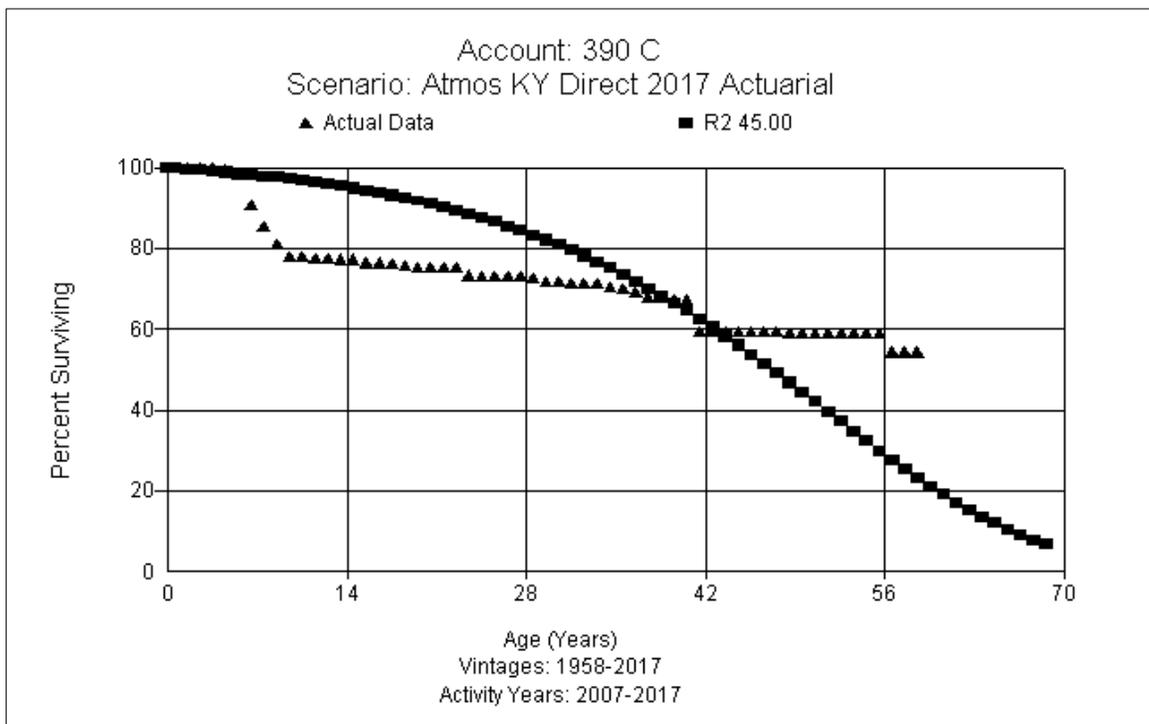


General Plant – FERC Accounts 390-399.08

Account 390.00, 390.02, & 390.03 Structures and Improvements (45 R2)

These accounts include the cost of buildings, roof, carpet, and other miscellaneous assets. Consistent with the prior study, all Account 390's, except 390.04 and 390.09, will be combined to calculate a depreciation rate to be applied to each account. There is approximately \$8 million for the combined accounts. The current life is 40 R2.

The life analysis for this account was performed using the actuarial analysis. There are retirements occurring earlier than would be expected. A reasonable visual fit was the 45 R2. Considering the Company now owns some buildings (not all being leased) and judgment, this study recommends moving the life to 45 years and retaining the R2 dispersion for this account. A graph of the combined accounts observed life table and recommendation is shown below for the 45 R2.



Account 390.04 Heating and Air Conditioning Equipment (25 R2)

These accounts include the cost of heating and cooling equipment. This account was segregated from the other accounts. There is approximately \$13 thousand in this account. The current life is a 40 R2.

There was only one retirement in the actuarial database. The prior SPR analysis had combined all 390 accounts, so there is not enough historical retirement activity for the segregated account for a meaningful life analysis. Based on type of assets in the account and judgment, this study recommends moving to a 25 R2 for this account. No graph is provided.

Account 390.09 Improvements - Leased (20 R3)

This account includes the cost of improvements to leased buildings. There is approximately \$1.2 million in this account. The current life is a 20 R3. Based on the current plans to own buildings and the lease term being 20 years with 2-5 year extensions, this study recommends retaining the existing 20 R3 for this account. No graph is provided.

Account 391.00 & 391.03 Office Furniture, Equipment and Machines (15 SQ)

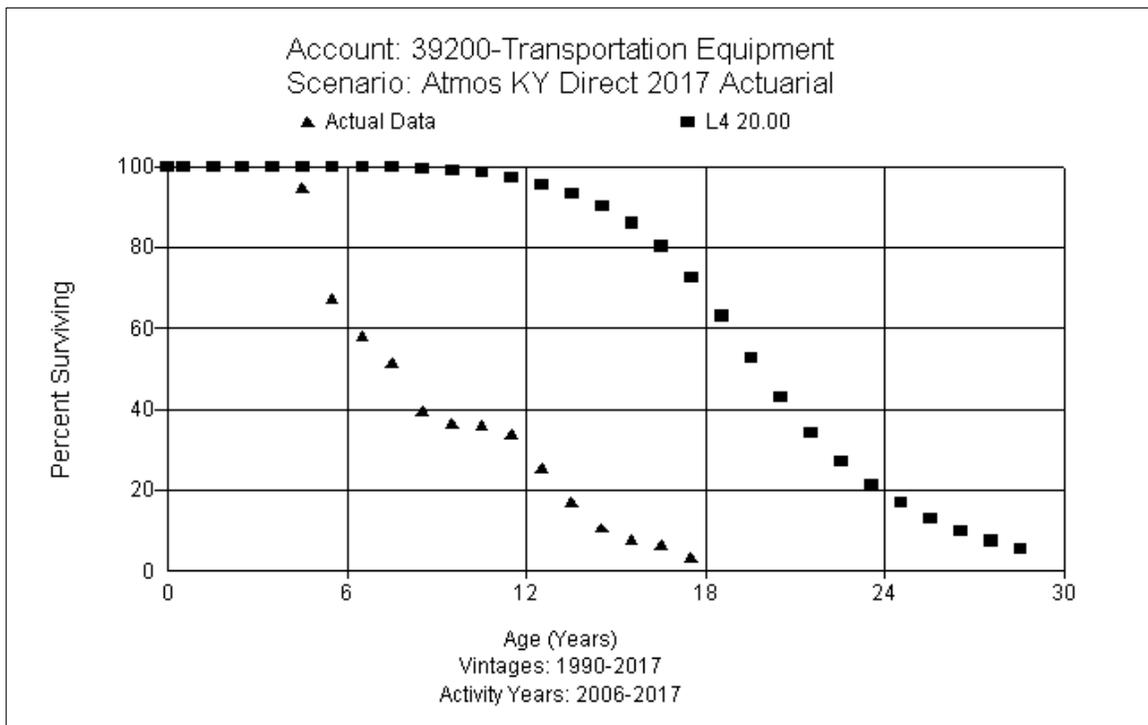
These accounts consist of miscellaneous office furniture such as desks, chairs, filing cabinets, tables, copiers, and other office equipment used for general utility service. There is approximately \$1.7 million in this account. The existing life is 15 SQ and uses vintage group amortization and is retained. No graph is provided.

Account 392.00 Transportation Equipment (20 L4)

This account consists of various types of transportation equipment such as cars, trucks, tractor, and trailers. There is approximately \$221 thousand in this account. The current parameter is 8 L5.

Discussions with Company personnel indicated nearly half of the investment is a Mueller truck (to stop/plug lines), some tractors, and trailers. Life of this type of equipment should last 20 years on average

The actuarial analysis indicated a life less than Company personnel expectations. This is most likely due to the prior history of a mix of autos and light duty trucks, which are now leased. Based on input from the Company, type of assets, and judgment, this study recommends moving to 20 L4 which is reflective of the current surviving assets, policy and expectations. A graph of the account observed life table and recommendation is shown below for the 20 L4.



Account 392.02 Trailers (20 L4)

This account consists of working trailers used in general plant. There is currently a zero balance in this account. The current parameter is 20 L3. See account 392.00 above. This study recommends using the same 20 L4 from Account 392.00. The assets, policy and expectations are the same. No graph is provided.

Account 394.00 Tools, Shop, and Garage Equipment (16 SQ)

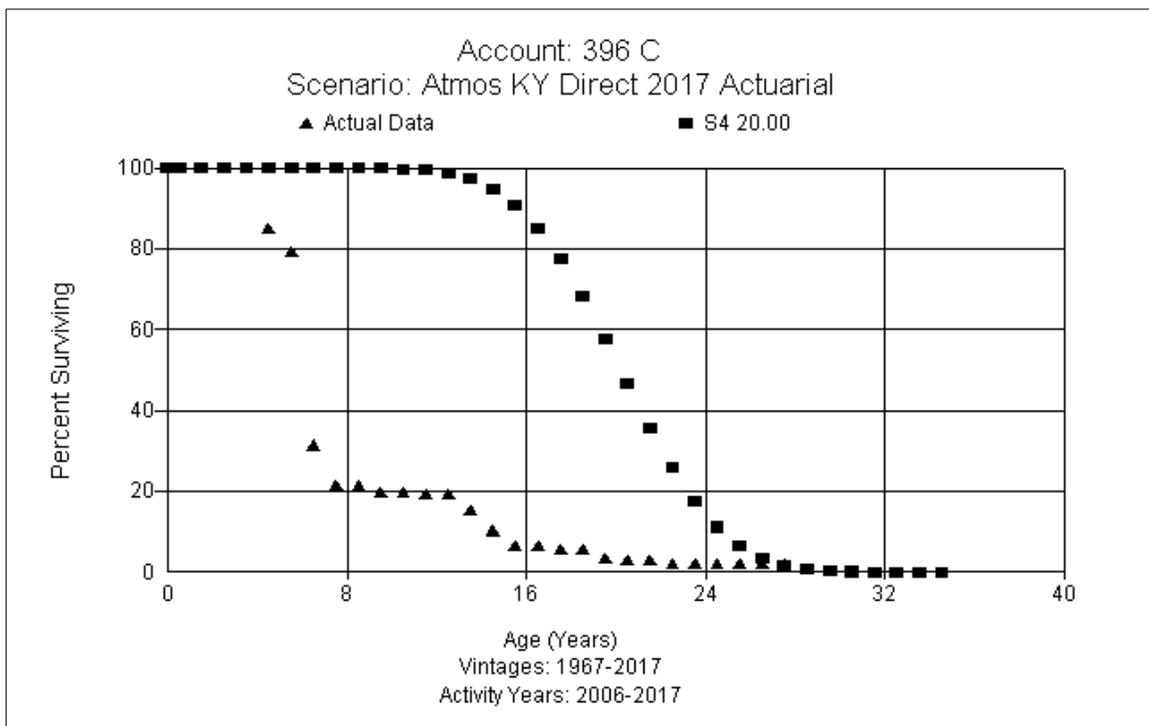
This account consists of various tools used in the shop and garages such as boring equipment, leak detectors, pipe locators, fusion, tapping, and plugging equipment. There is approximately \$3.2 million in this account. The existing life is 16 SQ, uses vintage group amortization and is retained. No graph is provided.

Account 396.03, 396.04, & 396.05 Ditchers, Backhoes and Welders (20 S4)

These accounts consist of power operated equipment including ditchers, backhoes, and welders. There is approximately \$122 thousand for the combined accounts. The current life is 14 years with the S4 dispersion.

Discussions with Company personnel indicated 20 years would be a more reasonably expected life for this type of equipment than the current 14 years.

The analysis indicates a life much shorter than Company expectations and the mix of surviving assets. Considering the analysis, type of equipment, and Company input, this study recommends increasing the life to 20 years while retaining the S4 dispersion pattern. A graph of the account observed life table and recommendation is shown below for the 20 S4.



Accounts 397.00 Communication Equipment (15 SQ)

This account consists of all communication equipment including mobile and fixed radio systems along with telephone, telemetering and other miscellaneous communication equipment. There is \$439 thousand in this account. The existing life is 15 SQ, uses vintage group amortization and is retained. No graph is provided.

Account 398.00 Miscellaneous Equipment (20 SQ)

This account consists of kitchen, audio/video equipment, television, and other miscellaneous equipment used in general utility service. There is approximately \$3.9 million in this account. The existing life is a 20 SQ, uses vintage group amortization and is retained. No graph is provided.

Account 399.01 Server Hardware (7 SQ)

This account consists of server hardware computer equipment. There is \$14 thousand in this account. The existing life is 10 SQ and uses vintage group amortization. Discussions with Company personnel indicated the existing 10 year is a maximum life and not likely. The Company recently retired a server at 7 years. Based on Company input, policy, type of assets, and judgment, this study recommends moving to a 7 SQ and vintage group amortization is retained.

Account 399.02 Server Software (7 SQ)

This account consists of server software. There is no balance in this account. The existing life is 7 SQ and uses vintage group amortization and is retained. No graph is provided.

Account 399.03 – Network Hardware (10 SQ)

This account consists of network hardware computer equipment. There is approximately \$134 thousand in this account. The existing life is 10 SQ, uses vintage group amortization and is retained. No graph is provided.

Account 399.06 – PC Hardware (5 SQ)

This account consists of personal computer hardware, laptops, mobile data terminals (MDT), printers, monitors, and projectors. There is approximately \$1.1 million in this account. The existing life is 5 SQ, uses vintage group amortization and is retained. No graph is provided.

Account 399.07 PC Software (7 SQ)

This account consists of software for personal computers. There is no balance in this account. The existing life is 7 SQ, uses vintage group amortization and is retained. No graph is provided.

Account 399.08 Application Software (12 SQ)

This account consists of smaller software applications such as GIS software. The balance in this account is \$123 thousand. The existing life is 15 SQ and uses vintage group amortization. Discussions with Company personnel indicated that the large application software is no longer recorded at utility level so this account contains software that has a slight shorter life. This study moves the life to 12 years with the SQ. Vintage group amortization is retained. No graph is provided.

Salvage Analysis

When a capital asset is retired, physically removed from service and finally disposed of, terminal retirement is said to have occurred. The residual value of a terminal retirement is called gross salvage. Net salvage is the difference between the gross salvage (what the asset was sold for) and the removal cost (cost to remove and dispose of the asset). Salvage and removal cost percentages are calculated by dividing the current cost of salvage or removal by the original installed cost of the asset. Some plant assets can experience significant negative removal cost percentages due to the timing of the original addition versus the retirement. For example, a Distribution asset in FERC Account 376.01 Steel Mains with a current installed cost of \$500 (2017) would have had an installed cost of \$15.404 in 1947. A removal cost of \$50 for the asset calculated (incorrectly) on current installed cost would only have a negative 10 percent removal cost ($\$50/\500). However, a correct removal cost calculation would show a negative 325 percent removal cost for that asset ($\$50/\15.40). Inflation from the time of installation of the asset until the time of its removal must be taken into account in the calculation of the removal cost percentage because the depreciation rate, which includes the removal cost percentage, will be applied to the original installed cost of assets.

The net salvage analysis uses the history of the individual accounts to estimate the future net salvage that Kentucky can expect in its operations. As a result, the analysis not only looks at the historical experience but also takes into account recent and expected changes in operations that could reasonably lead to different future expectations for net salvage than were experienced in the past. Generally, recent experience is more heavily weighted in making net salvage recommendations than experience older than 10 years.

4 Using the Handy-Whitman Bulletin No. 187, G-2, line 44, $\$15.40 = \$500 \times 24/779$.

Salvage Characteristics

For each account, data for retirements, gross salvage, and cost of removal were derived from 1996-2017. Moving averages, which remove timing differences between retirement and salvage and removal cost, were analyzed over periods varying from one to 19 years, which were evaluated in making the net salvage recommendations for the study. However, for purposes of printing in this report, we have limited it to a period of 10 years in Appendix D. A discussion for each account provides the recommended net salvage factor, the existing net salvage factor if known, and any specific considerations given to support the recommendations.

Storage Plant – FERC Accounts 350.20 – 356.00

Account 350.20 Rights-of-Way (0%)

This account includes any salvage and removal cost related to rights of way used in connection with storage plant operations. The existing net salvage is zero percent. No net salvage is expected and, a zero percent net salvage is retained.

Account 351.00-351.04 Structures & Improvements, Compressor Structures, M&R Station Structures, and Other Structures (-5%)

These accounts include any salvage and removal cost related to structures and improvements, buildings, and fences used in connection with storage plant operations. The existing net salvage is negative 5 percent. Similar to the combined life analysis for these accounts, a combined net salvage analysis was performed. Some salvage was recorded due to retirement of a building and the sale of a garage door. This is not expected to reoccur. Overall cost of removal is expected to exceed any salvage in the future. This study recommends retention of the existing negative 5 percent net salvage.

Account 352.00, 352.01, 352.02 Wells, Well Construction and Well Equipment (-30%)

These accounts include any salvage and removal cost related to wells, well construction, and well equipment used in connection with storage plant operations. The existing net salvage is negative 30 percent. The Company has approximately 55 wells across 5 storage fields. There have been several wells retired or abandoned. Based on discussions with Company the average cost to plug and abandon a well is around \$50,000. The recent experience suggests a negative net salvage of 100 percent or more. Since timing differences are known to occur, this study recommends retention of the negative 30 percent for all three accounts at this time.

Account 352.03 Cushion Gas (0%)

This account includes any salvage and removal cost related to cushion gas used in connection with storage plant operations. There has been no activity and is not expected to have any removal cost. This study retains the existing zero percent net salvage.

Account 352.10 Storage Leaseholds (0%)

This account includes any salvage and removal cost related to storage leaseholds used in connection with storage plant operations. There is no salvage or cost of removal recorded or expected. This study recommends retaining the approved zero percent net salvage for this account.

Account 352.11 Storage Rights (0%)

This account includes any salvage and removal cost related to storage rights used in connection with storage plant operations. The existing net salvage is zero percent and is retained.

Account 353.01, 353.02 Storage Field and Tributary Lines (-5%)

These accounts include any salvage and removal cost related to field and tributary lines used in connection with storage plant operations. Currently, the net salvage for these accounts is negative 5 percent and is retained.

Account 354.00 Compressor Station Equipment (-5%)

This account includes any salvage and removal cost related to compressor station equipment used in connection with storage plant operations. Currently, the net salvage is zero percent. Some salvage and cost of removal was recorded. The 10 year moving average is a negative 11 percent. No salvage has been received but cost of removal has been recorded. Based on the experience, some negative net salvage is expected, this study recommends moving from zero to a negative 5 percent net salvage.

Account 355.00 Measuring and Regulating (-4%)

This account includes any salvage and removal cost related to measuring and regulating equipment used in connection with storage plant operations. The existing net salvage is negative 4 percent. There has been some activity with no salvage and some cost of removal. Based on the overall analysis indications, this study recommends retaining a negative 4 percent net salvage for this account.

Account 356.00 Purification Equipment (-3%)

This account includes any salvage and removal cost related to purification equipment used in connection with storage plant operations. The existing net salvage is negative 3 percent. Although sparse, some cost of removal has been recorded. The most recent 5 year moving average is a negative 8 percent. This study recommends retention of the existing negative 3 percent.

Transmission Plant – FERC Accounts 365.20 – 369.01

Account 365.20 Rights-of-Way (0%)

This account includes any salvage and removal cost related to rights of way used in connection with transmission operations. The existing net salvage is zero percent and is retained.

Account 366.02 & 366.03 M&R Station Structures & Other Structures (-3%)

These accounts include any salvage and removal cost related to measuring and regulating station structures and other structures used in connection with transmission operations. The existing net salvage is negative 6 percent. The combined account analysis indicates some salvage and cost of removal recorded for these two accounts. Salvage in 2008 was for a fence and is not likely to reoccur. The most recent moving average with net salvage is the 7 year and is a negative 3 percent. While the fuller experience moves more negative there is not enough consistency in the movement. Based on the overall analysis indications and expectations that cost of removal will exceed any salvage, this study recommends moving to a negative 3 percent net salvage for these accounts.

Account 367.00 Mains – Cathodic Protection (0%)

This account includes any salvage and removal cost related to cathodic protection mains used in connection with transmission operations. There has been some cost of removal recorded but is minimal. Little removal cost is expected. Currently the net salvage for this account is zero percent and is retained.

Account 367.01 Mains – Steel (-20%)

This account includes any salvage and removal cost related to steel mains used in connection with transmission operations. Currently, the net salvage for this account is negative 20 percent. The Company recently completed a

separate Time and Motion Study to evaluate the costs related to retirement activities for its Mains and Services. There has not been sufficient time from implementation of the Time and Motion Study to see the impact, so the current analysis indicates a continued pattern of negative net salvage. However, this study recommends retention of the existing negative 20 percent net salvage at this time.

Account 369.00 & 369.01 M&R Stations (-15%)

These accounts include any salvage and removal cost related to measuring and regulating station equipment used in connection with transmission operations. The existing net salvage for these accounts is negative 19 percent. Using the combined analysis, overall indications suggest there is no salvage and some cost of removal will be incurred. Considering the Time and Motion Study and the overall indications in the combined analysis, this study recommends moving to negative 15 percent net salvage for this account.

Distribution Plant – FERC Accounts 374.02-387

Account 374.02 Land Rights (0%)

This account includes any salvage and removal cost related to land rights used in connection with distribution operations. Existing net salvage is zero percent. Very small salvage was recorded, and is not expected to occur in the future. This study recommends retaining the zero percent net salvage for this account.

Account 375.00, 375.01, 375.02, & 375.03 Structures & Improvements (-10%)

These accounts consist of any salvage and removal cost related to buildings, border station and regulating station structures, fences, and other miscellaneous related assets used in connection with distribution operations. The existing net salvage is negative 10 percent. The combined analysis indicates no salvage and some cost of removal being incurred. The overall

indications are sparse but suggest a negative 47 percent. This indication is not reasonable to expect for all assets in the future. This study recommends retaining the existing negative 10 percent net salvage for this account.

Account 376.00 Mains - Cathodic Protected (0%)

This account consists of any salvage and removal cost related to cathodic protected mains. The existing net salvage is zero percent. This study has segregated anodes and leak clamps from this account. Very little salvage but some cost of removal has been incurred. This study recommends retention of zero percent net salvage for this account.

Account 376.01 Mains - Steel (-5%)

This account consists of any salvage and removal cost related to steel mains. The existing net salvage is negative 5 percent based on a combined analysis of Account 376.01 and 376.02. The Company completed and implemented a Time and Motion Study for its Mains and Services. The impact is not fully evident in the analysis as it indicates a continued pattern of negative net salvage with a 3 year moving average negative 55 percent. The most recent 5 year average is negative 40 percent and a negative 34 percent for the 10 year. Based on the combined analysis for both steel and plastic and considering the Time and Motion, this study recommends not making any changes and retains the existing negative 5 percent net salvage for both steel and plastic mains at this time.

Account 376.02 Mains - Plastic (-5%)

This account consists of any salvage and removal cost related to plastic mains. The existing net salvage is negative 5 percent. The existing net salvage is negative 5 percent based on a combined analysis of Account 376.01 and 376.02. The Company completed and implemented a Time and Motion Study for its Mains and Services. The impact is not fully evident in the analysis as it

indicates a continued pattern of negative net salvage with a 3 year moving average negative 55 percent. The most recent 5 year average is negative 40 percent and a negative 34 percent for the 10 year. Based on the combined analysis for both steel and plastic and considering the Time and Motion, this study recommends not making any changes and retains the existing negative 5 percent net salvage for both steel and plastic mains at this time.

Account 378.00 M&R Station Equipment (-15%)

This account includes any salvage and removal cost related to measuring equipment, regulator station and valves used in distribution operations. The existing net salvage is negative 19 percent. Consistent with the life analysis, a combined analysis was run for all measuring and regulating equipment in the transmission and distribution functions. The Company also performed a Time and Motion Study on its metering type assets. Similar to Mains and Services there has not been enough time to see the results. However, looking at the combined analysis, the 10 year moving average is a negative 15 percent. Giving consideration to all these factors, this study recommends moving to a negative 15 percent, which is the recommendation of this study.

Account 379.00 & 379.05 M&R – City Gate Equipment (-15%)

These accounts include any salvage and removal cost related to station equipment used in measuring and regulating gas at the city gate. The existing net salvage is negative 19 percent. Consistent with the life analysis, a combined analysis was run for all measuring and regulating equipment in the transmission and distribution functions. The Company also performed a Time and Motion Study on its metering type assets. Similar to Mains and Services there has not been enough time to see the results. However, looking at the combined analysis, the 10 year moving average is a negative 15 percent. Giving consideration to all these factors, this study recommends moving to a negative 15 percent, which is the recommendation of this study.

Account 380.00 Services (-18%)

This account includes any salvage and removal cost related to all types of services related to distribution operations. The existing net salvage is negative 20 percent. The Company completed and implemented the Time and Motion Study results but not enough time has passed to be fully reflective in the analysis. However, the most recent 3 year moving average is a negative 18 percent. The fuller moving average, 10 year, is a negative 32 percent. Considering the Time and Motion Study, the recent (3 year) indications, and the existing, this study recommends moving to a negative 18 percent net salvage for this account.

Account 381.00 Meters (-11%)

This account includes any salvage and removal cost related to meters. The existing net salvage is negative 50 percent. Discussions with Company personnel indicated meters is separate from the meter loop in life and net salvage, so it has been analyzed separately. The current analysis indicates the most recent 5 year moving average is negative 11 percent and the 10 year average is a negative 18 percent. Giving consideration to the Time and Motion study impact, the current analysis indications in the 5 year average, and future expectations for this account, this study recommends moving to a negative 11 percent net salvage at this time.

Account 382.00 Meter Installations (-35%)

This account includes any salvage and removal cost related to meter installations. The existing net salvage is negative 50 percent. Individually, this account has very high negative net salvage, but based on discussions with Company personnel this account is more appropriately grouped with house regulators and house regulator installations due to how the meter loop is treated. The combined analysis most recent 5 year moving average is a negative 186 percent and the 10 year is a negative 154 percent, both of which are beyond

expectations. The cost of removal recorded in 2016 appears to be due to timing differences and is skewing the results. Giving consideration to the handling of the meter loop, the Time and Motion Study, and the analysis, this study recommends moving to a negative 35 percent net salvage at this time and it be applied to Accounts 382, 383, and 384.

Account 383.00 House Regulators (-35%)

This account includes any salvage and removal cost related to house regulators. The existing net salvage is zero percent. A combined analysis was performed and used for Accounts 382, 383, and 384. The combined analysis most recent 5 year moving average is a negative 186 percent and the 10 year is a negative 154 percent, both of which are beyond expectations. The cost of removal recorded in 2016 appears to be due to timing differences and is skewing the results. Giving consideration to the handling of the meter loop, the Time and Motion Study, and the analysis, this study recommends moving to a negative 35 percent net salvage at this time and it be applied to Accounts 382, 383, and 384.

Account 384.00 House Regulator Installations (-35%)

This account includes any salvage and removal cost related to house regulator installations. The existing net salvage is zero percent. See discussions for Accounts 381, 382, and 383. The combined analysis most recent 5 year moving average is a negative 186 percent and the 10 year is a negative 154 percent, both of which are beyond expectations. The cost of removal recorded in 2016 appears to be due to timing differences and is skewing the results. Giving consideration to the handling of the meter loop, the Time and Motion Study, and the analysis, this study recommends moving to a negative 35 percent net salvage at this time and it be applied to Accounts 382, 383, and 384. This study recommends retaining the zero percent net salvage for this account.

Account 385.00 Industrial M&R (-8%)

This account includes any salvage and removal cost related to meters, regulator installations, regulator stations, valves and pressure recorders for industrial customers. The existing net salvage is negative 12 percent. 2012 is much more negative and 2014 was positive but may be the result of timing differences. This account is included in scope of the Time and Motion Study, but the impact is not fully known. However, the most recent 10 year net salvage indication is a negative 8 percent, which is the recommendation in this study.

General Plant – FERC Accounts 390-399.08

Account 390.00, 390.02, 390.03, 390.04 Structures and Improvements (-10%)

These accounts include the gross salvage and cost or removal for costs of structures and improvements used for utility service. The existing net salvage is negative 10 percent. The combined analysis indicates a negative 2 percent for the most recent 10 year moving average. There are known timing differences that occur, so this study recommends retaining a negative 10 percent net salvage for these accounts at this time.

Account 390.09 Improvements – Leased (0%)

This account includes the gross salvage and cost or removal for costs of improvements to leased structures used for utility service. The existing net salvage is zero percent. Some salvage was recorded in 2008 but is not likely to reoccur and now cost of removal has exceeded any salvage for an overall negative net salvage. This study recommends retaining zero percent net salvage for this account at this time.

Account 391.00 & 391.03 Office Furniture & Equipment (0%)

These accounts include the gross salvage and cost or removal for office furniture, equipment and office machines used for utility service. The existing net

salvage is zero percent. No significant salvage or cost of removal is expected. This study recommends retaining zero percent net salvage at this time.

Account 392.00 Transportation Equipment (10%)

This account consists of gross salvage and cost of removal for cars, trucks, and other transportation equipment that can be licensed on roadways. The existing net salvage is 10 percent. No cost of removal is expected nor recorded. Overall analysis indicates a move downward, but this study recommends retention of the existing positive 10 percent.

Account 392.02 Working Trailers (10%)

This account consists of gross salvage and cost of removal for working trailers. The existing net salvage is 14 percent. There is no longer any investment in this account and will be recorded to Account 392.00. This study recommends a 10 percent net salvage, which is consistent with Account 392.

Account 394.00 Tools, Shop, and Garage Equipment (0%)

This account includes the gross salvage and cost or removal for tools, shop, and garage equipment used for utility service. The existing net salvage is zero percent. The most recent moving averages are both positive and negative. Overall a zero percent net salvage for these assets at end of life is expected. This study recommends retaining a zero percent net salvage for this account at this time.

Account 396.03, 396.04, and 396.05 Ditchers, Backhoes, and Welders (16%)

These accounts include the gross salvage and cost or removal for ditchers, backhoes, welders, and other power operated equipment that cannot be licensed on roadways. The existing net salvage is 8 percent. A combined analysis was performed, which indicated some positive net salvage is being recorded. Due to timing differences some of the more recent positive salvage indications are not reasonable to expect in the future. However, the most recent

10 year average is positive 16 percent and is reasonable for these assets. Based on the 10 year indications and more recent activity, this study recommends increasing the net salvage from the existing 8 percent to 16 percent net salvage at this time.

Accounts 397.00 Communication Equipment (0%)

This account includes the gross salvage and cost or removal for telephone, telemetry, and other communication type equipment. The existing net salvage is zero percent. Typically, these assets do not produce any gross salvage or removal cost at retirement. This study recommends retaining zero percent net salvage for this account.

Account 398.00 Miscellaneous Equipment (0%)

This account includes the gross salvage and cost or removal for miscellaneous equipment. The existing net salvage is zero percent. Small negative net salvage is indicated, but these assets typically will not produce any gross salvage or removal cost at end of life. This study recommends retaining zero percent net salvage for this account.

Account 399.01 Server Hardware (0%)

This account consists of gross salvage and cost of removal for server hardware computer equipment. The existing net salvage is zero percent. Typically, these assets do not produce any gross salvage or removal cost. This study recommends retaining zero percent net salvage for this account.

Account 399.02 Server Software (0%)

This account consists of gross salvage and cost of removal for server software. The existing net salvage is zero percent. Typically, these assets do not produce any gross salvage or removal cost. This study recommends retaining zero percent net salvage for this account.

Account 399.03 Network Hardware (0%)

This account consists of gross salvage and cost of removal for network hardware computer equipment. The existing net salvage is zero percent. Typically, these assets do not produce any gross salvage or removal cost. This study recommends retaining zero percent net salvage for this account.

Account 399.06 PC Hardware (0%)

This account consists of gross salvage and cost of removal for personal computer hardware, laptop, printers, monitors, and projectors. The existing net salvage is zero percent. A small negative net salvage is indicated in the analysis. However, typically these assets do not produce any gross salvage or removal cost. This study recommends retaining a zero percent net salvage for this account.

Account 399.07 PC Software (0%)

This account consists of gross salvage and cost of removal for software for personal computers. The existing net salvage is zero percent. Typically, these assets do not produce any gross salvage or removal cost. This study recommends retaining zero percent net salvage for this account.

Account 399.08 Application Software (0%)

This account consists of gross salvage and cost of removal for large application software. The existing net salvage is zero percent. Typically, these assets do not produce any gross salvage or removal cost. This study recommends retaining zero percent net salvage for this account.

APPENDIX A - Calculation of Equal Life Group Depreciation Rates

Appendix A

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

Using Equal Life Group

Account (a)	Description (b)	Plant In Service (c)	Allocated Book Reserve (d)	Net Salvage % (e)	Net Salvage Amount (f)	Unaccrued Balance (g)	Remaining Life (h)	Annual Accrual Amount (i)	Annual Accrual Rate (j)
STORAGE PLANT									
35020	Rights-Of-Way	\$ 4,681.58	\$ 4,285.92	0%	\$ -	\$ 395.66	18.14	\$ 21.81	0.47%
35100	Structures & Improvements	17,916.19	5,798.78	-5%	(895.81)	13,013.22	43.76	297.39	1.66%
35102	Structures - Compressor Station	153,261.30	111,882.25	-5%	(7,663.07)	49,042.11	25.51	1,922.12	1.25%
35103	Structures - M&R Stations	23,138.38	20,480.76	-5%	(1,156.92)	3,814.54	18.27	208.84	0.90%
35104	Other Structures	137,442.53	98,479.17	-5%	(6,872.13)	45,835.48	25.82	1,775.22	1.29%
35200	Wells	8,353,042.61	1,017,144.77	-30%	(2,505,912.78)	9,841,810.62	60.92	161,541.53	1.93%
35201	Well Construction	1,699,998.54	1,393,570.60	-30%	(509,999.56)	816,427.50	31.70	25,758.87	1.52%
35202	Well Equipment	449,309.06	454,795.24	-30%	(134,792.72)	129,306.54	23.69	5,457.88	1.21%
35203	Cushion Gas	1,694,232.96	533,786.19	0%	0.00	1,161,046.77	49.50	23,456.81	1.38%
35210	Storage Leaseholds	178,530.09	171,013.62	0%	0.00	7,516.47	13.79	545.08	0.31%
35211	Storage Rights	54,614.27	43,850.53	0%	0.00	10,763.74	22.39	480.77	0.88%
353 C	Storage Field & Tributary Lines	384,669.27	299,213.33	-5%	(19,233.46)	104,689.41	30.01	3,488.82	0.91%
35400	Compressor Station Equipment	923,446.05	493,156.35	-5%	(46,172.30)	476,462.00	30.40	15,672.76	1.70%
35500	M&R Equipment	273,084.38	175,223.57	-4%	(10,923.38)	108,784.18	23.87	4,556.67	1.67%
35600	Purification Equipment	414,663.45	177,084.26	-3%	(12,439.90)	250,019.10	30.43	8,216.24	1.98%
	Total Storage	\$ 14,762,630.66	\$ 4,999,765.33		\$ (3,256,062.03)	\$ 13,018,927.36		\$ 253,400.82	1.72%
TRANSMISSION PLANT									
36520	Rights-Of-Way	\$ 867,772.00	\$ 455,379.60	0%	\$ -	\$ 412,392.40	45.06	\$ 9,151.49	1.05%
366 C	Structures - M&R Station	109,828.01	72,369.18	-3%	(3,294.84)	40,753.67	30.02	1,357.69	1.24%
36700	Mains - Cathodic Protection	47,232.93	13,394.47	0%	0.00	33,838.46	18.66	1,813.87	3.84%
36701	Mains - Steel	27,638,493.47	17,806,185.27	-20%	(5,527,698.69)	15,360,006.90	39.30	390,807.52	1.41%
36703	Mains - Anodes	92,404.75	72,038.75	0%	0.00	20,366.00	4.41	4,620.24	5.00%
369 C	M&R Stations	3,001,022.55	2,269,262.74	-15%	(450,153.38)	1,181,913.20	25.61	46,145.00	1.54%
	Total Transmission	\$ 31,756,753.71	\$ 20,688,630.00		\$ (5,981,146.92)	\$ 17,049,270.63		\$ 453,895.81	1.43%
DISTRIBUTION PLANT									
37402	Land Rights	\$ 2,371,406.31	\$ 139,565.41	0%	\$ -	\$ 2,231,840.90	69.07	\$ 32,313.87	1.36%
375 C	Structures & Improvements	486,254.94	188,791.98	-10%	(48,625.49)	346,088.46	39.79	8,697.84	1.79%
37600	Mains - Cathodic Protection	2,326,532.18	526,823.99	0%	0.00	1,799,708.19	18.26	98,564.89	4.24%
37601-02	Mains - Steel & Plastic	247,129,715.72	44,226,488.56	-5%	(12,356,485.79)	215,259,712.94	34.60	6,221,857.95	2.52%
37603	Mains - Anodes	4,392,139.28	2,635,974.04	0%	0.00	1,756,165.24	8.00	219,589.47	5.00%
37604	Mains - Leak Clamps	14,313,691.11	8,834,833.14	0%	0.00	5,478,857.97	7.66	715,557.47	5.00%
37800	M&R Equipment - General	9,659,648.27	2,189,008.88	-15%	(1,448,947.24)	8,919,586.63	30.25	294,842.14	3.05%
379 C	M&R Equipment - City Gate	5,593,717.47	1,738,573.24	-15%	(839,057.62)	4,694,201.85	29.62	158,492.28	2.83%
38000	Services	117,564,972.19	39,335,068.75	-18%	(21,161,694.99)	99,391,598.43	26.54	3,745,141.38	3.19%
38100	Meters	31,440,206.71	12,349,983.03	-11%	(3,458,422.74)	22,548,646.41	10.17	2,216,824.34	7.05%
38200	Meter Installations	55,250,692.16	23,366,541.68	-35%	(19,337,742.26)	51,221,892.73	23.71	2,160,265.34	3.91%
38300	House Regulators	10,759,407.20	3,920,827.20	-35%	(3,765,792.52)	10,604,372.52	24.55	431,896.65	4.01%
38400	House Regulator Installations	200,274.50	114,849.93	-35%	(70,096.08)	155,520.65	22.40	6,943.51	3.47%
38500	Industrial M&R	5,165,445.65	2,206,876.84	-8%	(413,235.65)	3,371,804.46	30.46	110,681.27	2.14%
	Total Distribution	\$ 506,654,103.69	\$ 141,774,206.68		\$ (62,900,100.38)	\$ 427,779,997.39		\$ 16,421,668.39	3.24%

Appendix A

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

Using Equal Life Group

Account (a)	Description (b)	Plant In Service (c)	Allocated Book Reserve (d)	Net Salvage % (e)	Net Salvage Amount [f]	Unaccrued Balance [g]	Remaining Life [h]	Annual Accrual Amount [i]	Annual Accrual Rate [j]
GENERAL PLANT DEPRECIATED									
	390 C Structures & Improvements	\$ 8,023,991.50	\$ 858,183.93	-10%	\$ (802,399.15)	\$ 7,968,206.72	30.88	\$ 258,055.30	3.22%
	39004 Air Conditioning	12,954.74	5,237.93	-10%	(1,295.47)	9,012.29	12.33	731.05	5.64%
	39009 Improvements - Leased	1,246,194.18	834,749.60	0%	0.00	411,444.58	2.06	199,857.84	16.04%
	39200 Transportation Equipment *	220,986.90	32,252.16	10%	22,098.69	166,636.05	14.64	11,385.62	5.15%
	396 C Power Operated Equipment	121,784.60	65,827.07	16%	19,485.54	36,471.99	2.64	13,816.95	11.35%
	Total General Depreciated	<u>\$ 9,625,911.92</u>	<u>\$ 1,796,250.69</u>		<u>\$ (762,110.40)</u>	<u>\$ 8,591,771.63</u>		<u>\$ 483,846.74</u>	<u>5.03%</u>
	Total Study Depreciated	<u>\$ 562,799,399.98</u>	<u>\$ 169,258,852.70</u>		<u>\$ (72,899,419.72)</u>	<u>\$ 466,439,967.00</u>		<u>\$ 17,612,811.75</u>	<u>3.13%</u>

*This account includes 39202.

Appendix A

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

<u>Account</u> <u>(a)</u>	<u>Description</u> <u>(b)</u>	<u>Plant</u> <u>Balance</u> <u>(c)</u>	<u>Allocated</u> <u>Reserve</u> <u>(d)</u>	<u>Theoretical</u> <u>Reserve</u> <u>(e)</u>	<u>Reserve</u> <u>(Deficit)/Surplus</u> <u>[f]</u>	<u>Assets</u> <u>Greater</u> <u>than ASL</u> <u>[g]</u>
GENERAL PLANT - AMORTIZED						
3910C	Office Furniture & Equipment - All	\$ 1,749,085.61	\$ 760,016.12	\$ 760,016.12	0.00	\$ -
39400	Tools, Shop,&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

<u>Account</u>	<u>Description</u>	<u>Plant</u> <u>Balance</u>	<u>Allocated</u> <u>Reserve</u>	<u>Annual</u> <u>Amortization</u> <u>Amount</u>	<u>Annual</u> <u>Amortization</u> <u>%</u>
3910C	Office Furniture & Equipment - All	\$ 1,749,085.61	\$ 760,016.12	\$ 87,454.28	5.00%
39400	Tools, Shop,&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>		

APPENDIX B - Comparison of Depreciation Rates

Appendix B

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

Account	Description	Plant Balance	Existing		Proposed		Change in Depreciation Expense
			Annual Accrual Rate	Annual Accrual	Annual Accrual Rate	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	[f]	[g]	[h]
STORAGE PLANT							
35020	Rights-Of-Way	\$ 4,681.58	0.25%	\$ 11.78	0.47%	\$ 21.81	\$ 10.03
35100	Structures & Improvements	17,916.19	1.67%	299.64	1.66%	297.39	(2.25)
35102	Structures - Compressor Station	153,261.30	1.26%	1,931.44	1.25%	1,922.12	(9.32)
35103	Structures - M&R Stations	23,138.38	0.92%	212.60	0.90%	208.84	(3.76)
35104	Other Structures	137,442.53	1.30%	1,787.00	1.29%	1,775.22	(11.78)
35200	Wells	8,353,042.61	1.93%	161,063.46	1.93%	161,541.53	478.07
35201	Well Construction	1,699,998.54	1.51%	25,740.01	1.52%	25,758.87	18.86
35202	Well Equipment	449,309.06	0.93%	4,164.67	1.21%	5,457.88	1,293.20
35203	Cushion Gas	1,694,832.96	1.80%	30,472.58	1.38%	23,456.81	(7,015.77)
35210	Storage Leaseholds	178,530.09	0.35%	630.45	0.31%	545.08	(85.37)
35211	Storage Rights	54,614.27	0.88%	480.44	0.88%	480.77	0.33
35301	Storage Field Lines	175,350.37	0.81%	1,413.12	0.91%	1,590.37	177.24
35302	Storage Tributary Lines	209,318.90	0.81%	1,686.87	0.91%	1,898.45	211.58
35400	Compressor Station Equipment	923,446.05	1.80%	16,654.90	1.70%	15,672.76	(982.14)
35500	M&R Equipment	273,084.38	0.51%	1,386.73	1.67%	4,556.67	3,169.95
35600	Purification Equipment	414,663.45	2.05%	8,481.41	1.98%	8,216.24	(265.16)
	Total Storage	\$ 14,762,630.66	1.74%	\$ 256,417.09	1.72%	\$ 253,400.82	\$ (3,016.28)
TRANSMISSION PLANT							
36520	Rights-Of-Way	\$ 867,772.00	1.33%	\$ 11,525.96	1.05%	\$ 9,151.49	\$ (2,374.48)
36602	Structures - M&R Station	49,001.72	1.78%	874.32	1.24%	605.76	(268.57)
36603	Other Structures	60,826.29	1.78%	1,085.30	1.24%	751.93	(333.37)
36700	Mains - Cathodic Protection	47,232.93	5.00%	2,361.65	3.84%	1,813.87	(547.77)
36701	Mains - Steel	27,638,493.47	1.89%	523,135.94	1.41%	390,807.52	(132,328.42)
36703	Mains - Anodes	92,404.75	5.00%	4,620.24	5.00%	4,620.24	-
36900	M&R Stations	731,466.64	2.14%	15,648.84	1.54%	11,247.34	(4,401.50)
36901	M&R Stations	2,269,555.91	2.14%	48,554.39	1.54%	34,897.66	(13,656.73)
	Total Transmission	\$ 31,756,753.71	1.91%	\$ 607,806.64	1.43%	\$ 453,895.81	\$ (153,910.84)

Appendix B

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

Account	Description	Plant Balance	Existing		Proposed		Change in Depreciation Expense
			Annual Accrual Rate	Annual Accrual	Annual Accrual Rate	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
DISTRIBUTION PLANT							
37402	Land Rights	\$ 2,371,406.31	1.46%	\$ 34,511.69	1.36%	\$ 32,313.87	\$ (2,197.83)
37500	Structures & Improvements	336,167.54	2.06%	6,930.64	1.79%	6,013.16	(917.48)
37501	Structures & Improvements	99,818.13	2.06%	2,057.91	1.79%	1,785.49	(272.43)
37502	Structures - Land Rights	46,264.19	2.06%	953.81	1.79%	827.55	(126.27)
37503	Improvements	4,005.08	2.06%	82.57	1.79%	71.64	(10.93)
37600	Mains - Cathodic Protection	2,326,532.18	5.00%	116,326.61	4.24%	98,564.89	(17,761.72)
37601	Mains - Steel	146,469,840.87	2.09%	3,068,428.47	2.52%	3,687,595.97	619,167.50
37602	Mains - Plastic	100,659,874.85	2.09%	2,108,745.56	2.52%	2,534,261.98	425,516.42
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	M&R Equipment - General	9,659,648.27	2.89%	279,118.23	3.05%	294,842.14	15,723.91
37900	M&R Equipment - City Gate	3,941,078.12	2.86%	112,905.83	2.83%	111,666.43	(1,239.40)
37905	M&R Equipment - City Gate	1,652,639.35	2.86%	47,345.58	2.83%	46,825.85	(519.73)
38000	Services	117,564,972.19	3.47%	4,079,289.71	3.19%	3,745,141.38	(334,148.34)
38100	Meters	31,440,206.71	8.30%	2,609,256.74	7.05%	2,216,824.34	(392,432.40)
38200	Meter Installations	55,250,692.16	4.13%	2,283,386.98	3.91%	2,160,265.34	(123,121.64)
38300	House Regulators	10,759,407.20	3.14%	337,924.59	4.01%	431,896.65	93,972.06
38400	House Regulator Installations	200,274.50	2.35%	4,708.91	3.47%	6,943.51	2,234.60
38500	Industrial M&R	5,165,445.65	2.71%	139,762.88	2.14%	110,681.27	(29,081.61)
	Total Distribution	\$ 506,654,103.69	3.19%	\$ 16,167,028.25	3.24%	\$ 16,421,812.97	\$ 254,784.72
GENERAL PLANT - DEPRECIATED							
39000	Structures & Improvements	\$ 7,141,677.47	3.76%	\$ 268,599.77	3.22%	\$ 229,679.67	\$ (38,920.10)
39002	Structures - Brick	173,114.85	3.76%	6,510.88	3.22%	5,567.45	(943.43)
39003	Improvements	709,199.18	3.76%	26,673.11	3.22%	22,808.18	(3,864.93)
39004	Air Conditioning Equipment	12,954.74	3.76%	487.23	5.64%	731.05	243.82
39009	Improvements - Leased	1,246,194.18	18.71%	233,102.79	16.04%	199,857.84	(33,244.95)
39200	Transportation Equipment	220,986.90	15.14%	33,465.94	5.15%	11,385.62	(22,080.32)
39202	Transportation - Trailers	-	9.95%	-	5.15%	-	-

Appendix B

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

Account	Description	Plant Balance	Existing		Proposed		Change in Depreciation Expense
			Annual Accrual Rate	Annual Accrual	Annual Accrual Rate	Annual Accrual	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
39603	Power Operated -Ditchers	39,610.08	19.47%	7,713.99	11.35%	4,493.92	(3,220.07)
39604	Power Operated - Backhoes	62,747.29	19.47%	12,219.92	11.35%	7,118.93	(5,100.99)
39605	Power Operated - Welders	19,427.23	19.47%	3,783.42	11.35%	2,204.10	(1,579.32)
	Total General Depreciated	\$ 9,625,911.92	6.16%	\$ 592,557.04	5.03%	\$ 483,846.74	\$ (108,710.30)
	Total Depreciated Plant	\$ 562,799,399.98	3.13%	\$ 17,623,809.03	3.13%	\$ 17,612,956.33	\$ (10,852.70)
GENERAL PLANT - AMORTIZED							
39100	Office Furniture & Equipment	\$ 1,749,085.61	6.67%	\$ 116,605.71	5.00%	\$ 87,454.28	\$ (29,151.43)
39400	Tools, Shop, & Garage Equipment	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	6.09%	\$ 1,228,540.23	\$ (136,151.59)
	TOTAL PLANT IN STUDY	\$ 573,342,873.73	3.21%	\$ 18,395,943.82	3.20%	\$ 18,357,649.83	\$ (38,293.99)

APPENDIX C – Comparison of Mortality Characteristics

Appendix C

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

Account	Description	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)	
STORAGE PLANT												
35020	Rights-Of-Way	70	R5	0%	0%	0%	75	R5	0%	0%	0%	
35100	Structures & Improvements	60	R5	0%	5%	-5%	60	R5	0%	5%	-5%	
35102	Structures - Compressor Station	60	R5	0%	5%	-5%	60	R5	0%	5%	-5%	
35103	Structures - M&R Stations	60	R5	0%	5%	-5%	60	R5	0%	5%	-5%	
35104	Other Structures	60	R5	0%	5%	-5%	60	R5	0%	5%	-5%	
35200	Wells	67	S5	0%	30%	-30%	67	S5	0%	30%	-30%	
35201	Well Construction	67	S5	0%	30%	-30%	67	S5	0%	30%	-30%	
35202	Well Equipment	67	S5	0%	30%	-30%	67	S5	0%	30%	-30%	
35203	Cushion Gas	50	SQ	0%	0%	0%	67	S5	0%	0%	0%	
35210	Storage Leaseholds	67	S5	0%	0%	0%	67	S5	0%	0%	0%	
35211	Storage Rights	67	S5	0%	0%	0%	67	S5	0%	0%	0%	
35301	Storage Field Lines	60	S1	0%	5%	-5%	70	R1.5	0%	5%	-5%	
35302	Storage Tributary Lines	60	S1	0%	5%	-5%	70	R1.5	0%	5%	-5%	
35400	Compressor Station Equipment	54	R3	0%	0%	0%	54	R3	0%	5%	-5%	
35500	M&R Equipment	46	R5	0%	4%	-4%	50	R1.5	0%	4%	-4%	
35600	Purification Equipment	46	R5	0%	3%	-3%	46	R5	0%	3%	-3%	
TRANSMISSION PLANT												
36520	Rights-Of-Way	70	R5	0%	0%	0%	75	R5	0%	0%	0%	
36602	Structures - M&R Station	53	R4	0%	6%	-6%	58	R4	0%	3%	-3%	
36603	Other Structures	53	R4	0%	6%	-6%	58	R4	0%	3%	-3%	
36700	Mains - Cathodic Protection	20	SQ	0%	0%	0%	25	R4	0%	0%	0%	
36701	Mains - Steel	57	R4	0%	20%	-20%	70	R1.5	0%	20%	-20%	
36703	Mains - Anodes	20	SQ	0%	0%	0%	20	SQ	0%	0%	0%	
36900	M&R Stations	49	R1.5	0%	19%	-19%	50	R1.5	0%	15%	-15%	
36901	M&R Stations	49	R1.5	0%	19%	-19%	50	R1.5	0%	15%	-15%	

Appendix C

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

Account	Description	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]	
DISTRIBUTION PLANT												
37402	Land Rights	70	R5	0%	0%	0%	75	R5	0%	0%	0%	
37500	Structures & Improvements	57	R2.5	0%	10%	-10%	66	R3	0%	10%	-10%	
37501	Structures & Improvements	57	R2.5	0%	10%	-10%	66	R3	0%	10%	-10%	
37502	Structures - Land Rights	57	R2.5	0%	10%	-10%	66	R3	0%	10%	-10%	
37503	Improvements	57	R2.5	0%	10%	-10%	66	R3	0%	10%	-10%	
37600	Mains - Cathodic Protection	20	SQ	0%	0%	0%	25	R4	0%	0%	0%	
37601	Mains - Steel	55	R3	0%	5%	-5%	70	L0	0%	5%	-5%	
37602	Mains - Plastic	55	R3	0%	5%	-5%	70	L0	0%	5%	-5%	
37603	Mains - Anodes	20	SQ	0%	0%	0%	20	SQ	0%	0%	0%	
37604	Mains - Leak Clamps	20	SQ	0%	0%	0%	20	SQ	0%	0%	0%	
37800	M&R Equipment - General	49	R1.5	0%	19%	-19%	50	R1.5	0%	15%	-15%	
37900	M&R Equipment - City Gate	49	R1.5	0%	19%	-19%	50	R1.5	0%	15%	-15%	
37905	M&R Equipment - City Gate	49	R1.5	0%	19%	-19%	50	R1.5	0%	15%	-15%	
38000	Services	40	R1.5	0%	20%	-20%	45	R1.5	0%	18%	-18%	
38100	Meters	20	R0.5	0%	50%	-50%	20	R0.5	0%	11%	-11%	
38200	Meter Installations	42	R1.5	0%	50%	-50%	43	L1	0%	35%	-35%	
38300	House Regulators	31	S6	0%	0%	0%	43	L1	0%	35%	-35%	
38400	House Regulator Installations	42	R1.5	0%	0%	0%	43	L1	0%	35%	-35%	
38500	Industrial M&R	42	L5	0%	12%	-12%	53	R4	0%	8%	-8%	
GENERAL PLANT												
39000	Structures & Improvements	40	R2	0%	10%	-10%	45	R2	0%	10%	-10%	
39002	Structures - Brick	40	R2	0%	10%	-10%	45	R2	0%	10%	-10%	
39003	Improvements	40	R2	0%	10%	-10%	45	R2	0%	10%	-10%	
39004	Air Conditioning Equipment	40	R2	0%	10%	-10%	25	R2	0%	10%	-10%	

Appendix C

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

Account	Description	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]
39009	Improvements - Leased	20	R3	0%	0%	0%	20	R3	0%	0%	0%
39100	Office Furniture & Equipment	15	SQ	0%	0%	0%	20	SQ	0%	0%	0%
39200	Transportation Equipment	8	L5	10%	0%	10%	20	L4	10%	0%	10%
39202	Transportation - Trailers	20	L3	14%	0%	14%	20	L4	10%	0%	10%
39400	Tools, Shop, & Garage Equipment	16	SQ	0%	0%	0%	16	SQ	0%	0%	0%
39603	Power Operated -Ditchers	14	S4	8%	0%	8%	20	S4	16%	0%	16%
39604	Power Operated - Backhoes	14	S4	8%	0%	8%	20	S4	16%	0%	16%
39605	Power Operated - Welders	14	S4	8%	0%	8%	20	S4	16%	0%	16%
39700	Communication Equipment	15	SQ	0%	0%	0%	15	SQ	0%	0%	0%
39800	Miscellaneous Equipment	20	SQ	0%	0%	0%	20	SQ	0%	0%	0%
39901	Servers Hardware	10	SQ	0%	0%	0%	7	SQ	0%	0%	0%
39903	Network Hardware	10	SQ	0%	0%	0%	10	SQ	0%	0%	0%
39906	PC Hardware	5	SQ	0%	0%	0%	5	SQ	0%	0%	0%
39907	PC Software	7	SQ	0%	0%	0%	7	SQ	0%	0%	0%
39908	Application Software	15	SQ	0%	0%	0%	12	SQ	0%	0%	0%

APPENDIX D - Net Salvage

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
35201	2007	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35201	2008	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35201	2009	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35201	2010	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35201	2011	9,187	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35201	2012	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35201	2013	167,597	0	79,710	(79,710)	-47.56%	-47.56%	-45.09%	-45.09%	-45.09%	-45.09%	-45.09%	-45.09%	-45.09%	-45.09%
35201	2014	0	0	0	0	NA	-47.56%	-47.56%	-45.09%	-45.09%	-45.09%	-45.09%	-45.09%	-45.09%	-45.09%
35201	2015	0	0	0	0	NA	NA	-47.56%	-45.09%	-45.09%	-45.09%	-45.09%	-45.09%	-45.09%	-45.09%
35201	2016	0	0	0	0	NA	NA	NA	-47.56%	-47.56%	-45.09%	-45.09%	-45.09%	-45.09%	-45.09%
35201	2017	0	0	0	0	NA	NA	NA	NA	-47.56%	-47.56%	-45.09%	-45.09%	-45.09%	-45.09%
35202	1996	0			0	NA									
35202	1997	0			0	NA	NA								
35202	1998	0			0	NA	NA	NA							
35202	1999	0			0	NA	NA	NA	NA						
35202	2000	0			0	NA	NA	NA	NA	NA					
35202	2001	0			0	NA	NA	NA	NA	NA	NA				
35202	2002	0			0	NA	NA	NA	NA	NA	NA	NA			
35202	2003	0			0	NA	NA	NA	NA	NA	NA	NA	NA		
35202	2004	0			0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
35202	2005	0			0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35202	2006	0			0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35202	2007	0			0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35202	2008	0			0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35202	2009	0			0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35202	2010	0			0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35202	2011	22,030			0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35202	2012	0	2,250	5,061	(2,811)	NA	-12.76%	-12.76%	-12.76%	-12.76%	-12.76%	-12.76%	-12.76%	-12.76%	-12.76%
35202	2013	17,870		28,555	(28,555)	-159.79%	-175.52%	-78.61%	-78.61%	-78.61%	-78.61%	-78.61%	-78.61%	-78.61%	-78.61%
35202	2014	12,688		54,929	(54,929)	-432.91%	-273.19%	-282.39%	-164.09%	-164.09%	-164.09%	-164.09%	-164.09%	-164.09%	-164.09%
35202	2015	8,931	0	19,269	(19,269)	-215.75%	-343.20%	-260.20%	-267.32%	-171.59%	-171.59%	-171.59%	-171.59%	-171.59%	-171.59%
35202	2016	0	0	(633)	633	NA	-208.66%	-340.27%	-258.60%	-265.71%	-170.56%	-170.56%	-170.56%	-170.56%	-170.56%
35202	2017	11,046	0	0	0	0.00%	5.73%	-93.29%	-225.21%	-202.07%	-207.64%	-144.60%	-144.60%	-144.60%	-144.60%
352 Combin	1996	0	0	0	0	NA									
352 Combin	1997	0	0	0	0	NA	NA								
352 Combin	1998	1,565	0	0	0	0.00%	0.00%	0.00%							
352 Combin	1999	15,727	0	30	(30)	-0.19%	-0.17%	-0.17%	-0.17%						
352 Combin	2000	59,273	0	29,992	(29,992)	-50.60%	-40.03%	-39.21%	-39.21%	-39.21%	-39.21%	-39.21%	-39.21%	-39.21%	-39.21%
352 Combin	2001	0	0	0	0	NA	-50.60%	-40.03%	-40.03%	-39.21%	-39.21%	-39.21%	-39.21%	-39.21%	-39.21%
352 Combin	2002	0	0	0	0	NA	NA	-50.60%	-40.03%	-39.21%	-39.21%	-39.21%	-39.21%	-39.21%	-39.21%
352 Combin	2003	0	0	0	0	NA	NA	NA	-50.60%	-40.03%	-39.21%	-39.21%	-39.21%	-39.21%	-39.21%
352 Combin	2004	0	0	0	0	NA	NA	NA	NA	-50.60%	-40.03%	-39.21%	-39.21%	-39.21%	-39.21%
352 Combin	2005	0	0	0	0	NA	NA	NA	NA	NA	-50.60%	-40.03%	-39.21%	-39.21%	-39.21%
352 Combin	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	-50.60%	-40.03%	-39.21%	-39.21%
352 Combin	2007	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	-50.60%	-40.03%	-39.21%
352 Combin	2008	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	-50.60%	-40.03%
352 Combin	2009	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	-50.60%
352 Combin	2010	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
352 Combin	2011	31,217	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
352 Combin	2012	0	2,250	5,061	(2,811)	NA	-9.00%	-9.00%	-9.00%	-9.00%	-9.00%	-9.00%	-9.00%	-9.00%	-9.00%
352 Combin	2013	185,467	0	108,264	(108,264)	-58.37%	-59.89%	-51.26%	-51.26%	-51.26%	-51.26%	-51.26%	-51.26%	-51.26%	-51.26%
352 Combin	2014	12,688	0	54,929	(54,929)	-432.91%	-82.36%	-83.77%	-72.37%	-72.37%	-72.37%	-72.37%	-72.37%	-72.37%	-72.37%
352 Combin	2015	8,931	0	19,269	(19,269)	-215.75%	-343.20%	-88.11%	-89.47%	-77.75%	-77.75%	-77.75%	-77.75%	-77.75%	-77.75%
352 Combin	2016	0	0	(633)	633	NA	-208.66%	-340.27%	-87.80%	-89.16%	-77.48%	-77.48%	-77.48%	-77.48%	-77.48%
352 Combin	2017	121,352	0	164,497	(164,497)	-135.55%	-135.03%	-140.57%	-166.51%	-105.45%	-106.30%	-97.08%	-97.08%	-97.08%	-97.08%
35301	1996	0	0	0	0	NA									
35301	1997	0	0	0	0	NA	NA								
35301	1998	0	0	0	0	NA	NA	NA							
35301	1999	0	0	0	0	NA	NA	NA	NA						
35301	2000	0	0	0	0	NA	NA	NA	NA	NA					
35301	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
35301	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
35301	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
35301	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
35301	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35301	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35301	2007	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35301	2008	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35301	2009	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35301	2010	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35301	2011	4	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35301	2012	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35301	2013	0	0	15,227	(15,227)	NA	NA	-422972.22%	-422972.22%	-422972.22%	-422972.22%	-422972.22%	-422972.22%	-422972.22%	-422972.22%
35301	2014	0	0	0	0	NA	NA	NA	-422972.22%	-422972.22%	-422972.22%	-422972.22%	-422972.22%	-422972.22%	-422972.22%
35301	2015	0	0	0	0	NA	NA	NA	NA	-422972.22%	-422972.22%	-422972.22%	-422972.22%	-422972.22%	-422972.22%
35301	2016	0	0	0	0	NA	NA	NA	NA	-422972.22%	-422972.22%	-422972.22%	-422972.22%	-422972.22%	-422972.22%
35301	2017	3,147	0	0	0	0.00%	0.00%	0.00%	0.00%	-483.93%	-483.93%	-483.38%	-483.38%	-483.38%	-483.38%
35302	1996	0	0	0	0	NA									
35302	1997	0	0	0	0	NA	NA								
35302	1998	0	0	0	0	NA	NA	NA							
35302	1999	0	0	0	0	NA	NA	NA	NA						
35302	2000	0	0	0	0	NA	NA	NA	NA	NA					
35302	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				
35302	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
35302	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
35302	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
35302	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35302	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35302	2007	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35302	2008	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35302	2009	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35302	2010	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35302	2011	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35302	2012	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35302	2013	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35302	2014	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35302	2015	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35302	2016	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35302	2017	139	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35400	1996	0	0	0	0	NA									
35400	1997	0	0	0	0	NA	NA								
35400	1998	0	0	0	0	NA	NA	NA							
35400	1999	0	0	0	0	NA	NA	NA	NA						
35400	2000	0	0	0	0	NA	NA	NA	NA	NA					
35400	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				
35400	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
35400	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
35400	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
35400	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35400	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35400	2007	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35400	2008	29,359	0	6,317	(6,317)	-21.51%	-21.51%	-21.51%	-21.51%	-21.51%	-21.51%	-21.51%	-21.51%	-21.51%	-21.51%
35400	2009	18,288	0	3,264	(3,264)	-17.85%	-20.11%	-20.11%	-20.11%	-20.11%	-20.11%	-20.11%	-20.11%	-20.11%	-20.11%
35400	2010	0	0	0	0	NA	-17.85%	-20.11%	-20.11%	-20.11%	-20.11%	-20.11%	-20.11%	-20.11%	-20.11%
35400	2011	0	0	0	0	NA	NA	-17.85%	-20.11%	-20.11%	-20.11%	-20.11%	-20.11%	-20.11%	-20.11%
35400	2012	98,737	0	6,772	(6,772)	-6.86%	-6.86%	-6.86%	-6.86%	-11.17%	-11.17%	-11.17%	-11.17%	-11.17%	-11.17%
35400	2013	0	0	0	0	NA	-6.86%	-6.86%	-6.86%	-8.58%	-11.17%	-11.17%	-11.17%	-11.17%	-11.17%
35400	2014	0	0	0	0	NA	NA	-6.86%	-6.86%	-6.86%	-8.58%	-11.17%	-11.17%	-11.17%	-11.17%
35400	2015	0	0	0	0	NA	NA	NA	-6.86%	-6.86%	-8.58%	-11.17%	-11.17%	-11.17%	-11.17%
35400	2016	0	0	0	0	NA	NA	NA	NA	-6.86%	-6.86%	-6.86%	-8.58%	-11.17%	-11.17%
35400	2017	0	0	0	0	NA	NA	NA	NA	NA	-6.86%	-6.86%	-6.86%	-8.58%	-11.17%

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
35500	1996	0			0	NA									
35500	1997	0			0	NA	NA								
35500	1998	0			0	NA	NA	NA							
35500	1999	0			0	NA	NA	NA	NA						
35500	2000	0			0	NA	NA	NA	NA	NA					
35500	2001	0			0	NA	NA	NA	NA	NA	NA				
35500	2002	0			0	NA	NA	NA	NA	NA	NA	NA			
35500	2003	0			0	NA	NA	NA	NA	NA	NA	NA	NA		
35500	2004	0			0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
35500	2005	0			0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35500	2006	0			0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35500	2007	46,369	0	1,952	(1,952)	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%
35500	2008	0			0	NA	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%
35500	2009	0			0	NA	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%
35500	2010	0			0	NA	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%	-4.21%
35500	2011	1,599		0	0	0.00%	0.00%	0.00%	0.00%	-4.07%	-4.07%	-4.07%	-4.07%	-4.07%	-4.07%
35500	2012	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	-4.07%	-4.07%	-4.07%	-4.07%	-4.07%
35500	2013	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	-4.07%	-4.07%	-4.07%	-4.07%	-4.07%
35500	2014	0	0	0	0	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	-4.07%	-4.07%	-4.07%
35500	2015	0	0	0	0	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	-4.07%	-4.07%
35500	2016	0	0	0	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	-4.07%
35500	2017	5,417	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35600	1996	0	0	0	0	NA									
35600	1997	0	0	0	0	NA	NA								
35600	1998	0	0	0	0	NA	NA	NA							
35600	1999	0	0	0	0	NA	NA	NA	NA						
35600	2000	0	0	0	0	NA	NA	NA	NA	NA					
35600	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				
35600	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
35600	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
35600	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
35600	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35600	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35600	2007	78,270	0	2,205	(2,205)	-2.82%	-2.82%	-2.82%	-2.82%	-2.82%	-2.82%	-2.82%	-2.82%	-2.82%	-2.82%
35600	2008	0	0	0	0	NA	-2.82%	-2.82%	-2.82%	-2.82%	-2.82%	-2.82%	-2.82%	-2.82%	-2.82%
35600	2009	0	2,500	0	2,500	NA	NA	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%
35600	2010	0	0	0	0	NA	NA	NA	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%
35600	2011	869	0	0	0	0.00%	0.00%	287.63%	287.63%	0.37%	0.37%	0.37%	0.37%	0.37%	0.37%
35600	2012	0	0	0	0	NA	0.00%	0.00%	287.63%	287.63%	0.37%	0.37%	0.37%	0.37%	0.37%
35600	2013	10,503	0	0	0	0.00%	0.00%	0.00%	0.00%	21.98%	21.98%	0.33%	0.33%	0.33%	0.33%
35600	2014	0	0	886	(886)	NA	-8.44%	-8.44%	-7.79%	-7.79%	14.19%	14.19%	-0.66%	-0.66%	-0.66%
35600	2015	0	0	0	0	NA	NA	-8.44%	-8.44%	-7.79%	-7.79%	14.19%	14.19%	-0.66%	-0.66%
35600	2016	0	0	0	0	NA	NA	NA	-8.44%	-8.44%	-7.79%	-7.79%	14.19%	14.19%	-0.66%
35600	2017	0	0	0	0	NA	NA	NA	NA	-8.44%	-8.44%	-7.79%	-7.79%	14.19%	14.19%
36602	1996	0	0	0	0	NA									
36602	1997	0	0	0	0	NA	NA								
36602	1998	0	0	0	0	NA	NA	NA							
36602	1999	0	0	0	0	NA	NA	NA	NA						
36602	2000	0	0	0	0	NA	NA	NA	NA	NA					
36602	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				
36602	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
36602	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
36602	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
36602	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36602	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36602	2007	0	0	20	(20)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36602	2008	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36602	2009	509	0	0	0	0.00%	0.00%	-3.84%	-3.84%	-3.84%	-3.84%	-3.84%	-3.84%	-3.84%	-3.84%
36602	2010	0	0	0	0	NA	0.00%	0.00%	-3.84%	-3.84%	-3.84%	-3.84%	-3.84%	-3.84%	-3.84%
36602	2011	2,019	0	0	0	0.00%	0.00%	0.00%	-0.77%	-0.77%	-0.77%	-0.77%	-0.77%	-0.77%	-0.77%
36602	2012	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	-0.77%	-0.77%	-0.77%	-0.77%	-0.77%
36602	2013	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	0.00%	-0.77%	-0.77%	-0.77%	-0.77%
36602	2014	0	0	0	0	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	-0.77%	-0.77%	-0.77%

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
36602	2015	0	0	0	0	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	-0.77%	-0.77%
36602	2016	0	0	0	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	-0.77%
36602	2017	0	0	0	0	NA	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%
36603	1996	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36603	1997	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36603	1998	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36603	1999	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36603	2000	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36603	2001	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36603	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36603	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36603	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36603	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36603	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36603	2007	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36603	2008	3,200	0	842	(842)	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%
36603	2009	0	0	0	0	NA	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%
36603	2010	0	0	0	0	NA	NA	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%	-26.33%
36603	2011	114	0	0	0	0.00%	0.00%	0.00%	-25.42%	-25.42%	-25.42%	-25.42%	-25.42%	-25.42%	-25.42%
36603	2012	0	0	0	0	NA	0.00%	0.00%	0.00%	-25.42%	-25.42%	-25.42%	-25.42%	-25.42%	-25.42%
36603	2013	0	0	70	(70)	NA	NA	-60.99%	-60.99%	-60.99%	-60.99%	-27.52%	-27.52%	-27.52%	-27.52%
36603	2014	0	0	0	0	NA	NA	NA	-60.99%	-60.99%	-60.99%	-27.52%	-27.52%	-27.52%	-27.52%
36603	2015	0	0	0	0	NA	NA	NA	NA	-60.99%	-60.99%	-60.99%	-27.52%	-27.52%	-27.52%
36603	2016	0	0	0	0	NA	NA	NA	NA	NA	-60.99%	-60.99%	-60.99%	-27.52%	-27.52%
36603	2017	0	0	0	0	NA	NA	NA	NA	NA	NA	-60.99%	-60.99%	-60.99%	-27.52%
366 Combin	1996	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
366 Combin	1997	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
366 Combin	1998	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
366 Combin	1999	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
366 Combin	2000	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
366 Combin	2001	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
366 Combin	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
366 Combin	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
366 Combin	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
366 Combin	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
366 Combin	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
366 Combin	2007	0	0	20	(20)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
366 Combin	2008	3,200	0	842	(842)	-26.33%	-26.94%	-26.94%	-26.94%	-26.94%	-26.94%	-26.94%	-26.94%	-26.94%	-26.94%
366 Combin	2009	509	0	0	0	0.00%	-22.71%	-23.24%	-23.24%	-23.24%	-23.24%	-23.24%	-23.24%	-23.24%	-23.24%
366 Combin	2010	0	0	0	0	NA	0.00%	-22.71%	-23.24%	-23.24%	-23.24%	-23.24%	-23.24%	-23.24%	-23.24%
366 Combin	2011	2,133	0	0	0	0.00%	0.00%	0.00%	-14.42%	-14.75%	-14.75%	-14.75%	-14.75%	-14.75%	-14.75%
366 Combin	2012	0	0	0	0	NA	0.00%	0.00%	0.00%	-14.42%	-14.75%	-14.75%	-14.75%	-14.75%	-14.75%
366 Combin	2013	0	0	70	(70)	NA	NA	-3.26%	-3.26%	-2.63%	-15.61%	-15.95%	-15.95%	-15.95%	-15.95%
366 Combin	2014	0	0	0	0	NA	NA	NA	NA	-2.63%	-15.61%	-15.95%	-15.95%	-15.95%	-15.95%
366 Combin	2015	0	0	0	0	NA	NA	NA	NA	-3.26%	-3.26%	-2.63%	-15.61%	-15.95%	-15.95%
366 Combin	2016	0	0	0	0	NA	NA	NA	NA	NA	-3.26%	-2.63%	-15.61%	-15.95%	-15.95%
366 Combin	2017	0	0	0	0	NA	NA	NA	NA	NA	NA	-3.26%	-3.26%	-2.63%	-15.61%
36700	1996	8,002	0	12	(12)	-0.15%	NA								
36700	1997	0	0	333	(333)	NA	-4.31%	NA							
36700	1998	2,611	0	0	0	0.00%	-12.75%	-3.25%	NA						
36700	1999	883	0	0	0	0.00%	0.00%	-9.53%	-3.00%	NA	NA	NA	NA	NA	NA
36700	2000	7,957	0	0	0	0.00%	0.00%	0.00%	-2.91%	-1.77%	NA	NA	NA	NA	NA
36700	2001	6,910	0	0	0	0.00%	0.00%	0.00%	0.00%	-1.81%	-1.31%	NA	NA	NA	NA
36700	2002	2,750	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	-1.58%	-1.19%	NA	NA	NA
36700	2003	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	-1.58%	NA	NA	NA
36700	2004	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	-1.58%	-1.19%	NA
36700	2005	22,519	0	28,499	(28,499)	-126.56%	-126.56%	-126.56%	-112.78%	-88.56%	-71.01%	-69.48%	-65.32%	-66.08%	-55.86%
36700	2006	0	0	0	0	NA	-126.56%	-126.56%	-126.56%	-112.78%	-88.56%	-69.48%	-65.32%	-66.08%	-66.08%
36700	2007	11,634	0	625	(625)	-5.37%	-5.37%	-85.28%	-85.28%	-85.28%	-78.92%	-66.47%	-56.26%	-55.31%	-52.70%
36700	2008	0	0	0	0	NA	-5.37%	-85.28%	-85.28%	-85.28%	-85.28%	-78.92%	-66.47%	-56.26%	-55.31%
36700	2009	0	0	0	0	NA	NA	-5.37%	-5.37%	-85.28%	-85.28%	-85.28%	-78.92%	-66.47%	-56.26%

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
36700	2010	0	0	0	0	NA	NA	NA	-5.37%	-5.37%	-85.28%	-85.28%	-85.28%	-78.92%	-66.47%
36700	2011	2,632	0	314	(314)	-11.92%	-11.92%	-11.92%	-11.92%	-6.58%	-6.58%	-80.03%	-80.03%	-80.03%	-74.46%
36700	2012	0	0	0	0	NA	-11.92%	-11.92%	-11.92%	-6.58%	-6.58%	-80.03%	-80.03%	-80.03%	-80.03%
36700	2013	14,934	0	0	0	0.00%	0.00%	-1.79%	-1.79%	-1.79%	-3.22%	-3.22%	-56.92%	-56.92%	-56.92%
36700	2014	252,544	0	1,189	(1,189)	-0.47%	-0.44%	-0.44%	-0.56%	-0.56%	-0.56%	-0.76%	-0.76%	-10.07%	-10.07%
36700	2015	18,844	0	0	0	0.00%	-0.44%	-0.42%	-0.42%	-0.52%	-0.52%	-0.52%	-0.52%	-0.71%	-0.71%
36700	2016	7,740	0	0	0	0.00%	0.00%	-0.43%	-0.40%	-0.40%	-0.51%	-0.51%	-0.51%	-0.51%	-0.69%
36700	2017	19,288	0	0	0	0.00%	0.00%	0.00%	-0.40%	-0.38%	-0.38%	-0.48%	-0.48%	-0.48%	-0.48%
36701	1996	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36701	1997	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36701	1998	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36701	1999	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36701	2000	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36701	2001	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36701	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36701	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36701	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36701	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36701	2006	2,765	0	5,224	(5,224)	-188.92%	-188.92%	-188.92%	-188.92%	-188.92%	-188.92%	-188.92%	-188.92%	-188.92%	-188.92%
36701	2007	32,747	0	7,086	(7,086)	-21.64%	-34.66%	-34.66%	-34.66%	-34.66%	-34.66%	-34.66%	-34.66%	-34.66%	-34.66%
36701	2008	5,151	0	19,867	(19,867)	-385.72%	-71.12%	-79.13%	-79.13%	-79.13%	-79.13%	-79.13%	-79.13%	-79.13%	-79.13%
36701	2009	193,189	0	4,538	(4,538)	-2.35%	-12.30%	-13.63%	-15.70%	-15.70%	-15.70%	-15.70%	-15.70%	-15.70%	-15.70%
36701	2010	13,353	0	547	(547)	-4.10%	-2.46%	-11.79%	-13.11%	-15.07%	-15.07%	-15.07%	-15.07%	-15.07%	-15.07%
36701	2011	205,129	0	80,449	(80,449)	-39.22%	-37.07%	-20.78%	-25.29%	-25.02%	-26.02%	-26.02%	-26.02%	-26.02%	-26.02%
36701	2012	9,558	0	71,136	(71,136)	-744.23%	-70.61%	-66.71%	-37.19%	-41.40%	-39.99%	-40.89%	-40.89%	-40.89%	-40.89%
36701	2013	328,938	0	142,895	(142,895)	-43.44%	-63.23%	-54.17%	-52.97%	-39.93%	-42.29%	-41.43%	-41.95%	-41.95%	-41.95%
36701	2014	803,047	0	146,711	(146,711)	-18.27%	-25.58%	-31.60%	-32.76%	-32.48%	-28.73%	-29.91%	-29.74%	-30.02%	-30.02%
36701	2015	93,597	0	55,213	(55,213)	-58.99%	-22.52%	-28.14%	-33.68%	-34.47%	-34.19%	-30.45%	-31.56%	-31.37%	-31.63%
36701	2016	209,943	0	148,525	(148,525)	-70.75%	-67.12%	-31.67%	-34.37%	-39.06%	-39.08%	-38.80%	-35.01%	-35.98%	-35.73%
36701	2017	30,726	0	27,966	(27,966)	-91.02%	-73.33%	-69.32%	-33.27%	-35.55%	-40.14%	-40.03%	-39.75%	-35.92%	-36.87%
367 Comb	1996	8,002	0	12	(12)	-0.15%	NA								
367 Comb	1997	0	0	333	(333)	NA	-4.31%	NA							
367 Comb	1998	2,611	0	0	0	0.00%	-12.75%	-3.25%	NA						
367 Comb	1999	883	0	0	0	0.00%	0.00%	-9.53%	-3.00%	NA	NA	NA	NA	NA	NA
367 Comb	2000	7,957	0	0	0	0.00%	0.00%	0.00%	0.00%	-1.77%	NA	NA	NA	NA	NA
367 Comb	2001	6,910	0	0	0	0.00%	0.00%	0.00%	0.00%	-1.81%	-1.31%	NA	NA	NA	NA
367 Comb	2002	2,750	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	-1.58%	-1.19%	NA	NA	NA
367 Comb	2003	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	-1.58%	-1.19%	NA	NA
367 Comb	2004	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	-1.19%	-1.19%	NA
367 Comb	2005	22,519	0	28,499	(28,499)	-126.56%	-126.56%	-126.56%	-112.78%	-88.56%	-71.01%	-69.48%	-65.32%	-66.08%	-55.86%
367 Comb	2006	2,765	0	5,224	(5,224)	-188.92%	-133.38%	-133.38%	-133.38%	-120.29%	-96.51%	-78.61%	-77.02%	-72.69%	-73.40%
367 Comb	2007	44,380	0	7,711	(7,711)	-17.37%	-27.44%	-59.48%	-59.48%	-59.48%	-57.22%	-47.47%	-47.00%	-47.00%	-45.64%
367 Comb	2008	5,151	0	19,867	(19,867)	-385.72%	-55.68%	-62.72%	-81.94%	-81.94%	-81.94%	-79.03%	-72.57%	-66.32%	-65.69%
367 Comb	2009	193,189	0	4,538	(4,538)	-2.35%	-12.30%	-13.23%	-15.21%	-24.57%	-24.57%	-24.32%	-23.71%	-23.05%	-23.05%
367 Comb	2010	13,353	0	547	(547)	-4.10%	-2.46%	-11.79%	-12.76%	-14.64%	-23.60%	-23.60%	-23.60%	-23.37%	-22.81%
367 Comb	2011	207,761	0	80,763	(80,763)	-38.87%	-36.77%	-20.72%	-25.20%	-24.45%	-30.08%	-30.08%	-30.08%	-29.92%	-29.92%
367 Comb	2012	9,558	0	71,136	(71,136)	-744.23%	-69.90%	-66.09%	-37.04%	-41.22%	-38.99%	-39.86%	-43.77%	-43.77%	-43.77%
367 Comb	2013	343,872	0	142,895	(142,895)	-41.55%	-60.56%	-52.53%	-51.40%	-39.06%	-40.07%	-40.57%	-42.87%	-42.87%	-42.87%
367 Comb	2014	1,055,591	0	147,900	(147,900)	-14.01%	-20.78%	-25.69%	-27.38%	-27.19%	-24.56%	-25.58%	-25.38%	-25.62%	-26.82%
367 Comb	2015	112,440	0	55,213	(55,213)	-49.10%	-17.39%	-22.89%	-27.42%	-28.79%	-28.60%	-25.98%	-26.94%	-26.73%	-26.95%
367 Comb	2016	217,683	0	148,525	(148,525)	-68.23%	-61.72%	-25.38%	-28.59%	-32.53%	-33.20%	-33.00%	-30.25%	-31.10%	-30.83%
367 Comb	2017	50,014	0	27,966	(27,966)	-55.92%	-65.93%	-60.95%	-26.44%	-29.36%	-33.18%	-33.77%	-33.57%	-30.84%	-31.66%
36900	1996	0	0	191	(191)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36900	1997	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36900	1998	13,523	0	77	(77)	-0.57%	-0.57%	-1.98%	NA						
36900	1999	0	0	0	0	NA	-0.57%	-0.57%	-1.98%	NA	NA	NA	NA	NA	NA
36900	2000	0	0	0	0	NA	NA	-0.57%	-0.57%	-1.98%	NA	NA	NA	NA	NA
36900	2001	2,183	0	0	0	0.00%	0.00%	0.00%	-0.49%	-0.49%	-1.71%	NA	NA	NA	NA
36900	2002	0	0	0	0	NA	0.00%	0.00%	0.00%	-0.49%	-0.49%	-1.71%	NA	NA	NA
36900	2003	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	-0.49%	-0.49%	-1.71%	-1.71%	NA
36900	2004	0	0	0	0	NA	NA	NA	0.00%	0.00%	-0.49%	-0.49%	-1.71%	-1.71%	NA

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
36900	2005	0	0	0	0	NA	NA	NA	NA	0.00%	0.00%	0.00%	-0.49%	-0.49%	-1.71%
36900	2006	0	0	0	0	NA	NA	NA	NA	NA	0.00%	0.00%	-0.49%	-0.49%	-0.49%
36900	2007	0	0	1,251	(1,251)	NA	NA	NA	NA	NA	NA	-57.32%	-57.32%	-57.32%	-8.46%
36900	2008	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	-57.32%	-57.32%	-57.32%
36900	2009	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	-57.32%	-57.32%
36900	2010	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	-57.32%	-57.32%
36900	2011	62,140	0	0	0	0.00%	0.00%	0.00%	0.00%	-2.01%	-2.01%	-2.01%	-2.01%	-2.01%	-2.01%
36900	2012	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	-2.01%	-2.01%	-2.01%	-2.01%	-2.01%
36900	2013	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	0.00%	-2.01%	-2.01%	-2.01%	-2.01%
36900	2014	0	0	0	0	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	-2.01%	-2.01%	-2.01%
36900	2015	0	0	0	0	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	-2.01%	-2.01%
36900	2016	0	0	0	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	-2.01%
36900	2017	0	0	0	0	NA	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%
36901	1996	0	0	0	0	NA									
36901	1997	0	0	0	0	NA	NA								
36901	1998	0	0	0	0	NA	NA	NA							
36901	1999	0	0	0	0	NA	NA	NA	NA						
36901	2000	0	0	0	0	NA	NA	NA	NA	NA					
36901	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				
36901	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
36901	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
36901	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
36901	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36901	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36901	2007	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
36901	2008	34,337	0	16,587	(16,587)	-48.31%	-48.31%	-48.31%	-48.31%	-48.31%	-48.31%	-48.31%	-48.31%	-48.31%	-48.31%
36901	2009	135,216	0	3,139	(3,139)	-2.32%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%
36901	2010	0	0	0	0	NA	-2.32%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%
36901	2011	0	0	0	0	NA	NA	-2.32%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%
36901	2012	132	0	0	0	0.00%	0.00%	0.00%	-2.32%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%	-11.63%
36901	2013	805	0	1,613	(1,613)	-200.45%	-172.18%	-172.18%	-172.18%	-3.49%	-12.52%	-12.52%	-12.52%	-12.52%	-12.52%
36901	2014	2,502	0	0	0	0.00%	-48.78%	-46.90%	-46.90%	-3.43%	-12.34%	-12.34%	-12.34%	-12.34%	-12.34%
36901	2015	3,650	0	2,302	(2,302)	-63.08%	-37.42%	-56.28%	-55.23%	-55.23%	-55.23%	-4.96%	-13.38%	-13.38%	-13.38%
36901	2016	316	0	582	(582)	-184.48%	-72.74%	-44.60%	-61.84%	-60.74%	-60.74%	-60.74%	-5.35%	-13.69%	-13.69%
36901	2017	0	0	0	0	NA	-184.48%	-72.74%	-44.60%	-61.84%	-60.74%	-60.74%	-60.74%	-5.35%	-13.69%
369 Combin	1996	0	0	191	(191)	NA									
369 Combin	1997	0	0	0	0	NA	NA								
369 Combin	1998	13,523	0	77	(77)	-0.57%	-0.57%	-1.98%	-1.98%						
369 Combin	1999	0	0	0	0	NA	-0.57%	-0.57%	-1.98%						
369 Combin	2000	0	0	0	0	NA	NA	-0.57%	-0.57%	-1.98%					
369 Combin	2001	2,183	0	0	0	0.00%	0.00%	0.00%	-0.49%	-0.49%	-1.71%				
369 Combin	2002	0	0	0	0	NA	0.00%	0.00%	0.00%	-0.49%	-0.49%	-1.71%			
369 Combin	2003	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	-0.49%	-0.49%	-1.71%		
369 Combin	2004	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	-0.49%	-0.49%	-1.71%		
369 Combin	2005	0	0	0	0	NA	NA	NA	NA	0.00%	0.00%	-0.49%	-0.49%	-1.71%	
369 Combin	2006	0	0	0	0	NA	NA	NA	NA	0.00%	0.00%	-0.49%	-0.49%	-1.71%	
369 Combin	2007	0	0	1,251	(1,251)	NA	NA	NA	NA	NA	NA	-57.32%	-57.32%	-57.32%	-8.46%
369 Combin	2008	34,337	0	16,587	(16,587)	-48.31%	-51.95%	-51.95%	-51.95%	-51.95%	-51.95%	-51.95%	-48.84%	-48.84%	-48.84%
369 Combin	2009	135,216	0	3,139	(3,139)	-2.32%	-11.63%	-12.37%	-12.37%	-12.37%	-12.37%	-12.37%	-12.21%	-12.21%	-12.21%
369 Combin	2010	0	0	0	0	NA	-2.32%	-11.63%	-12.37%	-12.37%	-12.37%	-12.37%	-12.37%	-12.37%	-12.21%
369 Combin	2011	62,140	0	0	0	0.00%	0.00%	-1.59%	-8.51%	-9.05%	-9.05%	-9.05%	-9.05%	-9.05%	-9.05%
369 Combin	2012	132	0	0	0	0.00%	0.00%	0.00%	-1.59%	-8.51%	-9.05%	-9.05%	-9.05%	-9.05%	-9.05%
369 Combin	2013	805	0	1,613	(1,613)	-200.45%	-172.18%	-2.56%	-2.40%	-9.17%	-9.17%	-9.17%	-9.71%	-9.71%	-9.71%
369 Combin	2014	2,502	0	0	0	0.00%	-48.78%	-46.90%	-2.46%	-2.46%	-2.37%	-9.08%	-9.61%	-9.61%	-9.61%
369 Combin	2015	3,650	0	2,302	(2,302)	-63.08%	-37.42%	-56.28%	-55.23%	-5.65%	-3.45%	-9.90%	-10.42%	-10.42%	-10.42%
369 Combin	2016	316	0	582	(582)	-184.48%	-72.74%	-44.60%	-61.84%	-60.74%	-6.47%	-6.47%	-3.73%	-10.13%	-10.65%
369 Combin	2017	0	0	0	0	NA	-184.48%	-72.74%	-44.60%	-61.84%	-60.74%	-6.47%	-6.47%	-3.73%	-10.13%
37402	1996	0	0	0	0	NA									
37402	1997	0	0	0	0	NA	NA								
37402	1998	0	0	0	0	NA	NA	NA							
37402	1999	0	0	0	0	NA	NA	NA	NA						

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
375 Combin	1996	0	0	0	0	NA									
375 Combin	1997	0	0	0	0	NA	NA								
375 Combin	1998	0	0	0	0	NA	NA	NA							
375 Combin	1999	0	0	0	0	NA	NA	NA	NA						
375 Combin	2000	4,190	0	3,054	(3,054)	-72.89%	-72.89%	-72.89%	-72.89%	-72.89%					
375 Combin	2001	0	0	0	0	NA	-72.89%	-72.89%	-72.89%	-72.89%	-72.89%				
375 Combin	2002	0	0	0	0	NA	NA	-72.89%	-72.89%	-72.89%	-72.89%	-72.89%			
375 Combin	2003	0	0	0	0	NA	NA	NA	-72.89%	-72.89%	-72.89%	-72.89%	-72.89%		
375 Combin	2004	0	0	0	0	NA	NA	NA	NA	-72.89%	-72.89%	-72.89%	-72.89%	-72.89%	
375 Combin	2005	0	0	0	0	NA	NA	NA	NA	NA	-72.89%	-72.89%	-72.89%	-72.89%	-72.89%
375 Combin	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	-72.89%	-72.89%	-72.89%	-72.89%
375 Combin	2007	0	0	42	(42)	NA	NA	NA	NA	NA	NA	NA	-73.88%	-73.88%	-73.88%
375 Combin	2008	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	-73.88%	-73.88%
375 Combin	2009	2,803	0	369	(369)	-13.16%	-13.16%	-14.64%	-14.64%	-14.64%	-14.64%	-14.64%	-14.64%	-14.64%	-14.64%
375 Combin	2010	0	0	0	0	NA	-13.16%	-13.16%	-14.64%	-14.64%	-14.64%	-14.64%	-14.64%	-14.64%	-14.64%
375 Combin	2011	0	0	0	0	NA	NA	-13.16%	-13.16%	-14.64%	-14.64%	-14.64%	-14.64%	-14.64%	-14.64%
375 Combin	2012	0	0	0	0	NA	NA	NA	-13.16%	-13.16%	-14.64%	-14.64%	-14.64%	-14.64%	-14.64%
375 Combin	2013	1,006	0	1,099	(1,099)	-109.24%	-109.24%	-109.24%	-109.24%	-38.53%	-38.53%	-39.62%	-39.62%	-39.62%	-39.62%
375 Combin	2014	683	0	774	(774)	-113.41%	-110.93%	-110.93%	-110.93%	-110.93%	-49.91%	-50.83%	-50.83%	-50.83%	-50.83%
375 Combin	2015	327	0	0	0	0.00%	-76.70%	-92.94%	-92.94%	-92.94%	-92.94%	-46.52%	-46.52%	-47.39%	-47.39%
375 Combin	2016	0	0	0	0	NA	0.00%	-76.70%	-92.94%	-92.94%	-92.94%	-46.52%	-46.52%	-47.39%	-47.39%
375 Combin	2017	0	0	0	0	NA	NA	0.00%	-76.70%	-92.94%	-92.94%	-92.94%	-92.94%	-46.52%	-46.52%
37600	1996	55,351	67,855	4,609	63,246	114.26%									
37600	1997	197,090	0	251,775	(251,775)	-127.75%	-74.68%								
37600	1998	121,727	6,321	2,709	3,612	2.97%	-77.84%	-49.42%							
37600	1999	143,666	0	25,600	(25,600)	-17.82%	-8.29%	-59.19%	-40.65%						
37600	2000	67,723	0	80,330	(80,330)	-118.62%	-50.11%	-30.72%	-66.78%	-49.67%					
37600	2001	180,309	0	100,246	(100,246)	-55.60%	-72.80%	-52.64%	-39.45%	-63.95%	-51.07%				
37600	2002	112,370	0	20,416	(20,416)	-18.17%	-41.23%	-55.77%	-44.95%	-35.63%	-57.69%	-46.86%			
37600	2003	112,104	0	42,202	(42,202)	-37.65%	-27.90%	-40.23%	-51.47%	-43.62%	-35.94%	-55.29%	-45.81%		
37600	2004	63,595	0	50,731	(50,731)	-79.77%	-52.89%	-39.35%	-45.60%	-54.83%	-47.01%	-39.42%	-56.85%	-47.86%	
37600	2005	305,582	0	32,095	(32,095)	-10.50%	-22.44%	-25.98%	-24.50%	-31.74%	-38.73%	-35.68%	-31.43%	-45.99%	-39.47%
37600	2006	(40,283)	0	8,347	(8,347)	20.72%	-15.24%	-27.72%	-30.24%	-27.79%	-34.63%	-41.72%	-38.09%	-33.40%	-48.12%
37600	2007	290,163	0	149,699	(149,699)	-51.59%	-63.25%	-34.23%	-38.91%	-38.72%	-35.98%	-39.43%	-44.35%	-41.26%	-37.29%
37600	2008	1,893	0	1,110	(1,110)	-58.66%	-51.64%	-63.21%	-34.31%	-38.77%	-38.97%	-39.47%	-44.37%	-41.29%	-41.29%
37600	2009	101,014	0	4,299	(4,299)	-4.26%	-5.26%	-39.46%	-46.33%	-29.70%	-34.11%	-34.59%	-32.64%	-36.31%	-40.98%
37600	2010	20,732	0	309	(309)	-1.49%	-3.79%	-4.63%	-4.63%	-43.84%	-28.84%	-33.20%	-33.78%	-31.97%	-35.68%
37600	2011	18,609	0	65	(65)	-0.35%	-0.95%	-3.33%	-4.07%	-35.96%	-41.78%	-28.08%	-32.40%	-33.07%	-31.37%
37600	2012	697,633	0	24,625	(24,625)	-3.53%	-3.45%	-3.39%	-3.50%	-3.62%	-15.94%	-17.29%	-15.81%	-18.59%	-19.95%
37600	2013	8,566	0	6,506	(6,506)	-75.94%	-4.41%	-4.30%	-4.23%	-4.23%	-4.35%	-16.39%	-17.75%	-16.17%	-18.93%
37600	2014	1,192,398	0	35,179	(35,179)	-2.95%	-3.47%	-3.49%	-3.46%	-3.44%	-3.48%	-3.53%	-9.51%	-10.05%	-10.10%
37600	2015	569,322	0	16,535	(16,535)	-2.90%	-2.94%	-3.29%	-3.36%	-3.33%	-3.32%	-3.36%	-3.40%	-8.22%	-8.62%
37600	2016	487,689	0	0	0	0.00%	-1.56%	-2.30%	-2.58%	-2.80%	-2.79%	-2.78%	-2.83%	-2.86%	-7.03%
37600	2017	152,242	0	27	(27)	-0.02%	0.00%	-1.37%	-2.15%	-2.42%	-2.67%	-2.65%	-2.65%	-2.70%	-2.73%
37601	1996	0	0	0	0	NA									
37601	1997	0	0	0	0	NA	NA								
37601	1998	0	0	0	0	NA	NA	NA							
37601	1999	0	0	0	0	NA	NA	NA	NA						
37601	2000	0	0	0	0	NA	NA	NA	NA	NA					
37601	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				
37601	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
37601	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
37601	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
37601	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37601	2006	244,942	0	351,639	(351,639)	-143.56%	-143.56%	-143.56%	-143.56%	-143.56%	-143.56%	-143.56%	-143.56%	-143.56%	-143.56%
37601	2007	1,361,933	0	95,990	(95,990)	-7.05%	-27.86%	-27.86%	-27.86%	-27.86%	-27.86%	-27.86%	-27.86%	-27.86%	-27.86%
37601	2008	963,544	0	128,492	(128,492)	-13.34%	-9.65%	-22.41%	-22.41%	-22.41%	-22.41%	-22.41%	-22.41%	-22.41%	-22.41%
37601	2009	180,458	0	15,880	(15,880)	-8.80%	-12.62%	-9.59%	-21.52%	-21.52%	-21.52%	-21.52%	-21.52%	-21.52%	-21.52%
37601	2010	1,118,382	18,213	267,327	(249,114)	-22.27%	-20.40%	-17.39%	-13.51%	-21.74%	-21.74%	-21.74%	-21.74%	-21.74%	-21.74%
37601	2011	402,027	0	131,714	(131,714)	-32.76%	-25.05%	-23.32%	-19.71%	-15.43%	-22.78%	-22.78%	-22.78%	-22.78%	-22.78%
37601	2012	1,204,856	0	186,642	(186,642)	-15.49%	-19.81%	-20.82%	-20.08%	-18.40%	-15.44%	-21.17%	-21.17%	-21.17%	-21.17%

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
37601	2013	1,859,842	0	378,030	(378,030)	-20.33%	-18.43%	-20.09%	-20.62%	-20.17%	-19.02%	-16.72%	-20.96%	-20.96%	-20.96%
37601	2014	1,714,980	0	403,146	(403,146)	-23.51%	-21.85%	-20.25%	-21.22%	-21.41%	-21.06%	-20.06%	-18.04%	-21.44%	-21.44%
37601	2015	1,309,164	0	452,935	(452,935)	-34.60%	-28.31%	-25.27%	-23.33%	-23.92%	-23.68%	-23.33%	-22.23%	-20.19%	-23.10%
37601	2016	915,650	0	695,891	(695,891)	-76.00%	-51.64%	-39.39%	-33.28%	-30.22%	-30.36%	-29.30%	-28.87%	-27.32%	-24.82%
37601	2017	1,090,919	0	654,326	(654,326)	-59.98%	-67.29%	-54.38%	-43.86%	-37.51%	-34.23%	-34.16%	-32.78%	-32.34%	-30.63%
37602	1996	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37602	1997	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37602	1998	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37602	1999	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37602	2000	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37602	2001	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37602	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37602	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37602	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37602	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37602	2006	49,624	0	120,053	(120,053)	-241.93%	-241.93%	-241.93%	-241.93%	-241.93%	-241.93%	-241.93%	-241.93%	-241.93%	-241.93%
37602	2007	33,520	0	6,878	(6,878)	-20.52%	-152.67%	-152.67%	-152.67%	-152.67%	-152.67%	-152.67%	-152.67%	-152.67%	-152.67%
37602	2008	40,051	0	8,219	(8,219)	-20.52%	-20.52%	-109.71%	-109.71%	-109.71%	-109.71%	-109.71%	-109.71%	-109.71%	-109.71%
37602	2009	17,783	0	2,167	(2,167)	-12.19%	-17.96%	-18.90%	-17.96%	-17.96%	-17.96%	-17.96%	-17.96%	-17.96%	-17.96%
37602	2010	44,183	0	20,406	(20,406)	-46.19%	-36.43%	-30.18%	-27.79%	-85.18%	-85.18%	-85.18%	-85.18%	-85.18%	-85.18%
37602	2011	58,128	0	35,843	(35,843)	-61.66%	-54.98%	-48.64%	-41.61%	-37.96%	-79.56%	-79.56%	-79.56%	-79.56%	-79.56%
37602	2012	152,151	0	119,496	(119,496)	-78.54%	-73.87%	-69.07%	-65.35%	-59.60%	-55.81%	-79.17%	-79.17%	-79.17%	-79.17%
37602	2013	155,927	0	137,956	(137,956)	-88.47%	-83.57%	-80.09%	-76.44%	-73.77%	-69.22%	-65.96%	-81.80%	-81.80%	-81.80%
37602	2014	223,390	0	102,076	(102,076)	-45.69%	-63.28%	-67.65%	-67.06%	-65.60%	-64.14%	-61.62%	-59.72%	-71.39%	-71.39%
37602	2015	68,253	0	111,039	(111,039)	-162.69%	-73.07%	-78.44%	-78.46%	-76.98%	-75.04%	-73.49%	-70.70%	-68.58%	-78.78%
37602	2016	323,645	0	73,755	(73,755)	-22.79%	-47.15%	-46.62%	-55.09%	-58.95%	-59.11%	-58.55%	-57.76%	-56.39%	-55.31%
37602	2017	105,528	0	95,233	(95,233)	-90.24%	-39.38%	-56.30%	-53.01%	-59.32%	-62.16%	-62.13%	-61.51%	-60.75%	-59.39%
37601&02	1996	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37601&02	1997	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37601&02	1998	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37601&02	1999	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37601&02	2000	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37601&02	2001	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37601&02	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37601&02	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37601&02	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37601&02	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37601&02	2006	294,566	0	471,692	(471,692)	-160.13%	-160.13%	-160.13%	-160.13%	-160.13%	-160.13%	-160.13%	-160.13%	-160.13%	-160.13%
37601&02	2007	1,395,453	0	102,868	(102,868)	-7.37%	-34.00%	-34.00%	-34.00%	-34.00%	-34.00%	-34.00%	-34.00%	-34.00%	-34.00%
37601&02	2008	1,003,595	0	136,711	(136,711)	-13.62%	-9.99%	-26.41%	-26.41%	-26.41%	-26.41%	-26.41%	-26.41%	-26.41%	-26.41%
37601&02	2009	198,241	0	18,047	(18,047)	-9.10%	-12.88%	-9.92%	-25.22%	-25.22%	-25.22%	-25.22%	-25.22%	-25.22%	-25.22%
37601&02	2010	1,162,565	18,213	287,733	(269,520)	-23.18%	-21.13%	-17.94%	-14.02%	-24.64%	-24.64%	-24.64%	-24.64%	-24.64%	-24.64%
37601&02	2011	460,155	0	167,557	(167,557)	-36.41%	-26.93%	-24.99%	-20.95%	-16.46%	-25.84%	-25.84%	-25.84%	-25.84%	-25.84%
37601&02	2012	1,357,007	0	306,138	(306,138)	-22.56%	-26.07%	-22.56%	-24.94%	-23.95%	-21.47%	-25.08%	-25.08%	-25.08%	-25.08%
37601&02	2013	2,015,769	0	515,986	(515,986)	-25.60%	-24.38%	-25.82%	-25.21%	-24.59%	-22.82%	-19.98%	-25.21%	-25.21%	-25.21%
37601&02	2014	1,938,370	0	505,222	(505,222)	-26.06%	-25.83%	-24.99%	-25.90%	-25.45%	-24.99%	-23.59%	-21.22%	-25.38%	-25.38%
37601&02	2015	1,377,417	0	563,974	(563,974)	-40.94%	-32.25%	-29.73%	-28.28%	-28.80%	-28.01%	-27.57%	-26.10%	-23.71%	-27.29%
37601&02	2016	1,239,296	0	769,645	(769,645)	-62.10%	-50.97%	-40.37%	-35.84%	-33.56%	-33.72%	-32.44%	-31.96%	-30.25%	-27.62%
37601&02	2017	1,196,447	0	749,559	(749,559)	-62.65%	-62.37%	-54.63%	-45.00%	-39.97%	-37.38%	-37.33%	-35.80%	-35.32%	-33.50%
376 Combin	1996	55,351	67,855	4,609	63,246	114.26%									
376 Combin	1997	197,090	0	251,775	(251,775)	-127.75%	-74.68%								
376 Combin	1998	121,727	6,321	2,709	3,612	2.97%	-77.84%	-49.42%							
376 Combin	1999	143,666	0	25,600	(25,600)	-17.82%	-8.29%	-59.19%	-40.65%						
376 Combin	2000	67,723	0	80,330	(80,330)	-118.62%	-50.11%	-30.72%	-66.78%	-49.67%					
376 Combin	2001	180,309	0	100,246	(100,246)	-55.60%	-72.80%	-52.64%	-39.45%	-63.95%	-51.07%				
376 Combin	2002	112,370	0	20,416	(20,416)	-18.17%	-41.23%	-55.77%	-44.95%	-35.63%	-57.69%	-46.86%			
376 Combin	2003	112,104	0	42,202	(42,202)	-37.65%	-27.90%	-40.23%	-51.47%	-43.62%	-35.94%	-55.29%	-45.81%		
376 Combin	2004	63,595	0	50,731	(50,731)	-79.77%	-52.89%	-39.35%	-45.60%	-54.83%	-47.01%	-39.42%	-56.85%	-47.86%	
376 Combin	2005	305,582	0	32,095	(32,095)	-10.50%	-22.44%	-25.98%	-24.50%	-31.74%	-38.73%	-35.68%	-31.43%	-45.99%	-39.47%
376 Combin	2006	254,283	0	480,040	(480,040)	-188.78%	-91.47%	-90.28%	-82.26%	-73.77%	-70.58%	-73.55%	-67.09%	-60.83%	-69.29%
376 Combin	2007	1,685,616	0	252,567	(252,567)	-14.98%	-37.77%	-34.06%	-35.31%	-35.42%	-34.66%	-36.05%	-38.06%	-37.06%	-35.47%

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
37905	2003	0			0	NA	NA	NA	NA	NA	NA	NA	NA		
37905	2004	0			0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
37905	2005	0			0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37905	2006	0			0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37905	2007	0	0	1,427	(1,427)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
37905	2008	24,696	0	946	(946)	-3.83%	-9.61%	-9.61%	-9.61%	-9.61%	-9.61%	-9.61%	-9.61%	-9.61%	-9.61%
37905	2009	123,048	0	6,103	(6,103)	-4.96%	-4.77%	-5.74%	-5.74%	-5.74%	-5.74%	-5.74%	-5.74%	-5.74%	-5.74%
37905	2010	5,468	0	7,061	(7,061)	-129.13%	-10.24%	-9.21%	-10.14%	-10.14%	-10.14%	-10.14%	-10.14%	-10.14%	-10.14%
37905	2011	24,566	0	16,849	(16,849)	-68.59%	-79.61%	-19.61%	-17.41%	-18.22%	-18.22%	-18.22%	-18.22%	-18.22%	-18.22%
37905	2012	9,710	0	2,479	(2,479)	-25.53%	-56.39%	-66.40%	-19.96%	-17.83%	-18.60%	-18.60%	-18.60%	-18.60%	-18.60%
37905	2013	10,272	0	18,042	(18,042)	-175.64%	-102.70%	-83.89%	-88.83%	-29.20%	-26.03%	-26.75%	-26.75%	-26.75%	-26.75%
37905	2014	9,158	0	1,288	(1,288)	-14.06%	-99.48%	-74.84%	-71.98%	-77.26%	-28.44%	-25.50%	-26.19%	-26.19%	-26.19%
37905	2015	2,122	0	4,417	(4,417)	-208.18%	-50.57%	-110.18%	-83.89%	-77.16%	-81.79%	-30.51%	-27.36%	-28.04%	-28.04%
37905	2016	4,421	0	3	(3)	-0.08%	-67.56%	-36.35%	-91.44%	-73.51%	-76.30%	-29.79%	-26.79%	-27.46%	-27.46%
37905	2017	913	0	1,861	(1,861)	-203.93%	-34.96%	-84.25%	-45.56%	-95.26%	-76.76%	-73.48%	-78.04%	-30.63%	-27.54%
379 Combin	1996	0	0	0	0	NA									
379 Combin	1997	0	0	0	0	NA	NA								
379 Combin	1998	0	0	0	0	NA	NA	NA							
379 Combin	1999	1,547	0	0	0	0.00%	0.00%	0.00%	0.00%						
379 Combin	2000	12,823	0	2,112	(2,112)	-16.47%	-14.70%	-14.70%	-14.70%	-14.70%					
379 Combin	2001	0	0	0	0	NA	-16.47%	-14.70%	-14.70%	-14.70%	-14.70%				
379 Combin	2002	0	0	0	0	NA	NA	-16.47%	-14.70%	-14.70%	-14.70%	-14.70%			
379 Combin	2003	0	0	0	0	NA	NA	NA	-14.70%	-14.70%	-14.70%	-14.70%	-14.70%		
379 Combin	2004	302	0	0	0	0.00%	0.00%	0.00%	0.00%	-16.09%	-14.39%	-14.39%	-14.39%	-14.39%	-14.39%
379 Combin	2005	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	-16.09%	-14.39%	-14.39%	-14.39%	-14.39%
379 Combin	2006	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	0.00%	-16.09%	-14.39%	-14.39%	-14.39%
379 Combin	2007	0	0	1,930	(1,930)	NA	NA	NA	-638.94%	-638.94%	-638.94%	-638.94%	-30.79%	-27.55%	-27.55%
379 Combin	2008	25,434	0	1,813	(1,813)	-7.13%	-14.72%	-14.72%	-14.54%	-14.54%	-14.54%	-14.54%	-15.18%	-14.60%	-14.60%
379 Combin	2009	140,703	0	6,112	(6,112)	-4.34%	-4.77%	-5.93%	-5.93%	-5.93%	-5.92%	-5.92%	-5.92%	-5.92%	-6.68%
379 Combin	2010	18,456	0	7,206	(7,206)	-39.04%	-8.37%	-8.20%	-9.24%	-9.24%	-9.24%	-9.23%	-9.23%	-9.23%	-9.23%
379 Combin	2011	83,102	0	17,532	(17,532)	-21.10%	-24.36%	-12.73%	-12.20%	-12.92%	-12.92%	-12.92%	-12.91%	-12.91%	-12.91%
379 Combin	2012	9,710	0	2,471	(2,471)	-25.45%	-21.55%	-24.45%	-12.67%	-12.67%	-13.36%	-13.36%	-13.36%	-13.35%	-13.35%
379 Combin	2013	10,272	0	29,517	(29,517)	-287.34%	-160.08%	-48.04%	-46.67%	-23.96%	-22.47%	-23.14%	-23.14%	-23.14%	-23.12%
379 Combin	2014	18,927	0	3,179	(3,179)	-16.79%	-111.97%	-90.38%	-43.19%	-42.65%	-23.48%	-22.12%	-22.75%	-22.75%	-22.75%
379 Combin	2015	46,022	0	8,904	(8,904)	-19.35%	-18.60%	-55.30%	-51.89%	-36.66%	-22.90%	-21.76%	-22.31%	-22.31%	-22.31%
379 Combin	2016	65,914	0	4,640	(4,640)	-7.04%	-12.10%	-12.78%	-32.76%	-32.29%	-28.32%	-29.10%	-20.24%	-19.44%	-19.90%
379 Combin	2017	913	0	1,861	(1,861)	-203.93%	-9.73%	-13.65%	-14.10%	-33.86%	-33.32%	-29.00%	-29.73%	-20.66%	-19.84%
369378379	1996	0	0	230	(230)	NA									
369378379	1997	0	0	0	0	NA	NA								
369378379	1998	13,898	0	100	(100)	-0.72%	-0.72%	-2.37%							
369378379	1999	2,464	0	0	0	0.00%	-0.61%	-0.61%	-2.02%						
369378379	2000	12,823	0	2,112	(2,112)	-16.47%	-13.82%	-7.58%	-7.58%	-8.37%					
369378379	2001	2,183	0	0	0	0.00%	-14.07%	-12.09%	-7.05%	-7.05%	-7.79%				
369378379	2002	0	0	0	0	NA	0.00%	-14.07%	-12.09%	-7.05%	-7.05%	-7.79%			
369378379	2003	0	0	0	0	NA	NA	0.00%	-14.07%	-12.09%	-7.05%	-7.05%	-7.79%		
369378379	2004	302	0	0	0	0.00%	0.00%	0.00%	0.00%	-13.80%	-11.88%	-6.98%	-6.98%	-7.71%	-7.71%
369378379	2005	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	-13.80%	-11.88%	-6.98%	-6.98%	-7.71%
369378379	2006	12,627	0	7,595	(7,595)	-60.15%	-60.15%	-58.75%	-58.75%	-58.75%	-58.75%	-34.75%	-31.93%	-22.14%	-22.14%
369378379	2007	24,754	0	57,130	(57,130)	-230.79%	-173.15%	-173.15%	-171.76%	-171.76%	-171.76%	-162.36%	-126.85%	-121.19%	-96.94%
369378379	2008	102,611	0	27,327	(27,327)	-26.63%	-66.31%	-65.76%	-65.76%	-65.61%	-65.61%	-64.61%	-60.63%	-59.69%	-59.69%
369378379	2009	353,849	0	21,868	(21,868)	-6.18%	-10.78%	-23.07%	-23.07%	-23.07%	-23.05%	-23.05%	-23.05%	-22.79%	-22.79%
369378379	2010	58,561	(5,556)	(44,745)	39,190	66.92%	4.20%	-1.94%	-12.44%	-13.53%	-13.53%	-13.52%	-13.52%	-13.47%	-13.47%
369378379	2011	152,240	0	34,200	(34,200)	-22.46%	2.37%	-2.99%	-6.62%	-14.64%	-15.46%	-15.46%	-15.45%	-15.45%	-15.45%
369378379	2012	28,670	0	5,202	(5,202)	-18.14%	-21.78%	-0.09%	-3.72%	-7.10%	-14.78%	-15.56%	-15.56%	-15.56%	-15.56%
369378379	2013	19,553	0	43,716	(43,716)	-223.57%	-101.44%	-41.46%	-16.96%	-10.74%	-13.02%	-20.30%	-20.97%	-20.96%	-20.96%
369378379	2014	79,356	0	8,019	(8,019)	-10.11%	-52.31%	-44.63%	-32.57%	-15.35%	-10.66%	-12.72%	-19.31%	-19.93%	-19.93%
369378379	2015	66,562	0	14,288	(14,288)	-21.47%	-15.29%	-39.90%	-36.69%	-30.44%	-16.36%	-11.61%	-13.40%	-19.47%	-20.04%
369378379	2016	107,633	0	20,800	(20,800)	-19.32%	-20.14%	-17.00%	-30.49%	-30.49%	-27.80%	-16.98%	-12.57%	-14.06%	-19.46%
369378379	2017	156,830	0	31,390	(31,390)	-20.02%	-19.73%	-20.08%	-18.15%	-27.50%	-26.91%	-25.80%	-17.69%	-13.71%	-14.89%

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
38000	1996	176,565	0	27,636	(27,636)	-15.65%									
38000	1997	215,379	154	29,621	(29,467)	-13.68%									
38000	1998	0	0	16,139	(16,139)	NA	-21.17%	-18.69%							
38000	1999	340,026	0	253,715	(253,715)	-74.62%	-79.36%	-53.89%	-44.67%						
38000	2000	436,424	0	559,854	(559,854)	-128.28%	-104.78%	-106.86%	-86.63%	-75.90%					
38000	2001	1,081,065	0	450,538	(450,538)	-41.68%	-66.58%	-68.05%	-68.92%	-63.18%	-59.45%				
38000	2002	353,920	0	282,498	(282,498)	-79.82%	-51.08%	-69.09%	-69.94%	-70.67%	-65.61%	-62.22%			
38000	2003	573,781	0	600,977	(600,977)	-104.74%	-95.23%	-66.41%	-77.45%	-77.11%	-77.69%	-73.09%	-69.90%		
38000	2004	127,032	0	479,035	(479,035)	-377.10%	-154.11%	-129.18%	-84.89%	-92.25%	-90.19%	-90.75%	-90.75%	-81.71%	
38000	2005	540,726	0	257,366	(257,366)	-47.60%	-110.28%	-107.72%	-101.53%	-77.35%	-84.49%	-83.52%	-83.99%	-79.86%	-76.91%
38000	2006	1,319,886	0	760,812	(760,812)	-57.64%	-54.72%	-75.33%	-81.91%	-81.66%	-70.84%	-76.50%	-76.37%	-76.70%	-73.98%
38000	2007	163,702	0	351,968	(351,968)	-215.01%	-67.68%	-85.95%	-89.91%	-88.75%	-88.75%	-81.43%	-80.96%	-81.29%	-81.29%
38000	2008	70,173	0	23,861	(23,861)	-34.00%	-160.70%	-73.15%	-66.56%	-84.31%	-88.51%	-87.53%	-75.81%	-80.72%	-80.30%
38000	2009	2,051,976	0	7	(7)	0.00%	-1.12%	-16.44%	-31.52%	-33.62%	-43.83%	-51.04%	-53.00%	-51.05%	-56.07%
38000	2010	1,905,040	0	2,062,319	(2,062,319)	-108.26%	-52.12%	-51.80%	-58.18%	-58.05%	-57.12%	-63.69%	-67.18%	-67.81%	-64.36%
38000	2011	3,127,619	0	957,931	(957,931)	-30.63%	-60.01%	-42.63%	-46.40%	-48.12%	-48.09%	-52.58%	-55.61%	-56.45%	-56.45%
38000	2012	2,788,517	0	1,345,462	(1,345,462)	-48.25%	-38.93%	-55.82%	-44.22%	-44.15%	-46.91%	-48.15%	-48.13%	-51.58%	-53.99%
38000	2013	1,104,233	0	1,326,142	(1,326,142)	-120.10%	-68.63%	-51.70%	-63.77%	-51.85%	-51.74%	-54.12%	-54.49%	-54.21%	-57.31%
38000	2014	1,010,606	0	900,316	(900,316)	-89.09%	-105.28%	-72.85%	-56.40%	-66.35%	-54.99%	-54.87%	-57.01%	-57.07%	-56.71%
38000	2015	6,004,705	0	1,550,528	(1,550,528)	-25.82%	-34.94%	-46.52%	-46.96%	-43.32%	-51.08%	-45.26%	-45.21%	-46.74%	-47.47%
38000	2016	8,454,192	0	1,322,582	(1,322,582)	-15.64%	-19.87%	-24.39%	-30.77%	-33.29%	-38.80%	-35.79%	-35.79%	-36.88%	-36.88%
38000	2017	4,632,739	0	568,633	(568,633)	-12.27%	-14.45%	-18.03%	-21.60%	-26.73%	-29.23%	-29.39%	-34.57%	-32.28%	-32.29%
38100	1996	796,549	359,733	3,981	355,752	44.66%									
38100	1997	165,892	20,205	109	20,096	12.11%	39.05%								
38100	1998	5,818	38,534	0	38,534	662.32%	34.14%	42.80%							
38100	1999	292,116	0	26,537	(26,537)	-9.08%	4.03%	6.92%	30.77%						
38100	2000	0	0	0	0	NA	-9.08%	4.03%	6.92%	30.77%					
38100	2001	0	0	0	0	NA	NA	-9.08%	4.03%	6.92%	30.77%				
38100	2002	0	0	0	0	NA	NA	NA	-9.08%	4.03%	6.92%	30.77%			
38100	2003	9,244,466	0	0	0	0.00%	0.00%	0.00%	0.00%	-0.28%	0.13%		3.69%		
38100	2004	0	0	0	0	NA	0.00%	0.00%	0.00%	-0.28%	0.13%	0.33%		3.69%	
38100	2005	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	0.33%	3.69%	3.69%
38100	2006	0	0	0	0	NA	NA	NA	0.00%	0.00%	0.00%	-0.28%	0.13%	0.33%	0.33%
38100	2007	588,405	0	52,884	(52,884)	-8.99%	-8.99%	-8.99%	-8.99%	-0.54%	-0.54%	-0.54%	-0.54%	-0.78%	-0.40%
38100	2008	257,366	0	5,632	(5,632)	-2.19%	-6.92%	-6.92%	-6.92%	-0.58%	-0.58%	-0.58%	-0.58%	-0.58%	-0.82%
38100	2009	25,931	0	61,850	(61,850)	-238.52%	-23.82%	-13.81%	-13.81%	-13.81%	-13.81%	-1.19%	-1.19%	-1.19%	-1.19%
38100	2010	0	0	0	0	NA	-238.52%	-23.82%	-13.81%	-13.81%	-13.81%	-1.19%	-1.19%	-1.19%	-1.19%
38100	2011	28,203	0	0	0	0.00%	0.00%	-114.26%	-21.66%	-13.38%	-13.38%	-13.38%	-13.38%	-1.19%	-1.19%
38100	2012	303,636	0	186,923	(186,923)	-61.56%	-56.33%	-56.33%	-69.53%	-41.36%	-25.53%	-25.53%	-25.53%	-25.53%	-2.94%
38100	2013	24,130	0	31,850	(31,850)	-132.00%	-66.75%	-61.46%	-61.46%	-73.48%	-44.78%	-27.62%	-27.62%	-27.62%	-27.62%
38100	2014	723,289	0	31,183	(31,183)	-4.31%	-8.43%	-23.78%	-23.16%	-23.16%	-28.21%	-23.30%	-18.98%	-18.98%	-18.98%
38100	2015	555,219	0	13,229	(13,229)	-2.38%	-3.47%	-5.85%	-16.38%	-16.10%	-16.10%	-19.58%	-17.24%	-15.30%	-15.30%
38100	2016	325,177	1	136,383	(136,382)	-41.94%	-16.99%	-11.27%	-13.06%	-20.69%	-20.39%	-20.39%	-23.24%	-20.82%	-18.36%
38100	2017	355,426	0	7,412	(7,412)	-2.09%	-21.13%	-12.71%	-9.61%	-11.10%	-17.80%	-17.58%	-17.58%	-20.03%	-18.26%
38200	1996	50,071	0	61,106	(61,106)	-122.04%									
38200	1997	61,875	0	106,958	(106,958)	-172.86%	-150.13%								
38200	1998	0	0	9,625	(9,625)	NA	-188.42%	-158.73%							
38200	1999	10,925	0	7,540	(7,540)	-69.02%	-157.12%	-170.50%	-150.75%						
38200	2000	79,200	0	414,823	(414,823)	-523.77%	-468.64%	-479.32%	-354.57%	-296.95%					
38200	2001	57,297	0	161,169	(161,169)	-281.29%	-421.98%	-395.82%	-402.35%	-334.51%	-293.49%				
38200	2002	250,858	0	1,139,462	(1,139,462)	-454.23%	-442.86%	-442.86%	-432.61%	-435.03%	-399.77%	-372.52%			
38200	2003	312,393	0	536,125	(536,125)	-171.62%	-297.48%	-295.99%	-321.77%	-317.88%	-319.24%	-307.52%	-296.23%		
38200	2004	203,956	0	521,798	(521,798)	-255.84%	-204.89%	-286.41%	-286.06%	-306.89%	-304.05%	-305.10%	-296.72%	-288.20%	
38200	2005	110,560	0	157,057	(157,057)	-142.06%	-215.84%	-193.80%	-268.23%	-269.03%	-288.92%	-286.58%	-287.52%	-280.99%	-273.99%
38200	2006	527,453	0	943,844	(943,844)	-178.94%	-172.55%	-192.73%	-187.01%	-234.72%	-236.54%	-251.30%	-250.63%	-247.65%	-247.65%
38200	2007	57,689	0	118,099	(118,099)	-204.72%	-181.48%	-175.22%	-193.50%	-187.86%	-233.53%	-235.33%	-249.62%	-248.39%	-248.99%
38200	2008	0	0	10,248	(10,248)	NA	-222.48%	-183.24%	-176.69%	-194.63%	-188.70%	-234.23%	-236.01%	-250.26%	-249.03%
38200	2009	1,027,944	0	7	(7)	0.00%	-1.00%	-11.82%	-66.47%	-71.32%	-90.84%	-102.11%	-137.57%	-140.80%	-152.34%
38200	2010	475,357	0	4,428,393	(4,428,393)	-931.59%	-294.58%	-295.26%	-291.91%	-263.38%	-257.28%	-257.16%	-247.32%	-264.82%	-265.13%
38200	2011	1,816,947	0	964,265	(964,265)	-53.07%	-235.25%	-162.42%	-162.73%	-163.44%	-165.54%	-169.29%	-169.45%	-184.38%	-184.38%
38200	2012	583,220	0	314,535	(314,535)	-53.93%	-53.28%	-198.47%	-146.21%	-146.47%	-147.32%	-151.04%	-150.82%	-155.28%	-156.28%

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
38400	2008	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
38400	2009	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
38400	2010	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
38400	2011	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
38400	2012	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
38400	2013	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
38400	2014	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
38400	2015	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
38400	2016	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
38400	2017	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
381-384	1996	990,111	359,733	65,087	294,646	29.76%									
381-384	1997	230,431	20,205	107,067	(86,862)	-37.70%	17.02%								
381-384	1998	270,095	38,534	9,625	28,909	10.70%	-11.58%	15.88%							
381-384	1999	303,041	0	34,077	(34,077)	-11.25%	-0.90%	-11.45%	11.30%						
381-384	2000	79,200	0	414,823	(414,823)	-523.77%	-117.44%	-64.38%	-57.42%	-11.33%					
381-384	2001	57,297	0	161,169	(161,169)	-281.23%	-421.98%	-138.80%	-81.90%	-71.06%	-19.34%				
381-384	2002	250,858	0	1,139,462	(1,139,462)	-454.23%	-422.07%	-442.86%	-253.41%	-179.14%	-151.77%	-69.36%			
381-384	2003	9,556,927	0	536,125	(536,125)	-5.61%	-17.08%	-18.62%	-22.64%	-22.30%	-21.46%	-21.81%	-17.46%		
381-384	2004	203,956	0	521,798	(521,798)	-255.84%	-10.84%	-21.95%	-23.42%	-27.33%	-26.86%	-25.92%	-26.16%	-21.53%	
381-384	2005	114,614	0	157,057	(157,057)	-137.03%	-213.09%	-12.30%	-23.25%	-24.70%	-28.55%	-28.06%	-27.09%	-27.31%	-22.63%
381-384	2006	527,453	0	943,844	(943,844)	-178.94%	-171.46%	-171.46%	-20.75%	-30.96%	-32.30%	-35.91%	-35.23%	-34.14%	-34.21%
381-384	2007	647,867	0	172,436	(172,436)	-26.62%	-94.98%	-98.71%	-120.17%	-21.10%	-30.71%	-31.97%	-35.38%	-34.76%	-33.73%
381-384	2008	269,519	0	20,330	(20,330)	-7.54%	-21.01%	-78.67%	-82.96%	-102.95%	-30.17%	-31.41%	-34.74%	-34.15%	-34.73%
381-384	2009	1,053,875	0	64,998	(64,998)	-6.17%	-6.45%	-13.08%	-48.09%	-51.99%	-66.75%	-19.53%	-28.17%	-29.31%	-32.38%
381-384	2010	475,357	0	4,429,186	(4,429,186)	-931.76%	-293.89%	-250.98%	-191.57%	-189.33%	-187.39%	-191.63%	-53.28%	-60.95%	-61.91%
381-384	2011	2,265,783	0	998,363	(998,363)	-44.06%	-198.00%	-144.73%	-135.63%	-120.65%	-126.51%	-126.74%	-131.48%	-51.90%	-58.46%
381-384	2012	894,134	0	655,424	(655,424)	-73.30%	-52.34%	-167.33%	-131.11%	-124.39%	-113.10%	-118.76%	-119.09%	-123.42%	-53.09%
381-384	2013	188,183	0	31,850	(31,850)	-16.93%	-63.50%	-50.35%	-63.50%	-159.93%	-126.70%	-109.97%	-115.73%	-116.11%	-120.40%
381-384	2014	723,339	0	119,196	(119,196)	-16.48%	-16.57%	-44.66%	-44.33%	-137.11%	-112.47%	-107.65%	-99.60%	-105.54%	-106.04%
381-384	2015	1,487,364	0	144,899	(144,899)	-9.74%	-11.95%	-12.34%	-28.89%	-87.86%	-105.71%	-90.91%	-87.86%	-82.90%	-88.84%
381-384	2016	955,960	2,590	4,404,478	(4,401,889)	-460.47%	-186.09%	-147.35%	-140.03%	-125.99%	-97.50%	-154.23%	-134.83%	-130.70%	-123.18%
381-384	2017	1,149,093	0	200,696	(200,696)	-17.47%	-218.64%	-132.15%	-112.77%	-108.76%	-102.89%	-85.50%	-134.92%	-120.16%	-116.95%
382-384	1996	193,562	0	61,106	(61,106)	-31.57%									
382-384	1997	64,539	0	106,958	(106,958)	-165.73%	-65.12%								
382-384	1998	264,277	0	9,625	(9,625)	-3.64%	-35.46%	-34.02%							
382-384	1999	10,925	0	7,540	(7,540)	-69.02%	-6.24%	-36.53%	-34.73%						
382-384	2000	79,200	0	414,823	(414,823)	-523.77%	-468.64%	-121.89%	-128.64%	-97.97%					
382-384	2001	57,297	0	161,169	(161,169)	-281.23%	-421.98%	-395.82%	-144.08%	-147.01%	-113.65%				
382-384	2002	250,858	0	1,139,462	(1,139,462)	-454.23%	-422.07%	-442.86%	-432.61%	-261.50%	-253.00%	-206.45%			
382-384	2003	312,461	0	536,125	(536,125)	-171.58%	-297.45%	-295.96%	-321.74%	-317.85%	-232.69%	-228.53%	-197.61%		
382-384	2004	203,956	0	521,798	(521,798)	-255.84%	-204.86%	-286.39%	-286.03%	-306.87%	-304.03%	-236.69%	-227.86%	-205.88%	
382-384	2005	114,614	0	157,057	(157,057)	-137.03%	-213.09%	-192.54%	-266.98%	-267.85%	-287.75%	-285.43%	-224.91%	-200.79%	
382-384	2006	527,453	0	943,844	(943,844)	-178.94%	-171.46%	-191.80%	-186.35%	-234.03%	-235.88%	-250.63%	-249.35%	-213.69%	-212.05%
382-384	2007	59,462	0	119,552	(119,552)	-201.06%	-181.18%	-173.97%	-201.06%	-187.07%	-232.70%	-248.52%	-247.58%	-213.29%	
382-384	2008	12,153	0	14,698	(14,698)	-120.94%	-187.46%	-179.96%	-173.07%	-191.46%	-186.41%	-231.78%	-233.62%	-247.83%	-246.63%
382-384	2009	1,027,944	0	3,148	(3,148)	-0.31%	-1.72%	-12.50%	-66.46%	-71.10%	-101.69%	-136.94%	-140.16%	-151.65%	
382-384	2010	475,357	0	4,429,186	(4,429,186)	-931.76%	-294.84%	-293.45%	-289.96%	-262.11%	-255.64%	-255.66%	-246.05%	-263.55%	-263.88%
382-384	2011	2,237,580	0	998,363	(998,363)	-44.62%	-200.06%	-145.17%	-145.09%	-145.97%	-149.97%	-149.64%	-154.29%	-155.38%	-169.73%
382-384	2012	590,498	0	468,501	(468,501)	-79.34%	-51.87%	-178.48%	-136.20%	-136.15%	-137.03%	-141.51%	-141.41%	-145.86%	-147.30%
382-384	2013	164,053	0	0	0	0.00%	-62.09%	-49.02%	-170.04%	-131.23%	-131.20%	-132.11%	-136.96%	-136.96%	-141.44%
382-384	2014	51	0	88,014	(88,014)	-173905.51%	-53.63%	-73.75%	-51.96%	-172.57%	-133.18%	-133.15%	-134.03%	-138.68%	-138.65%
382-384	2015	932,145	0	131,670	(131,670)	-14.13%	-23.57%	-20.04%	-40.80%	-42.98%	-139.00%	-112.74%	-112.75%	-113.71%	-119.42%
382-384	2016	630,783	2,589	4,268,095	(4,265,506)	-676.22%	-281.34%	-286.96%	-259.71%	-213.75%	-130.67%	-206.37%	-171.40%	-171.30%	-171.59%
382-384	2017	793,667	0	193,284	(193,284)	-24.35%	-313.02%	-194.79%	-198.52%	-185.60%	-165.43%	-114.89%	-181.56%	-154.37%	-154.31%
38500	1996	16,570	1,028	3	1,025	6.19%									
38500	1997	2,204	0	18	(18)	-0.82%	5.36%								
38500	1998	14,263	0	10	(10)	-0.07%	-0.17%	3.02%							
38500	1999	6,054	0	0	0	0.00%	-0.12%	-0.05%	2.55%						
38500	2000	681	0	1,698	(1,698)	-249.34%	-25.21%	-8.13%	-7.44%	-1.76%					
38500	2001	16,167	0	7,896	(7,896)	-48.84%	-56.94%	-41.89%	-25.84%	-24.44%	-15.37%				
38500	2002	0	0	0	0	NA	-48.84%	-56.94%	-41.89%	-25.84%	-24.44%	-15.37%			

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
38500	2003	0	0	0	0	NA	NA	-48.84%	-56.94%	-41.89%	-25.84%	-24.44%	-15.37%		
38500	2004	0	0	0	0	NA	NA	NA	-48.84%	-56.94%	-41.89%	-25.84%	-24.44%	-15.37%	
38500	2005	0	0	0	0	NA	NA	NA	NA	-48.84%	-56.94%	-41.89%	-25.84%	-24.44%	-15.37%
38500	2006	0	0	0	0	NA	NA	NA	NA	NA	-48.84%	-56.94%	-41.89%	-25.84%	-24.44%
38500	2007	11,826	0	3,573	(3,573)	-30.21%	-30.21%	-30.21%	-30.21%	-30.21%	-40.97%	-45.92%	-37.92%	-26.90%	-26.90%
38500	2008	30,185	0	0	0	0.00%	-8.51%	-8.51%	-8.51%	-8.51%	-8.51%	-8.51%	-19.71%	-22.37%	-20.28%
38500	2009	3,375	0	9,909	(9,909)	-293.54%	-29.52%	-29.70%	-29.70%	-29.70%	-29.70%	-29.70%	-34.73%	-37.08%	-37.08%
38500	2010	10,244	0	1,623	(1,623)	-15.85%	-84.67%	-26.33%	-27.15%	-27.15%	-27.15%	-27.15%	-27.15%	-27.15%	-32.04%
38500	2011	8,966	0	3,423	(3,423)	-38.18%	-26.27%	-66.21%	-28.34%	-28.68%	-28.68%	-28.68%	-28.68%	-28.68%	-28.68%
38500	2012	6,251	0	6,611	(6,611)	-105.76%	-65.94%	-45.79%	-74.79%	-36.54%	-35.48%	-35.48%	-35.48%	-35.48%	-35.48%
38500	2013	14,689	0	4,226	(4,226)	-28.77%	-28.77%	-51.75%	-47.68%	-39.56%	-59.26%	-34.99%	-34.33%	-34.33%	-34.33%
38500	2014	7,819	0	(20,568)	20,568	263.05%	72.61%	33.84%	16.72%	9.77%	-10.17%	-6.41%	-9.42%	-9.42%	-9.42%
38500	2015	8,886	0	1,971	(1,971)	-22.18%	111.33%	45.78%	20.61%	9.31%	4.77%	-11.95%	-7.96%	-10.53%	-10.53%
38500	2016	0	0	0	0	NA	-22.18%	111.33%	45.78%	20.61%	9.31%	4.77%	-7.96%	-10.53%	-10.53%
38500	2017	0	0	0	0	NA	NA	-22.18%	111.33%	45.78%	20.61%	9.31%	4.77%	-11.95%	-7.96%
39000	1996	0	0	0	0	NA									
39000	1997	0	0	0	0	NA	NA								
39000	1998	1,718	0	0	0	0.00%	0.00%	0.00%							
39000	1999	0	0	0	0	NA	0.00%	0.00%	0.00%						
39000	2000	0	0	0	0	NA	NA	0.00%	0.00%	0.00%					
39000	2001	0	0	0	0	NA	NA	NA	0.00%		0.00%				
39000	2002	0	0	0	0	NA	NA	NA	NA	0.00%	0.00%	0.00%			
39000	2003	0	0	0	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%		
39000	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	
39000	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%
39000	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	0.00%	0.00%
39000	2007	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00%
39000	2008	0	0	274	(274)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39000	2009	0	0	442	(442)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39000	2010	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39000	2011	201	0	0	0	0.00%	0.00%	-219.92%	-356.25%	-356.25%	-356.25%	-356.25%	-356.25%	-356.25%	-356.25%
39000	2012	0	0	0	0	NA	0.00%	0.00%	-219.92%	-356.25%	-356.25%	-356.25%	-356.25%	-356.25%	-356.25%
39000	2013	5,256	0	830	(830)	-15.78%	-15.78%	-15.20%	-15.20%	-23.29%	-28.31%	-28.31%	-28.31%	-28.31%	-28.31%
39000	2014	0	0	0	0	NA	-15.78%	-15.78%	-15.20%	-15.20%	-23.29%	-28.31%	-28.31%	-28.31%	-28.31%
39000	2015	298,352	0	0	0	0.00%	0.00%	-0.27%	-0.27%	-0.27%	-0.27%	-0.27%	-0.51%	-0.51%	-0.51%
39000	2016	0	0	0	0	NA	0.00%	0.00%	-0.27%	-0.27%	-0.27%	-0.27%	-0.42%	-0.51%	-0.51%
39000	2017	0	0	0	0	NA	NA	0.00%	0.00%	-0.27%	-0.27%	-0.27%	-0.27%	-0.42%	-0.51%
39002	1996	0	0	0	0	NA									
39002	1997	0	0	0	0	NA	NA								
39002	1998	0	0	0	0	NA	NA	NA							
39002	1999	0	0	0	0	NA	NA	NA	NA						
39002	2000	0	0	0	0	NA	NA	NA	NA	NA					
39002	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				
39002	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
39002	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
39002	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39002	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39002	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39002	2007	6,777	0	32	(32)	-0.48%	-0.48%	-0.48%	-0.48%	-0.48%	-0.48%	-0.48%	-0.48%	-0.48%	-0.48%
39002	2008	5,677	1,994	7,674	(5,680)	-100.05%	-45.87%	-45.87%	-45.87%	-45.87%	-45.87%	-45.87%	-45.87%	-45.87%	-45.87%
39002	2009	0	0	0	0	NA	-100.05%	-45.87%	-45.87%	-45.87%	-45.87%	-45.87%	-45.87%	-45.87%	-45.87%
39002	2010	2,388	0	1,210	(1,210)	-50.65%	-50.65%	-85.42%	-46.64%	-46.64%	-46.64%	-46.64%	-46.64%	-46.64%	-46.64%
39002	2011	0	0	0	0	NA	-50.65%	-50.65%	-85.42%	-46.64%	-46.64%	-46.64%	-46.64%	-46.64%	-46.64%
39002	2012	0	0	0	0	NA	NA	-50.65%	-85.42%	-46.64%	-46.64%	-46.64%	-46.64%	-46.64%	-46.64%
39002	2013	0	0	0	0	NA	NA	NA	-50.65%	-50.65%	-46.64%	-46.64%	-46.64%	-46.64%	-46.64%
39002	2014	5,641	0	0	0	0.00%	0.00%	0.00%	0.00%	-15.07%	-15.07%	-50.27%	-33.79%	-33.79%	-33.79%
39002	2015	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	-15.07%	-15.07%	-50.27%	-33.79%	-33.79%
39002	2016	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	0.00%	-15.07%	-15.07%	-50.27%	-33.79%
39002	2017	0	0	0	0	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	-15.07%	-15.07%	-50.27%

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
39103	2007	482	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39103	2008	426	209	0	209	49.10%	23.04%	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%
39103	2009	92,410	0	0	0	0.00%	0.23%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
39103	2010	408	0	0	0	0.00%	0.00%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
39103	2011	1,389	0	0	0	0.00%	0.00%	0.00%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
39103	2012	0	0	0	0	NA	0.00%	0.00%	0.00%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
39103	2013	0	0	0	0	NA	NA	0.00%	0.00%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
39103	2014	0	0	0	0	NA	NA	NA	0.00%	0.00%	0.22%	0.22%	0.22%	0.22%	0.22%
39103	2015	0	0	0	0	NA	NA	NA	NA	0.00%	0.00%	0.22%	0.22%	0.22%	0.22%
39103	2016	0	0	0	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.22%	0.22%
39103	2017	0	0	0	0	NA	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.22%
39200	1996	623,819	189,433	1,191	188,242	30.18%									
39200	1997	131,611	40,503	615	39,888	30.31%	30.20%								
39200	1998	550,378	127,968	8	127,960	23.25%	24.61%	27.27%							
39200	1999	291,792	77,749	275	77,474	26.55%	24.39%	25.19%	27.14%						
39200	2000	810,884	101,794	0	101,794	12.55%	16.26%	18.59%	19.45%	22.23%					
39200	2001	549,771	7,561	0	7,561	1.38%	8.04%	11.31%	14.29%	15.19%	18.35%				
39200	2002	216,646	35,292	0	35,292	16.29%	5.99%	9.17%	11.88%	14.47%	15.29%	18.21%			
39200	2003	2,732,280	79,320	0	79,320	2.90%	3.89%	3.49%	5.20%	6.55%	8.34%	8.88%	11.13%		
39200	2004	559,510	0	0	0	0.00%	2.41%	3.27%	3.01%	4.60%	5.84%	7.52%	8.03%	10.17%	
39200	2005	394,260	67,019	4,646	62,373	15.82%	6.54%	3.84%	4.53%	4.14%	5.44%	6.55%	8.05%	8.52%	10.49%
39200	2006	82,381	0	0	0	0.00%	13.09%	6.02%	3.76%	4.44%	4.07%	5.36%	6.45%	7.95%	8.41%
39200	2007	0	0	0	0	NA	0.00%	13.09%	6.02%	3.76%	4.44%	4.07%	5.36%	6.45%	7.95%
39200	2008	151,446	3,885	0	3,885	2.57%	2.57%	1.66%	10.55%	5.58%	3.71%	4.02%	4.02%	5.28%	6.35%
39200	2009	117,142	0	0	0	0.00%	1.45%	1.45%	8.89%	8.89%	5.08%	4.37%	4.25%	3.92%	5.17%
39200	2010	63,504	13,432	(131)	13,563	21.36%	7.51%	5.25%	5.25%	4.21%	9.87%	5.83%	3.88%	4.50%	4.15%
39200	2011	2,672	0	0	0	0.00%	20.50%	7.40%	5.21%	5.21%	4.18%	9.84%	5.82%	3.88%	4.50%
39200	2012	0	0	0	0	NA	0.00%	20.50%	7.40%	5.21%	5.21%	4.18%	9.84%	5.82%	3.88%
39200	2013	37,101	0	171	(171)	-0.46%	-0.46%	-0.43%	12.97%	6.08%	4.65%	4.65%	3.80%	9.39%	5.66%
39200	2014	97,648	7,291	198	7,093	7.26%	5.14%	5.14%	5.04%	10.20%	6.44%	5.19%	5.19%	4.42%	9.17%
39200	2015	56,098	0	0	0	0.00%	4.61%	3.63%	3.63%	3.58%	7.97%	5.47%	4.64%	4.64%	4.01%
39200	2016	54,635	0	0	0	0.00%	0.00%	3.40%	2.82%	2.82%	2.79%	6.57%	4.78%	4.20%	4.20%
39200	2017	105,083	0	0	0	0.00%	0.00%	0.00%	2.28%	1.97%	1.97%	1.96%	4.92%	3.84%	3.56%
39201	1996	0	0	0	0	NA									
39201	1997	0	0	0	0	NA	NA								
39201	1998	0	0	0	0	NA	NA	NA							
39201	1999	0	0	0	0	NA	NA	NA	NA						
39201	2000	0	0	0	0	NA	NA	NA	NA	NA					
39201	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				
39201	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
39201	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
39201	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39201	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39201	2006	21,372	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39201	2007	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39201	2008	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39201	2009	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39201	2010	21,941	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39201	2011	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39201	2012	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39201	2013	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39201	2014	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39201	2015	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39201	2016	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39201	2017	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39202	1996				0	NA									
39202	1997				0	NA	NA								
39202	1998				0	NA	NA	NA							
39202	1999				0	NA	NA	NA	NA						
39202	2000				0	NA	NA	NA	NA	NA					
39202	2001				0	NA	NA	NA	NA	NA	NA				

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
39603	1996	0	0	0	0	NA									
39603	1997	0	0	0	0	NA									
39603	1998	0	0	0	0	NA		NA							
39603	1999	0	0	0	0	NA		NA	NA						
39603	2000	0	0	0	0	NA		NA	NA	NA					
39603	2001	0	0	0	0	NA		NA	NA	NA	NA				
39603	2002	0	0	0	0	NA		NA	NA	NA	NA	NA			
39603	2003	0	0	0	0	NA		NA	NA	NA	NA	NA	NA		
39603	2004	0	0	0	0	NA		NA							
39603	2005	0	0	0	0	NA		NA							
39603	2006	62,479	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39603	2007	51,616	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39603	2008	0	0	0	0	NA		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39603	2009	327	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39603	2010	89,252	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39603	2011	0	0	0	0	NA		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39603	2012	50,878	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39603	2013	0	0	0	0	NA		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39603	2014	0	0	0	0	NA		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39603	2015	6,401	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39603	2016	7,693	27,849	0	27,849	362.01%	197.60%	197.60%	197.60%	42.86%	42.86%	18.06%	18.02%	18.02%	13.51%
39603	2017	0	0	0	0	NA	362.01%	197.60%	197.60%	197.60%	42.86%	42.86%	18.06%	18.02%	18.02%
39604	1996	0	0	0	0	NA									
39604	1997	0	0	0	0	NA	NA								
39604	1998	0	0	0	0	NA	NA	NA							
39604	1999	0	0	0	0	NA	NA	NA	NA						
39604	2000	0	0	0	0	NA	NA	NA	NA	NA					
39604	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				
39604	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
39604	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
39604	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39604	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39604	2006	28,350	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39604	2007	4,184	173	(409)	582	13.90%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%
39604	2008	78,140	14,945	461	14,483	18.54%	18.30%	13.61%	13.61%	13.61%	13.61%	13.61%	13.61%	13.61%	13.61%
39604	2009	120,660	0	0	0	0.00%	7.29%	7.42%	6.51%	6.51%	6.51%	6.51%	6.51%	6.51%	6.51%
39604	2010	8,958	18,719	0	18,719	208.95%	14.44%	15.98%	15.94%	14.06%	14.06%	14.06%	14.06%	14.06%	14.06%
39604	2011	0	0	0	0	NA	208.95%	14.44%	15.98%	14.06%	14.06%	14.06%	14.06%	14.06%	14.06%
39604	2012	0	0	0	0	NA	NA	208.95%	14.44%	15.98%	14.06%	14.06%	14.06%	14.06%	14.06%
39604	2013	0	0	0	0	NA	NA	NA	208.95%	14.44%	15.98%	14.06%	14.06%	14.06%	14.06%
39604	2014	0	0	0	0	NA	NA	NA	NA	208.95%	14.44%	15.98%	14.06%	14.06%	14.06%
39604	2015	0	0	0	0	NA	NA	NA	NA	NA	208.95%	14.44%	15.98%	14.06%	14.06%
39604	2016	0	0	0	0	NA	NA	NA	NA	NA	NA	208.95%	14.44%	15.98%	14.06%
39604	2017	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	208.95%	14.44%	15.98%
39605	1996	0	0	0	0	NA									
39605	1997	0	0	0	0	NA	NA								
39605	1998	0	0	0	0	NA	NA	NA							
39605	1999	0	0	0	0	NA	NA	NA	NA						
39605	2000	0	0	0	0	NA	NA	NA	NA	NA					
39605	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				
39605	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
39605	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
39605	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39605	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39605	2006	25,467	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39605	2007	3,362	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39605	2008	3,600	1,027	0	1,027	28.53%	14.75%	3.17%	3.17%	3.17%	3.17%	3.17%	3.17%	3.17%	3.17%
39605	2009	4,088	0	0	0	0.00%	13.36%	9.29%	2.81%	2.81%	2.81%	2.81%	2.81%	2.81%	2.81%
39605	2010	6,738	300	0	300	4.45%	2.77%	9.20%	7.46%	3.07%	3.07%	3.07%	3.07%	3.07%	3.07%
39605	2011	3,112	0	0	0	0.00%	3.05%	2.15%	7.57%	6.35%	2.86%	2.86%	2.86%	2.86%	2.86%

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
39701	2007	1,198		0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39701	2008	2,140	0	20	(20)	-0.94%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%
39701	2009	0	0	0	0	NA	-0.94%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%
39701	2010	0	0	0	0	NA	NA	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%
39701	2011	0	0	0	0	NA	NA	NA	-0.94%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%
39701	2012	0	0	0	0	NA	NA	NA	NA	-0.94%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%
39701	2013	0	0	0	0	NA	NA	NA	NA	NA	-0.94%	-0.60%	-0.60%	-0.60%	-0.60%
39701	2014	0	0	0	0	NA	NA	NA	NA	NA	NA	-0.94%	-0.60%	-0.60%	-0.60%
39701	2015	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	-0.94%	-0.60%	-0.60%
39701	2016	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	-0.94%	-0.60%
39701	2017	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	-0.94%
39702	1996				0	NA									
39702	1997				0	NA	NA								
39702	1998				0	NA	NA	NA							
39702	1999				0	NA	NA	NA	NA						
39702	2000				0	NA	NA	NA	NA	NA					
39702	2001				0	NA	NA	NA	NA	NA	NA				
39702	2002				0	NA	NA	NA	NA	NA	NA	NA			
39702	2003				0	NA	NA	NA	NA	NA	NA	NA	NA		
39702	2004				0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39702	2005				0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39702	2006				0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39702	2007	38,600		0	0	0.00%	NA								
39702	2008	2,832	0	24	(24)	-0.84%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%
39702	2009				0	NA	NA	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%
39702	2010				0	NA	NA	NA	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%
39702	2011				0	NA	NA	NA	NA	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%
39702	2012				0	NA	NA	NA	NA	NA	-0.06%	-0.06%	-0.06%	-0.06%	-0.06%
39702	2013	0	0	0	0	NA	NA	NA	NA	NA	-0.84%	-0.06%	-0.06%	-0.06%	-0.06%
39702	2014	0	0	0	0	NA	NA	NA	NA	NA	NA	-0.84%	-0.06%	-0.06%	-0.06%
39702	2015	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	-0.84%	-0.06%	-0.06%
39702	2016	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	-0.84%	-0.06%
39702	2017	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	-0.84%
39705	1996	0	0	0	0	NA									
39705	1997	0	0	0	0	NA	NA								
39705	1998	0	0	0	0	NA	NA	NA							
39705	1999	0	0	0	0	NA	NA	NA	NA						
39705	2000	0	0	0	0	NA	NA	NA	NA	NA					
39705	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				
39705	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
39705	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
39705	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39705	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39705	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39705	2007	230,512		0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39705	2008	15,408		0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39705	2009	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39705	2010	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39705	2011	0	0	0	0	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39705	2012	0	0	0	0	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39705	2013	0	0	0	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%
39705	2014	66,316	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39705	2015	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39705	2016	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
39705	2017	0	0	0	0	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
397 Combin	1996	2,141	0	0	0	0.00%									
397 Combin	1997	1,536	0	0	0	0.00%	0.00%								
397 Combin	1998	0	0	0	0	NA	0.00%	0.00%							
397 Combin	1999	2,345	0	0	0	0.00%	0.00%	0.00%	0.00%						
397 Combin	2000	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%					
397 Combin	2001	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	0.00%				

ATMOS ENERGY - KENTUCKY DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE HISTORY

Account	TY	Retirements	Salvage	COR	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
397 Combin	2002	38,139	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
397 Combin	2003	4,941	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
397 Combin	2004	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
397 Combin	2005	32,436	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
397 Combin	2006	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
397 Combin	2007	1,190,274	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
397 Combin	2008	69,334	0	(2,184)	2,184	3.15%	0.17%	0.17%	0.17%	0.17%	0.17%	0.16%	0.16%	0.16%	0.16%
397 Combin	2009	7,200	0	0	0	0.00%	2.85%	0.17%	0.17%	0.17%	0.17%	0.17%	0.16%	0.16%	0.16%
397 Combin	2010	12,519	0	0	0	0.00%	0.00%	2.45%	0.17%	0.17%	0.17%	0.17%	0.16%	0.16%	0.16%
397 Combin	2011	0	0	0	0	NA	0.00%	0.00%	2.45%	0.17%	0.17%	0.17%	0.17%	0.17%	0.16%
397 Combin	2012	0	0	0	0	NA	NA	0.00%	0.00%	2.45%	0.17%	0.17%	0.17%	0.17%	0.17%
397 Combin	2013	441	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	2.44%	0.17%	0.17%	0.17%	0.17%
397 Combin	2014	110,816	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	1.09%	0.16%	0.16%	0.16%	0.15%
397 Combin	2015	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	1.09%	0.16%	0.16%	0.16%
397 Combin	2016	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.09%	0.16%
397 Combin	2017	0	0	0	0	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.09%
39800	1996	0	0	0	0	NA									
39800	1997	0	0	0	0	NA	NA								
39800	1998	0	0	0	0	NA	NA	NA							
39800	1999	0	0	0	0	NA	NA	NA	NA						
39800	2000	0	0	0	0	NA	NA	NA	NA	NA					
39800	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				
39800	2002	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
39800	2003	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
39800	2004	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39800	2005	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39800	2006	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39800	2007	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39800	2008	125,948	2,665	157	2,508	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
39800	2009	27,605	0	1,113	(1,113)	-4.03%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%
39800	2010	154,967	2,236	3,718	(1,482)	-0.96%	-1.42%	-0.03%	-0.03%	-0.03%	-0.03%	-0.03%	-0.03%	-0.03%	-0.03%
39800	2011	45,141	0	192	(192)	-0.42%	-0.84%	-1.22%	-0.84%	-0.08%	-0.08%	-0.08%	-0.08%	-0.08%	-0.08%
39800	2012	131,828	0	563	(563)	-0.43%	-0.43%	-0.67%	-0.93%	-0.17%	-0.17%	-0.17%	-0.17%	-0.17%	-0.17%
39800	2013	213,314	0	235	(235)	-0.11%	-0.23%	-0.25%	-0.45%	-0.63%	-0.15%	-0.15%	-0.15%	-0.15%	-0.15%
39800	2014	211,669	0	328	(328)	-0.15%	-0.13%	-0.20%	-0.22%	-0.37%	-0.50%	-0.15%	-0.15%	-0.15%	-0.15%
39800	2015	1,236	0	652	(652)	-52.73%	-0.46%	-0.28%	-0.32%	-0.33%	-0.46%	-0.58%	-0.23%	-0.23%	-0.23%
39800	2016	420	0	0	0	0.00%	-39.35%	-0.46%	-0.28%	-0.32%	-0.33%	-0.45%	-0.23%	-0.23%	-0.23%
39800	2017	0	0	0	0	NA	0.00%	-39.35%	-0.46%	-0.28%	-0.32%	-0.33%	-0.45%	-0.58%	-0.23%
39906	1996	0	0	0	0	NA									
39906	1997	0	0	0	0	NA	NA								
39906	1998	0	0	0	0	NA	NA	NA							
39906	1999	0	0	0	0	NA	NA	NA	NA						
39906	2000	0	0	0	0	NA	NA	NA	NA	NA					
39906	2001	0	0	0	0	NA	NA	NA	NA	NA	NA				
39906	2002	190,623	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
39906	2003	158,354	2,788	0	2,788	1.76%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%		
39906	2004	176,848	0	0	0	0.00%	0.83%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	
39906	2005	0	0	0	0	NA	0.00%	0.83%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%
39906	2006	0	0	0	0	NA	NA	0.00%	0.83%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%
39906	2007	0	0	0	0	NA	NA	NA	0.00%	0.83%	0.53%	0.53%	0.53%	0.53%	0.53%
39906	2008	0	0	0	0	NA	NA	NA	NA	0.00%	0.83%	0.53%	0.53%	0.53%	0.53%
39906	2009	130,184	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.60%	0.42%	0.42%	0.42%	0.42%
39906	2010	764,871	0	2,696	(2,696)	-0.35%	-0.30%	-0.30%	-0.30%	-0.30%	-0.30%	-0.25%	0.01%	0.01%	0.01%
39906	2011	0	0	0	0	NA	-0.35%	-0.30%	-0.30%	-0.30%	-0.30%	-0.30%	-0.25%	0.01%	0.01%
39906	2012	399,769	0	0	0	0.00%	0.00%	-0.23%	-0.21%	-0.21%	-0.21%	-0.21%	-0.18%	0.01%	0.01%
39906	2013	1,182,003	0	2,934	(2,934)	-0.25%	-0.19%	-0.19%	-0.24%	-0.23%	-0.23%	-0.23%	-0.23%	-0.23%	-0.21%
39906	2014	1,680,400	0	3,755	(3,755)	-0.22%	-0.23%	-0.21%	-0.21%	-0.23%	-0.23%	-0.23%	-0.23%	-0.23%	-0.23%
39906	2015	125,151	0	0	0	0.00%	-0.21%	-0.21%	-0.20%	-0.20%	-0.23%	-0.22%	-0.22%	-0.22%	-0.22%
39906	2016	84,538	0	0	0	0.00%	0.00%	-0.20%	-0.22%	-0.19%	-0.19%	-0.22%	-0.21%	-0.21%	-0.21%
39906	2017	383,332	0	0	0	0.00%	0.00%	0.00%	-0.17%	-0.19%	-0.17%	-0.17%	-0.20%	-0.20%	-0.20%

ATMOS ENERGY CORPORATION
KENTUCKY MID-STATES GENERAL OFFICE
PROPERTY
DEPRECIATION RATE STUDY
As of September 30, 2017



<http://www.utilityalliance.com>

ATMOS ENERGY CORPORATION
KENTUCKY MID-STATES GENERAL OFFICE PROPERTY
DEPRECIATION RATE STUDY
EXECUTIVE SUMMARY

Atmos Energy Corporation (“Atmos” or “Company”) engaged Alliance Consulting Group to conduct a depreciation study of the Company’s Kentucky Mid-States General Office (“KMD”) depreciable assets as of fiscal year end September 30, 2017. KMD provides support to Atmos Energy Corporation’s regulated utility divisions which at year end September 30, 2017 were:

- Kentucky;
- Tennessee; and
- Virginia

The depreciation rates are based on the straight-line method, equal life group (“ELG”) procedure, and remaining-life technique. This study results in an annual depreciation expense accrual of approximately \$51 thousand when applied to depreciable plant balances as of September 30, 2017.

The depreciation study conducted analyzed and developed depreciation recommendations at an account level. The resulting annual depreciation accrual amounts and depreciation rates contained in this study are at the account level. The Company will accrue depreciation expense based on the account level depreciation rates developed in this study. Appendix A demonstrates the annual depreciation expense.

ATMOS ENERGY CORPORATION
KENTUCKY MID-STATES GENERAL OFFICE PROPERTY
DEPRECIATION RATE STUDY
As of September 30, 2017
Table of Contents

PURPOSE	1
STUDY RESULTS	2
GENERAL DISCUSSION.....	3
DEFINITION.....	3
BASIS OF DEPRECIATION ESTIMATES	3
SURVIVOR CURVES.....	4
ACTUARIAL ANALYSIS.....	7
JUDGMENT.....	8
EQUAL LIFE GROUP DEPRECIATION	9
THEORETICAL DEPRECIATION RESERVE	9
DETAILED DISCUSSION.....	11
DEPRECIATION STUDY PROCESS	11
DEPRECIATION RATE CALCULATION	14
REMAINING LIFE CALCULATION	14
CALCULATION PROCESS.....	14
LIFE AND NET SALVAGE	16
NET SALVAGE CONSIDERATIONS	17
APPENDIX A - ANNUAL ACCRUAL RATE CALCULATIONS.....	30
APPENDIX B - COMPARISON OF ANNUAL RATE AND ACCRUAL.....	32
APPENDIX C - COMPARISON OF MORTALITY CHARACTERISTICS	34
APPENDIX D - NET SALVAGE ANALYSIS.....	36

PURPOSE

The purpose of this study is to develop depreciation rates for the depreciable property as recorded on KMD's books at September 30, 2017. The account based depreciation rates were designed to recover the total remaining undepreciated investment, adjusted for net salvage, over the remaining life of KMD' property on a straight-line basis. Non-depreciable property and property which is amortized, such as intangibles were excluded from this study.

KMD is a division of Atmos Corporation dedicated to providing various support services to its operating companies in the Mid States Region. As of the study date, KMD supported regulated gas utility divisions operating in three different states, Kentucky, Tennessee, and Virginia. KMD serves over 300,000 customers across these states, with approximately 180,000 in the Kentucky jurisdiction.

STUDY RESULTS

The existing and current study annual depreciation expense results from the use of Iowa Curve dispersion patterns with average service life, the equal life group (“ELG”) procedure and remaining-life technique, and consideration of net salvage in the development of the study recommended depreciation rates. Detailed information for each of these factors will follow in this report.

Overall depreciation rates for KMD depreciable property are shown in Appendix A. These rates translate into an annual depreciation accrual of \$51 thousand based on KMD' depreciable investment at September 30, 2017.

Appendix A presents the development of the depreciation rates and annual accruals. Appendix B presents the recommended study annual accrual rates and amounts. Appendix C presents the recommended study mortality and net salvage parameters by account. Appendix D shows net salvage history by plant account.

GENERAL DISCUSSION

Definition

The term "depreciation" as used in this study is considered in the accounting sense, that is, a system of accounting that distributes the cost of assets, less net salvage (if any), over the estimated useful life of the assets in a systematic and rational manner. It is a process of allocation, not valuation. This expense is systematically allocated to accounting periods over the life of the properties. The amount allocated to any one accounting period does not necessarily represent the loss or decrease in value that will occur during that particular period. The Company accrues depreciation on the basis of the original cost of all depreciable property included in each functional property group. On retirement the full cost of depreciable property, less the net salvage value, is charged to the depreciation reserve.

Basis of Depreciation Estimates

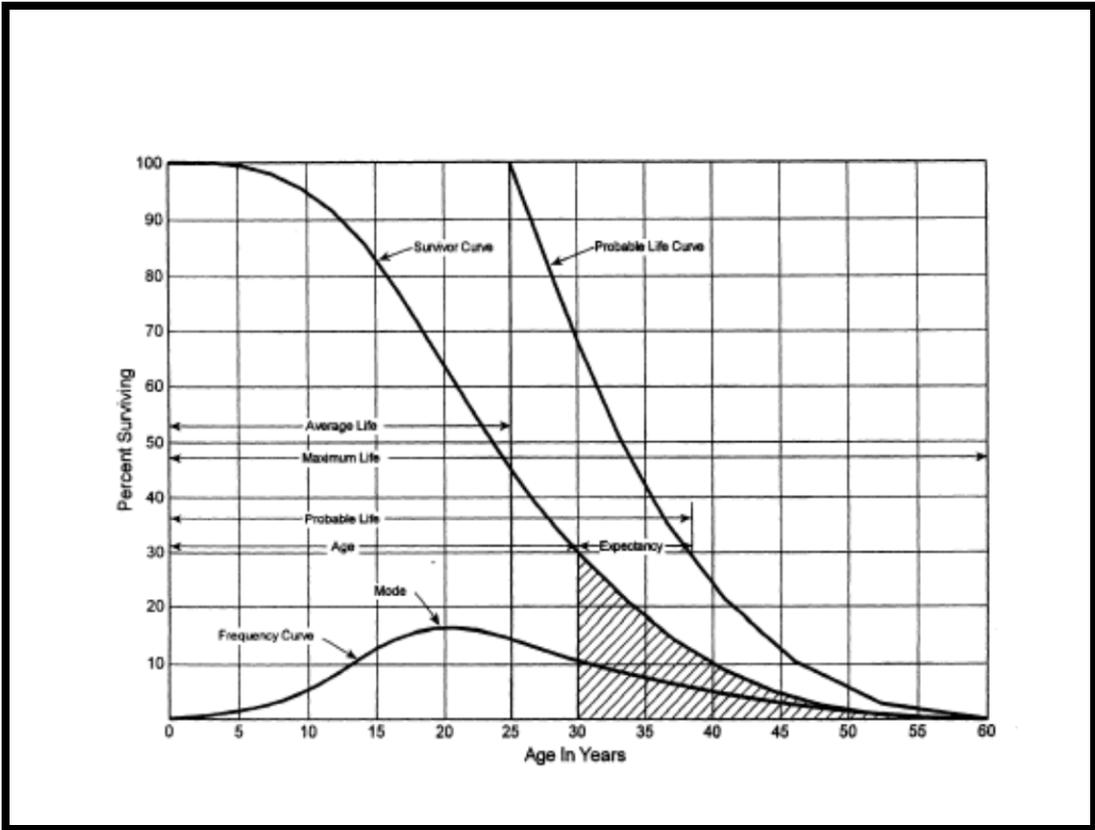
The straight-line, equal life group ("ELG"), remaining-life depreciation system was employed to calculate annual and accrued depreciation in this study. In this system, the annual depreciation expense for each group is computed by dividing the original cost of the asset less allocated depreciation reserve less estimated net salvage by its respective equal life group remaining life. The resulting annual accrual amounts of all depreciable property within a function were accumulated, and the total was divided by the original cost of all functional depreciable property to determine the depreciation rate. The calculated remaining lives and annual depreciation accrual rates were based on attained ages of plant in service and the estimated service life and salvage characteristics of each depreciable group. The computations of the annual depreciation rates are shown in Appendix A and remaining life calculations are provided in the workpapers.

Actuarial analysis was used with each account within a function where

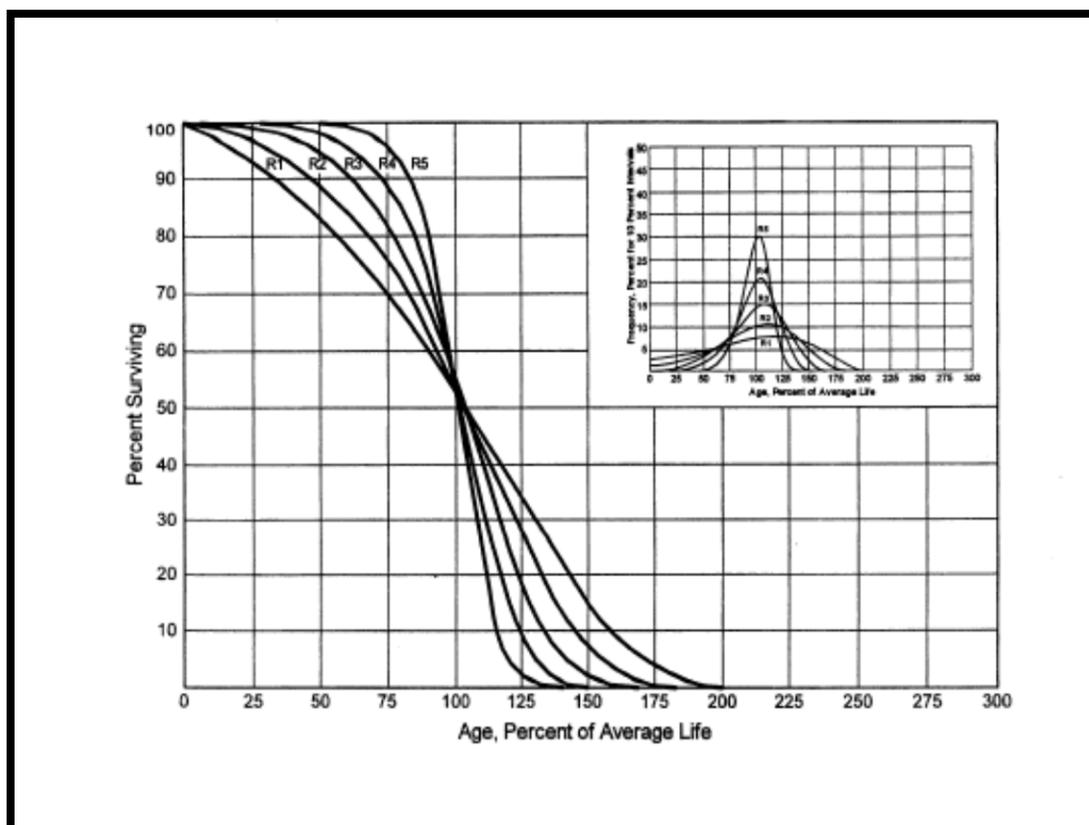
sufficient data was available, and judgment was used to some degree on all accounts.

Survivor Curves

To fully understand depreciation projections in a regulated utility setting, there must be a basic understanding of survivor curves. Individual property units within a group do not normally have identical lives or investment amounts. The average life of a group can be determined by first constructing a survivor curve which is plotted as a percentage of the units surviving at each age. A survivor curve represents the percentage of property remaining in service at various age intervals. The Iowa Curves are the result of an extensive investigation of life characteristics of physical property made at Iowa State College Engineering Experiment Station in the first half of the prior century. Through common usage, revalidation and regulatory acceptance, these curves have become a descriptive standard for the life characteristics of industrial property. An example of an Iowa Curve is shown below.



There are four families in the Iowa Curves that are distinguished by the relation of the age at the retirement mode (largest annual retirement frequency) and the average life. For distributions with the mode age greater than the average life, an "R" designation (i.e., Right modal) is used. The family of "R" moded curves is shown below.



Similarly, an "S" designation (i.e., Symmetric modal) is used for the family whose mode age is symmetric about the average life. An "L" designation (i.e., Left modal) is used for the family whose mode age is less than the average life. A special case of left modal dispersion is the "O" or origin modal curve family. Within each curve family, numerical designations are used to describe the relative magnitude of the retirement frequencies at the mode. A "6" indicates that the retirements are not greatly dispersed from the mode (i.e., high mode frequency) while a "1" indicates a large dispersion about the mode (i.e., low mode frequency). For example, a curve with an average life of 30 years and an "L3" dispersion is a moderately dispersed, left modal curve that can be designated as a 30 L3 Curve. An SQ, or square, survivor curve occurs where no dispersion is present (i.e., units of common age retire simultaneously).

Most property groups can be closely fitted to one lowa Curve with a unique

average service life. The blending of judgment concerning current conditions and future trends along with the matching of historical data permits the depreciation analyst to make an informed selection of an account's average life and retirement dispersion pattern.

Actuarial Analysis

Actuarial analysis (retirement rate method) was used in evaluating historical asset retirement experience where vintage data were available and sufficient retirement activity was present. In actuarial analysis, interval exposures (total property subject to retirement at the beginning of the age interval, regardless of vintage) and age interval retirements are calculated. The complement of the ratio of interval retirements to interval exposures establishes a survivor ratio. The survivor ratio is the fraction of property surviving to the end of the selected age interval, given that it has survived to the beginning of that age interval. Survivor ratios for all of the available age intervals were chained by successive multiplications to establish a series of survivor factors, collectively known as an observed life table. The observed life table shows the experienced mortality characteristic of the account and may be compared to standard mortality curves such as the Iowa Curves. Where data was available, accounts were analyzed using this method. Placement bands were used to illustrate the composite history over a specific era, and experience bands were used to focus on retirement history for all vintages during a set period. The results from these analyses for those accounts which had data sufficient to be analyzed using this method are shown in the Life Analysis section of this report.

Judgment

Any depreciation study requires informed judgment by the analyst conducting the study. A knowledge of the property being studied, company policies and procedures, general trends in technology and industry practice, and a sound basis of understanding depreciation theory are needed to apply this informed judgment. Judgment was used in areas such as survivor curve modeling and selection, depreciation method selection, simulated plant record method analysis, and actuarial analysis.

Judgment is not defined as being used in cases where there are specific, significant pieces of information that influence the choice of a life or curve. Those cases would simply be a reflection of specific facts into the analysis. Where there are multiple factors, activities, actions, property characteristics, statistical inconsistencies, implications of applying certain curves, property mix in accounts or a multitude of other considerations that impact the analysis (potentially in various directions), judgment is used to take all of these factors and synthesize them into a general direction or understanding of the characteristics of the property. Individually, no one factor in these cases may have a substantial impact on the analysis, but overall, may shed light on the utilization and characteristics of assets. Judgment may also be defined as deduction, inference, wisdom, common sense, or the ability to make sensible decisions. There is no single correct result from statistical analysis; hence, there is no answer absent judgment. At the very least for example, any analysis requires choosing which bands to place more emphasis.

The establishment of appropriate average service lives and retirement dispersions for KMD' accounts requires judgment to incorporate the understanding of the operation of the system with the available accounting information analyzed using the Retirement Rate actuarial methods. The appropriateness of lives and curves depends not only on statistical analyses, but also on how well future retirement patterns will match past retirements.

Current applications and trends in use of the equipment also need to be factored into life and survivor curve choices in order for appropriate mortality characteristics to be chosen.

Equal Life Group Depreciation

Atmos agreed that the continued use of the ELG depreciation procedure was appropriate. This study uses the ELG depreciation procedure to group the assets within each account. After an average service life and dispersion were selected for each account, those parameters were used to estimate what portion of the surviving investment of each vintage was expected to retire. The depreciation of the group continues until all investment in the vintage group is retired. ELG groups are defined by their respective account dispersion, life, and net salvage estimates. A straight-line rate for each ELG group is computed and accumulated across each vintage. The resulting rate for each ELG group is designed to recover all retirements less net salvage as each vintage retires. The ELG procedure recovers net book cost over the life of each ELG group rather than averaging many components. It also closely matches the concept of component or item accounting found in all accounting textbooks.

Theoretical Depreciation Reserve

The Company's book depreciation reserves were used for each account. This study used a reserve model that relied on a prospective concept relating future retirement and accrual patterns for property, given current life and salvage estimates. The theoretical reserve of a group is developed from the estimated remaining life, total life of the property group, and estimated net salvage. The theoretical reserve represents the portion of the group cost that would have been accrued if current forecasts were used throughout the life of the group for future depreciation accruals. The computation involves multiplying the vintage balances within the group by the theoretical reserve ratio for each vintage. The

equal life group method requires an estimate of dispersion and service life to establish how much of each vintage is expected to be retired in each year until all property within the vintage is retired. Estimated average service lives and dispersion determine the amount within each equal life group. The equal life group-remaining-life theoretical reserve ratio (RRELG) is calculated as:

$$RRELG = 1 - \frac{(ELG \text{ Remaining Life})}{(ELG \text{ Life})} * (1 - \text{Net Salvage Ratio})$$

DETAILED DISCUSSION

Depreciation Study Process

This depreciation study encompassed four distinct phases. The first phase involved data collection and field interviews. The second phase was where the initial data analysis occurred. The third phase was where the information and analysis was evaluated. Once the first three stages were complete, the fourth phase began. This phase involved the calculation of depreciation rates and documenting the corresponding recommendations.

During the Phase I data collection process, historical data was compiled from continuing property records and general ledger systems. Data was validated for accuracy by extracting and comparing to multiple financial system sources. Audit of this data was validated against historical data from prior periods, historical general ledger sources, and field personnel discussions. This data was reviewed extensively to put in the proper format for a depreciation study. Further discussion on data review and adjustment is found in the Salvage Considerations Section of this study. Also as part of the Phase I data collection process, numerous discussions were conducted with engineers and field operations personnel to obtain information that would assist in formulating life and salvage recommendations in this study. One of the most important elements of performing a proper depreciation study is to understand how the Company utilizes assets and the environment of those assets. Interviews with engineering and operations personnel are important ways to allow the analyst to obtain information that is beneficial when evaluating the output from the life and net salvage programs in relation to the Company's actual asset utilization and environment. Information that was gleaned in these discussions is found both in the Detailed Discussion of this study in the life analysis and salvage analysis sections and also in workpapers.

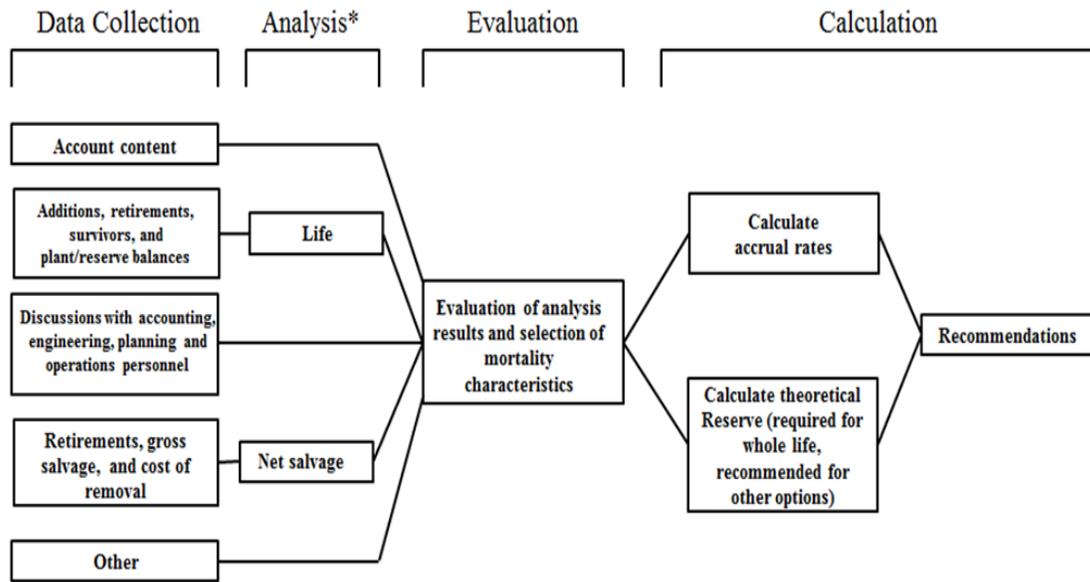
Phase 2 is where the actuarial analysis is performed. Phase 2 and 3 overlap to a significant degree. The detailed property records information is used in phase 2 to develop observed life tables for life analysis. These tables are visually compared to industry standard tables to determine historical life characteristics. It is possible that the analyst would cycle back to this phase based on the evaluation process performed in phase 3. Net salvage analysis consists of compiling historical salvage and removal data by functional group to determine values and trends in gross salvage and removal cost. This information was then carried forward into phase 3 for the evaluation process.

Phase 3 is the evaluation process which synthesizes analysis, interviews, and operational characteristics into a final selection of asset lives and net salvage parameters. The historical analysis from phase 2 is further enhanced by the incorporation of recent or future changes in the characteristics or operations of assets that were revealed in phase 1. Phases 2 and 3 allow the depreciation analyst to validate the asset characteristics as seen in the accounting transactions with actual Company operational experience.

Finally, Phase 4 involved the calculation of accrual rates, making recommendations and documenting the conclusions in a final report. The calculation of accrual rates is found in Appendix B. Recommendations for the various accounts are contained within the Detailed Discussion of this report. The depreciation study flow diagram shown as Figure 1¹ documents the steps used in conducting this study. Depreciation Systems, page 289 documents the same basic processes in performing a depreciation study which are: Statistical analyses, evaluation of statistical analysis, discussions with management, forecast assumptions, write logic supporting forecasts and estimation, and write final report.

¹ Public Utility Finance & Accounting, A Reader

Book Depreciation Study Flow Diagram



Source: Introduction to Depreciation for Public Utilities and Other Industries, AGA EEI, 2013.

*Although not specifically noted, the mathematical analysis may need some level of input from other sources (for example, to determine analysis bands for life and adjustments to data used in all analysis).

Figure 1

ATMOS KENTUCKY MID-STATES GENERAL OFFICE DEPRECIATION STUDY PROCESS

Depreciation Rate Calculation

Annual depreciation expense amounts for the depreciable property accounts of KMD were calculated by the straight line, equal life group, and remaining-life system. With this approach, remaining lives were calculated according to standard ELG group expectancy techniques, using the Iowa Survivor Curves noted in the calculation. For each plant account, the difference between the surviving investment, adjusted for estimated net salvage and the allocated book depreciation reserve, was divided by the average remaining life to yield the annual depreciation expense. These calculations are shown in Appendix A.

Remaining Life Calculation

The establishment of appropriate average service lives and retirement dispersions for each account within a functional group was based on engineering judgment that incorporated available accounting information analyzed using the actuarial methods. After establishment of appropriate average service lives and retirement dispersions, remaining lives were computed for each account. The theoretical depreciation reserve with zero net salvage (used in calculating remaining life) was calculated using theoretical reserve ratios as defined in the theoretical reserve portion of the general discussion section. The difference between plant balance and theoretical reserve was then spread over the ELG depreciation accruals. After accumulating the ELG accruals across each vintage, the annual accrual was divided into the net balance to compute remaining life. Details of the theoretical reserve computations, ELG accruals, and remaining life are found by account within each division in the study workpapers.

Calculation Process

Annual depreciation expense amounts for all accounts were calculated by the straight line, remaining life procedure.

In a whole life representation, the annual accrual rate is computed by the

following equation,

$$\text{Annual Accrual Rate} = \frac{(100\% - \text{Net Salvage Percent})}{\text{Average Service Life}}$$

Use of the remaining life depreciation system adds a self-correcting mechanism, which accounts for any differences between theoretical and book depreciation reserve over the remaining life of the group. With the straight line, remaining life, average life group system using Iowa Curves, composite remaining lives were calculated according to standard broad group expectancy techniques, noted in the formula below:

$$\text{Composite Remaining Life} = \frac{\sum \text{Original Cost} - \text{Theoretical Reserve}}{\sum \text{Whole Life Annual Accrual}}$$

For each plant account, the difference between the surviving investment, adjusted for estimated net salvage, and the book depreciation reserve, was divided by the composite remaining life to yield the annual depreciation expense as noted in this equation where the net salvage percent represents future net salvage.

$$\text{Annual Depreciation Expense} = \frac{\text{Original Cost} - \text{Book Reserve} - (\text{Original Cost}) * (1 - \text{Net Salvage \%})}{\text{Composite Remaining Life}}$$

Within a group, the sum of the group annual depreciation expense amounts, as a percentage of the depreciable original cost investment summed, gives the annual depreciation rate as shown below:

$$\text{Annual Depreciation Rate} = \frac{\sum \text{Annual Depreciation Expense}}{\sum \text{Original Cost}}$$

These calculations are shown in Appendix A. The calculations of the theoretical depreciation reserve values and the corresponding remaining life calculations are shown in workpapers. Book depreciation reserves of individual accounts and the theoretical reserve computation was used to compute a composite remaining life for each account.

LIFE AND NET SALVAGE

The retirement rate actuarial analysis method was applied to all accounts for KMD. For each account, an actuarial retirement rate analysis was made with placement and experience bands of varying width. The historical observed life table was plotted and compared with various Iowa Survivor Curves to obtain the most appropriate match. A selected curve for each account is shown in the Life Analysis Section of this report. The observed life tables for all analyzed placement and experience bands are provided in workpapers.

For the overall band (i.e. placement from earliest vintage year which varied for each account through 2017) for each account, various dispersion curves were plotted. Frequently, visual matching would confirm one specific dispersion pattern (i.e. L, S, or R) as a better match than others. The next step would be to determine the most appropriate life using that dispersion pattern. Then, after looking at the overall experience band, different experience bands were plotted and analyzed, for instance 1998-2017, 2003-2017, etc. Next placement bands of varying width were plotted with each experience band discussed above. Repeated matching usually pointed to a focus on one dispersion family and small range of service lives. The goal of visual matching was to minimize the differential between the observed life table and Iowa curve in top and mid-range of the plots. These results are used in conjunction with all other factors that may influence asset lives.

NET SALVAGE CONSIDERATIONS

When a capital asset is retired, physically removed from service and finally disposed of, terminal retirement is said to have occurred. The residual value of a terminal retirement is called gross salvage. Net salvage is the difference between the gross salvage (what the asset was sold for) and the removal cost (cost to remove and dispose of the asset).

The net salvage analysis, for each account, is shown in Appendix D. Moving averages for intervals are also included in Appendix D. The assets of KMD generally do not incur cost of removal and salvage has declined in over the years. In this study a zero percent net salvage is recommended for each account, with the exception of Accounts 390, 392, and 396.

Account Life and Net Salvage Analysis

Account 390.01 – Structures - Frame

This account includes the cost of buildings and improvements. The account balance is \$179 thousand. The existing life is 40 years with a R2 curve. The average age of the investment is approximately 15 years. Discussions with Company personnel indicated some building will be owned going forward. There have been no retirements, which did not allow for any meaningful life analysis to be performed. Based on discussions with Company personnel, judgment and type of assets this study recommends retaining the 40 year life with the R2 dispersion pattern. No graph is provided.

There has been no salvage or cost of removal recorded. However, when retirements do occur, cost of removal is expected to exceed any salvage based on the type of assets. The approved negative 10 percent net salvage is retained at this time.

Account 390.04 – Air Conditioning Equipment

This account includes the cost of air conditioning equipment. The account balance is \$15 thousand. The existing life is 15 years with an R2 curve. The current average age of investment is 8 years.

There have been no retirements, so no meaningful life analysis could be performed. Based on the type of assets, current age, discussions with Company personnel and judgment, this study recommends retention of the 15 R2. No graph is provided.

The existing net salvage is negative 10 percent. Cost of removal is expected to exceed any salvage at time of retirement. This study recommends retention of negative 10 percent.

Account 390.09 – Improvements to Leased Premises

This account includes the cost of improvements to leased premises. The balance is \$39 thousand. The current life and curve is 20 R3. The current average age of investment is nearing 19 years.

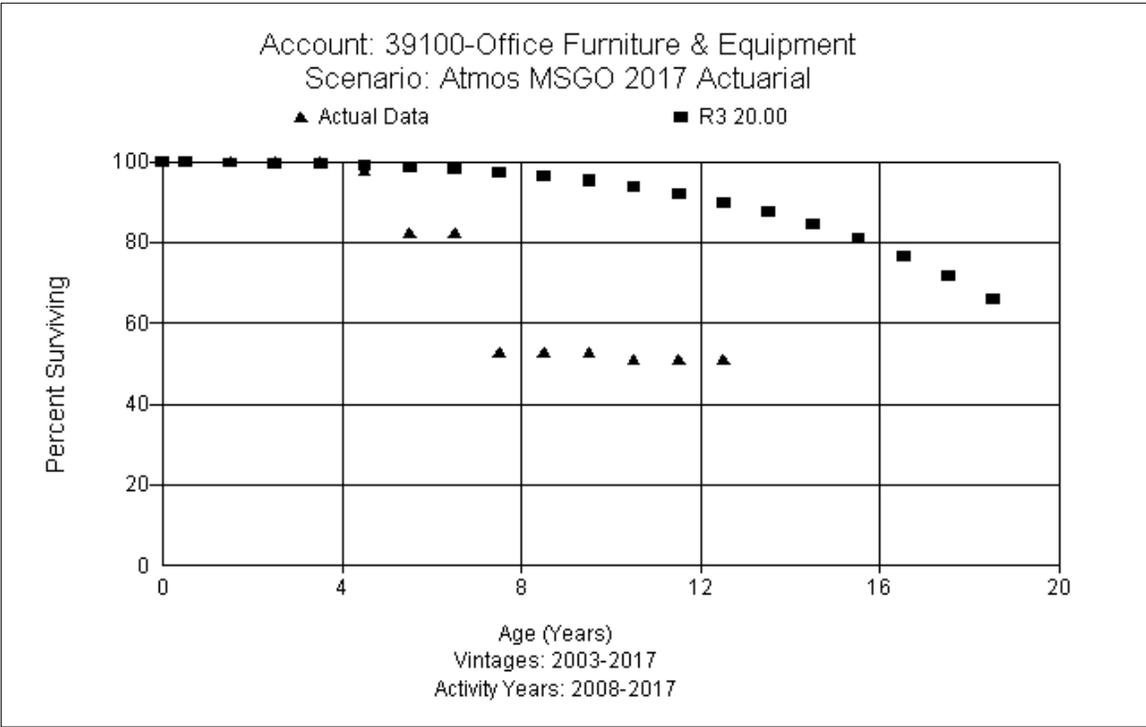
Discussions with Company personnel indicated the assets in this account are tied to the lease term, which is 20 years, but has 2-5 year renewal options. There have been no retirements, which did not allow for any meaningful life analysis to be performed. Based on discussion with Company personnel, the type of assets, and lease term, this study recommends retention of the existing 20 R3. No graph is provided.

The existing net salvage is zero percent. No salvage or removal cost is currently expected at retirement. This study recommends retention of the existing zero percent net salvage.

This account is fully accrued at this time and only when a depreciable balance exists will the calculated rate be applied.

Account 391.00 – Office Furniture and Equipment

This account consists of modular furniture, desks, chairs, bookcases, credenzas, file cabinets, office machines and other miscellaneous equipment. The balance is \$42 thousand. The current life and curve is 20 R3. An expected life range for the assets in this account is 20 to 25 years. The life analysis indicates a shorter life than would be expected for this account. This study recommends retention of the 20 R3 dispersion pattern. A graph of the observed life table and the recommended life and curve are shown below.



The existing net salvage is zero percent. There is no cost of removal and salvage has declined to a negligible level. A zero percent net salvage rate is recommended for this account.

This account is fully accrued at this time and only when a depreciable balance exists will the calculated rate be applied.

Account 392.00 – Transportation Equipment

This account consists of trailers. The balance is \$27 thousand. The current life and curve is 15 L3. The average age of the surviving investment is around 5 years.

Discussions with Company personnel indicated the life of some trailers could reach 20 years. There have been no retirements, which did not allow for any meaningful life analysis to be performed. Based on input from Company personnel, the young age of the assets and type of assets, this study recommends retention of the 15 L3. No graph is provided.

The current net salvage in this account is positive five percent. No cost of removal is anticipated but salvage is expected at time of retirement. This study recommends moving to a positive 10 percent net salvage for this account.

Account 393.00 – Stores Equipment

This account typically consists of shelving, bins, forklift, and other miscellaneous equipment. There is currently no account balance in this account. The current life and curve is 9 S2. We recommend retention of the 9 S2 for this account. No graph of the observed life table is provided.

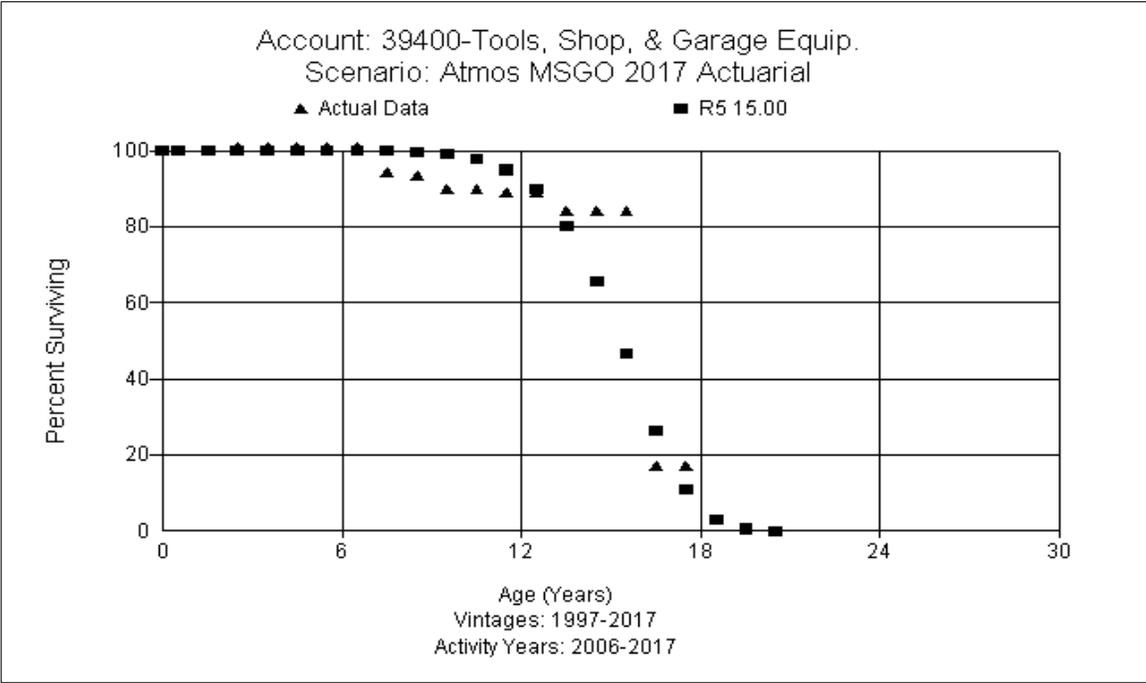
This existing net salvage is zero percent. No salvage or cost of removal is expected at retirement. This study recommends retention of the existing zero percent net salvage for this account.

This account has no investment balance at this time and only when a depreciable balance exists would the existing rate be applied until a new study can be conducted.

Account 394.00 – Tools, Shop & Garage Equipment

This account consists of various small tools and equipment used in an office. The balance is \$176 thousand in this account. The existing dispersion is 15 R3. The average age of investment is nearly 11 years.

Discussion with Company personnel indicated the existing 15 years might be a little long for these assets. However, the life analysis indicates the existing life to be a pretty good fit based on historical experience. This study recommends retention of the 15 year life while moving to a slightly higher dispersion pattern of R5. A graph of the observed life table and the recommended life and curve are shown below.



There is generally little or no salvage and no cost of removal related to the equipment in the account at retirement. This study recommends retention of zero percent net salvage for this account.

Account 396.00 – Power Operated Equipment

This account consists of various power operated equipment, such as forklifts. The balance is \$20 thousand in this account. The current life and curve is 15 L3. The average age of investment is 5 years.

Discussions with Company personnel indicated the life of the assets could be up to 20 years depending on how heavy the use of the assets. There has been only one retirement, so no meaningful life analysis was possible. Giving consideration to the current average age, type of assets, and judgment, this study recommends retention of the 15 L3 at this time. No graph is provided.

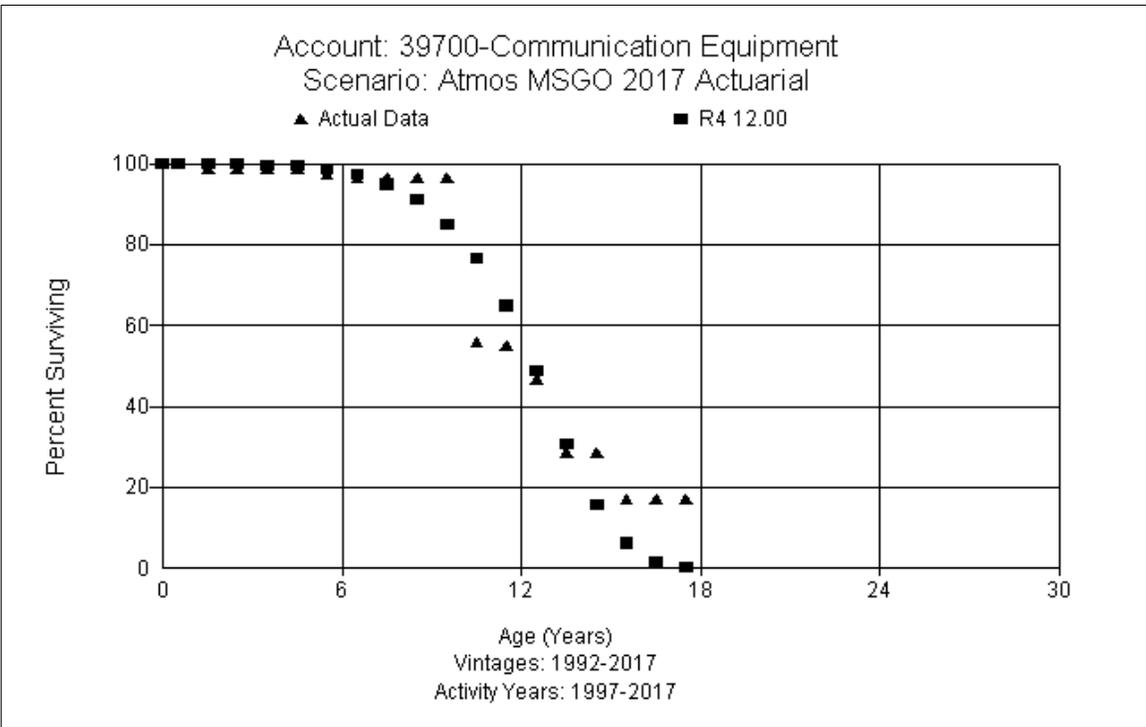
The current net salvage is positive 5 percent. This study recommends increasing the net salvage from positive 5 percent to a positive 16 percent at this time.

Account 397.00 – Communications Equipment

The communications equipment account includes telephone, satellite dish, and radio equipment. The balance is \$37 thousand in this account. The existing parameters are 15 R4. The current average age of investment is 0.5 year.

Discussions with Company personnel indicated new systems have been installed over the last several years and are IP digital phone systems. Some of the earlier systems installed in the last 10 years are still in service and it may be possible to get up to 15 years of life from them. Newer digital IP systems are expected to have a shorter life.

The actuarial best fits were all below the existing 15 years. Based on the analysis, discussions with Company personnel, the new digital equipment being installed, this study recommends decreasing the life slightly to 12 years while retaining the R4 dispersion. A graph of the observed life table and the recommended life and curve are shown below.

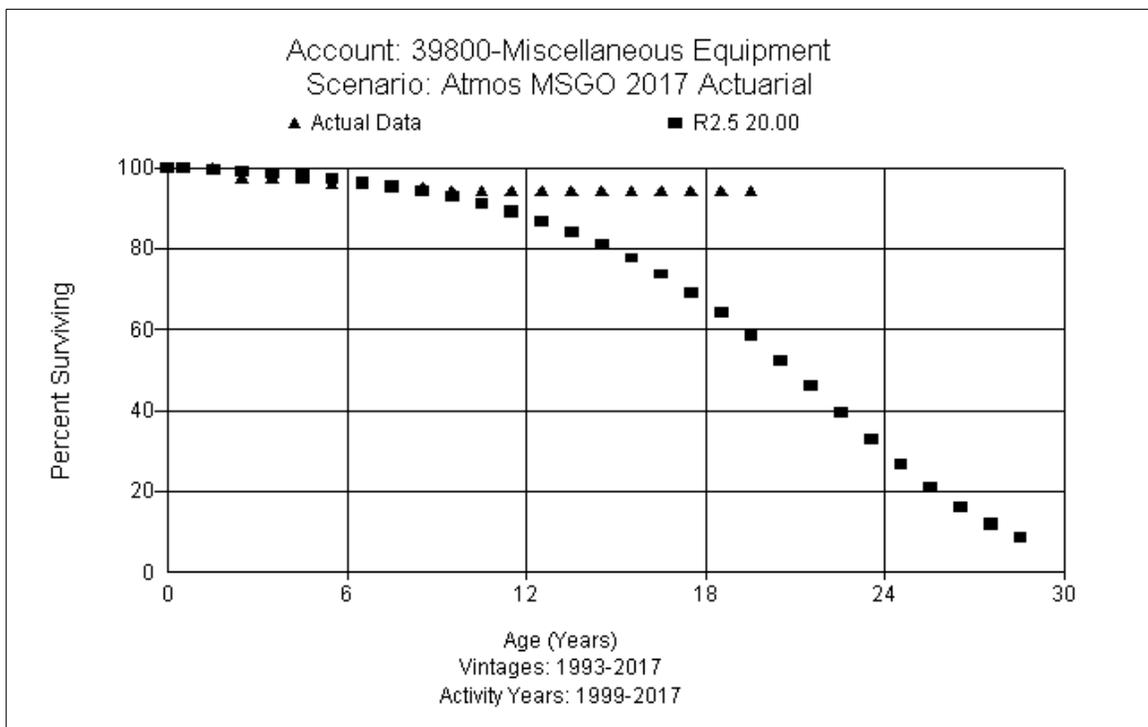


The existing net salvage is zero percent. There has been no recent salvage and removal cost experience and none is expected at the end of life. This study recommends retention of zero percent net salvage for this account.

Account 398.00 - Miscellaneous Equipment

This account consists of various small office equipment items, such as kitchen appliances, televisions and audio/video equipment that are not homogeneous with other plant accounts. The balance is \$814 thousand. Currently the life is 20 years with the R2.5 dispersion. The current average age of investment is 15 years.

There is a mix of assets with various life expectations. The small level of retirements makes the analysis less useful for determining life expectations. The average age of retirements for this account is around 5 years. Based upon the type and mix of assets, along with judgment, this study proposes to retain the 20 R2.5. A graph of the observed life table and the recommended life and curve are shown below.



The existing net salvage is zero percent. Little or no salvage is expected at retirement with no cost of removal. The existing zero percent net salvage is retained.

Account 399.00 – Other Tangible Property

This account normally holds some computer hardware and communication equipment. There is currently no account balance in this account. The current life and curve is 10 SQ. Since there is no retirement activity, we are recommending retention of the 10 SQ for this account. No graph is provided.

This existing net salvage is zero percent. No salvage or cost of removal is expected at retirement. This study recommends retention of the existing zero percent net salvage for this account.

This account has no investment balance at this time and only when a depreciable balance exists will the calculated rate be applied.

Account 399.01 – Servers Hardware

This account normally consists of assets various server hardware and equipment. There is currently no balance in this account. The current life and curve is 10 SQ. Based on discussions with Company personnel, the current 10 year life would be a maximum life but the normal life expectation would be less. In Kentucky direct property, a server was replaced recently at 7 years. This study recommends moving to the 7 SQ consistent with lives in Kentucky direct and Company plans and expectations. No graph is provided.

This existing net salvage is zero percent. No salvage or cost of removal is expected at the time of retirement for these assets. A zero net salvage is retained.

This account has no investment balance at this time and only when a depreciable balance exists will the calculated rate be applied.

Account 399.02 – Servers Software

This account normally consists of server software and licenses. There is currently no balance in this account. There have been no retirements. The current life and curve is 7 SQ.

Discussions with Company personnel indicated the software for servers would be installed on a server for the life of the software but not beyond 7 years. Upgrades would replace software faster than the underlying server.

There is no life analysis. Based on information from Company personnel, type of assets, and judgment, this study recommends retention of the 7 SQ for this account. No graph is provided.

This existing net salvage is zero percent. No salvage or cost of removal is expected at the time of retirement for these assets. A zero net salvage is retained.

This account has no investment balance at this time and only when a depreciable balance exists will the calculated rate be applied.

Account 399.03 – Network Hardware

This account normally consists of routers, switches, mostly Cisco equipment related to networking activities. There is no balance in this account. The existing life is 10 SQ.

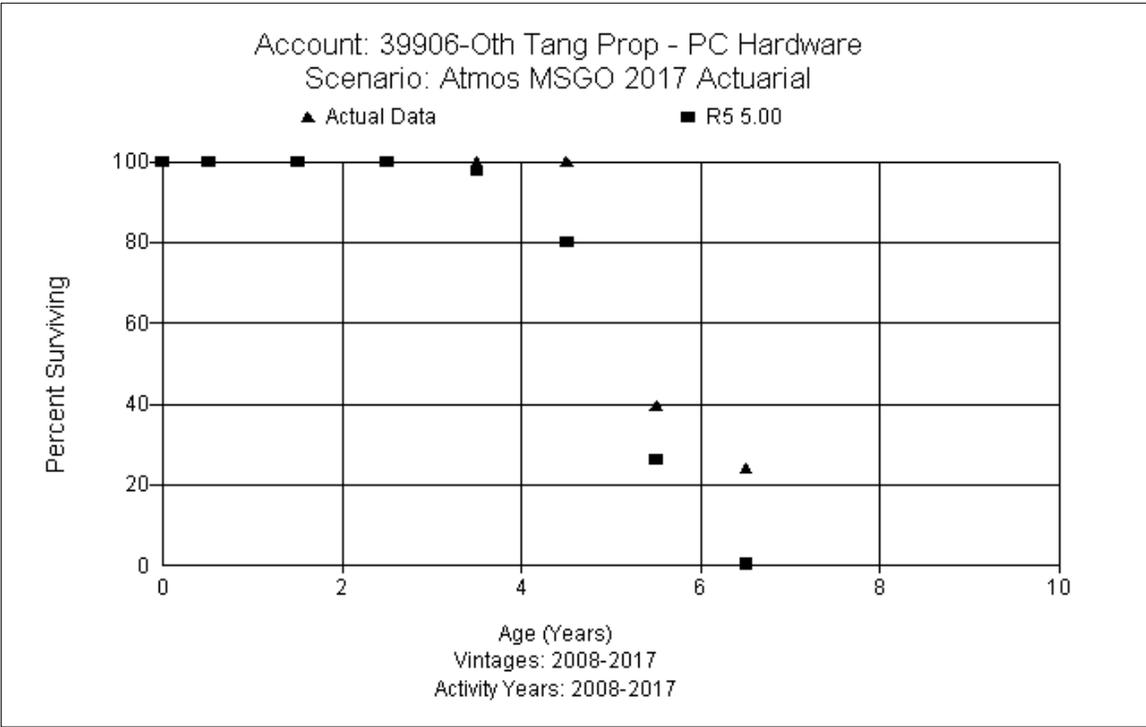
Discussions with Company personnel indicated a 10 year life for network hardware is reasonable in most cases. Based on input from Company personnel, type of equipment and judgment, this study recommends retention of the 10 SQ. No graph is provided.

This existing net salvage is zero percent. No salvage or cost of removal is expected at the time of retirement for these assets. A zero net salvage is retained.

This account has no investment balance at this time and only when a depreciable balance exists will the calculated rate be applied.

Account 399.06 – PC Hardware

This account consists of laptops, CPU, monitors, and various other PC related equipment. The balance is \$74 thousand in this account. The existing life is 7 R2. Discussions with Company personnel indicated they are on 4 year rotation for PCs and have tried to consistently follow this rotation. However, in some instances it could be delayed to five years, which is considered to be the life of the PCs. The proposed life in this study is 5 R5. A graph of the observed life table and the proposed life and curve is provided below.



This existing net salvage is zero percent. No salvage or cost of removal is expected at the time of retirement for these assets. A zero net salvage is retained.

This account is fully accrued at this time and only when a depreciable balance exists will the calculated rate be applied.

Account 399.07 – PC Software

This account holds software assets including operating system software such as Windows, Microsoft Office, and other related application software. The balance is \$35 thousand. The existing life is 9 years with the R1.5 dispersion.

Discussions with Company personnel indicated the assets are 2013 MS Office licenses and a 7 year life is more representative of expectations. There has only been one retirement, which is not sufficient for a meaningful life analysis. Based on the type of assets, discussions with Company personnel and judgment, this study recommends moving to 7 year average service life while retaining the R1.5 dispersion. No graph is provided.

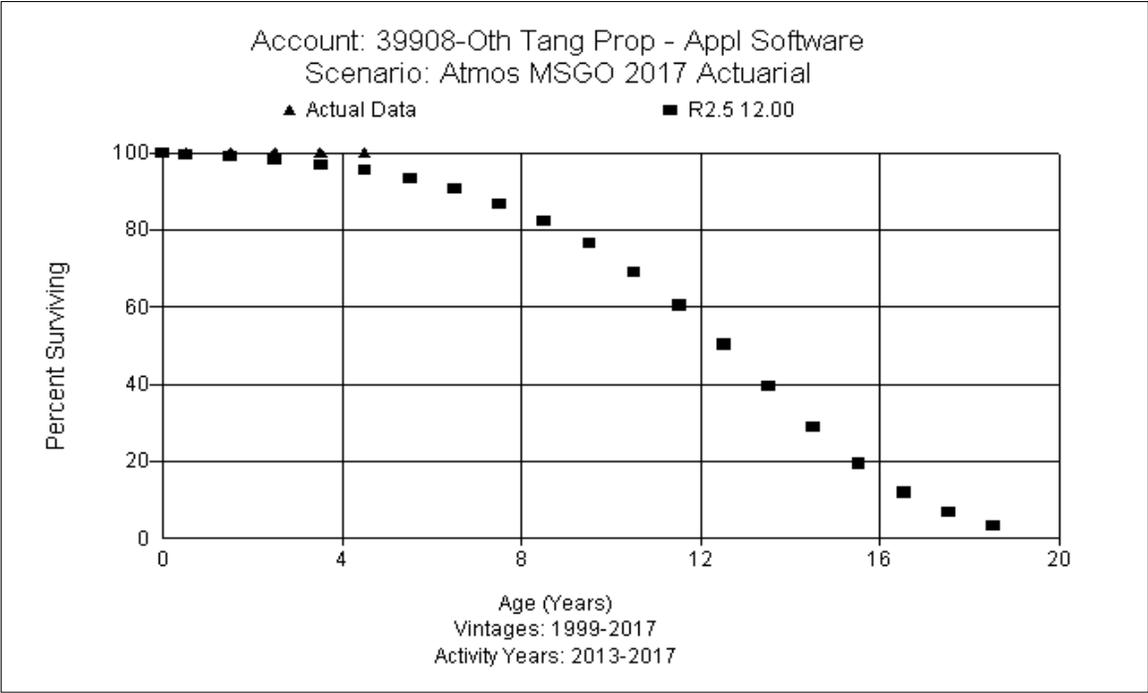
This existing net salvage is zero percent. No salvage or cost of removal is expected at the time of retirement for these assets. A zero net salvage is retained.

Account 399.08 – Application Software

The account contains software assets including small application software, electronic mapping (GIS) and training software applications. The balance is \$828 thousand. The existing life is 12 years with the R2.5 dispersion.

Discussions with Company personnel indicated most of the surviving invest is in Ubisense (GIS) license (\$570K) and also \$181K for Core Logic Flood (GIS). The Company believes a 12 year life is reasonable for GIS software. Anything beyond a 12 year life would not be reasonable for smaller software assets from a technology and obsolescence standpoint. Past history had larger application software assets with longer life expectations, those are all retired. Generally, smaller application software used in a more local environment will be recorded here.

There is limited retirement activity to perform visual fits. Based on the type of assets, input from Company personnel, and judgment, this study retains the existing 12 R2.5 at this time. A graph of the observed life table and the proposed life and curve is provided below.



This existing net salvage is zero percent. No salvage or cost of removal is expected at the time of retirement for these assets. A zero net salvage is retained.

This account is fully accrued at this time and only when a depreciable balance exists will the calculated rate be applied.

APPENDIX A - Annual Accrual Rate Calculations

Appendix A

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

Using Equal Life Group

<u>Account</u> (a)	<u>Description</u> (b)	<u>Plant in Service</u> (c)	<u>Allocated Reserve</u> (d)	<u>Net Salvage %</u> (e)	<u>Net Salvage Amount</u> (f)	<u>Unaccrued Balance</u> (g)	<u>Remaining Life</u> (h)	<u>Annual Accrual Amount</u> (i)	<u>Annual Accrual Rate</u> (j)
GENERAL PLANT DEPRECIATED									
39001	Structures & Improvements	\$ 179,338.52	\$ 83,715.83	-10%	\$ (17,933.85)	\$ 113,556.54	22.59	\$ 5,027.84	2.80%
39004	Air Conditioning	15,383.91	7,358.07	-10%	(1,538.39)	9,564.23	8.48	1,127.51	7.33%
39200	Transportation Equipment	27,284.69	9,399.43	10%	2,728.47	15,156.79	8.61	1,759.80	6.45%
39400	Tools Shop And Garage	175,867.44	129,488.56	0%	0.00	46,378.88	5.20	8,918.94	5.07%
39600	Power Operated Equipment	20,515.69	6,765.15	16%	3,282.51	10,468.03	8.58	1,220.21	5.95%
39700	Communication Equipment	37,541.00	1,748.68	0%	0.00	35,792.32	10.78	3,320.30	8.84%
39800	Miscellaneous Equipment	814,166.88	640,324.65	0%	0.00	173,842.23	7.07	24,573.95	3.02%
39907	Pc Software	35,063.77	18,116.49	0%	0.00	16,947.28	3.62	4,683.50	13.36%
	Total Depreciated Plant	\$ 1,305,161.90	\$ 896,916.86		\$ (13,461.26)	\$ 421,706.30		\$ 50,632.05	3.88%

*Fully accrued accounts we 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						

APPENDIX B - Comparison of Annual Rate and Accrual

Appendix B

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	2.80%	\$ 5,021.48	\$ 215.21
39004	Air Conditioning	15,383.91	7.33%	1,127.64	7.33%	1,127.64	-
39200	Transportation Equipment	27,284.69	6.67%	1,819.89	6.45%	1,759.86	(60.03)
39400	Tools Shop And Garage	175,867.44	3.40%	5,979.49	5.07%	8,916.48	2,936.99
39600	Power Operated Equipment	20,515.69	4.36%	894.48	5.95%	1,220.68	326.20
39700	Communication Equipment	37,541.00	3.13%	1,175.03	8.84%	3,318.62	2,143.59
39800	Miscellaneous Equipment	814,166.88	3.47%	28,251.59	3.02%	24,587.84	(3,663.75)
39907	Pc Software	35,063.77	11.11%	3,895.58	13.36%	4,684.52	788.93
	Total Depreciable Plant	\$ 1,305,161.90	3.67%	\$ 47,949.99	3.88%	\$ 50,637.13	\$ 2,687.14

*Fully accrued accounts we recommend the following whole life (1-NS%/ASL) rates until a new study is performed.

ACCOUNTS FULLY ACCRUED

39009	Improvements - Leased	*	38,834.00	5.00%
39100	Office Furniture And Equipment	*	41,397.21	5.00%
39906	PC Hardware	*	74,189.62	20.00%
39908	Application Software	*	828,509.36	8.33%
	Total Fully Accrued		982,930.19	

Total Depreciable Plant In Service **\$ 2,288,092.09**

APPENDIX C - Comparison of Mortality Characteristics

Appendix C

**Atmos Energy Corporation
Kentucky Mid-States General Office
Depreciation Study as of September 30, 2017
Existing and Proposed Parameters**

Account	Description	EXISTING					PROPOSED				
		ASL	Iowa Curve	Gross Salvage	Cost of Removal	Net Salvage	ASL	Iowa Curve	Gross Salvage	Cost of Removal	Net Salvage
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
39001	Structures - Frame	40	R2	0%	10%	-10%	40	R2	0%	10%	-10%
39004	Air Conditioning Equipment	15	R2	0%	10%	-10%	15	R2	0%	10%	-10%
39009	Improvements - Leased	20	R3	0%	0%	0%	20	R3	0%	0%	0%
39100	Office Furniture & Equipment	20	R3	0%	0%	0%	20	R3	0%	0%	0%
39200	Transportation Equipment	15	L3	5%	0%	5%	15	L3	10%	0%	10%
39300	Stores Equipment	9	S2	0%	0%	0%	9	S2	0%	0%	0%
39400	Tools Shop & Garage Equipment	15	R3	0%	0%	0%	15	R5	0%	0%	0%
39600	Power Operated Equipment	15	L3	5%	0%	5%	15	L3	16%	0%	16%
39700	Communication Equipment	15	R4	0%	0%	0%	12	R4	0%	0%	0%
39800	Miscellaneous Equipment	20	R2.5	0%	0%	0%	20	R2.5	0%	0%	0%
39900	Other Tangible Equipment	10	SQ	0%	0%	0%	10	SQ	0%	0%	0%
39901	Servers Hardware	10	SQ	0%	0%	0%	7	SQ	0%	0%	0%
39902	Servers Software	7	SQ	0%	0%	0%	7	SQ	0%	0%	0%
39903	Network Hardware	10	SQ	0%	0%	0%	10	SQ	0%	0%	0%
39906	Pc Hardware	7	R2.	0%	0%	0%	5	R5	0%	0%	0%
39907	Pc Software	9	R1.5	0%	0%	0%	7	R1.5	0%	0%	0%
39908	Application Software	12	R2.5	0%	0%	0%	12	R2.5	0%	0%	0%

APPENDIX D - Net Salvage Analysis

ATMOS ENERGY - KENTUCKY MID-STATES GENERAL OFFICE DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE ANALYSIS

<u>Account</u>	<u>TY</u>	<u>Retirements</u>	<u>Salvage</u>	<u>COR</u>	<u>Net Salvage</u>	<u>Net Salv. %</u>	<u>2- yr Net Salv. %</u>	<u>3- yr Net Salv. %</u>	<u>4- yr Net Salv. %</u>	<u>5- yr Net Salv. %</u>	<u>6- yr Net Salv. %</u>	<u>7- yr Net Salv. %</u>	<u>8- yr Net Salv. %</u>	<u>9- yr Net Salv. %</u>	<u>10- yr Net Salv. %</u>
39009	1998	0.00	0.00	0.00	0.00	NA									
39009	1999	0.00	0.00	0.00	0.00	NA	NA								
39009	2000	0.00	0.00	0.00	0.00	NA	NA	NA							
39009	2001	0.00	0.00	0.00	0.00	NA	NA	NA	NA						
39009	2002	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA					
39009	2003	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA				
39009	2004	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA			
39009	2005	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA		
39009	2006	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39009	2007	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39009	2008	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39009	2009	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39009	2010	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39009	2011	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39009	2012	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39009	2013	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39009	2014	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39009	2015	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39009	2016	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39009	2017	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39100	1998	0.00	0.00	0.00	0.00	NA									
39100	1999	0.00	0.00	0.00	0.00	NA	NA								
39100	2000	0.00	0.00	0.00	0.00	NA	NA	NA							
39100	2001	0.00	0.00	0.00	0.00	NA	NA	NA	NA						
39100	2002	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA					
39100	2003	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA				
39100	2004	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA			
39100	2005	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA		
39100	2006	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39100	2007	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39100	2008	1,287,606.41	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39100	2009	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39100	2010	7,888.88	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39100	2011	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39100	2012	0.00	0.00	0.00	0.00	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39100	2013	0.00	0.00	0.00	0.00	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39100	2014	22,133.16	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39100	2015	2,230.02	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39100	2016	1,106.25	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39100	2017	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%

ATMOS ENERGY - KENTUCKY MID-STATES GENERAL OFFICE DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE ANALYSIS

<u>Account</u>	<u>TY</u>	<u>Retirements</u>	<u>Salvage</u>	<u>COR</u>	<u>Net Salvage</u>	<u>Net Salv. %</u>	<u>2- yr Net Salv. %</u>	<u>3- yr Net Salv. %</u>	<u>4- yr Net Salv. %</u>	<u>5- yr Net Salv. %</u>	<u>6- yr Net Salv. %</u>	<u>7- yr Net Salv. %</u>	<u>8- yr Net Salv. %</u>	<u>9- yr Net Salv. %</u>	<u>10- yr Net Salv. %</u>
39200	1998	0.00	0.00	0.00	0.00	NA									
39200	1999	0.00	0.00	0.00	0.00	NA	NA								
39200	2000	0.00	0.00	0.00	0.00	NA	NA	NA							
39200	2001	0.00	0.00	0.00	0.00	NA	NA	NA	NA						
39200	2002	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA					
39200	2003	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA				
39200	2004	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA			
39200	2005	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA		
39200	2006	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39200	2007	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39200	2008	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39200	2009	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39200	2010	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39200	2011	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39200	2012	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39200	2013	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39200	2014	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39200	2015	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39200	2016	0.00	5,024.00	0.00	5,024.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39200	2017	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39300	1998	29,077.00	0.00	0.00	0.00	0.0%									
39300	1999	0.00	0.00	0.00	0.00	NA	0.0%								
39300	2000	0.00	0.00	0.00	0.00	NA	NA	0.0%							
39300	2001	0.00	0.00	0.00	0.00	NA	NA	NA	0.0%						
39300	2002	0.00	0.00	0.00	0.00	NA	NA	NA	NA	0.0%					
39300	2003	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	0.00%				
39300	2004	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	0.00%			
39300	2005	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	0.00%		
39300	2006	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	0.00%	
39300	2007	6,537.00	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39300	2008	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39300	2009	0.00	0.00	0.00	0.00	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39300	2010	0.00	0.00	0.00	0.00	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39300	2011	0.00	0.00	0.00	0.00	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39300	2012	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%
39300	2013	4,161.06	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39300	2014	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39300	2015	0.00	0.00	0.00	0.00	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39300	2016	0.00	0.00	0.00	0.00	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39300	2017	0.00	0.00	0.00	0.00	NA	NA	NA	NA	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%

ATMOS ENERGY - KENTUCKY MID-STATES GENERAL OFFICE DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE ANALYSIS

<u>Account</u>	<u>TY</u>	<u>Retirements</u>	<u>Salvage</u>	<u>COR</u>	<u>Net Salvage</u>	<u>Net Salv. %</u>	<u>2- yr Net Salv. %</u>	<u>3- yr Net Salv. %</u>	<u>4- yr Net Salv. %</u>	<u>5- yr Net Salv. %</u>	<u>6- yr Net Salv. %</u>	<u>7- yr Net Salv. %</u>	<u>8- yr Net Salv. %</u>	<u>9- yr Net Salv. %</u>	<u>10- yr Net Salv. %</u>
39600	1998	0.00	0.00	0.00	0.00	NA									
39600	1999	0.00	0.00	0.00	0.00	NA	NA								
39600	2000	0.00	0.00	0.00	0.00	NA	NA	NA							
39600	2001	0.00	0.00	0.00	0.00	NA	NA	NA	NA						
39600	2002	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA					
39600	2003	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA				
39600	2004	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA			
39600	2005	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA		
39600	2006	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39600	2007	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39600	2008	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39600	2009	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39600	2010	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39600	2011	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39600	2012	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39600	2013	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39600	2014	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39600	2015	8,497.07	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39600	2016	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39600	2017	0.00	0.00	0.00	0.00	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39700	1998	0.00	0.00	0.00	0.00	NA									
39700	1999	0.00	0.00	0.00	0.00	NA	NA								
39700	2000	3,194.00	0.00	0.00	0.00	0.0%	0.0%	0.0%							
39700	2001	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%						
39700	2002	0.00	0.00	0.00	0.00	NA	NA	0.0%	0.0%	0.0%					
39700	2003	0.00	0.00	0.00	0.00	NA	NA	NA	0.0%	0.0%	0.00%				
39700	2004	0.00	0.00	0.00	0.00	NA	NA	NA	NA	0.0%	0.00%	0.00%			
39700	2005	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%		
39700	2006	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	
39700	2007	3,184.00	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39700	2008	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39700	2009	2,751.76	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39700	2010	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39700	2011	0.00	0.00	0.00	0.00	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39700	2012	3,241.01	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39700	2013	91,931.23	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39700	2014	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39700	2015	0.00	0.00	0.00	0.00	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39700	2016	225,613.58	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39700	2017	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%

ATMOS ENERGY - KENTUCKY MID-STATES GENERAL OFFICE DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE ANALYSIS

<u>Account</u>	<u>TY</u>	<u>Retirements</u>	<u>Salvage</u>	<u>COR</u>	<u>Net Salvage</u>	<u>Net Salv. %</u>	<u>2- yr Net Salv. %</u>	<u>3- yr Net Salv. %</u>	<u>4- yr Net Salv. %</u>	<u>5- yr Net Salv. %</u>	<u>6- yr Net Salv. %</u>	<u>7- yr Net Salv. %</u>	<u>8- yr Net Salv. %</u>	<u>9- yr Net Salv. %</u>	<u>10- yr Net Salv. %</u>
39800	1998	0.00	0.00	0.00	0.00	NA									
39800	1999	13,889.00	0.00	0.00	0.00	0.0%	0.0%								
39800	2000	0.00	0.00	0.00	0.00	NA	0.0%	0.0%							
39800	2001	0.00	0.00	0.00	0.00	NA	NA	0.0%	0.0%						
39800	2002	0.00	0.00	0.00	0.00	NA	NA	NA	0.0%	0.0%					
39800	2003	0.00	0.00	0.00	0.00	NA	NA	NA	NA	0.0%	0.00%				
39800	2004	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	0.00%	0.00%			
39800	2005	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	0.00%	0.00%		
39800	2006	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	0.00%	0.00%	
39800	2007	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	0.00%	0.00%
39800	2008	10,559.64	0.00	(1,405.61)	1,405.61	13.3%	13.3%	13.3%	13.3%	13.3%	13.31%	13.31%	13.31%	13.31%	5.75%
39800	2009	0.00	0.00	0.00	0.00	NA	13.3%	13.3%	13.3%	13.3%	13.31%	13.31%	13.31%	13.31%	13.31%
39800	2010	0.00	0.00	0.00	0.00	NA	NA	13.3%	13.3%	13.3%	13.31%	13.31%	13.31%	13.31%	13.31%
39800	2011	10,791.35	0.00	0.00	0.00	0.0%	0.0%	0.0%	6.6%	6.6%	6.58%	6.58%	6.58%	6.58%	6.58%
39800	2012	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	6.6%	6.58%	6.58%	6.58%	6.58%	6.58%
39800	2013	7,898.84	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	4.81%	4.81%	4.81%	4.81%	4.81%
39800	2014	0.00	0.00	2,080.58	(2,080.58)	NA	-26.3%	-26.3%	-11.1%	-11.1%	-11.13%	-2.31%	-2.31%	-2.31%	-2.31%
39800	2015	6,587.92	0.00	0.00	0.00	0.0%	-31.6%	-14.4%	-14.4%	-8.2%	-8.23%	-8.23%	-1.88%	-1.88%	-1.88%
39800	2016	0.00	0.00	0.00	0.00	NA	0.0%	-31.6%	-14.4%	-14.4%	-8.23%	-8.23%	-8.23%	-1.88%	-1.88%
39800	2017	0.00	0.00	0.00	0.00	NA	NA	0.0%	-31.6%	-14.4%	-14.36%	-8.23%	-8.23%	-8.23%	-1.88%
39900	1998	0.00	0.00	0.00	0.00	NA									
39900	1999	0.00	0.00	0.00	0.00	NA	NA								
39900	2000	0.00	0.00	0.00	0.00	NA	NA	NA							
39900	2001	0.00	0.00	0.00	0.00	NA	NA	NA	NA						
39900	2002	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA					
39900	2003	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA				
39900	2004	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA			
39900	2005	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA		
39900	2006	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39900	2007	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39900	2008	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39900	2009	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39900	2010	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39900	2011	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39900	2012	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39900	2013	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39900	2014	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39900	2015	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39900	2016	76,993.22	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39900	2017	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%

ATMOS ENERGY - KENTUCKY MID-STATES GENERAL OFFICE DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE ANALYSIS

<u>Account</u>	<u>TY</u>	<u>Retirements</u>	<u>Salvage</u>	<u>COR</u>	<u>Net Salvage</u>	<u>Net Salv. %</u>	<u>2- yr Net Salv. %</u>	<u>3- yr Net Salv. %</u>	<u>4- yr Net Salv. %</u>	<u>5- yr Net Salv. %</u>	<u>6- yr Net Salv. %</u>	<u>7- yr Net Salv. %</u>	<u>8- yr Net Salv. %</u>	<u>9- yr Net Salv. %</u>	<u>10- yr Net Salv. %</u>
39901	1998	0.00	0.00	0.00	0.00	NA									
39901	1999	0.00	0.00	0.00	0.00	NA	NA								
39901	2000	0.00	0.00	0.00	0.00	NA	NA	NA							
39901	2001	0.00	0.00	0.00	0.00	NA	NA	NA	NA						
39901	2002	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA					
39901	2003	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA				
39901	2004	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA			
39901	2005	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA		
39901	2006	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39901	2007	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39901	2008	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39901	2009	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39901	2010	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39901	2011	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39901	2012	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39901	2013	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39901	2014	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39901	2015	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39901	2016	338,069.37	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39901	2017	6,124.17	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39902	1998	0.00	0.00	0.00	0.00	NA									
39902	1999	0.00	0.00	0.00	0.00	NA	NA								
39902	2000	0.00	0.00	0.00	0.00	NA	NA	NA							
39902	2001	0.00	0.00	0.00	0.00	NA	NA	NA	NA						
39902	2002	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA					
39902	2003	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA				
39902	2004	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA			
39902	2005	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA		
39902	2006	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39902	2007	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39902	2008	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39902	2009	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39902	2010	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39902	2011	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39902	2012	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39902	2013	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39902	2014	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39902	2015	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39902	2016	8,273.14	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39902	2017	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%

ATMOS ENERGY - KENTUCKY MID-STATES GENERAL OFFICE DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE ANALYSIS

<u>Account</u>	<u>TY</u>	<u>Retirements</u>	<u>Salvage</u>	<u>COR</u>	<u>Net Salvage</u>	<u>Net Salv. %</u>	<u>2- yr Net Salv. %</u>	<u>3- yr Net Salv. %</u>	<u>4- yr Net Salv. %</u>	<u>5- yr Net Salv. %</u>	<u>6- yr Net Salv. %</u>	<u>7- yr Net Salv. %</u>	<u>8- yr Net Salv. %</u>	<u>9- yr Net Salv. %</u>	<u>10- yr Net Salv. %</u>
39903	1998	0.00	0.00	0.00	0.00	NA									
39903	1999	0.00	0.00	0.00	0.00	NA	NA								
39903	2000	0.00	0.00	0.00	0.00	NA	NA	NA							
39903	2001	0.00	0.00	0.00	0.00	NA	NA	NA	NA						
39903	2002	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA					
39903	2003	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA				
39903	2004	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA			
39903	2005	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA		
39903	2006	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39903	2007	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39903	2008	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39903	2009	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39903	2010	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39903	2011	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39903	2012	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39903	2013	42,340.49	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39903	2014	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39903	2015	0.00	0.00	0.00	0.00	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39903	2016	209,357.66	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39903	2017	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39906	1998	0.00	0.00	0.00	0.00	NA									
39906	1999	0.00	0.00	0.00	0.00	NA	NA								
39906	2000	0.00	0.00	0.00	0.00	NA	NA	NA							
39906	2001	0.00	0.00	0.00	0.00	NA	NA	NA	NA						
39906	2002	1,693,996.00	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%					
39906	2003	3,923.00	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%				
39906	2004	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%			
39906	2005	0.00	0.00	0.00	0.00	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%		
39906	2006	0.00	0.00	0.00	0.00	NA	NA	NA	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	
39906	2007	41,174.00	0.00	147.66	(147.66)	-0.4%	-0.4%	-0.4%	-0.4%	-0.3%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
39906	2008	0.00	0.00	0.00	0.00	NA	-0.4%	-0.4%	-0.4%	-0.4%	-0.33%	-0.01%	-0.01%	-0.01%	-0.01%
39906	2009	24,631.70	0.00	0.00	0.00	0.0%	0.0%	-0.2%	-0.2%	-0.2%	-0.22%	-0.21%	-0.01%	-0.01%	-0.01%
39906	2010	48,092.94	0.00	0.00	0.00	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.13%	-0.13%	-0.13%	-0.01%	-0.01%
39906	2011	1,431.13	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.13%	-0.13%	-0.13%	-0.12%	-0.01%
39906	2012	3,062.70	0.00	90.89	(90.89)	-3.0%	-2.0%	-0.2%	-0.1%	-0.1%	-0.20%	-0.20%	-0.20%	-0.20%	-0.20%
39906	2013	643,291.29	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	-0.01%	-0.03%	-0.03%	-0.03%	-0.03%
39906	2014	1,326.41	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	-0.01%	-0.01%	-0.03%	-0.03%	-0.03%
39906	2015	397,422.65	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	-0.01%	-0.01%	-0.01%	-0.02%	-0.02%
39906	2016	542.57	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	-0.01%	-0.01%	-0.01%	-0.01%	-0.02%
39906	2017	261,491.54	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%

ATMOS ENERGY - KENTUCKY MID-STATES GENERAL OFFICE DIVISION
Depreciation Study as of September 30, 2017
NET SALVAGE ANALYSIS

<u>Account</u>	<u>TY</u>	<u>Retirements</u>	<u>Salvage</u>	<u>COR</u>	<u>Net Salvage</u>	<u>Net Salv. %</u>	<u>2- yr Net Salv. %</u>	<u>3- yr Net Salv. %</u>	<u>4- yr Net Salv. %</u>	<u>5- yr Net Salv. %</u>	<u>6- yr Net Salv. %</u>	<u>7- yr Net Salv. %</u>	<u>8- yr Net Salv. %</u>	<u>9- yr Net Salv. %</u>	<u>10- yr Net Salv. %</u>
39907	1998	0.00	0.00	0.00	0.00	NA									
39907	1999	0.00	0.00	0.00	0.00	NA	NA								
39907	2000	0.00	0.00	0.00	0.00	NA	NA	NA							
39907	2001	0.00	0.00	0.00	0.00	NA	NA	NA	NA						
39907	2002	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA					
39907	2003	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA				
39907	2004	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA			
39907	2005	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA		
39907	2006	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39907	2007	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39907	2008	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39907	2009	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39907	2010	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39907	2011	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39907	2012	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39907	2013	88,815.18	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39907	2014	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39907	2015	0.00	0.00	0.00	0.00	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39907	2016	39,816.30	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39907	2017	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39908	1998	0.00	0.00	0.00	0.00	NA									
39908	1999	0.00	0.00	0.00	0.00	NA	NA								
39908	2000	0.00	0.00	0.00	0.00	NA	NA	NA							
39908	2001	0.00	0.00	0.00	0.00	NA	NA	NA	NA						
39908	2002	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA					
39908	2003	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA				
39908	2004	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA			
39908	2005	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA		
39908	2006	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	
39908	2007	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39908	2008	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39908	2009	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39908	2010	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39908	2011	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39908	2012	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
39908	2013	707,722.30	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39908	2014	0.00	0.00	0.00	0.00	NA	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39908	2015	0.00	0.00	0.00	0.00	NA	NA	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39908	2016	31,388.38	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
39908	2017	38,575.39	0.00	0.00	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%

BEFORE THE PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

APPLICATION OF ATMOS ENERGY)
)
CORPORATION FOR AN ADJUSTMENT) Case No. 2018-00281
)
OF RATES AND TARIFF MODIFICATIONS)

DIRECT TESTIMONY OF PAUL H. RAAB

1 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS**
2 **ADDRESS.**

3 A. My name is Paul H. Raab and my business address is 5313 Portsmouth Road,
4 Bethesda, MD 20816. I am an independent economic consultant.

5 **Q. ON WHOSE BEHALF ARE YOU APPEARING TODAY?**

6 A. I am appearing on behalf of Atmos Energy Corporation, Kentucky/Mid-States
7 Division (“Atmos Energy” or “Company”).

8 **I. QUALIFICATIONS**

9 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

10 A. I have a B.A. in Economics from Rutgers University and an M.A. from the State
11 University of New York at Binghamton with a concentration in Econometrics.
12 While attending Rutgers, I studied as a Henry Rutgers Scholar.

13 **Q. PLEASE DESCRIBE YOUR BUSINESS EXPERIENCE.**

14 A. I have been providing consulting services to the utility industry for over forty years,
15 having assisted electric, gas, telephone, and water utilities; Commissions; and

1 required revenue increase to the various customer classes and in designing rates.

2 **Q. WHY HAVE YOU PREPARED MULTIPLE CLASS COST OF SERVICE**
3 **STUDIES IN THIS CASE?**

4 A. In its order in Case No. 2013-00148 the Commission stated that, “the Commission
5 strongly encourages Atmos-Ky. to file multiple-methodology COSSes in future rate
6 cases in order to give the Commission a range of reasonable results for use in
7 determining revenue allocation and rate design.” Order at 34. This directive has
8 guided the Company’s COSS presentation in its base rate filings from that point
9 forward and I continue it in this case.

10 Consistent with the Company’s practice since Case No. 2013-00148, I have
11 developed three COSS for this case that differ based on the treatment of distribution
12 mains, which is generally recognized as having a significant impact on the class
13 results. As the Commission noted in its order in Case No. 2013-00148: “Although
14 certain minor differences exist between the two COSSes, Atmos-Ky. and the AG
15 agree that the primary difference lies in the treatment of distribution mains.” Order
16 at 32.

17 **Q. PLEASE DESCRIBE THESE STUDIES.**

18 A. The first study, termed the “customer/demand” study, classifies investments in
19 distribution mains as both customer- and demand-related using the “minimum
20 system” approach. Such a classification reflects the fact that the Company’s level
21 of investment in distribution mains is driven by the maximum demand that
22 customers place on the system, but that there is also a minimum level of investments
23 in distribution mains that would be necessary regardless of the level of such

1 demands. As indicated in the National Association of Regulatory Utility
2 Commissioners (NARUC) publication entitled Gas Rate Design, “[t]he argument
3 for inclusion of [customer] cost[s] relating to a service line and/or a ‘minimum size
4 or zero inch’ distribution main is that these facilities are necessary to connect the
5 customer to the system and thus afford him the opportunity to take service if he so
6 desires.” Gas Rate Design at 29, 30. I find this rationale compelling, and generally
7 favor a customer/demand classification of distribution mains in my work in other
8 jurisdictions.

9 However, Gas Rate Design also notes that “[t]he contra argument is that
10 mains and services are installed to serve demands of the customers and should be
11 allocated [exclusively] to that function.” Accordingly, I have prepared a second
12 COSS, termed the “demand-only” study, which classifies investments in
13 distribution mains as only demand-related, consistent with this discussion from Gas
14 Rate Design.

15 Finally, I have prepared a third study, entitled the “demand/commodity”
16 study, which reflects the Commission’s 1987 guidance that, “cost-of-service
17 methodologies should give some consideration to volume of use.” Administrative
18 Case No. 297, *An Investigation of the Impact of Federal Policy on Natural Gas to*
19 *Kentucky Consumers and Suppliers* (“Admin. 297”) (Ky. PSC May 29, 1987),
20 Order at 47. While I do not believe that such an approach reflects distribution mains
21 investment cost incurrence, and therefore is a results-driven choice of classification
22 methodologies, I have nevertheless provided such a study for the Commission’s
23 consideration.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

III. IDENTIFICATION OF EXHIBITS

Q. DO YOU SPONSOR ANY EXHIBITS IN SUPPORT OF YOUR TESTIMONY?

A. Yes, I sponsor five exhibits. Exhibit PHR-1 is a summary of my qualifications and experience. Exhibits PHR-2, PHR-3 and PHR-4 are the results of the Company’s class cost of service studies based on a customer/demand allocation of distribution mains, a demand-only allocation of distribution mains and a demand/commodity allocation of distribution mains, respectively. Finally, Exhibit PHR-5 is a summary exhibit that highlights the two most important differences among the three studies: (1) the suggested allocation of the proposed revenue increase and (2) the level of fixed costs indicated for each study.

The above-designated exhibits were prepared by me or under my direction and supervision.

IV. ORGANIZATION OF TESTIMONY

Q. HOW IS YOUR TESTIMONY ORGANIZED?

A. My testimony is organized into one additional section, Section V, which describes the class cost of service studies.

V. CLASS COST OF SERVICE

a. Background

Q. WHAT IS A CLASS COST OF SERVICE ANALYSIS?

A. A class cost of service analysis is the process by which the costs that a utility incurs to serve particular classes of customers are linked to the classes of customers that caused those costs to be incurred.

1 **Q. WHY IS IT NECESSARY TO ALLOCATE COSTS TO THE DIFFERENT**
2 **CUSTOMER CLASSES?**

3 A. It is a generally accepted utility ratemaking principle that rates should be based on
4 costs. This statement applies not only to the overall level of costs incurred by the
5 utility, but also to the costs that the utility incurs to serve individual services, classes
6 of customers, and segments of the utility's business. Adherence to this principle is
7 complicated by the fact that many of the costs incurred to provide different types
8 of service are "joint" costs and many are "common" costs, neither of which has a
9 theoretically precise method by which they can be assigned to the different products
10 produced as a result of the incurrence of these costs.

11 Joint costs occur when the provision of one service is an automatic by-
12 product of another (e.g., the delivery of natural gas at different times of the year).
13 Common costs are incurred when several outputs are produced using the same
14 facilities or inputs (e.g., administrative and general expenses).

15 Thus, cost of service studies are the primary method used to allocate the
16 common and joint costs incurred by the utility in serving different customer classes.
17 They are used for five purposes:

- 18 1. To attribute costs to different categories of customers based on how those
19 customers cause costs to be incurred;
- 20 2. To determine how costs will be recovered from customers within each
21 customer class;
- 22 3. To calculate the costs of individual types of service based on the costs each
23 service requires the utility to expend;

1 4. To determine the revenue requirement for the monopoly services offered by
2 a utility operating in both monopoly and competitive markets; and

3 5. To separate costs between different regulatory jurisdictions.

4 **Q. HOW ARE THE COSTS INCURRED BY THE UTILITY ALLOCATED TO**
5 **THE DIFFERENT CUSTOMER CLASSES?**

6 A. These costs are allocated to the different customer classes in three steps:
7 functionalization, classification, and allocation.

8 **Q. PLEASE DESCRIBE THE FUNCTIONALIZATION PROCESS.**

9 A. Functionalization is the process whereby the capital and operating costs incurred
10 by the utility to provide service are categorized by function. The typical functions
11 of a natural gas utility are transmission, distribution, customer service and facilities,
12 and administrative and general. The transmission function includes those assets
13 and expenses associated with the delivery of natural gas from the field to the
14 distribution system. The assets and expenses involved in the delivery of natural gas
15 to ultimate customers, except those that can be directly assigned to a particular
16 customer, are included in the distribution function. Those distribution costs that
17 can be directly assigned to a particular customer (e.g., service drops and meters)
18 plus the meter reading and other customer service functions such as billing and
19 collections are included in the customer service and facilities function. The
20 administrative and general function includes management costs that cannot be
21 directly assigned to the other major cost functions.

22 **Q. WHY DOES ONE FUNCTIONALIZE COSTS?**

23 A. Costs are functionalized so that they can be more easily classified, which is the next

1 step in the cost of service analysis.

2 **Q. HOW WAS THE FUNCTIONALIZATION PROCESS PERFORMED FOR**
3 **ATMOS ENERGY?**

4 A. The Company's accounting processes follow the FERC Uniform System of
5 Accounts. In large measure, this system of accounts records costs by the function
6 for which they were incurred. Thus, the costs that I work with in the cost of service
7 analysis are already grouped by function.

8 **Q. PLEASE DESCRIBE THE CLASSIFICATION PROCESS.**

9 A. The classification process recognizes that the utility's costs are incurred for a
10 number of purposes: to meet customers' peak demands (demand-related costs), to
11 provide energy (energy- or commodity-related costs), and because there are
12 customers on the system (customer-related costs). The classification process
13 groups the utility's costs by the purpose for which they were incurred. The cost of
14 odorant is the best example of a cost that is incurred in direct proportion to the
15 amount of natural gas that flows through the system and is therefore classified as
16 an energy-related cost. On the other hand, metering costs are primarily driven by
17 the number of customers on the system and would be classified as customer-related
18 costs.

19 **Q. HOW WERE THE COMPANY'S COSTS CLASSIFIED IN THIS STUDY?**

20 A. All of the studies discussed above rely on the same classification scheme for all
21 costs and investments other than investments in distribution mains. The
22 classification of distribution mains investment costs differs among the three studies
23 as follows. For the customer/demand study, distribution mains investment costs

1 are classified as both customer-related and demand-related based on the results of
2 a minimum system study, consistent with Company studies in prior cases. The
3 demand-only study classifies distribution mains investment costs as only demand-
4 related. The demand/commodity study classifies distribution mains investment
5 costs as both demand-related and commodity-related, based on the average and
6 excess demand approach, consistent with the methodology endorsed by the
7 Attorney General in Docket No. 2013-00148. The first two approaches are
8 consistent with the suggested classification of the NARUC. The third approach is
9 consistent with prior Commission guidance related to cost-of-service
10 methodologies. My testimony below explains the specific classification factors
11 employed.

12 **Q. PLEASE DESCRIBE THE ALLOCATION PROCESS.**

13 A. The allocation process is one in which the functionalized and classified costs from
14 above are assigned to specific customer classes. It is assumed that the load
15 characteristics of the customers within each of the major customer classes are
16 relatively homogeneous with respect to their usage characteristics. Thus, costs can
17 be allocated to customer classes based on these characteristics. Those costs that
18 have been classified as demand-related costs in the classification process above are
19 allocated among the customer classes on the basis of demands imposed on the
20 system during the peak day. Commodity- or energy-related costs are allocated on
21 the basis of the energy that the system must supply to meet the needs of these
22 customers. Customer-related costs are allocated to the different customer classes
23 based on the number of customers.

1 **Q. HOW ARE THESE COSTS ALLOCATED TO THE COMPANY'S**
2 **DIFFERENT CUSTOMER CLASSES?**

3 A. First, customers are divided into groups or classes. These classes are populated with
4 customers having similar natural gas demand characteristics. The customers within
5 each class can therefore be billed pursuant to a single rate schedule containing a
6 customer charge and an energy charge since their load profiles are sufficiently
7 similar. Next, costs are examined to determine why the utility incurred them and
8 how customers' usage characteristics impact the utility's cost incurrence decisions.
9 Finally, a demand characteristic is associated with each cost incurred; each
10 customer class' contribution to that cost provides the basis for the allocation of the
11 associated cost.

12 **Q. WHAT ARE THESE "USAGE CHARACTERISTICS" THAT**
13 **CUSTOMERS PLACE ON THE SYSTEM?**

14 A. The customer's request for service is a cost causative demand characteristic that
15 necessarily results in an immediate investment in a regulator, a service line and
16 metering facilities and establishes a commitment on the part of the company to
17 provide, among other things, answers to questions and a monthly billing. Hence,
18 the very existence of this customer-utility relationship causes the incurrence of cost.
19 The amount of natural gas taken from the utility system, usually expressed
20 volumetrically (Mcf) or in terms of the energy content of the natural gas itself
21 (therms or Dth) and referred to as the customer's energy use or usage, is an
22 important cost causative characteristic as well. Additionally, as my testimony will
23 describe in more detail, the magnitude of costs incurred to serve a customer is also

1 driven by the customer's potential rate of energy use, usually expressed in design
2 day usage and referred to as the customer's demand.

3 **Q. HOW DO SUCH DEMANDS AFFECT COST INCURRENCE?**

4 A. Cost incurrence is strongly driven by two primary factors, the physical connection
5 to the system and the rate at which energy is used. As described above, the physical
6 connection to the system involves investments (a regulator, a service line and
7 metering facilities) and establishes a commitment on the part of the company to
8 provide monthly billing, even if no customer usage occurs. Likewise, the rate at
9 which energy is used serves as the link to the incurrence and magnitude of demand
10 related utility costs.

11 **Q. WHY HAVE YOU EMPHASIZED THE PHYSICAL CONNECTION TO**
12 **THE SYSTEM AND THE RATE AT WHICH ENERGY IS USED WHEN**
13 **DESCRIBING COST CAUSATIVE CUSTOMER UTILIZATION**
14 **FACTORS?**

15 A. There are two very important factors that drive a natural gas utility's cost
16 incurrence. First, it is a capital-intensive enterprise. Second, the system must be
17 sized so that it has the capability to deliver natural gas to customers during
18 extremely cold conditions (the "design day"), even though this intensity of usage
19 only occurs a few days out of the year, if at all. This combination of capital intensity
20 and sizing to meet peak day demands dictates the prominence of the physical
21 connection and the "rate of use" customer demand characteristic when discussing
22 the cause of cost incurrence.

1 **Q. WHAT IS THE SIGNIFICANCE OF THE DESIGN DAY DEMAND?**

2 A. It is necessary first and foremost to safely and reliably meet the simultaneous loads
3 of all customers. Furthermore, transmission plant is built to meet the highest
4 simultaneous peak established by customers. Therefore, the class contribution to
5 the coincident design day demand is the appropriate cost causative factor to be used
6 in the allocation of capital cost carrying charges of facilities to customer classes.

7 **Q. WHAT ARE THE GENERAL PRINCIPLES THAT SHOULD GUIDE AN**
8 **ANALYST IN PREPARING A CLASS COST OF SERVICE STUDY?**

9 A. Allocation of costs among customer classes establishes the basis to measure
10 existing revenue levels from such classes against the costs incurred by the Company
11 to serve them. It also provides a basis for establishing actual tariff prices that will
12 equitably recover the costs associated with providing service while minimizing
13 inter-class subsidies that may otherwise occur. In brief, using the class cost of
14 service analysis, the analyst allocates costs to cost causers. The costs that a utility
15 incurs to serve customers are the transmission facilities to transmit the natural gas
16 to town border stations, distribution facilities to distribute the natural gas to homes
17 and businesses, general facilities that provide support to the first two functional
18 groups and the related costs of operation.

19 Some analysts utilize energy use in a class cost of service to distribute
20 capital costs to classes. These analysts rationalize this allocation methodology by
21 pointing out that these facilities serve year-round load. This methodology gives no
22 weight to the critical point that these facilities were sized and built to meet the
23 highest demand that occurs during the winter period for Atmos Energy.

1 classifications developed. Exhibit PHR-3 (the demand-only study) and Exhibit
2 PHR-4 (the demand/commodity study) are organized in the same way.

3 **Q. PLEASE DESCRIBE YOUR CLASSIFICATION OF GROSS PLANT IN**
4 **SERVICE.**

5 A. As shown on pages 6-8 of Exhibit PHR-2, a majority of gross plant in service
6 accounts (general plant) are classified through the use of an internally-generated
7 composite factor, developed from the classification of all production, storage,
8 transmission and distribution plant. Investments in transmission plant are classified
9 as 100% demand-related and investments in storage facilities are classified as 50%
10 demand and 50% commodity. Both classifications are consistent with those used
11 in the Company's last base rate proceeding. In this study, investments in
12 distribution mains and related facilities are classified as approximately 33%
13 customer and 67% demand, in accordance with the results of a minimum system
14 study.

15 The demand-only study (Exhibit PHR-3) changes the distribution mains and
16 related facilities classification to 100% demand and the demand/commodity study
17 (Exhibit PHR-4) changes the classification of investments in distribution mains as
18 approximately 65% demand and 35% commodity, based on the calculated load
19 factor of the system. Of course, as these alternative classification schemes are
20 applied, the internally-generated composite factors also change to reflect more
21 heavily the classification chosen for distribution mains and related facilities.

1 **Q. PLEASE DESCRIBE YOUR CLASSIFICATION OF RESERVE FOR**
2 **DEPRECIATION AND AMORTIZATION.**

3 A. As shown on pages 9-11 of the class cost of service study, the classifications of the
4 Reserves for Depreciation and Amortization follow the same classifications as
5 employed for Gross Plant in Service, by study, since the same factors that influence
6 Gross Plant in Service also affect the Reserves for Depreciation of those plant
7 categories.

8 **Q. PLEASE DESCRIBE YOUR CLASSIFICATION OF OTHER RATE BASE**
9 **ITEMS.**

10 A. Other Rate Base items include materials and supplies, gas storage inventory,
11 prepayments, cash working capital, customer advances and accumulated deferred
12 income taxes and these amounts are classified in the same way across all studies.
13 Materials and supplies, prepayments and cash working capital are classified in the
14 same way as operations and maintenance expenditures. Gas storage inventories are
15 classified as 100% commodity-related. Customer advances are classified as a
16 customer-related cost and accumulated deferred income taxes are classified
17 according to net plant, since they would appear to be largely driven by these
18 investments.

19 **Q. PLEASE DESCRIBE YOUR CLASSIFICATION OF OPERATIONS AND**
20 **MAINTENANCE (O&M) EXPENSES.**

21 A. As can be seen on pages 13-14 of the studies, I have generally classified O&M
22 expenses in accordance with the NARUC classification models and the same across
23 all three studies. For example, other gas supply expenses have been classified as

1 100% commodity-related. Underground storage O&M expenses are classified in
2 the same way as investments in storage plant, i.e., 50% demand-related and 50%
3 commodity-related.

4 Transmission O&M expense is classified as entirely demand-related.
5 Distribution O&M expense classifications rely on customers for those expenses
6 related to services, regulators and meters and composite classification factors for
7 many of the other accounts that make up distribution O&M expenses. These
8 composite factors are generated within the class cost of service model. A&G
9 expenses are also classified based on composite classification factors. Customer
10 accounts expenses, customer service and information expenses and sales expenses
11 are all classified as customer-related.

12 **Q. PLEASE DESCRIBE YOUR CLASSIFICATION OF DEPRECIATION**
13 **AND AMORTIZATION EXPENSE.**

14 A. Functionalized depreciation and amortization expense is shown on pages 15-17 of
15 the class cost of service study. Functionalized depreciation expense is classified
16 the same as gross plant. Of course, this changes the classification of distribution
17 mains and related facilities depreciation expense across the studies to be consistent
18 with the way that each study classifies investments in these facilities.

19 **Q. PLEASE DESCRIBE YOUR CLASSIFICATION OF TAXES, OTHER**
20 **THAN INCOME TAXES.**

21 A. Taxes other than income taxes fall into two categories, ad valorem and payroll-
22 related. Ad valorem taxes are classified on the basis of plant while the various
23 payroll-related taxes, most notably FICA taxes, are classified on the basis of total

1 O&M expenses. Total O&M expenses are also used to classify the DOT
2 transmission user tax and other taxes. The Public Service Commission Assessment
3 is classified as commodity-related. Finally, while not a tax, the taxes other than
4 income taxes schedule includes a classification of interest expense, a deduction to
5 income taxes. Income taxes are computed elsewhere in the program. These
6 classifications are shown on Page 18 of the class cost of service studies, and utilize
7 the same classification factors across all studies.

8 **c. The Allocation Study**

9 **Q. PLEASE DESCRIBE THE ALLOCATION STUDY.**

10 A. The allocation schedules of the cost of service study begin on page 20 of the class
11 cost of service studies. Each allocation section consists of 4 subsections. The first
12 subsection shows the allocation of the functionalized cost item's customer
13 component, the second subsection shows the allocation of the item's demand
14 component, the third the commodity component, and the fourth the total allocated
15 costs. Thus, for example, pages 20-22 contain the allocation of gross plant
16 customer-related costs, pages 23-25 gross plant demand-related costs, pages 26-28
17 gross plant commodity-related costs and pages 29-31 total allocated gross plant.

18 Each line lists the functionalized cost item, the allocation factor used, the
19 total company classified costs for that item, and the amount allocated of that cost
20 item to each of the rate classes. These pages continue through page 71 of the
21 exhibit. The allocation of revenue follows on page 72. Page 73 shows the
22 classification factors used in the study, while pages 74 and 75 show the allocation
23 factors used.

1 **Q. PLEASE DESCRIBE THE PRIMARY ALLOCATION FACTORS THAT**
2 **YOU HAVE USED IN YOUR STUDY.**

3 A. There are three types of allocation factors used in this study. As is the case with
4 the classification studies discussed above, these allocation factors are related to
5 customers on the system, demands placed on the system, and energy demanded
6 from the system.

7 **Q. PLEASE DESCRIBE THE ALLOCATORS OF CUSTOMER-RELATED**
8 **COSTS THAT YOU USE.**

9 A. Three primary allocators are used to assign customer-related costs to customer
10 classes: the number of bills, customer-weighted meter investments, and direct
11 assignment to the five individual customer classes. I used these different allocators
12 because different customer-related costs are more appropriately allocated with
13 each.

14 **Q. CAN YOU PROVIDE AN EXAMPLE?**

15 A. Certainly. The number of customers by class is used to allocate such expense items
16 as sales and customer service and information costs. Meter investments are the best
17 allocator for investment in meters. Industrial measuring and regulating station
18 expenses are most appropriately assigned directly to non-residential sales and
19 transport customers.

20 **Q. PLEASE DESCRIBE THE ALLOCATORS OF DEMAND-RELATED**
21 **COSTS THAT YOU USE.**

22 A. The two demand allocators used are a class' design day peak, since design day
23 forms the basis for planning decisions made by the Company and winter volumes,

1 used to allocate storage expenses.

2 **Q. PLEASE DESCRIBE THE ALLOCATORS OF COMMODITY-RELATED**
3 **COSTS THAT YOU USE.**

4 A. The primary allocator for commodity-related costs is total throughput.

5 **Q. PLEASE SUMMARIZE YOUR ALLOCATION STUDIES.**

6 A. The results are provided on lines 34 and 35 of the first page of each class cost of
7 service study and summarized on Exhibit PHR-5. Page 1 of Exhibit PHR-5 shows
8 actual and relative returns at present rates, the increases needed for an equalized
9 proposed return by class and the estimated customer-related costs for the Company
10 and for each of the cost of service classes for each of the studies developed. This
11 information is provided for the customer/demand study on lines 1-6, for the
12 demand-only study on lines 7-12, and the demand/commodity study on lines 13-
13 18. Page 2 of the exhibit summarizes these results to show the minimum, maximum
14 and average revenue increases required by class to produce an equalized rate of
15 return from the three studies on lines 1-6. Similar information related to the
16 customer component of costs identified in each of the studies is provided on lines
17 7-12.

18 **Q. WHY ARE THESE AMOUNTS OF INTEREST TO THE COMMISSION?**

19 A. One of the primary purposes of a class cost of service analysis is to identify
20 interclass subsidies that may exist between the different classes of a natural gas
21 distribution system so that steps can be taken to eliminate them. This exhibit
22 identifies for the Commission the extent to which rates need to be adjusted so that
23 all identified subsidies can be eliminated under a range of reasonable allocation

1 assumptions.

2 **Q. DOES THE REVENUE INCREASE ALLOCATION ADVOCATED BY**
3 **COMPANY WITNESS MARK MARTIN MOVE THE CLASSES CLOSER**
4 **TO AN EQUALIZED RATE OF RETURN?**

5 A. Yes. This can be seen by comparing the class relative rates of return at proposed
6 rates (line 56 of page 1 of Exhibits PHR-2, PHR-3 and PHR-4) to the class relative
7 rates of return at existing rates (line 35 of page 1 of those same exhibits). If the
8 class relative rates of return at proposed rates move closer to 1.0, the proposed
9 revenue increase is a movement toward parity of class returns and a reduction of
10 interclass subsidies. As this condition generally prevails across all classes and
11 studies, I would conclude that the Company's proposed revenue distribution is a
12 reasonable movement toward reducing interclass subsidies.

13 In addition, the Company's proposed revenue increases by class are
14 generally within the range of increases suggested by all of the studies, as shown on
15 lines 1-6 in the last column of page 2 of Exhibit PHR-5. While alternative revenue
16 distributions could also be supported, the Company's proposals appear to be
17 reasonable and reflect gradualism in the assignment of the revenue increase.

18 **Q. DOES THE EXHIBIT PROVIDE ANY OTHER SUPPORT FOR MR.**
19 **MARTIN'S RATE DESIGNS?**

20 A. Yes. Mr. Martin proposes customer charges for Residential Sales Customers of
21 \$20.50/month and \$51.75/month for Non-Residential Sales Customers. The levels
22 of these charges are generally within the bounds established by the different studies,
23 as shown on lines 8 and 9 of Page 2 of Exhibit PHR-5.

- 1 Q. DOES THAT COMPLETE YOUR DIRECT TESTIMONY AT THIS TIME?
- 2 A. Yes, it does.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF)
RATE APPLICATION OF) Case No. 2018-00281
ATMOS ENERGY CORPORATION)

CERTIFICATE AND AFFIDAVIT

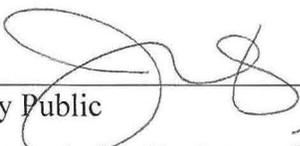
The Affiant, Paul H. Raab, being duly sworn, deposes and states that the prepared testimony attached hereto and made a part hereof, constitutes the prepared direct testimony of this affiant in Case No. 2018-00281, in the Matter of the Rate Application of Atmos Energy Corporation, and that if asked the questions propounded therein, this affiant would make the answers set forth in the attached prepared direct pre-filed testimony.



Paul H. Raab

STATE OF Maryland
COUNTY OF Montgomery

SUBSCRIBED AND SWORN to before me by Paul H. Raab on this the 17th day of September, 2018.



Notary Public
My Commission Expires: 7/06/2022

JOAN ABUCEJO
NOTARY PUBLIC
Montgomery County
State of Maryland
My Commission Expires
July 06, 2022

PAUL H. RAAB

Mr. Raab's consulting focus is on the regulated public utility industry. His experience includes mathematical and economic analyses and system development and his areas of expertise include regulatory change management, load forecasting, supply-side and demand-side planning, management audits, mergers and acquisitions, costing and rate design, and depreciation and life analysis.

PROFESSIONAL EXPERIENCE

Mr. Raab has directed or has had a key role in numerous engagements in the areas listed above. Representative clients are provided for each of these areas in the subsections below.

Regulatory Change Management. Mr. Raab has recently been assisting both electric and natural gas utilities as they prepare to operate in an environment that is significantly different from the one they operate in today. This work has involved the development of unbundled cost of service studies; the development of strategies that will allow companies to prosper in a restructured industry; retail access program development, implementation, and evaluation; and the development of innovative ratemaking approaches to accompany changes in the regulatory structure. Representative clients for whom he has performed such work include:

- Texas Gas Service
- Virginia Natural Gas
- UGI Utilities, Inc. – Gas Division, UGI Penn Natural Gas, Inc., and UGI Central Penn Gas, Inc.
- The Peoples Natural Gas Company d/b/a Dominion Peoples
- National Fuel Gas Distribution Corporation
- Columbia Gas of Pennsylvania, Inc.
- Aquila
- Kansas Corporation Commission
- Atmos Energy Corporation
- Electric Cooperatives' Association
- Cleco
- Washington Gas
- Western Resources
- Kansas Gas Service
- Mid Continent Market Center.

Load Forecasting. Mr. Raab has broad experience in the review and development of forecasts of sales forecasts for electric and natural gas utilities. This work has also included the development of elasticity of demand measures that have been used for attrition adjustments and revenue requirement reconciliations. Representative clients for whom he has performed such work include:

- Washington Gas Energy Services
- Central Louisiana Electric Company
- Washington Gas
- Saskatchewan Public Utilities Review Commission
- Union Gas Limited
- Nova Scotia Power Corporation
- Cajun Electric Power Cooperative
- Cincinnati Gas & Electric
- Commonwealth Edison Company
- Cleveland Electric Illuminating
- Public Service of Indiana
- Atlantic City Electric Company
- Detroit Edison Company
- Sierra Pacific Power
- Connecticut Natural Gas Corporation
- Appalachian Power Company
- Missouri Public Service Company
- Empire District Electric Company
- Public Service Company of Oklahoma
- Wisconsin Electric Power Company
- Northern States Power Company
- Iowa State Commerce Commission
- Missouri Public Service Commission.

Supply Side Planning. Mr. Raab has assisted clients to determine the most appropriate supply-side resources to meet future demands. This assistance has included the determination of optimal sizes and types of capacity to install, determination of production costs including and excluding the resource, and an assessment of system reliability changes as a result of different resource additions. Much of this work for the following clients has been done in conjunction with litigation:

- Enstar Natural Gas
- AGL Resources
- Washington Gas
- Soyland Electric Cooperative
- Houston Lighting and Power
- City of Farmington, New Mexico
- Big Rivers Electric Cooperative
- City of Redding, California
- Brown & Root
- Kentucky Joint Committee on Electric Power Planning Coordination
- Sierra Pacific Power.

Demand Side Planning. Demand Side Planning involves the forecasting of future demands; the design, development, implementation, and evaluation of demand side management programs; the determination of future supply side costs; and the integration

of cost effective demand side management programs into an Integrated Least Cost Resource Plan. Mr. Raab has performed such work for the following clients:

- UGI Utilities
- Dominion Peoples Gas
- National Fuel Gas Distribution Corporation
- Columbia Gas of Pennsylvania
- Kansas Gas Service
- Atmos Energy Corporation
- Black Hills Gas Company
- Oklahoma Natural Gas Company
- Washington Gas Light Company
- Piedmont Natural Gas Company
- Chesapeake Utilities
- Pennsylvania & Southern Gas
- Montana-Dakota Utilities.

Management Audits. Mr. Raab has been involved in a number of management audits. Consistent with his other experience, the focus of his efforts has been in the areas of load forecasting, demand- and supply-side planning, integrated resource planning, sales and marketing, and rates. Representative commission/utility clients are as follows:

- Public Utilities Commission of Ohio/East Ohio Gas
- Kentucky Public Service Commission/Louisville Gas & Electric
- New Hampshire Public Service Commission/Public Service Company of New Hampshire
- New Mexico Public Service Commission/Public Service of New Mexico
- New York Public Service Commission/New York State Electric & Gas
- Missouri Public Service Commission/Laclede Gas Company
- New Jersey Board of Public Utilities/Jersey Central Power & Light
- New Jersey Board of Public Utilities/New Jersey Natural Gas
- Pennsylvania Public Utilities Commission/ Pennsylvania Power & Light
- California Public Utilities Commission/San Diego Gas & Electric Company.

Mergers and Acquisitions. Mr. Raab has been involved in a number of merger and acquisition studies throughout his career. Many of these were conducted as confidential studies and cannot be listed. Those in which his involvement was publicly known are:

- ONEOK, Inc./Southwest Gas Corporation
- Western Resources
- Constellation.

Costing and Rate Design Analysis. Mr. Raab has prepared generic rate design studies for the National Governor's Conference, the Electricity Consumer's Resource Council, the Tennessee Valley Industrial Committee, the State Electricity Commission of

Western Australia, and the State Electricity Commission of Victoria. These generic studies addressed advantages and disadvantages of alternative costing approaches in the electric utility industry; the strengths and weaknesses of commonly encountered costing methodologies; future tariff policies to promote equity, efficiency, and fairness criteria; and the advisability of changing tariff policies. Mr. Raab has performed specific costing and rate design studies for the following companies:

- New Mexico Gas
- SEMCO Gas
- Enstar Natural Gas
- Atmos Energy Corporation
- Southern Maryland Electric Cooperative, Inc.
- Comcast Cable Communications, Inc.
- Cable Television Association of Georgia
- Devon Energy
- Aquila
- Oklahoma Natural Gas
- Semco Energy Gas Company
- Laclede Gas
- Western Resources
- Kansas Gas Service Company
- Central Louisiana Electric Company
- Washington Gas Light Company
- Piedmont Natural Gas Company
- Chesapeake Utilities
- Pennsylvania & Southern Gas
- KPL Gas Service Company
- Allegheny Power Systems
- Northern States Power
- Interstate Power Company
- Iowa-Illinois Gas & Electric Company
- Arkansas Power and Light
- Iowa Power & Light
- Iowa Public Service Company
- Southern California Edison
- Pacific Gas & Electric
- New York State Electric & Gas
- Middle South Utilities
- Missouri Public Service Company
- Empire District Electric Company
- Sierra Pacific Power
- Commonwealth Edison Company
- South Carolina Electric & Gas
- State Electricity Commission of Western Australia
- State Electricity Commission of Victoria, Australia
- Public Service Company of New Mexico

- Tennessee Valley Authority.

Depreciation and Life Analysis. Mr. Raab has extensive experience in depreciation and life analysis studies for the electric, gas, rail, and telephone industries and has taught a course on depreciation at George Washington University, Washington, DC. Representative clients in this area include:

- Champaign Telephone Company
- Plains Generation & Transmission Cooperative
- CSX Corporation (Includes work for Seaboard Coast Line, Louisville & Nashville, Baltimore & Ohio, Chesapeake & Ohio, and Western Maryland Railroads)
- Lea County Electric Cooperative, Inc.
- North Carolina Electric Membership Cooperative
- Alberta Gas Trunk Lines (NOVA)
- Federal Communications Commission.

TESTIMONY

The following table summarizes Mr. Raab's testimony experience.

Jurisdiction	Docket Number	Subject
Alaska	U-09-069, U-09-070	Rate Design
	U-14-010	Rate Design
Colorado	14AL-0300G	Costing/Rate Design
	17AL-0363G	Costing/Rate Design
District of Columbia	834	Demand Side Planning
	905	Costing/Rate Design
	917	Costing/Rate Design
	921	Demand Side Planning
	922	Rate Design
	934	Rate Design
	989	Rate Design
	1016	Rate Design
	1053	Costing/Rate Design
	1079	Rate Design
	1093	Costing/Rate Design
1137	Costing/Rate Design	
Georgia	18300-U	Costing/Rate Design
Indiana	36818	Capacity Planning

Jurisdiction	Docket Number	Subject
Iowa	RPU-05-2	Costing/Rate Design
Kansas	174,155-U	Retail Competition
	176,716-U	Costing/Rate Design
	98-KGSG-822-TAR	Rate Design
	99-KGSG-705-GIG	Restructuring
	01-KGSG-229-TAR	Rate Design
	02-KGSG-018-TAR	Rate Design
	02-WSRE-301-RTS	Cost of Service
	03-KGSG-602-RTS	Cost of Service/Rate Design
	03-AQLG-1076-TAR	Rate Design
	05-AQLG-367-RTS	Cost of Service/Rate Design
	06-KGSG-1209-RTS	Cost of Service/Rate Design
	07-AQLG-431-RTS	Rate Design
	08-WSEE-1041-RTS	Cost of Service
	10-KCPE-415-RTS	Cost of Service/Rate Design
	10-KGSG-421-TAR	Demand Side Planning
	10-KCPE-795-TAR	Demand Side Planning
	12-WSEE-112-RTS	Cost of Service/Rate Design
	12-KGSG-835-RTS	Cost of Service/Rate Design
	12-GIMX-337-GIV	Demand Side Planning
	12-KG&E-718-CON	Cost of Service
13-KG&E-451-CON	Cost of Service	
13-WSEE-629-RTS	Cost of Service/Rate Design	
14-ATMG-320-RTS	Cost of Service/Rate Design	
15-WSEE-181-TAR	Demand Side Planning	
15-KCPE-116-RTS	Cost of Service/Rate Design	
16-ATMG-079-RTS	Cost of Service/Rate Design	
16-KGSG-491-RTS	Cost of Service/Rate Design	
16-KCPE-446-TAR	Demand Side Planning	
18-KCPE-480-RTS	Cost of Service/Rate Design	
18-KGSG-560-RTS	Cost of Service/Rate Design	
Kentucky	9613	Capacity Planning
	97-083	Management Audit
	2009-00354	Cost of Service
	2013-00148	Cost of Service
	2015-00343	Cost of Service
	2017-00349	Cost of Service
Louisiana	U-21453	Restructuring/Market Power

Jurisdiction	Docket Number	Subject
Maryland	8251	Costing/Rate Design
	8259	Demand Side Planning
	8315	Costing/Rate Design
	8720	Demand Side Planning
	8791	Costing/Rate Design
	8920	Costing/Rate Design
	8959	Costing/Rate Design
	9092	Costing/Rate Design
	9104	Costing/Rate Design
	9106	Costing/Rate Design
	9180	Capacity Planning
	9267	Costing/Rate Design
	9433	Capacity Planning
	9481	Costing
Michigan	U-6949	Load Forecasting
	U-13575	Costing/Rate Design
	U-16169	Costing/Rate Design
Missouri	GR-2002-356	Rate Design
Montana	D2005.4.48	Costing/Rate Design
Nebraska	NG-0001, NG-0002, NG-0003	Rate Design
	NG-0041	Rate Design
Nevada	81-660	Load Forecasting
New Jersey	OAL# PUC 1876-82 BPU# 822-0116	Load Forecasting
New Mexico	2087	Capacity Planning
	11-00042-UT	Rate Design
New York	27546	Costing/Rate Design
Ohio	81-1378-EL-AIR	Load Forecasting

Jurisdiction	Docket Number	Subject
Oklahoma	27068	Load Forecasting
	PUD 200400610	Costing/Rate Design
	PUD 200700449	Demand Side Planning
	PUD 200800348	Costing/Rate Design
	PUD 200900110	Costing/Rate Design
	PUD 201000143	Demand Side Planning
	PUD 201100170	Demand Side Planning
	PUD 201200029	Demand Side Planning
	PUD 201300007	Demand Side Planning
	PUD 201300032	Demand Side Planning
	PUD 201400069	Demand Side Planning
	PUD 201500138	Demand Side Planning
	PUD 201500213	Costing/Rate Design
	PUD 201600132	Demand Side Planning
PUD 201700079	Demand Side Planning	
PUD 201800028	Demand Side Planning	
Pennsylvania	R-0061346	Costing/Rate Design
	M-2009-2092222, M-2009-2112952, M-2009-2112956	Demand Side Planning
	M-2009-2093216	Demand Side Planning
	M-2009-2093217	Demand Side Planning
	M-2009-2093218	Demand Side Planning
	M-2010-2210316	Demand Side Planning
	R-2010-2214415	Demand Side Planning
	M-2012-2334387, M-2012-2334392, M-2012-2334398	Demand Side Planning
	M-2012-2334388	Demand Side Planning
	M-2015-2177174	Demand Side Planning
	Tennessee	PURPA Hearings
Texas	GUD No. 9762	Costing/Rate Design
	GUD No. 10170	Costing/Rate Design
	GUD No. 10174	Costing/Rate Design
	GUD No. 10506	Demand Side Planning
	GUD No. 10526	Demand Side Planning
US Tax Court	4870	Life Analysis
	4875	Life Analysis

Jurisdiction	Docket Number	Subject
Virginia	PUE900013	Demand Side Planning
	PUE920041	Costing/Rate Design
	PUE940030	Costing/Rate Design
	PUE940031	Costing/Rate Design
	PUE950131	Capacity Planning
	PUE980813	Costing/Rate Design
	PUE-2002-00364	Costing/Rate Design
	PUE-2003-00603	Costing/Rate Design
	PUE-2006-00059	Costing/Rate Design
	PUE-2008-00060	Demand Side Planning
PUE-2009-00064	Demand Side Planning	
Virginia	PUE-2012-00118	Demand Side Planning
	PUE-2015-00132	Demand Side Planning
	PUE-2015-00138	Demand Side Planning
	PUE-2016-00001	Capacity Planning
	PUR-2018-00080	Demand Side Planning
West Virginia	79-140-E-42T	Capacity Planning
	90-046-E-PC	Demand Side Planning
Wisconsin	05-EP-2	Capacity Planning

In addition, Mr. Raab has presented expert testimony before the Federal Energy Regulatory Commission, the Pennsylvania House Consumer Affairs Committee, the Michigan House Economic Development and Energy Committee and the Province of Saskatchewan. He is a member of the Advisory Board of the Expert Evidence Report, published by The Bureau of National Affairs, Inc.

EDUCATION

Mr. Raab holds a B.A. (with high distinction) in Economics from Rutgers University and an M.A. from SUNY at Binghamton with a concentration in Econometrics. While attending Rutgers, he studied as a Henry Rutgers Scholar.

PUBLICATIONS AND PRESENTATIONS

Mr. Raab has published in a number of professional journals and spoken at a number of industry conferences. His publications/ presentations include:

- "Natural Gas as an Electric DSM Tool," American Gas Association Membership Services Committee Meeting, Williamsburg, VA, September 15, 2009.
- "Electric-to-Gas Fuel Switching," NARUC Summer Meeting, Seattle, WA, July 20, 2009.
- "The Future of Fuel in Virginia: Natural Gas," The Twenty-Seventh National Regulatory Conference, Williamsburg, VA, May 19, 2009.
- "Revenue Decoupling for Natural Gas Utilities," Energy Bar Association Midwest Energy Conference, Chicago, IL, March 6, 2008.
- "Responses to Arrearage Problems from High Natural Gas Bills," American Gas Association Rate and Regulatory Issues Seminar, Phoenix, AZ, April 8, 2004.
- "Factors Influencing Cooperative Power Supply," National Rural Utilities Cooperative Finance Corporation Independent Borrower's Conference, Boston, MA, July 3, 1997.
- "Current Status of LDC Unbundling," American Gas Association Unbundling Conference: Regulatory and Competitive Issues, Arlington, VA, June 19, 1997.
- "Balancing, Capacity Assignment, and Stranded Costs," American Gas Association Rate and Strategic Planning Committee Spring Meeting, Phoenix, AZ, March 26, 1997.
- "Gas Industry Restructuring and Changes: The Relationship of Economics and Marketing" (with Jed Smith), National Association of Business Economists, 38th Annual Meeting, Boston, MA September 10, 1996.
- "Improving Corporate Performance By Better Forecasting," 1996 Peak Day Demand and Supply Planning Seminar, San Francisco, CA, April 11, 1996.
- "Natural Gas Price Elasticity Estimation," AGA Forecasting Review, Vol. 6, No. 1, November 1995.
- "Assessing Price Competitiveness," Competitive Analysis & Benchmarking for Power Companies, Washington, DC, November 13, 1995.
- "Avoided Cost Concepts and Management Considerations," Workshop on Avoided Costs in a Post 636 Gas Industry: Is It Time to Unbundle Avoided Cost? Sponsored by the Gas Research Institute and Wisconsin Center for Demand-Side Research, Milwaukee, WI, June 29, 1994.

- "Estimating Implied Long- and Short-Run Price Elasticities of Natural Gas Consumption," Atlantic Economic Conference, Philadelphia, PA, October 10, 1993.
- "Program Evaluation and Marginal Cost," The Natural Gas Least Cost Planning Conference, Washington, DC, April 7, 1992.
- "The New Environmentalism & Least Cost Planning," Institute for Environmental Negotiation, University of Virginia, May 15, 1991.
- "Development of Conditional Demand Estimates of Gas Appliances," AGA Forecasting Review, Vol. 1, No. 1, October 1988.
- "The Feasibility Study: Forecasting and Sensitivities," Municipal Wastewater Treatment Facilities, The Energy Bureau, Inc., November 18, 1985.
- "The Development of a Gas Sales End-Use Forecasting Model," Third International Forecasting Symposium, The International Institute of Forecasting, July 1984.
- "New Forecasting Guidelines for REC's - A Seminar," (Chairman), Kansas City, Missouri, June 1984.
- "A Method and Application of Estimating Long Run Marginal Cost for an Electric Utility," Advances in Microeconomics, Volume II, 1983.
- "Forecasting Under Public Scrutiny," Forecasting Energy and Demand Requirements, University of Wisconsin - Extension, October 25, 1982.
- "Forecasting Public Utilities," The Journal of Business Forecasting, Vol. 1, No. 4, Summer, 1982.
- "Are Utilities Underforecasting," Electric Ratemaking, Vol. 1. No. 1, February, 1982.
- "A Polynomial Spline Function Technique for Defining and Forecasting Electric Utility Load Duration Curves," First International Forecasting Symposium, Montreal, Canada, May, 1981.
- "Time-of-Use Rates and Marginal Costs," ELCON Legal Seminar, March 20, 1980.
- "The Ernst & Whinney Forecasting Model," Forecasting Energy & Demand Requirements, University of Wisconsin - Extension, October 8, 1979.

- "Marginal Cost in Electric Utilities - A Multi-Technology Multi-Period Analysis" (with Frederick McCoy), ORSA/Tims Joint National Meeting, Los Angeles, California, November 13-15, 1978.

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
SUMMARY OF RESULTS								
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
1								
2								
3								
4								
5								
6								
7								
8	Operating Revenues	169,717,866	99,196,203	53,584,857	1,440,122	8,258,004	7,238,681	
9								
10	Operating Expenses:							
11								
12	Operating & Maintenance	105,607,336	64,103,985	36,939,829	1,276,457	1,730,542	1,556,521	
13	Depreciation & Amortization	22,541,774	15,067,027	5,017,488	114,972	1,244,687	1,097,600	
14	Taxes Other Than Income	7,511,837	4,745,538	1,768,479	53,881	489,011	454,927	
15								
16	Total Operating Expenses	135,660,946	83,916,550	43,725,797	1,445,310	3,464,240	3,109,049	
17								
18	Income Before Taxes	34,056,920	15,279,653	9,859,060	(5,189)	4,793,763	4,129,632	
19								
20	Interest Expense	9,367,735	6,177,901	1,839,408	55,082	678,360	616,984	
21								
22	Income Taxes:							
23								
24	State Income Taxes	6.00%	1,481,351	546,105	481,179	(3,616)	246,924	210,759
25	Federal Income Taxes	21.00%	4,873,645	1,796,686	1,583,079	(11,897)	812,381	693,397
26	Total Deferred Income Taxes		0	0	0	0	0	0
27	Amortization of ITC		0	0	0	0	0	0
28	Total Income Taxes	6,354,996	2,342,791	2,064,258	(15,514)	1,059,305	904,156	
29								
30	Net Income	27,701,923	12,936,862	7,794,802	10,325	3,734,459	3,225,476	
31								
32	Total Rate Base	496,111,427	327,179,122	97,414,310	2,917,111	35,925,681	32,675,203	
33								
34	Rate of Return	5.5838%	3.9541%	8.0017%	0.3539%	10.3950%	9.8713%	
35	Relative Rate of Return	1.00	0.71	1.43	0.06	1.86	1.77	
36								
37	Equalized ROR:							
38								
39	Net Income Increase	11,738,935	13,073,878	(50,364)	221,585	(878,367)	(627,798)	
40	Uncollectibles/PSC Fees Increase	0.7000%	111,435	124,108	(478)	2,103	(8,338)	(5,960)
41	Income Taxes	4,068,949	4,531,667	(17,457)	76,806	(304,460)	(217,607)	
42	Gross Revenue After Increase	185,637,186	116,925,856	53,516,558	1,740,617	7,066,839	6,387,316	
43	Revenue Deficiency	15,919,320	17,729,653	(68,299)	300,495	(1,191,165)	(851,364)	
44	Rate of Return	7.9500%	7.9500%	7.9500%	7.9500%	7.9500%	7.9500%	
45	Relative Rate of Return	1.00	1.00	1.00	1.00	1.00	1.00	
46	Percent Increase	9.3799%	17.8733%	-0.1275%	20.8659%	-14.4244%	-11.7613%	
47								
48	Proposed Rate Levels:							
49								
50	Net Income Increase	11,738,923	6,881,836	2,837,833	45,268	1,146,537	827,450	
51	Uncollectibles/PSC Fees Increase	111,435	65,328	26,939	430	10,884	7,855	
52	Income Taxes	4,068,945	2,385,382	983,650	15,691	397,412	286,811	
53	Gross Revenue After Increase	185,637,170	108,528,749	57,433,278	1,501,510	9,812,836	8,360,797	
54	Revenue Deficiency	15,919,304	9,332,546	3,848,421	61,388	1,554,833	1,122,116	
55	Rate of Return	7.9500%	6.0574%	10.9149%	1.9057%	13.5864%	12.4037%	
56	Relative Rate of Return	1.00	0.76	1.37	0.24	1.71	1.56	
57	Percent Increase	9.3799%	9.4082%	7.1819%	4.2627%	18.8282%	15.5017%	

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
SUMMARY OF CUSTOMER COSTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	284,136,858	236,060,248	46,353,387	82,776	1,047,568	592,879
2							
3	Return @ Realized ROR	15,865,664	10,127,257	3,937,272	(82,754)	1,048,418	835,471
4	O&M Expenses	15,715,974	12,921,579	2,710,782	7,383	48,674	27,556
5	Depreciation Expense	14,611,144	11,491,663	2,970,522	7,237	90,501	51,220
6	Taxes, Other	3,596,845	2,914,817	654,888	1,355	16,466	9,319
7							
8	Interest Expense	5,365,163	4,457,365	875,259	1,563	19,781	11,195
9							
10	Income Taxes:						
11							
12	State Income Taxes	848,411	458,111	247,402	(6,813)	83,111	66,599
13	Federal Income Taxes	2,791,273	1,507,186	813,953	(22,413)	273,435	219,111
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	3,639,684	1,965,298	1,061,355	(29,226)	356,546	285,711
18							
19	Total Customer-Related Costs @ Realized ROR	53,429,311	39,420,614	11,334,819	(96,004)	1,560,605	1,209,277
20	Total Customers	177,100	157,713	19,186	10	122	69
21	Customer Costs (\$/customer/month)		\$ 20.83	\$ 49.23	\$ (820.55)	\$ 1,066.68	\$ 1,460.44
22							
23							
24	Incremental Return @ Equalized ROR	6,723,216	8,639,533	(252,178)	89,335	(965,136)	(788,337)
25	Incremental Income Taxes	2,330,401	2,994,635	(87,410)	30,965	(334,536)	(273,253)
26	Incremental Uncollectibles/PSC Fees Increase	63,822	82,013	(2,394)	848	(9,162)	(7,484)
27							
28	Total Customer-Related Costs @ Equalized ROR	62,546,750	51,136,795	10,992,837	25,144	251,771	140,203
29	Customers	177,100	157,713	19,186	10	122	69
30	Dollars/Customer/Month	\$ 29.43	\$ 27.02	\$ 47.75	\$ 214.90	\$ 172.09	\$ 169.32
31							
32							
33	Incremental Return @ Proposed Rates	6,723,209	5,093,176	1,401,973	(11,647)	194,583	45,124
34	Incremental Income Taxes	2,330,399	1,765,397	485,952	(4,037)	67,446	15,641
35	Incremental Uncollectibles/PSC Fees Increase	63,822	48,348	13,309	(111)	1,847	428
36							
37	Total Customer-Related Costs @ Proposed Rates	62,546,741	46,327,535	13,236,053	(111,799)	1,824,481	1,270,471
38	Customers	177,100	157,713	19,186	10	122	69
39	Dollars/Customer/Month	\$ 29.43	\$ 24.48	\$ 57.49	\$ (955.55)	\$ 1,247.05	\$ 1,534.34

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
SUMMARY OF DEMAND COSTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	220,445,634	99,671,071	56,993,879	2,997,739	31,930,045	28,852,900
2							
3	Return @ Realized ROR	12,309,267	3,196,096	4,229,032	99,598	2,550,939	2,233,601
4	O&M Expenses	11,199,521	5,063,690	2,895,517	152,297	1,622,174	1,465,843
5	Depreciation Expense	7,789,863	3,522,066	2,013,986	105,931	1,128,309	1,019,572
6	Taxes, Other	2,642,021	1,194,549	683,067	35,928	382,679	345,799
7							
8	Interest Expense	4,162,525	1,882,021	1,076,177	56,604	602,913	544,810
9							
10	Income Taxes:						
11							
12	State Income Taxes	658,234	106,174	254,742	3,474	157,395	136,450
13	Federal Income Taxes	2,165,590	349,311	838,101	11,429	517,830	448,919
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	2,823,824	455,485	1,092,843	14,902	675,225	585,369
18							
19	Total Demand-Related Costs @ Realized ROR	36,764,497	13,431,885	10,914,446	408,656	6,359,325	5,650,184
20							
21							
22	Incremental Return @ Equalized ROR	5,216,161	4,727,754	301,981	138,722	(12,500)	60,204
23	Incremental Income Taxes	1,808,024	1,638,734	104,673	48,084	(4,333)	20,868
24	Incremental Uncollectibles/PSC Fees Increase	49,516	44,880	2,867	1,317	(119)	572
25							
26	Total Demand-Related Costs @ Equalized ROR	43,838,199	19,843,253	11,323,966	596,779	6,342,373	5,731,828
27							
28							
29	Incremental Return @ Proposed Rates	5,216,156	1,976,339	1,585,342	60,376	887,259	706,839
30	Incremental Income Taxes	1,808,024	685,039	549,511	20,928	307,542	245,005
31	Incremental Uncollectibles/PSC Fees Increase	49,516	18,761	15,049	573	8,423	6,710
32							
33	Total Demand-Related Costs @ Proposed Rates	43,838,192	16,112,024	13,064,349	490,533	7,562,548	6,608,738

Atmos Energy Corporation, Kentucky/Mid-States Division
Class Cost of Service - Customer/Demand Study
Forecasted Test Period: Twelve Months Ended March 31, 2020

SUMMARY OF COMMODITY COSTS

	Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1 Rate Base	(8,471,064)	(8,552,198)	(5,932,956)	(163,404)	2,948,068	3,229,424
2						
3 Return @ Realized ROR	(473,008)	(477,539)	(331,285)	(9,124)	164,615	180,325
4 O&M Expenses	78,691,840	46,118,716	31,333,529	1,116,777	59,694	63,122
5 Depreciation Expense	140,767	53,298	32,980	1,804	25,877	26,808
6 Taxes, Other	1,272,971	636,172	430,525	16,598	89,866	99,809
7						
8 Interest Expense	(159,953)	(161,485)	(112,028)	(3,085)	55,666	60,979
9						
10 Income Taxes:						
11						
12 State Income Taxes	(25,294)	(25,536)	(17,715)	(488)	8,803	9,643
13 Federal Income Taxes	(83,217)	(84,014)	(58,284)	(1,605)	28,961	31,725
14 Deferred Income Taxes	0	0	0	0	0	0
15 Amortization of ITC	0	0	0	0	0	0
16						
17 Total Income Taxes	(108,511)	(109,550)	(75,999)	(2,093)	37,764	41,368
18						
19 Total Commodity-Related Costs	79,524,058	46,221,098	31,389,750	1,123,962	377,816	411,432
20 Total Throughput	33,298,463	10,083,093	6,833,161	337,587	7,557,945	8,486,677
21 Commodity Costs (\$/Mcf)	\$ 4.58402	\$ 4.59374	\$ 3.32940	\$ 0.04999	\$ 0.05	\$ 0.05
22						
23						
24 Incremental Return @ Equalized ROR	(200,441)	(202,361)	(140,385)	(3,866)	69,757	76,414
25 Incremental Income Taxes	(69,477)	(70,142)	(48,660)	(1,340)	24,179	26,487
26 Incremental Uncollectibles/PSC Fees Increase	(1,903)	(1,921)	(1,333)	(37)	662	725
27						
28 Total Commodity-Related Costs @ Equalized ROR	79,252,237	45,946,673	31,199,373	1,118,719	472,414	515,058
29 Total Throughput	33,298,463	10,083,093	6,833,161	337,587	7,557,945	8,486,677
30 Commodity Costs (\$/Mcf)	\$ 2.38	\$ 4.56	\$ 4.57	\$ 3.31	\$ 0.06	\$ 0.06
31						
32						
33 Incremental Return @ Proposed Rates	(200,441)	(96,632)	(189,701)	(856)	35,182	51,566
34 Incremental Income Taxes	(69,477)	(33,495)	(65,754)	(297)	12,195	17,874
35 Incremental Uncollectibles/PSC Fees Increase	(1,903)	(917)	(1,801)	(8)	334	490
36						
37 Total Commodity-Related Costs @ Proposed Rates	79,252,237	46,090,053	31,132,495	1,122,801	425,527	481,361
38 Total Throughput	33,298,463	10,083,093	6,833,161	337,587	7,557,945	8,486,677
39 Commodity Costs (\$/Mcf)	\$ 2.38	\$ 4.57	\$ 4.56	\$ 3.33	\$ 0.06	\$ 0.06

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF GROSS PLANT IN SERVICE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
177		Shared Services General Office:						
178								
179		General:						
180								
181	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
182	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
183	36602	Structures & Improvements	236,424	5.4	P, S, T & D Plant	134,716	99,104	2,604
184	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
185	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
186	39009	Improvement to leased Premises	483,357	5.4	P, S, T & D Plant	275,421	202,613	5,324
187	39100	Office Furniture & Equipment	286,918	5.4	P, S, T & D Plant	163,488	110,270	3,160
188	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
189	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
190	39200	Transportation Equipment	369	5.4	P, S, T & D Plant	210	155	4
191	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
192	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
193	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
194	39400	Tools, Shop & Garage Equipment	3,938	5.4	P, S, T & D Plant	2,244	1,651	43
195	39500	Tools, Shop & Garage Equipment	-	5.4	P, S, T & D Plant	-	-	-
196	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
197	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
198	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
199	39700	Communication Equipment	54,370	5.4	P, S, T & D Plant	30,980	22,791	599
200	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
201	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
202	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
203	39800	Miscellaneous Equipment	7,537	5.4	P, S, T & D Plant	4,295	3,159	83
204	39900	Other Tangible Property	8,377	5.4	P, S, T & D Plant	4,773	3,512	92
205	39901	Other Tangible Property - Servers - H/W	2,321,928	5.4	P, S, T & D Plant	1,323,054	973,301	25,573
206	39902	Other Tangible Property - Servers - S/W	1,402,428	5.4	P, S, T & D Plant	799,115	587,867	15,446
207	39903	Other Tangible Property - Network - H/W	442,303	5.4	P, S, T & D Plant	252,028	185,404	4,871
208	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
209	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
210	39906	Other Tang. Property - PC Hardware	155,862	5.4	P, S, T & D Plant	88,811	65,334	1,717
211	39907	Other Tang. Property - PC Software	86,214	5.4	P, S, T & D Plant	49,126	36,139	950
212	39908	Other Tang. Property - Mainframe S/W	3,879,643	5.4	P, S, T & D Plant	2,210,653	1,626,261	42,729
213	39909	Other Tang. Property - Application Software	1,322,956	5.4	P, S, T & D Plant	753,831	554,554	14,571
214	39931	Other Tang. Property - ALGN	-	5.4	P, S, T & D Plant	-	-	-
215								
216		Total General Plant	10,692,624			6,092,746	4,482,113	117,765
217								
218		CWIP w/o AFUDC	748,344	5.4	P, S, T & D Plant	426,413	313,690	8,242
219								
220		Shared Services Customer Support:						
221								
222		General:						
223								
224	37400	Land & Land Rights	205,882	5.4	P, S, T & D Plant	117,313	86,301	2,268
225	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
226	36602	Structures & Improvements	1,000,011	5.4	P, S, T & D Plant	569,815	419,183	11,014
227	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
228	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
229	39009	Improvement to leased Premises	159,117	5.4	P, S, T & D Plant	90,666	66,698	1,752
230	39100	Office Furniture & Equipment	154,692	5.4	P, S, T & D Plant	88,145	64,843	1,704
231	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
232	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
233	39200	Transportation Equipment	2,233	5.4	P, S, T & D Plant	1,272	936	25
234	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
235	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
236	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
237	39400	Tools, Shop & Garage Equipment	14,093	5.4	P, S, T & D Plant	8,030	5,907	155
238	39510	Laboratory Equip	548	5.4	P, S, T & D Plant	312	230	6
239	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
240	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
241	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
242	39700	Communication Equipment	114,682	5.4	P, S, T & D Plant	65,347	48,072	1,263
243	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
244	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
245	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
246	39800	Miscellaneous Equipment	15,758	5.4	P, S, T & D Plant	8,979	6,605	174
247	39900	Other Tangible Property	43,368	5.4	P, S, T & D Plant	24,711	18,179	478
248	39901	Other Tangible Property - Servers - H/W	583,485	5.4	P, S, T & D Plant	332,475	244,584	6,426
249	39902	Other Tangible Property - Servers - S/W	114,175	5.4	P, S, T & D Plant	65,058	47,860	1,257
250	39903	Other Tangible Property - Network - H/W	35,496	5.4	P, S, T & D Plant	20,226	14,879	391
251	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
252	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
253	39906	Other Tang. Property - PC Hardware	69,473	5.4	P, S, T & D Plant	39,586	29,121	765
254	39907	Other Tang. Property - PC Software	13,141	5.4	P, S, T & D Plant	7,488	5,508	145
255	39908	Other Tang. Property - Mainframe S/W	5,248,748	5.4	P, S, T & D Plant	2,990,780	2,200,160	57,808
256	39909	Other Tang. Property - Application Software	477	5.4	P, S, T & D Plant	272	200	5
257	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
258								
259		Total General Plant	7,775,377			4,430,475	3,259,268	85,635
260								
261		CWIP w/o AFUDC	224,734	5.4	P, S, T & D Plant	128,056	94,204	2,475
262								
263		TOTAL PLANT IN SERVICE	724,669,367			412,922,619	303,765,506	7,981,242
264								
265		TOTAL CWIP W/O AFUDC	39,130,198			22,296,712	16,402,521	430,966

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF RESERVE FOR DEPRECIATION AND AMORTIZATION								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
175		Shared Services General Office:						
176								
177		General:						
178								
179	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
180	39000	Structures & Improvements	90,855	5.4	P, S, T & D Plant	51,770	38,084	1,001
181	36602	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
182	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
183	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
184	39009	Improvement to leased Premises	482,368	5.4	P, S, T & D Plant	274,857	202,198	5,313
185	39100	Office Furniture & Equipment	116,207	5.4	P, S, T & D Plant	66,216	48,712	1,280
186	39102	Remittance Processing Equip	0	5.4	P, S, T & D Plant	0	0	0
187	39103	Office Machines	0	5.4	P, S, T & D Plant	0	0	0
188	39200	Transportation Equipment	284	5.4	P, S, T & D Plant	162	119	3
189	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
190	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
191	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
192	39400	Tools, Shop & Garage Equipment	1,722	5.4	P, S, T & D Plant	981	722	19
193	39500	39500-Laboratory Equipment	-	5.4	P, S, T & D Plant	-	-	-
194	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
195	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
196	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
197	39700	Communication Equipment	28,314	5.4	P, S, T & D Plant	16,134	11,869	312
198	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
199	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
200	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
201	39800	Miscellaneous Equipment	2,855	5.4	P, S, T & D Plant	1,627	1,197	31
202	39900	Other Tangible Property	8,438	5.4	P, S, T & D Plant	4,808	3,537	93
203	39901	Other Tangible Property - Servers - H/W	1,335,526	5.4	P, S, T & D Plant	760,994	559,823	14,709
204	39902	Other Tangible Property - Servers - S/W	969,778	5.4	P, S, T & D Plant	552,588	406,510	10,681
205	39903	Other Tangible Property - Network - H/W	134,188	5.4	P, S, T & D Plant	76,461	56,248	1,478
206	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
207	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
208	39906	Other Tang. Property - PC Hardware	94,055	5.4	P, S, T & D Plant	53,593	39,426	1,036
209	39907	Other Tang. Property - PC Software	91,932	5.4	P, S, T & D Plant	52,384	38,536	1,013
210	39908	Other Tang. Property - Mainframe S/W	2,311	5.4	P, S, T & D Plant	1,317	969	25
211	39909	Other Tang. Property - Application Software	2,526,463	5.4	P, S, T & D Plant	1,439,600	1,059,038	27,826
212	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
213		Retirement Work in Progress	-	5.4	P, S, T & D Plant	-	-	-
214								
215		Total General Plant	5,885,295			3,353,490	2,466,987	64,818
216								
217		Shared Services Customer Support:						
218								
219		General:						
220								
221	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
222	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
223	36602	Structures & Improvements	204,679	5.4	P, S, T & D Plant	116,628	85,797	2,254
224	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
225	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
226	39009	Improvement to leased Premises	99,706	5.4	P, S, T & D Plant	56,813	41,794	1,098
227	39100	Office Furniture & Equipment	54,761	5.4	P, S, T & D Plant	31,203	22,954	603
228	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
229	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
230	39200	Transportation Equipment	2,235	5.4	P, S, T & D Plant	1,273	937	25
231	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
232	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
233	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
234	39400	Tools, Shop & Garage Equipment	3,654	5.4	P, S, T & D Plant	2,082	1,532	40
235	39500	Laboratory Equipment	426	5.4	P, S, T & D Plant	243	178	5
236	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
237	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
238	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
239	39700	Communication Equipment	70,180	5.4	P, S, T & D Plant	39,989	29,418	773
240	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
241	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
242	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
243	39800	Miscellaneous Equipment	4,862	5.4	P, S, T & D Plant	2,770	2,038	54
244	39900	Other Tangible Property	31,781	5.4	P, S, T & D Plant	18,109	13,322	350
245	39901	Other Tangible Property - Servers - H/W	338,151	5.4	P, S, T & D Plant	192,681	141,745	3,724
246	39902	Other Tangible Property - Servers - S/W	77,363	5.4	P, S, T & D Plant	44,082	32,429	852
247	39903	Other Tangible Property - Network - H/W	22,965	5.4	P, S, T & D Plant	13,086	9,626	253
248	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
249	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
250	39906	Other Tang. Property - PC Hardware	43,877	5.4	P, S, T & D Plant	25,002	18,392	483
251	39907	Other Tang. Property - PC Software	10,171	5.4	P, S, T & D Plant	5,795	4,263	112
252	39908	Other Tang. Property - Mainframe S/W	2,050,478	5.4	P, S, T & D Plant	1,168,380	859,516	22,583
253	39909	Other Tang. Property - Application Software	4,865	5.4	P, S, T & D Plant	2,772	2,039	54
254	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
255		Retirement Work in Progress	-	5.4	P, S, T & D Plant	-	-	-
256								
257		Total General Plant	3,020,151			1,720,907	1,265,981	33,263
258								
259		TOTAL RESERVE FOR DEPRECIATION	193,880,768			116,935,159	74,179,698	2,765,910

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
CLASSIFICATION OF OTHER RATE BASE							
	Test Year	Classif.	Classif.	Customer	Demand	Commodity	
	\$	Factor	Basis	\$	\$	\$	
1	Rate Base Additions:						
2							
3	Materials and Supplies - KY Direct	(402,124)	9.1	Allocated O&M Expenses	(59,842)	(42,645)	(299,637)
4	Materials and Supplies - KY Mid-States GO	519,990	9.1	Allocated O&M Expenses	77,382	55,144	387,463
5	Materials and Supplies - Shared Services GO	(0)	9.1	Allocated O&M Expenses	(0)	(0)	(0)
6	Materials and Supplies - Shared Services CS	0	9.1	Allocated O&M Expenses	-	-	-
7	Gas Storage Inventory	8,905,991	3.0	Commodity	-	-	8,905,991
8	Prepayments - KY Direct	0	9.1	Allocated O&M Expenses	-	-	-
9	Prepayments - KY Mid-States GO	0	9.1	Allocated O&M Expenses	-	-	-
10	Prepayments - Shared Services GO	0	9.1	Allocated O&M Expenses	-	-	-
11	Prepayments - Shared Services CS	0	9.1	Allocated O&M Expenses	-	-	-
12	Cash Working Capital	2,692,759	9.1	Allocated O&M Expenses	400,723	285,564	2,006,472
13	Regulatory Assets	(33,020,670)	9.1	Allocated O&M Expenses	(4,913,977)	(3,501,799)	(24,604,894)
14							
15	Total Rate Base Additions	(21,304,054)			(4,495,713)	(3,203,736)	(13,604,604)
16							
17							
18	Rate Base Deductions:						
19							
20	Customer Advances - KY Direct	(747,234)	1.0	Customer	(747,234)	-	-
21	Customer Advances - KY Mid-States GO	0	1.0	Customer	-	-	-
22	Customer Advances - Shared Services GO	0	1.0	Customer	-	-	-
23	Customer Advances - Shared Services CS	0	1.0	Customer	-	-	-
24	ADIT - KY Direct	(75,117,257)	5.7	Net Plant	(41,950,948)	(32,422,107)	(744,201)
25	ADIT - KY Mid-States GO	22,846,265	5.7	Net Plant	12,759,018	9,860,904	226,342
26	ADIT - Shared Services GO	(848,471)	5.7	Net Plant	(473,848)	(366,217)	(8,406)
27	ADIT - Shared Services CS	67,614	5.7	Net Plant	37,760	29,183	670
28	Change in Net Operating Loss Carryforward	1,295,767	5.7	Net Plant	723,651	559,279	12,837
29							
30	Total Rate Base Deductions	(52,503,316)			(29,651,601)	(22,338,958)	(512,758)
31							
32							
33	TOTAL OTHER RB	(73,807,370)			(34,147,314)	(25,542,694)	(14,117,362)
34							
35	Interest on Customer Deposits	0	1.0	Customer	-	-	-

Almos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF O&M EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
90		Distribution:						
91		Operation						
92	8700	Supervision and Engineering	963,411	10.0	Composite of Accts. 871-879 & 886-893	422,826	537,275	3,310
93	8710	Distribution Load Dispatching	663	3.0	Commodity	-	-	663
94	8711	Odorization	19,956	3.0	Commodity	-	-	19,956
94	8720	Compressor Station Labor & Expenses	0	3.0	Commodity	-	-	-
95	8740	Mains & Services	4,320,719	12.0	Composite of Accts. 374-379	1,445,101	2,875,617	-
96	8750	Measuring and Regulating Station Exp. - Gen	574,714	12.0	Composite of Accts. 374-379	192,218	382,496	-
97	8760	Measuring and Regulating Station Exp. - Ind.	120,928	1.0	Customer	120,928	-	-
98	8770	Measuring and Regulating Sta. Exp. - City Gate	38,286	12.0	Composite of Accts. 374-379	12,805	25,481	-
99	8780	Meters and House Regulator Expense	820,621	1.0	Customer	820,621	-	-
100	8790	Customer Installations Expense	2,246	1.0	Customer	2,246	-	-
101	8800	Other Expense	3,204	10.0	Composite of Accts. 871-879 & 886-893	1,406	1,787	11
102	8810	Rents	369,768	10.0	Composite of Accts. 871-879 & 886-893	162,285	206,212	1,270
103		Maintenance						
104	8850	Maintenance Supervision and Engineering	1,588	10.0	Composite of Accts. 871-879 & 886-893	697	886	5
105	8860	Maintenance of Structures and Improvements	98	12.0	Composite of Accts. 374-379	33	65	-
106	8870	Maintenance of Mains	28,852	12.0	Composite of Accts. 374-379	9,650	19,202	-
107	8890	Maintenance of compressor station equipment	0	3.0	Commodity	-	-	-
108	8900	Maint. of Measuring and Regulating Station Equip. - General	65,572	12.0	Composite of Accts. 374-379	21,931	43,641	-
109	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	1,723	1.0	Customer	1,723	-	-
110	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	795	12.0	Composite of Accts. 374-379	266	529	-
111	8930	Maintenance of Services	6,533	1.0	Customer	6,533	-	-
112	8940	Maintenance of Meters and House Regulators	0	1.0	Customer	-	-	-
113	8950	Maintenance of Other Equipment	5,866	10.0	Composite of Accts. 871-879 & 886-893	2,575	3,271	20
114		Total Distribution	7,345,541			3,223,843	4,096,462	25,235
115		Customer Accounts:						
116	9010	Supervision	0	1.0	Customer	-	-	-
117	9020	Meter Reading Expense	1,085,047	1.0	Customer	1,085,047	-	-
119	9030	Customer Records and Collection Expenses	1,220,802	1.0	Customer	1,220,802	-	-
120	9040	Uncollectible Accounts	341,050	1.0	Customer	341,050	-	-
121	9050	Miscellaneous Customer Accounts Expenses	0	1.0	Customer	-	-	-
122		Total Customer Accounts	2,646,900			2,646,900	0	0
123		Customer Service and Information:						
124	9070	Supervision	0	1.0	Customer	-	-	-
126	9080	Customer Assistance Expenses	0	1.0	Customer	-	-	-
127	9090	Informational and Instructional Advertising Expenses	128,272	1.0	Customer	128,272	-	-
128	9100	Miscellaneous Customer Service and Informational Expenses	0	1.0	Customer	-	-	-
129		Total Customer Service and Information	128,272			128,272	0	0
130		Sales:						
131								
132	9110	Supervision	253,468	1.0	Customer	253,468	-	-
133	9120	Demonstrating and Selling Expenses	115,937	1.0	Customer	115,937	-	-
134	9130	Advertising Expenses	35,170	1.0	Customer	35,170	-	-
135	9160	Miscellaneous Sales Expenses	(196,297)	1.0	Customer	(196,297)	-	-
136		Total Sales	208,278			208,278	0	0
137		Administrative & General:						
138		Operation						
140	9200	Administrative and General Salaries	(834,543)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(476,980)	(355,371)	(2,191)
141	9210	Office Supplies and Expenses	17,616	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	10,068	7,501	46
142	9220	Administrative Expenses Transferred - Customer Support	-	1.0	Customer	-	-	-
143	9220	Administrative Expenses Transferred - General	14,498,764	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	8,286,720	6,173,971	38,074
144	9230	Outside Services Employed	339,697	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	194,153	144,652	892
145	9240	Property Insurance	3,718	5.7	Net Plant	2,077	1,605	37
146	9250	Injuries and Damages	74,010	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	42,300	31,516	194
147	9260	Employee Pensions and Benefits	1,082,941	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	618,951	461,146	2,844
148	9270	Franchise Requirements	646	1.0	Customer	646	-	-
149	9280	Regulatory Commission Expenses	852,920	1.0	Customer	852,920	-	-
150	930.1	General Advertising Expenses	-	1.0	Customer	-	-	-
151	930.2	Miscellaneous General Expense	(42,325)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(24,191)	(18,023)	(111)
152	9310	Rents	(8,275)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(4,730)	(3,524)	(22)
153		Maintenance						
154	9320	Maintenance of General Plant	11,804	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	6,746	5,026	31
155		Total A&G	15,996,974			9,508,682	6,448,499	39,793
156								
157		TOTAL O&M EXPENSE	105,607,336			15,715,974	11,199,521	78,691,840

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF DEPRECIATION EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
82		General:						
83								
84	38900	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
85	39000	Structures & Improvements	244,888	5.4	P, S, T & D Plant	139,539	102,652	2,697
86	39001	Structures - Brick	5,574	5.4	P, S, T & D Plant	3,176	2,337	61
87	39002	Improvements	22,836	5.4	P, S, T & D Plant	13,012	9,572	252
88	39003	Air Conditioning Equipment	731	5.4	P, S, T & D Plant	416	306	8
89	39004	Improvement to leased Premises	-	5.4	P, S, T & D Plant	-	-	-
90	39009	Office Furniture & Equipment	93,448	5.4	P, S, T & D Plant	53,247	39,171	1,029
91	39100	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
92	39102	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
93	39200	Transportation Equipment	5,191	5.4	P, S, T & D Plant	2,958	2,176	57
94	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
95	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
96	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
97	39400	Tools, Shop & Garage Equipment	116,855	5.4	P, S, T & D Plant	66,585	48,983	1,287
98	39600	Power Operated Equipment	-	5.4	P, S, T & D Plant	-	-	-
99	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
100	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
101	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
102	39700	Communication Equipment	34,968	5.4	P, S, T & D Plant	19,925	14,658	385
103	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
104	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
105	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
106	39800	Miscellaneous Equipment	194,589	5.4	P, S, T & D Plant	110,878	81,567	2,143
107	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
108	39901	Other Tangible Property - Servers - H/W	2,056	5.4	P, S, T & D Plant	1,172	862	23
109	39902	Other Tangible Property - Servers - S/W	-	5.4	P, S, T & D Plant	-	-	-
110	39903	Other Tangible Property - Network - H/W	13,460	5.4	P, S, T & D Plant	7,670	5,642	148
111	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
112	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
113	39906	Other Tang. Property - PC Hardware	89,351	5.4	P, S, T & D Plant	50,913	37,454	984
114	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant	-	-	-
115	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
116	39908	Other Tang. Property - Application Software	10,289	5.4	P, S, T & D Plant	5,863	4,313	113
117	40600	Amortization of gas plant acquisition adjustments	-	5.4	P, S, T & D Plant	-	-	-
118								
119								
120		Total General Plant	834,236			475,354	349,693	9,188
121								
122		TOTAL DIRECT DEPRECIATION EXPENSE	21,834,154			14,207,936	7,493,244	132,973
123								
124		Kentucky Mid-States General Office:						
125								
126		Intangible Plant:						
127								
128	30100	Organization	-	5.4	P, S, T & D Plant	-	-	-
129	30200	Franchises & Consents	-	5.4	P, S, T & D Plant	-	-	-
130	30300	Misc Intangible Plant	-	5.4	P, S, T & D Plant	-	-	-
131								
132		Total Intangible Plant:	0			0	0	0
133								
134		General:						
135								
136	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
137	39001	Structures Frame	2,500	5.4	P, S, T & D Plant	1,424	1,048	28
138	36602	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
139	38900	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
140	39004	Air Conditioning Equipment	561	5.4	P, S, T & D Plant	320	235	6
141	39009	Improvement to leased Premises	-	5.4	P, S, T & D Plant	-	-	-
142	39100	Office Furniture & Equipment	-	5.4	P, S, T & D Plant	-	-	-
143	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
144	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
145	39200	Transportation Equipment	400	5.4	P, S, T & D Plant	228	168	4
146	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
147	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
148	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
149	39400	Tools, Shop & Garage Equipment	2,025	5.4	P, S, T & D Plant	1,154	849	22
150	39600	Power Operated Equipment	12	5.4	P, S, T & D Plant	7	5	0
151	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
152	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
153	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
154	39700	Communication Equipment	1,652	5.4	P, S, T & D Plant	941	692	18
155	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
156	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
157	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
158	39800	Miscellaneous Equipment	12,240	5.4	P, S, T & D Plant	6,974	5,131	135
159	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
160	39901	Other Tangible Property - Servers - H/W	-	5.4	P, S, T & D Plant	-	-	-
161	39902	Other Tangible Property - Servers - S/W	-	5.4	P, S, T & D Plant	-	-	-
162	39903	Other Tangible Property - Network - H/W	-	5.4	P, S, T & D Plant	-	-	-
163	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
164	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
165	39906	Other Tang. Property - PC Hardware	-	5.4	P, S, T & D Plant	-	-	-
166	39907	Other Tang. Property - PC Software	11,145	5.4	P, S, T & D Plant	6,351	4,672	123
167	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
168	39909	Other Tang. Property - Application Software	-	5.4	P, S, T & D Plant	-	-	-
169	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
170								
171								
172		Total General Plant	30,535			17,399	12,800	336

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF DEPRECIATION EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
173								
174		Shared Services General Office:						
175								
176		General:						
177								
178	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
179	39000	Structures & Improvements	7,132	5.4	P, S, T & D Plant	4,064	2,990	79
180	36602	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
181	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
182	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
183	39009	Improvement to leased Premises	35	5.4	P, S, T & D Plant	20	15	0
184	39100	Office Furniture & Equipment	10,791	5.4	P, S, T & D Plant	6,149	4,523	119
185	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
186	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
187	39200	Transportation Equipment	-	5.4	P, S, T & D Plant	-	-	-
188	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
189	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
190	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
191	39400	Tools, Shop & Garage Equipment	-	5.4	P, S, T & D Plant	-	-	-
192	39500	Laboratory Equipment	-	5.4	P, S, T & D Plant	-	-	-
193	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
194	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
195	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
196	39700	Communication Equipment	27	5.4	P, S, T & D Plant	15	11	0
197	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
198	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
199	39705	Communication Equip. - Telemetry	-	5.4	P, S, T & D Plant	-	-	-
200	39800	Miscellaneous Equipment	66	5.4	P, S, T & D Plant	37	28	1
201	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
202	39901	Other Tangible Property - Servers - H/W	133,882	5.4	P, S, T & D Plant	76,287	56,121	1,475
203	39902	Other Tangible Property - Servers - S/W	40,124	5.4	P, S, T & D Plant	22,863	16,819	442
204	39903	Other Tangible Property - Network - H/W	-	5.4	P, S, T & D Plant	-	-	-
205	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
206	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
207	39906	Other Tang. Property - PC Hardware	9,073	5.4	P, S, T & D Plant	5,170	3,803	100
208	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant	-	-	-
209	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
210	39909	Other Tang. Property - Application Software	1,366	5.4	P, S, T & D Plant	778	572	15
211	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
212								
213								
214		Total General Plant	202,494			115,383	84,881	2,230
215								
216		Shared Services Customer Support:						
217								
218		General:						
219								
220	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
221	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
222	36602	Structures & Improvements	30,100	5.4	P, S, T & D Plant	17,151	12,617	332
223	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
224	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
225	39009	Improvement to leased Premises	5,171	5.4	P, S, T & D Plant	2,947	2,168	57
226	39100	Office Furniture & Equipment	6,139	5.4	P, S, T & D Plant	3,498	2,573	68
227	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
228	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
229	39200	Transportation Equipment	-	5.4	P, S, T & D Plant	-	-	-
230	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
231	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
232	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
233	39500	Laboratory Equipment	1,191	5.4	P, S, T & D Plant	679	499	13
234	39600	Power Operated Equipment	55	5.4	P, S, T & D Plant	31	23	1
235	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
236	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
237	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
238	39700	Communication Equipment	6,709	5.4	P, S, T & D Plant	3,823	2,812	74
239	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
240	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
241	39705	Communication Equip. - Telemetry	-	5.4	P, S, T & D Plant	-	-	-
242	39800	Miscellaneous Equipment	834	5.4	P, S, T & D Plant	475	349	9
243	39900	Other Tangible Property	5,664	5.4	P, S, T & D Plant	3,227	2,374	62
244	39901	Other Tangible Property - Servers - H/W	55,314	5.4	P, S, T & D Plant	31,519	23,187	609
245	39902	Other Tangible Property - Servers - S/W	10,196	5.4	P, S, T & D Plant	5,810	4,274	112
246	39903	Other Tangible Property - Network - H/W	2,481	5.4	P, S, T & D Plant	1,414	1,040	27
247	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
248	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
249	39906	Other Tang. Property - PC Hardware	7,309	5.4	P, S, T & D Plant	4,165	3,064	80
250	39907	Other Tang. Property - PC Software	871	5.4	P, S, T & D Plant	496	365	10
251	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
252	39909	Other Tang. Property - Application Software	342,525	5.4	P, S, T & D Plant	195,174	143,579	3,772
253	39924	Other Tang. Property - General Startup Costs	31	5.4	P, S, T & D Plant	18	13	0
254								
255								
256		Total General Plant	474,591			270,426	198,938	5,227
257								
258		TOTAL DEPRECIATION EXPENSE	22,541,774			14,611,144	7,789,863	140,767

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
SUMMARY OF CLASSIFICATION							
		Test Year	Classif.	Classif.	Customer	Demand	Commodity
		\$	Factor	Basis	\$	\$	\$
1							
2							
3							
4							
5							
6							
7	Operating Revenues	169,717,866			53,429,311	36,764,497	79,524,058
8							
9	Operating Expenses:						
10							
11	Operating & Maintenance	105,607,336			15,715,974	11,199,521	78,691,840
12	Depreciation & Amortization	22,541,774			14,611,144	7,789,863	140,767
13	Taxes Other Than Income	7,511,837			3,596,845	2,642,021	1,272,971
14							
15	Total Operating Expenses	135,660,946			33,923,963	21,631,406	80,105,577
16							
17	Income Before Taxes	34,056,920			19,505,348	15,133,091	(581,519)
18							
19	Interest Expense	9,367,735			5,365,163	4,162,525	(159,953)
20							
21	Income Taxes:						
22							
23	State Income Taxes	1,481,351	6.00%		848,411	658,234	(25,294)
24	Federal Income Taxes	4,873,645	21.00%		2,791,273	2,165,590	(83,217)
25	Total Deferred Income Taxes	0			0	0	0
26	Amortization of ITC	0			0	0	0
27							
28	Total Income Taxes	6,354,996			3,639,684	2,823,824	(108,511)
29							
30	Net Income	27,701,923			15,865,664	12,309,267	(473,008)
31							
32	Total Rate Base	496,111,427			284,136,858	220,445,634	(8,471,064)
33							
34	Rate of Return	5.5838%			5.5838%	5.5838%	5.5838%

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
Customer										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1		Intangible Plant:								
2										
3	30100	Organization	6.2	P, S, T & D Plant - Customer	4,746	3,844	866	2	22	12
4	30200	Franchises & Consents	6.2	P, S, T & D Plant - Customer	68,293	55,303	12,467	25	318	180
5	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
6										
7		Total Intangible Plant:			73,039	59,146	13,334	27	340	192
8										
9		Production Plant:								
10										
11	32520	Producing Leaseholds	99.0	-	0	-	-	-	-	-
12	32540	Rights of Ways	99.0	-	0	-	-	-	-	-
13	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
14	33201	Field Lines	99.0	-	0	-	-	-	-	-
15	33202	Tributary Lines	99.0	-	0	-	-	-	-	-
16	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-	-
17	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
18										
19		Total Production Plant			0	0	0	0	0	0
20										
21		Storage Plant:								
22										
23	35010	Land	99.0	-	0	-	-	-	-	-
24	35020	Rights of Way	99.0	-	0	-	-	-	-	-
25	35100	Structures and Improvements	99.0	-	0	-	-	-	-	-
26	35102	Compression Station Equipment	99.0	-	0	-	-	-	-	-
27	35103	Meas. & Reg. Sta. Structures	99.0	-	0	-	-	-	-	-
28	35104	Other Structures	99.0	-	0	-	-	-	-	-
29	35200	Wells & Rights of Way	99.0	-	0	-	-	-	-	-
30	35201	Well Construction	99.0	-	0	-	-	-	-	-
31	35202	Well Equipment	99.0	-	0	-	-	-	-	-
32	35203	Cushion Gas	99.0	-	0	-	-	-	-	-
33	35210	Leaseholds	99.0	-	0	-	-	-	-	-
34	35211	Storage Rights	99.0	-	0	-	-	-	-	-
35	35301	Field Lines	99.0	-	0	-	-	-	-	-
36	35302	Tributary Lines	99.0	-	0	-	-	-	-	-
37	35400	Compressor Station Equipment	99.0	-	0	-	-	-	-	-
38	35500	Meas & Reg. Equipment	99.0	-	0	-	-	-	-	-
39	35600	Purification Equipment	99.0	-	0	-	-	-	-	-
40										
41		Total Storage Plant			0	0	0	0	0	0
42										
43		Transmission:								
44										
45	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
46	36520	Rights of Way	99.0	-	0	-	-	-	-	-
47	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
48	36603	Other Structures	99.0	-	0	-	-	-	-	-
49	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
50	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
51	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
52	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
53										
54		Total Transmission Plant			0	0	0	0	0	0
55										
56		Distribution:								
57										
58	37400	Land & Land Rights	2.0	Bills	177,653	158,206	19,246	10	122	69
59	37401	Land	2.0	Bills	12,484	11,118	1,352	1	9	5
60	37402	Land Rights	2.0	Bills	1,219,352	1,085,872	132,098	67	839	475
61	37403	Land Other	2.0	Bills	931	829	101	0	1	0
62	37500	Structures & Improvements	2.0	Bills	112,434	100,128	12,181	6	77	44
63	37501	Structures & Improvements T.B.	2.0	Bills	33,385	29,730	3,617	2	23	13
64	37502	Land Rights	2.0	Bills	15,473	13,780	1,676	1	11	6
65	37503	Improvements	2.0	Bills	1,340	1,193	145	0	1	1
66	37600	Mains Cathodic Protection	2.0	Bills	6,893,706	6,139,068	746,827	380	4,746	2,686
67	37601	Mains - Steel	2.0	Bills	58,873,231	52,428,515	6,378,007	3,241	40,530	22,938
68	37602	Mains - Plastic	2.0	Bills	44,570,584	39,691,545	4,828,535	2,454	30,684	17,366
69	37800	Meas & Reg. Sta. Equip - General	2.0	Bills	10,004,295	8,909,148	1,083,811	551	6,887	3,898
70	37900	Meas & Reg. Sta. Equip - City Gate	2.0	Bills	1,714,445	1,526,769	185,734	94	1,180	668
71	37905	Meas & Reg. Sta. Equipment T.b.	2.0	Bills	552,612	492,119	59,867	30	380	215
72	38000	Services	2.0	Bills	150,274,437	133,824,243	16,279,918	8,273	103,453	58,550
73	38100	Meters	4.0	Meter Investment	38,722,015	24,990,781	12,812,487	45,125	564,268	319,353
74	38200	Meter Installations	4.0	Meter Investment	57,067,155	36,815,804	18,882,597	66,503	831,599	470,652
75	38300	House Regulators	4.0	Meter Investment	12,779,948	8,244,744	4,228,678	14,893	186,233	105,401
76	38400	House Reg. Installations	4.0	Meter Investment	252,587	162,952	83,577	294	3,681	2,083
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2	Non-Residential Bills	5,241,043	-	5,186,793	2,636	32,960	18,654
78	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
79										
80		Total Distribution Plant			388,519,111	314,616,542	70,927,245	144,561	1,807,685	1,023,078

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF PLANT IN SERVICE									
81									
82	General:								
83									
84	38900 Land & Land Rights	6.2 P, S, T & D Plant - Customer	690,435	559,103	126,044	257	3,212	1,818	
85	39000 Structures & Improvements	6.2 P, S, T & D Plant - Customer	4,328,036	3,504,774	790,117	1,610	20,137	11,397	
86	39001 Structures Frame	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
87	39002 Structures-Brick	6.2 P, S, T & D Plant - Customer	98,642	79,879	18,008	37	459	260	
88	39003 Improvements	6.2 P, S, T & D Plant - Customer	404,108	327,240	73,773	150	1,880	1,064	
89	39004 Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	7,382	5,978	1,348	3	34	19	
90	39009 Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	710,092	575,021	129,633	264	3,304	1,870	
91	39100 Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	1,063,264	861,030	194,111	596	4,947	2,800	
92	39102 Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
93	39103 Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
94	39200 Transportation Equipment	6.2 P, S, T & D Plant - Customer	125,920	101,968	22,988	47	586	332	
95	39201 Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
96	39202 Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
97	39300 Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
98	39400 Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	2,323,884	1,881,844	424,243	865	10,812	6,119	
99	39600 Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
100	39603 Ditchers	6.2 P, S, T & D Plant - Customer	22,570	18,277	4,120	8	105	59	
101	39604 Backhoes	6.2 P, S, T & D Plant - Customer	35,754	28,953	6,527	13	166	94	
102	39605 Welders	6.2 P, S, T & D Plant - Customer	11,070	8,964	2,021	4	52	29	
103	39700 Communication Equipment	6.2 P, S, T & D Plant - Customer	298,726	241,904	54,535	111	1,390	787	
104	39701 Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
105	39702 Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
106	39705 Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
107	39800 Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	2,217,563	1,795,747	404,834	825	10,318	5,839	
108	39900 Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
109	39901 Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	8,199	6,640	1,497	3	38	22	
110	39902 Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
111	39903 Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	76,696	62,107	14,001	29	357	202	
112	39904 Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
113	39905 Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
114	39906 Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	263,188	213,125	48,047	98	1,225	693	
115	39907 Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
116	39908 Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	70,380	56,992	12,848	26	327	185	
117	39909 Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
118	39924 Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
119									
120	Total General Plant		12,755,928	10,329,546	2,328,696	4,746	59,350	33,590	
121									
122	TOTAL DIRECT PLANT		401,348,078	325,005,234	73,269,274	149,335	1,867,375	1,056,860	
123									
124	CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	21,740,927	17,605,453	3,968,979	8,089	101,155	57,250	
125									
126	Kentucky Mid-States General Office:								
127									
128	Intangible Plant:								
129									
130	30100 Organization	6.2 P, S, T & D Plant - Customer	52,563	42,565	9,596	20	245	138	
131	30200 Franchises & Consents	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
132	30300 Misc Intangible Plant	6.2 P, S, T & D Plant - Customer	314,725	254,859	57,456	117	1,464	829	
133									
134	Total Intangible Plant		367,288	297,424	67,051	137	1,709	967	
135									
136	General:								
137									
138	37400 Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
139	39001 Structures Frame	6.2 P, S, T & D Plant - Customer	50,869	41,193	9,287	19	237	134	
140	39602 Structures & Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
141	39900 Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
142	39004 Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	4,364	3,534	797	2	20	11	
143	39009 Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	11,015	8,920	2,011	4	51	29	
144	39100 Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	10,952	8,868	1,999	4	51	29	
145	39102 Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
146	39103 Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
147	39200 Transportation Equipment	6.2 P, S, T & D Plant - Customer	7,739	6,267	1,413	3	36	20	
148	39201 Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
149	39202 Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
150	39300 Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
151	39400 Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	49,885	40,396	9,107	19	232	131	
152	39600 Power Operated Equipment	6.2 P, S, T & D Plant - Customer	5,819	4,712	1,062	2	27	15	
153	39603 Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
154	39604 Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
155	39605 Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
156	39700 Communication Equipment	6.2 P, S, T & D Plant - Customer	10,649	8,623	1,944	4	50	28	
157	39701 Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
158	39702 Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
159	39705 Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
160	39800 Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	230,939	187,011	42,160	86	1,075	608	
161	39900 Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
162	39901 Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
163	39902 Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
164	39903 Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
165	39904 Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
166	39905 Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
167	39906 Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	19,906	16,120	3,634	7	93	52	
168	39907 Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	46,889	37,970	8,560	17	218	123	
169	39908 Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	235,007	190,305	42,902	87	1,093	619	
170	39909 Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
171	39924 Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
172									
173	Total General Plant		684,033	553,919	124,876	255	3,183	1,801	
174									
175	CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	1,317	1,066	240	0	6	3	

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF PLANT IN SERVICE									
176									
177		Shared Services General Office:							
178									
179		General:							
180									
181	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
182	39001	Structures Frame	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
183	36602	Structures & Improvements	6.2 P, S, T & D Plant - Customer	134,716	109,091	24,594	50	627	355
184	37503	Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
185	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
186	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	275,421	223,032	50,280	102	1,281	725
187	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	163,488	132,390	29,846	61	761	431
188	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
189	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
190	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	210	170	38	0	1	1
191	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
192	39202	Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
193	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
194	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	2,244	1,817	410	1	10	6
195	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
196	39603	Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
197	39604	Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
198	39605	Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
199	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	30,980	25,087	5,656	12	144	82
200	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
201	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
202	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
203	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	4,295	3,478	784	2	20	11
204	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	4,773	3,865	871	2	22	13
205	39901	Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	1,323,054	1,071,388	241,534	492	6,156	3,484
206	39902	Other Tangible Property - Servers - SW	6.2 P, S, T & D Plant - Customer	799,115	647,111	145,885	297	3,718	2,104
207	39903	Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	252,028	204,088	46,010	94	1,173	664
208	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
209	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
210	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	88,811	71,918	16,213	33	413	234
211	39907	Other Tangible Property - PC Software	6.2 P, S, T & D Plant - Customer	49,128	39,781	8,968	18	229	129
212	39908	Other Tang. Property - Mainframe SW	6.2 P, S, T & D Plant - Customer	2,210,653	1,790,151	403,572	823	10,286	5,821
213	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	753,831	610,441	137,618	280	3,507	1,985
214	39931	Other Tang. Property - ALGN	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
215									
216		Total General Plant		6,092,746	4,933,808	1,112,279	2,267	28,348	16,044
217									
218		CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	426,413	345,302	77,845	159	1,984	1,123
219									
220		Shared Services Customer Support:							
221									
222		General:							
223									
224	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	117,313	94,998	21,416	44	546	309
225	39001	Structures Frame	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
226	36602	Structures & Improvements	6.2 P, S, T & D Plant - Customer	569,815	461,427	104,024	212	2,651	1,500
227	37503	Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
228	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
229	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	90,666	73,420	16,552	34	422	239
230	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	88,145	71,378	16,092	33	410	232
231	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
232	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
233	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	1,272	1,030	232	0	6	3
234	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
235	39202	Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
236	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
237	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	8,030	6,503	1,466	3	37	21
238	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	312	253	57	0	1	1
239	39603	Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
240	39604	Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
241	39605	Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
242	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	65,347	52,917	11,930	24	304	172
243	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
244	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
245	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
246	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	8,979	7,271	1,639	3	42	24
247	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	24,711	20,011	4,511	9	115	65
248	39901	Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	332,475	269,233	60,696	124	1,547	875
249	39902	Other Tangible Property - Servers - SW	6.2 P, S, T & D Plant - Customer	65,058	52,683	11,877	24	303	171
250	39903	Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	20,226	16,379	3,692	8	94	53
251	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
252	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
253	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	39,586	32,056	7,227	15	184	104
254	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	7,488	6,064	1,367	3	35	20
255	39908	Other Tang. Property - Mainframe SW	6.2 P, S, T & D Plant - Customer	2,990,780	2,421,886	545,991	1,113	13,915	7,876
256	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	272	220	50	0	1	1
257	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
258									
259		Total General Plant		4,430,475	3,587,727	808,818	1,649	20,614	11,667
260									
261		CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	128,056	103,697	23,378	48	596	337
262									
263		TOTAL PLANT IN SERVICE - CUSTOMER		412,922,619	334,378,112	75,382,299	153,641	1,921,229	1,087,339
264									
265		TOTAL CWIP W/O AFUDC - CUSTOMER		22,296,712	18,055,519	4,070,442	8,296	103,741	58,713

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
266		Intangible Plant:								
267										
268	30100	Organization	6.4	P, S, T & D Plant - Demand	3,492	1,579	903	47	506	457
269	30200	Franchises & Consents	6.4	P, S, T & D Plant - Demand	50,240	22,715	12,989	683	7,277	6,576
270	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
271										
272		Total Intangible Plant:			53,731	24,294	13,892	731	7,783	7,033
273										
274		Production Plant:								
275										
276	32500	Producing Leaseholds	3.0	Peak Day	0	-	-	-	-	-
277	32540	Rights of Ways	3.0	Peak Day	2,341	1,058	605	32	339	306
278	33100	Production Gas Wells Equipment	3.0	Peak Day	0	-	-	-	-	-
279	33201	Field Lines	3.0	Peak Day	0	-	-	-	-	-
280	33202	Tributary Lines	3.0	Peak Day	0	-	-	-	-	-
281	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0	-	-	-	-	-
282	33600	Purification Equipment	3.0	Peak Day	0	-	-	-	-	-
283										
284		Total Production Plant			0	0	0	0	0	0
285										
286		Storage Plant:								
287										
288	35010	Land	3.0	Peak Day	130,563	59,032	33,756	1,775	18,911	17,089
289	35020	Rights of Way	3.0	Peak Day	2,341	1,058	605	32	339	306
290	35100	Structures and Improvements	3.0	Peak Day	8,958	4,050	2,316	122	1,298	1,172
291	35102	Compression Station Equipment	3.0	Peak Day	76,631	34,647	19,812	1,042	11,099	10,030
292	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	11,569	5,231	2,991	157	1,676	1,514
293	35104	Other Structures	3.0	Peak Day	68,721	31,071	17,767	935	9,954	8,995
294	35200	Wells & Rights of Way	3.0	Peak Day	4,174,198	1,887,299	1,079,195	56,763	604,604	546,337
295	35201	Well Construction	3.0	Peak Day	849,999	384,314	219,758	11,559	123,117	111,252
296	35202	Well Equipment	3.0	Peak Day	224,655	101,574	58,082	3,055	32,540	29,404
297	35203	Cushion Gas	3.0	Peak Day	847,416	383,146	219,091	11,524	122,742	110,914
298	35210	Leaseholds	3.0	Peak Day	89,265	40,360	23,079	1,214	12,929	11,683
299	35211	Storage Rights	3.0	Peak Day	27,307	12,346	7,060	371	3,955	3,574
300	35301	Field Lines	3.0	Peak Day	87,675	39,641	22,667	1,192	12,699	11,475
301	35302	Tributary Lines	3.0	Peak Day	104,659	47,320	27,059	1,423	15,159	13,698
302	35400	Compressor Station Equipment	3.0	Peak Day	461,723	208,761	119,374	6,279	66,877	60,432
303	35500	Meas. & Reg. Equipment	3.0	Peak Day	136,542	61,735	35,302	1,857	19,777	17,871
304	35600	Purification Equipment	3.0	Peak Day	207,332	93,742	53,603	2,819	30,031	27,136
305										
306		Total Storage Plant			7,509,555	3,395,329	1,941,516	102,119	1,087,708	982,884
307										
308		Transmission:								
309										
310	36510	Land & Land Rights	3.0	Peak Day	26,970	12,194	6,973	367	3,906	3,530
311	36520	Rights of Way	3.0	Peak Day	867,772	392,350	224,353	11,800	125,691	113,578
312	36602	Structures & Improvements	3.0	Peak Day	49,002	22,155	12,669	666	7,098	6,414
313	36603	Other Structures	3.0	Peak Day	60,626	27,502	15,726	827	8,810	7,961
314	36700	Mains Cathodic Protection	3.0	Peak Day	139,638	63,135	36,102	1,899	20,226	18,276
315	36701	Mains - Steel	3.0	Peak Day	27,047,831	12,229,257	6,992,930	367,811	3,917,694	3,540,140
316	36900	Meas. & Reg. Equipment	3.0	Peak Day	173,467	330,721	189,113	9,947	105,948	95,738
317	36901	Meas. & Reg. Equipment	3.0	Peak Day	2,269,556	1,026,144	586,770	30,863	328,730	297,050
318										
319		Total Transmission Plant			31,193,061	14,103,458	8,064,635	424,180	4,518,102	4,082,686
320										
321		Distribution:								
322										
323	37400	Land & Land Rights	3.0	Peak Day	353,514	159,836	91,397	4,807	51,204	46,269
324	37401	Land	3.0	Peak Day	24,842	11,232	6,423	338	3,598	3,251
325	37402	Land Rights	3.0	Peak Day	2,426,397	1,097,058	627,319	32,995	351,447	317,578
326	37403	Land Other	3.0	Peak Day	1,853	838	479	25	268	243
327	37500	Structures & Improvements	3.0	Peak Day	223,733	101,158	57,844	3,042	32,406	29,283
328	37501	Structures & Improvements T.B.	3.0	Peak Day	66,433	30,037	17,176	903	9,622	8,695
329	37502	Land Rights	3.0	Peak Day	30,791	13,922	7,961	419	4,460	4,030
330	37503	Improvements	3.0	Peak Day	2,666	1,205	689	36	386	349
331	37600	Mains Cathodic Protection	3.0	Peak Day	13,717,835	6,202,306	3,546,601	186,543	1,986,935	1,795,451
332	37601	Mains - Steel	3.0	Peak Day	117,152,267	52,968,579	30,288,475	1,593,100	16,968,706	15,353,407
333	37602	Mains - Plastic	3.0	Peak Day	88,691,326	40,100,406	22,930,201	1,206,073	12,846,333	11,608,313
334	37800	Meas. & Reg. Sta. Equip - General	3.0	Peak Day	19,907,618	9,000,921	5,146,903	270,715	2,883,483	2,605,597
335	37900	Meas. & Reg. Sta. Equip - City Gate	3.0	Peak Day	3,411,587	1,542,496	882,030	46,393	494,145	446,524
336	37905	Meas. & Reg. Sta. Equipment T.b.	3.0	Peak Day	1,099,647	497,188	284,302	14,954	159,276	143,927
337	38000	Services	99.0	-	0	-	-	-	-	-
338	38100	Meters	99.0	-	0	-	-	-	-	-
339	38200	Meter Installations	99.0	-	0	-	-	-	-	-
340	38300	House Regulators	99.0	-	0	-	-	-	-	-
341	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
342	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
343	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
344										
345		Total Distribution Plant			247,110,508	111,727,180	63,887,800	3,360,342	35,792,270	32,342,916

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
346										
347	General:									
348										
349	38900	Land & Land Rights	6.4	P, S, T & D Plant - Demand	507,917	229,647	131,317	6,907	73,568	66,478
350	39000	Structures & Improvements	6.4	P, S, T & D Plant - Demand	3,183,909	1,439,555	823,166	43,297	461,167	416,724
351	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
352	39002	Structures-Brick	6.4	P, S, T & D Plant - Demand	72,566	32,810	18,761	987	10,511	9,498
353	39003	Improvements	6.4	P, S, T & D Plant - Demand	297,281	134,411	76,859	4,043	43,059	38,909
354	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	5,430	2,455	1,404	74	787	711
355	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	522,377	236,185	135,055	7,104	75,663	68,371
356	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	782,202	353,661	202,230	10,637	113,297	102,378
357	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
358	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
359	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	92,633	41,883	23,949	1,260	13,417	12,124
360	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
361	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
362	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
363	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	1,709,559	772,951	441,988	23,248	247,618	223,755
364	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
365	39603	Ditchers	6.4	P, S, T & D Plant - Demand	16,604	7,507	4,293	226	2,405	2,173
366	39604	Backhoes	6.4	P, S, T & D Plant - Demand	26,302	11,892	6,800	358	3,810	3,443
367	39605	Welders	6.4	P, S, T & D Plant - Demand	8,143	3,682	2,105	111	1,180	1,066
368	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	219,757	99,360	56,816	2,988	31,830	28,763
369	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
370	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
371	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
372	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	1,631,345	737,587	421,767	22,184	236,289	213,518
373	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
374	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	6,032	2,727	1,559	82	874	789
375	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
376	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	56,421	25,510	14,587	767	8,172	7,385
377	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
378	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
379	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	193,613	87,539	50,057	2,633	28,044	25,341
380	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
381	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	51,775	23,409	13,386	704	7,499	6,777
382	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
383	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
384										
385	Total General Plant				9,383,867	4,242,770	2,426,099	127,607	1,359,189	1,228,202
386										
387	TOTAL DIRECT PLANT				295,250,723	133,493,031	76,333,941	4,014,979	42,765,051	38,643,721
388										
389	CWIP w/o AFUDC				15,993,659	7,231,285	4,134,991	217,490	2,316,572	2,093,321
390										
391	Kentucky Mid-States General Office:									
392										
393	Intangible Plant:									
394										
395	30100	Organization	6.4	P, S, T & D Plant - Demand	38,668	17,483	9,997	526	5,601	5,061
396	30200	Franchises & Consents	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
397	30300	Misc Intangible Plant	6.4	P, S, T & D Plant - Demand	231,527	104,681	59,859	3,148	33,535	30,303
398										
399	Total Intangible Plant:				270,195	122,164	69,856	3,674	39,136	35,364
400										
401	General:									
402										
403	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
404	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	37,422	16,920	9,675	509	5,420	4,898
405	39602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
406	39900	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
407	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	3,210	1,451	830	44	465	420
408	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	8,103	3,664	2,095	110	1,174	1,061
409	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	8,056	3,643	2,083	110	1,167	1,054
410	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
411	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
412	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	5,693	2,574	1,472	77	825	745
413	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
414	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
415	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
416	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	36,698	16,592	9,488	499	5,315	4,803
417	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	4,281	1,936	1,107	58	620	560
418	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
419	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
420	39605	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
421	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	7,834	3,542	2,025	107	1,135	1,025
422	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
423	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
424	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
425	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	169,890	78,813	43,923	2,310	24,607	22,236
426	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
427	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
428	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
429	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
430	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
431	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
432	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	14,644	6,621	3,786	199	2,121	1,917
433	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	34,493	15,596	8,918	469	4,996	4,515
434	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	172,882	78,166	44,697	2,351	25,041	22,628
435	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
436	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
437										
438	Total General Plant				503,207	227,517	130,099	6,843	72,886	65,862
439										
440	CWIP w/o AFUDC				969	438	250	13	140	127

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF PLANT IN SERVICE									
441									
442	Shared Services General Office:								
443									
444	General:								
445									
446	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
447	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
448	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	99,104	44,808	25,622	1,348	14,354	12,971
449	37503 Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
450	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
451	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	202,613	91,608	52,383	2,755	29,347	26,519
452	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	120,270	54,378	31,094	1,635	17,420	15,741
453	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
454	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
455	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	155	70	40	2	22	20
456	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
457	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
458	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
459	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	1,651	746	427	22	239	216
460	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
461	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
462	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
463	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
464	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	22,791	10,304	5,892	310	3,301	2,983
465	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
466	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
467	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
468	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	3,159	1,429	817	43	458	414
469	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	3,512	1,588	908	48	509	460
470	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	973,301	440,063	251,837	13,235	140,976	127,390
471	39902 Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	587,867	265,795	151,987	7,994	85,149	76,943
472	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	185,404	83,827	47,934	2,521	26,854	24,266
473	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
474	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
475	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	65,334	29,540	16,891	888	9,463	8,551
476	39907 Other Tangible Property - PC Software	6.4	P, S, T & D Plant - Demand	36,139	16,340	9,343	491	5,234	4,730
477	39908 Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	1,626,261	735,289	420,453	22,115	235,553	212,852
478	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	554,554	250,733	143,374	7,541	80,323	72,583
479	39931 Other Tang. Property - ALGN	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
480									
481	Total General Plant			4,482,113	2,026,518	1,158,803	60,950	649,204	586,639
482									
483	CWIP w/o AFUDC	6.4	P, S, T & D Plant - Demand	313,690	141,830	81,101	4,266	45,436	41,057
484									
485	Shared Services Customer Support:								
486									
487	General:								
488									
489	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	86,301	39,020	22,312	1,174	12,500	11,295
490	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
491	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	419,183	189,527	108,375	5,700	60,716	54,864
492	37503 Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
493	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
494	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	66,698	30,157	17,244	907	9,661	8,730
495	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	64,843	29,318	16,765	882	9,392	8,487
496	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
497	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
498	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	936	423	242	13	136	122
499	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
500	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
501	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
502	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	5,907	2,671	1,527	80	856	773
503	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	230	104	59	3	33	30
504	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
505	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
506	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
507	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	48,072	21,735	12,429	654	6,963	6,292
508	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
509	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
510	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
511	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	6,605	2,987	1,708	90	957	865
512	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	18,179	8,219	4,700	247	2,633	2,379
513	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	244,584	110,585	63,235	3,326	35,426	32,012
514	39902 Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	47,860	21,639	12,374	651	6,932	6,284
515	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	14,879	6,727	3,847	202	2,155	1,947
516	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
517	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
518	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	29,121	13,167	7,529	396	4,218	3,812
519	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	5,508	2,491	1,424	75	798	721
520	39908 Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	2,200,160	994,768	568,828	29,919	318,678	287,967
521	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	200	90	52	3	29	26
522	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
523									
524	Total General Plant			3,259,268	1,473,627	842,649	44,321	472,083	426,587
525									
526	CWIP w/o AFUDC	6.4	P, S, T & D Plant - Demand	94,204	42,593	24,355	1,281	13,645	12,330
527									
528	TOTAL PLANT IN SERVICE - DEMAND			303,765,506	137,342,857	78,535,348	4,130,768	43,998,359	39,758,173
529									
530	TOTAL CWIP W/O AFUDC - DEMAND			16,402,521	7,416,145	4,240,698	223,050	2,375,793	2,146,834

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
Commodity										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
531		Intangible Plant:								
532										
533	30100	Organization	6.6	P, S, T & D Plant - Commodity	92	35	21	1	17	17
534	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	1,320	500	309	17	243	251
535	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
536										
537		Total Intangible Plant:			1,412	535	331	18	260	269
538										
539		Production Plant:								
540										
541	32520	Producing Leaseholds	99.0	-	0	-	-	-	-	-
542	32540	Rights of Ways	99.0	-	0	-	-	-	-	-
543	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
544	33201	Field Lines	99.0	-	0	-	-	-	-	-
545	33202	Tributary Lines	99.0	-	0	-	-	-	-	-
546	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-	-
547	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
548										
549		Total Production Plant			0	0	0	0	0	0
550										
551		Storage Plant:								
552										
553	35010	Land	1.5	Winter Volumes	130,563	49,435	30,589	1,673	24,001	24,865
554	35020	Rights of Way	1.5	Winter Volumes	2,341	886	548	30	430	446
555	35100	Structures and Improvements	1.5	Winter Volumes	8,958	3,392	2,099	115	1,647	1,706
556	35102	Compression Station Equipment	1.5	Winter Volumes	76,631	29,015	17,954	982	14,087	14,594
557	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	11,569	4,380	2,711	148	2,127	2,203
558	35104	Other Structures	1.5	Winter Volumes	68,721	26,020	16,101	880	12,633	13,087
559	35200	Wells & Rights of Way	1.5	Winter Volumes	4,174,198	1,580,473	977,961	53,480	767,344	794,940
560	35201	Well Construction	1.5	Winter Volumes	849,999	321,834	199,144	10,890	156,256	161,875
561	35202	Well Equipment	1.5	Winter Volumes	224,655	85,061	52,634	2,878	41,298	42,784
562	35203	Cushion Gas	1.5	Winter Volumes	847,416	320,857	198,539	10,857	155,781	161,383
563	35210	Leaseholds	1.5	Winter Volumes	89,265	33,798	20,914	1,144	16,410	17,000
564	35211	Storage Rights	1.5	Winter Volumes	27,307	10,339	6,398	350	5,020	5,200
565	35301	Field Lines	1.5	Winter Volumes	87,675	33,196	20,541	1,123	16,117	16,697
566	35302	Tributary Lines	1.5	Winter Volumes	104,659	39,627	24,520	1,341	19,240	19,931
567	35400	Compressor Station Equipment	1.5	Winter Volumes	461,723	174,822	108,176	5,916	84,879	87,931
568	35500	Meas & Reg. Equipment	1.5	Winter Volumes	136,542	51,699	31,990	1,749	25,101	26,003
569	35600	Purification Equipment	1.5	Winter Volumes	207,332	78,502	48,575	2,656	38,114	39,485
570										
571		Total Storage Plant			7,509,555	2,843,336	1,759,393	96,213	1,380,484	1,430,130
572										
573		Transmission:								
574										
575	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
576	36520	Rights of Way	99.0	-	0	-	-	-	-	-
577	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
578	36603	Other Structures	99.0	-	0	-	-	-	-	-
579	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
580	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
581	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
582	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
583		Total Transmission Plant			0	0	0	0	0	0
584										
585		Distribution:								
586										
587										
588	37400	Land & Land Rights	1.0	Mcf	0	-	-	-	-	-
589	37401	Land	1.0	Mcf	0	-	-	-	-	-
590	37402	Land Rights	1.0	Mcf	0	-	-	-	-	-
591	37403	Land Other	1.0	Mcf	0	-	-	-	-	-
592	37500	Structures & Improvements	1.0	Mcf	0	-	-	-	-	-
593	37501	Structures & Improvements T.B.	1.0	Mcf	0	-	-	-	-	-
594	37502	Land Rights	1.0	Mcf	0	-	-	-	-	-
595	37503	Improvements	1.0	Mcf	0	-	-	-	-	-
596	37600	Mains Cathodic Protection	1.0	Mcf	0	-	-	-	-	-
597	37601	Mains - Steel	1.0	Mcf	0	-	-	-	-	-
598	37602	Mains - Plastic	1.0	Mcf	0	-	-	-	-	-
599	37800	Meas & Reg. Sta. Equip - General	1.0	Mcf	0	-	-	-	-	-
600	37900	Meas & Reg. Sta. Equip - City Gate	1.0	Mcf	0	-	-	-	-	-
601	37905	Meas & Reg. Sta. Equipment T.b.	1.0	Mcf	0	-	-	-	-	-
602	38000	Services	99.0	-	0	-	-	-	-	-
603	38100	Meters	99.0	-	0	-	-	-	-	-
604	38200	Meter Installations	99.0	-	0	-	-	-	-	-
605	38300	House Regulators	99.0	-	0	-	-	-	-	-
606	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
607	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
608	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
609										
610		Total Distribution Plant			0	0	0	0	0	0

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
611										
612	General:									
613										
614	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	13,345	5,053	3,127	171	2,453	2,541
615	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	83,655	31,674	19,599	1,072	15,378	15,931
616	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
617	39002	Structures-Brick	6.6	P, S, T & D Plant - Commodity	1,907	722	447	24	350	363
618	39003	Improvements	6.6	P, S, T & D Plant - Commodity	7,811	2,957	1,830	100	1,436	1,488
619	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	143	54	33	2	26	27
620	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	13,725	5,197	3,216	176	2,523	2,614
621	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	20,552	7,782	4,815	263	3,778	3,914
622	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
623	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
624	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	2,434	922	570	31	447	464
625	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
626	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
627	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
628	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	44,918	17,007	10,524	575	8,257	8,554
629	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
630	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	436	165	102	6	80	83
631	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	691	262	162	9	127	132
632	39605	Welders	6.6	P, S, T & D Plant - Commodity	214	81	50	3	39	41
633	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	5,774	2,186	1,353	74	1,061	1,100
634	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
635	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
636	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
637	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	42,863	16,229	10,042	549	7,879	8,163
638	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
639	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	158	60	37	2	29	30
640	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
641	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	1,482	561	347	19	273	282
642	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
643	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
644	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	5,087	1,926	1,192	65	935	969
645	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
646	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	1,360	515	319	17	250	259
647	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
648	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
649	Total General Plant				246,555	93,353	57,765	3,159	45,324	46,954
651	TOTAL DIRECT PLANT				7,757,522	2,937,224	1,817,488	99,389	1,426,068	1,477,353
652										
653										
654	61000	CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	420,223	159,109	98,453	5,384	77,250	80,028
655										
656	Kentucky Mid-States General Office:									
657										
658	Intangible Plant:									
659										
660	30100	Organization	6.6	P, S, T & D Plant - Commodity	1,016	385	238	13	187	193
661	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
662	30300	Misc Intangible Plant	6.6	P, S, T & D Plant - Commodity	6,083	2,303	1,425	78	1,118	1,158
663	Total Intangible Plant:				7,099	2,688	1,663	91	1,305	1,352
665										
666	General:									
667										
668	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
669	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	983	372	230	13	181	187
670	39602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
671	39900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
672	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	84	32	20	1	16	16
673	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	213	81	50	3	39	41
674	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	212	80	50	3	39	40
675	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
676	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
677	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	150	57	35	2	27	28
678	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
679	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
680	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
681	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	964	365	226	12	177	184
682	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	112	43	26	1	21	21
683	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
684	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
685	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
686	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	206	78	48	3	38	39
687	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
688	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
689	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
690	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	4,464	1,690	1,046	57	821	850
691	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
692	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
693	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
694	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
695	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
696	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
697	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	385	146	90	5	71	73
698	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	906	343	212	12	167	173
699	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	4,542	1,720	1,064	58	835	865
700	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
701	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
702	Total General Plant				13,221	5,006	3,098	169	2,431	2,518
704										
705	61000	CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	25	10	6	0	5	5

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF PLANT IN SERVICE									
706									
707	Shared Services General Office:								
708									
709	General:								
710									
711	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
712	39001 Structures Frame	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
713	36602 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	2,604	986	610	33	479	496
714	37503 Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
715	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
716	39009 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	5,324	2,016	1,247	68	979	1,014
717	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	3,160	1,196	740	40	581	602
718	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
719	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
720	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	4	2	1	0	1	1
721	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
722	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
723	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
724	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	43	16	10	1	8	8
725	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
726	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
727	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
728	39605 Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
729	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	599	227	140	8	110	114
730	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
731	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
732	39705 Communication Equip. - Telemetry	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
733	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	83	31	19	1	15	16
734	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	92	35	22	1	17	18
735	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	25,573	9,863	5,991	328	4,701	4,870
736	39902 Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	15,446	5,848	3,619	198	2,839	2,942
737	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	4,871	1,844	1,141	62	896	928
738	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
739	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
740	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	1,717	650	402	22	316	327
741	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	950	360	222	12	175	181
742	39908 Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	42,729	16,178	10,011	547	7,855	8,137
743	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	14,571	5,517	3,414	187	2,679	2,775
744	39931 Other Tang. Property - ALGN	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
745									
746	Total General Plant			117,765	44,589	27,591	1,509	21,649	22,427
747									
748	CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	8,242	3,121	1,931	106	1,515	1,570
749									
750	Shared Services Customer Support:								
751									
752	General:								
753									
754	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	2,268	859	531	29	417	432
755	39001 Structures Frame	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
756	36602 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	11,014	4,170	2,580	141	2,025	2,097
757	37503 Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
758	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
759	39009 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	1,752	664	411	22	322	334
760	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	1,704	645	399	22	313	324
761	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
762	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
763	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	25	9	6	0	5	5
764	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
765	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
766	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
767	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	155	59	36	2	29	30
768	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	6	2	1	0	1	1
769	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
770	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
771	39605 Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
772	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	1,263	478	296	16	232	241
773	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
774	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
775	39705 Communication Equip. - Telemetry	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
776	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	174	66	41	2	32	33
777	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	478	181	112	6	88	91
778	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	6,426	2,433	1,506	82	1,181	1,224
779	39902 Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	1,257	476	295	16	231	239
780	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	391	148	92	5	72	74
781	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
782	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
783	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	765	290	179	10	141	146
784	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	145	55	34	2	27	28
785	39908 Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	57,808	21,888	13,544	741	10,627	11,009
786	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	5	2	1	0	1	1
787	39924 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
788									
789	Total General Plant			85,635	32,424	20,063	1,097	15,742	16,308
790									
791	CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	2,475	937	580	32	455	471
792									
793	TOTAL PLANT IN SERVICE - COMMODITY			7,981,242	3,021,931	1,869,903	102,256	1,467,194	1,519,959
794									
795	TOTAL CWIP W/O AFUDC - COMMODITY			430,966	163,176	100,970	5,522	79,225	82,074

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
Total Plant in Service										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
796		Intangible Plant:								
797										
798	30100	Organization			8,330	5,457	1,791	50	545	487
799	30200	Franchises & Consents			119,853	78,517	25,766	726	7,837	7,007
800	30300	Misc Intangible Plant			0	-	-	-	-	-
801										
802		Total Intangible Plant:			128,182	83,974	27,556	776	8,382	7,494
803										
804		Production Plant:								
805										
806	32500	Producing Leaseholds			0	-	-	-	-	-
807	32540	Rights of Ways			4,682	1,945	1,154	62	769	752
808	33100	Production Gas Wells Equipment			0	-	-	-	-	-
809	33201	Field Lines			0	-	-	-	-	-
810	33202	Tributary Lines			0	-	-	-	-	-
811	33400	Field Meas. & Reg. Sta. Equip			0	-	-	-	-	-
812	33600	Purification Equipment			0	-	-	-	-	-
813										
814		Total Production Plant			0	0	0	0	0	0
815										
816		Storage Plant:								
817										
818	35010	Land			261,127	108,467	64,345	3,448	42,913	41,953
819	35020	Rights of Way			4,682	1,945	1,154	62	769	752
820	35100	Structures and Improvements			17,916	7,442	4,415	237	2,944	2,678
821	35102	Compression Station Equipment			153,261	63,662	37,766	2,024	25,186	24,623
822	35103	Meas. & Reg. Sta. Structures			23,138	9,611	5,702	306	3,802	3,717
823	35104	Other Structures			137,443	57,091	33,868	1,815	22,587	22,082
824	35200	Wells \ Rights of Way			8,348,396	3,467,772	2,057,156	110,243	1,371,948	1,341,277
825	35201	Well Construction			1,699,989	706,148	418,902	22,449	278,372	273,127
826	35202	Well Equipment			449,309	186,635	110,716	5,933	73,838	72,187
827	35203	Cushion Gas			1,694,833	704,003	417,629	22,381	278,523	272,297
828	35210	Leaseholds			178,530	74,158	43,992	2,358	29,339	28,683
829	35211	Storage Rights			54,614	22,686	13,458	721	8,975	8,774
830	35301	Field Lines			175,350	72,837	43,209	2,316	28,817	28,172
831	35302	Tributary Lines			209,319	86,947	51,579	2,764	34,369	33,630
832	35400	Compressor Station Equipment			923,446	383,583	227,549	12,194	151,756	148,364
833	35500	Meas. & Reg. Equipment			273,084	113,434	67,292	3,606	44,878	43,875
834	35600	Purification Equipment			414,663	172,244	102,179	5,476	68,144	66,621
835										
836		Total Storage Plant			15,019,110	6,238,665	3,700,909	198,331	2,468,192	2,413,014
837										
838		Transmission:								
839										
840	36510	Land & Land Rights			26,970	12,194	6,973	367	3,906	3,530
841	36520	Rights of Way			867,772	392,350	224,353	11,800	125,691	113,578
842	36602	Structures & Improvements			49,002	22,155	12,669	666	7,098	6,414
843	36603	Other Structures			60,626	27,502	15,726	827	8,810	7,961
844	36700	Mains Cathodic Protection			139,638	63,135	36,102	1,899	20,226	18,276
845	36701	Mains - Steel			27,047,831	12,229,257	6,992,930	367,811	3,917,694	3,540,140
846	36900	Meas. & Reg. Equipment			731,467	330,721	189,113	9,947	105,948	95,738
847	36901	Meas. & Reg. Equipment			2,269,556	1,026,144	586,770	30,863	328,730	297,050
848										
849		Total Transmission Plant			31,193,061	14,103,458	8,064,635	424,180	4,518,102	4,082,686
850										
851		Distribution:								
852										
853	37400	Land & Land Rights			531,167	318,042	110,643	4,817	51,326	46,339
854	37401	Land			37,326	22,350	7,775	339	3,607	3,256
855	37402	Land Rights			3,645,749	2,182,930	759,417	33,063	352,286	318,063
856	37403	Land Other			2,784	1,667	590	25	269	243
857	37500	Structures & Improvements			336,168	201,284	70,024	3,049	32,484	29,327
858	37501	Structures & Improvements T.B.			99,818	59,767	20,792	905	9,645	8,708
859	37502	Land Rights			46,264	27,701	9,637	420	4,470	4,036
860	37503	Improvements			4,005	2,398	834	36	387	349
861	37600	Mains Cathodic Protection			20,811,541	12,341,374	4,293,427	186,922	1,991,681	1,798,137
862	37601	Mains - Steel			176,025,498	105,397,094	36,666,482	1,596,341	17,009,236	15,356,345
863	37602	Mains - Plastic			133,261,910	79,791,952	27,758,737	1,208,528	12,877,017	11,625,679
864	37800	Meas. & Reg. Sta. Equip - General			29,911,913	17,910,068	6,230,714	271,265	2,890,370	2,609,495
865	37900	Meas. & Reg. Sta. Equip - City Gate			5,126,032	3,069,265	1,067,763	46,487	495,325	447,192
866	37905	Meas. & Reg. Sta. Equipment T.b.			1,652,259	989,307	344,169	14,984	159,657	144,142
867	38000	Services			150,274,437	133,824,243	16,279,918	8,273	103,453	58,550
868	38100	Meters			38,722,015	24,990,781	12,812,487	45,125	564,268	319,353
869	38200	Meter Installations			57,067,155	36,815,804	18,882,597	66,503	831,599	470,652
870	38300	House Regulators			12,779,948	8,244,744	4,228,678	14,893	186,233	105,401
871	38400	House Reg. Installations			252,587	162,952	83,577	294	3,681	2,083
872	38500	Ind. Meas. & Reg. Sta. Equipment			5,241,043	-	5,186,793	2,636	32,960	18,654
873	38600	Other Prop. On Cust. Prem			0	-	-	-	-	-
874										
875		Total Distribution Plant			635,629,619	426,343,722	134,815,044	3,504,904	37,599,955	33,365,994

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF PLANT IN SERVICE							
876							
877	General:						
878							
879	38900 Land & Land Rights	1,211,697	793,803	260,488	7,335	79,234	70,838
880	39000 Structures & Improvements	7,595,600	4,976,003	1,632,882	45,979	496,683	444,052
881	39001 Structures Frame	0	-	-	-	-	-
882	39002 Structures-Brick	173,115	113,410	37,216	1,048	11,320	10,121
883	39003 Improvements	709,199	464,608	152,462	4,293	46,375	41,461
884	39004 Air Conditioning Equipment	12,955	8,487	2,785	78	847	757
885	39009 Improvement to leased Premises	1,246,194	816,402	267,904	7,544	81,490	72,855
886	39100 Office Furniture & Equipment	1,866,038	1,222,472	401,156	11,296	122,022	109,092
887	39102 Remittance Processing Equip	0	-	-	-	-	-
888	39103 Office Machines	0	-	-	-	-	-
889	39200 Transportation Equipment	220,987	144,772	47,507	1,338	14,451	12,919
890	39201 Trucks	0	-	-	-	-	-
891	39202 Trailers	0	-	-	-	-	-
892	39300 Stores Equipment	0	-	-	-	-	-
893	39400 Tools, Shop & Garage Equipment	4,078,361	2,671,802	876,755	24,688	266,688	238,428
894	39600 Power Operated Equipment	0	-	-	-	-	-
895	39603 Ditchers	39,610	25,949	8,515	240	2,590	2,316
896	39604 Backhoes	62,747	41,107	13,489	380	4,103	3,668
897	39605 Welders	19,427	12,727	4,176	118	1,270	1,136
898	39700 Communication Equipment	524,257	343,450	112,703	3,174	34,282	30,649
899	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
900	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
901	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
902	39800 Miscellaneous Equipment	3,891,771	2,549,564	836,643	23,558	254,486	227,520
903	39900 Other Tangible Property	0	-	-	-	-	-
904	39901 Other Tangible Property - Servers - H/W	14,390	9,427	3,093	87	941	841
905	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
906	39903 Other Tangible Property - Network - H/W	134,599	88,178	28,936	815	8,802	7,869
907	39904 Other Tang. Property - CPU	0	-	-	-	-	-
908	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
909	39906 Other Tang. Property - PC Hardware	461,888	302,590	99,295	2,796	30,203	27,003
910	39907 Other Tang. Property - PC Software	0	-	-	-	-	-
911	39908 Other Tang. Property - Mainframe S/W	123,515	80,917	26,553	748	8,077	7,221
912	39909 Other Tang. Property - Application Software	0	-	-	-	-	-
913	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
914							
915	Total General Plant	22,386,350	14,665,669	4,812,560	135,512	1,463,864	1,308,746
916							
917	TOTAL DIRECT PLANT	704,356,323	461,435,488	151,420,704	4,263,703	46,058,494	41,177,934
918							
919	CWIP w/o AFUDC	38,154,809	24,995,847	8,202,422	230,964	2,494,977	2,230,599
920							
921	Kentucky Mid-States General Office:						
922							
923	Intangible Plant:						
924							
925	30100 Organization	92,247	60,433	19,831	558	6,032	5,393
926	30200 Franchises & Consents	0	-	-	-	-	-
927	30300 Misc Intangible Plant	552,335	361,844	118,740	3,343	36,118	32,290
928							
929	Total Intangible Plant:	644,582	422,276	138,571	3,902	42,150	37,683
930							
931	General:						
932							
933	37400 Land & Land Rights	0	-	-	-	-	-
934	39001 Structures Frame	89,275	58,485	19,192	540	5,838	5,219
935	36602 Structures & Improvements	0	-	-	-	-	-
936	38900 Land & Land Rights	0	-	-	-	-	-
937	39004 Air Conditioning Equipment	7,658	5,017	1,646	46	501	448
938	39009 Improvement to leased Premises	19,332	12,664	4,156	117	1,264	1,130
939	39100 Office Furniture & Equipment	19,220	12,591	4,132	116	1,257	1,124
940	39102 Remittance Processing Equip	0	-	-	-	-	-
941	39103 Office Machines	0	-	-	-	-	-
942	39200 Transportation Equipment	13,582	8,898	2,920	82	888	794
943	39201 Trucks	0	-	-	-	-	-
944	39202 Trailers	0	-	-	-	-	-
945	39300 Stores Equipment	0	-	-	-	-	-
946	39400 Tools, Shop & Garage Equipment	87,547	57,353	18,821	530	5,725	5,118
947	39600 Power Operated Equipment	10,213	6,691	2,196	62	668	597
948	39603 Ditchers	0	-	-	-	-	-
949	39604 Backhoes	0	-	-	-	-	-
950	39605 Welders	0	-	-	-	-	-
951	39700 Communication Equipment	18,688	12,243	4,017	113	1,222	1,093
952	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
953	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
954	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
955	39800 Miscellaneous Equipment	405,292	265,514	87,129	2,453	26,502	23,694
956	39900 Other Tangible Property	0	-	-	-	-	-
957	39901 Other Tangible Property - Servers - H/W	0	-	-	-	-	-
958	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
959	39903 Other Tangible Property - Network - H/W	0	-	-	-	-	-
960	39904 Other Tang. Property - CPU	0	-	-	-	-	-
961	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
962	39906 Other Tang. Property - PC Hardware	34,934	22,886	7,510	211	2,284	2,042
963	39907 Other Tang. Property - PC Software	82,288	53,908	17,690	498	5,381	4,811
964	39908 Other Tang. Property - Mainframe S/W	412,432	270,191	88,664	2,497	26,969	24,112
965	39909 Other Tang. Property - Application Software	0	-	-	-	-	-
966	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
967							
968	Total General Plant	1,200,461	786,442	258,072	7,267	78,499	70,181
969							
970	CWIP w/o AFUDC	2,311	1,514	497	14	151	135

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF PLANT IN SERVICE							
971							
972	Shared Services General Office:						
973							
974	General:						
975							
976	37400 Land & Land Rights	0	-	-	-	-	-
977	39001 Structures Frame	0	-	-	-	-	-
978	36602 Structures & Improvements	236,424	154,885	50,826	1,431	15,460	13,822
979	37503 Improvements	0	-	-	-	-	-
980	39004 Air Conditioning Equipment	0	-	-	-	-	-
981	39009 Improvement to leased Premises	483,357	316,655	103,911	2,926	31,607	28,258
982	39100 Office Furniture & Equipment	286,918	187,965	61,681	1,737	18,762	16,774
983	39102 Remittance Processing Equip	0	-	-	-	-	-
984	39103 Office Machines	0	-	-	-	-	-
985	39200 Transportation Equipment	369	242	79	2	24	22
986	39201 Trucks	0	-	-	-	-	-
987	39202 Trailers	0	-	-	-	-	-
988	39300 Stores Equipment	0	-	-	-	-	-
989	39400 Tools, Shop & Garage Equipment	3,938	2,580	847	24	258	230
990	39600 Power Operated Equipment	0	-	-	-	-	-
991	39603 Ditchers	0	-	-	-	-	-
992	39604 Backhoes	0	-	-	-	-	-
993	39605 Welders	0	-	-	-	-	-
994	39700 Communication Equipment	54,370	35,618	11,688	329	3,555	3,179
995	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
996	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
997	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
998	39800 Miscellaneous Equipment	7,537	4,938	1,620	46	493	441
999	39900 Other Tangible Property	8,377	5,488	1,801	51	548	490
1000	39901 Other Tangible Property - Servers - HW	2,321,928	1,521,134	499,162	14,055	151,833	135,744
1001	39902 Other Tangible Property - Servers - S/W	1,402,428	918,754	301,490	8,489	91,706	81,988
1002	39903 Other Tangible Property - Network - HW	442,303	289,760	95,085	2,677	28,923	25,858
1003	39904 Other Tang. Property - CPU	0	-	-	-	-	-
1004	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
1005	39906 Other Tang. Property - PC Hardware	155,862	102,108	33,507	943	10,192	9,112
1006	39907 Other Tang. Property - PC Software	86,214	56,480	18,534	522	5,638	5,040
1007	39908 Other Tang. Property - Mainframe S/W	3,879,643	2,541,618	834,036	23,485	253,693	226,811
1008	39909 Other Tang. Property - Application Software	1,322,956	866,691	284,406	8,008	86,509	77,342
1009	39931 Other Tang. Property - ALGN	0	-	-	-	-	-
1010							
1011	Total General Plant	10,692,624	7,004,915	2,298,673	64,726	699,200	625,110
1012							
1013	CWIP w/o AFUDC	748,344	490,253	160,877	4,530	48,935	43,750
1014							
1015	Shared Services Customer Support:						
1016							
1017	General:						
1018							
1019	37400 Land & Land Rights	205,882	134,876	44,260	1,246	13,463	12,036
1020	39001 Structures Frame	0	-	-	-	-	-
1021	36602 Structures & Improvements	1,000,011	655,124	214,980	6,053	65,392	58,462
1022	37503 Improvements	0	-	-	-	-	-
1023	39004 Air Conditioning Equipment	0	-	-	-	-	-
1024	39009 Improvement to leased Premises	159,117	104,240	34,207	963	10,405	9,302
1025	39100 Office Furniture & Equipment	154,692	101,341	33,255	936	10,115	9,044
1026	39102 Remittance Processing Equip	0	-	-	-	-	-
1027	39103 Office Machines	0	-	-	-	-	-
1028	39200 Transportation Equipment	2,233	1,463	480	14	146	131
1029	39201 Trucks	0	-	-	-	-	-
1030	39202 Trailers	0	-	-	-	-	-
1031	39300 Stores Equipment	0	-	-	-	-	-
1032	39400 Tools, Shop & Garage Equipment	14,093	9,232	3,030	85	922	824
1033	39600 Power Operated Equipment	548	359	118	3	36	32
1034	39603 Ditchers	0	-	-	-	-	-
1035	39604 Backhoes	0	-	-	-	-	-
1036	39605 Welders	0	-	-	-	-	-
1037	39700 Communication Equipment	114,682	75,130	24,654	694	7,499	6,705
1038	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
1039	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
1040	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
1041	39800 Miscellaneous Equipment	15,758	10,323	3,388	95	1,030	921
1042	39900 Other Tangible Property	43,368	28,411	9,323	263	2,836	2,535
1043	39901 Other Tangible Property - Servers - HW	583,485	382,251	125,436	3,532	36,155	34,112
1044	39902 Other Tangible Property - Servers - S/W	114,175	74,798	24,545	691	7,466	6,675
1045	39903 Other Tangible Property - Network - HW	35,496	23,254	7,631	215	2,321	2,075
1046	39904 Other Tang. Property - CPU	0	-	-	-	-	-
1047	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
1048	39906 Other Tang. Property - PC Hardware	69,473	45,513	14,935	421	4,543	4,061
1049	39907 Other Tang. Property - PC Software	13,141	8,609	2,825	80	859	768
1050	39908 Other Tang. Property - Mainframe S/W	5,248,748	3,438,542	1,128,362	31,772	343,220	306,851
1051	39909 Other Tang. Property - Application Software	477	312	102	3	31	28
1052	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
1053							
1054	Total General Plant	7,775,377	5,093,778	1,671,531	47,067	508,439	454,563
1055							
1056	CWIP w/o AFUDC	224,734	147,227	48,313	1,360	14,696	13,138
1057							
1058	TOTAL PLANT IN SERVICE	724,669,367	474,742,900	155,787,550	4,386,665	47,386,782	42,365,471
1059							
1060	TOTAL CWIP W/O AFUDC	39,130,198	25,634,841	8,412,109	236,868	2,558,759	2,287,622

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF RESERVE FOR DEPRECIATION										
Customer										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1		Intangible Plant:								
2										
3	30100	Organization	6.2	P, S, T & D Plant - Customer	4,746	3,844	866	2	22	12
4	30200	Franchises & Consents	6.2	P, S, T & D Plant - Customer	68,293	55,303	12,467	25	318	180
5	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
6										
7		Total Intangible Plant:			73,039	59,146	13,334	27	340	192
8										
9		Production Plant:								
10										
11	32520	Producing Leaseholds	99.0	-	0	-	-	-	-	-
12	32540	Rights of Ways	99.0	-	0	-	-	-	-	-
13	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
14	33201	Field Lines	99.0	-	0	-	-	-	-	-
15	33202	Tributary Lines	99.0	-	0	-	-	-	-	-
16	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-	-
17	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
18										
19		Total Production Plant			0	0	0	0	0	0
20										
21		Storage Plant:								
22										
23	35010	Land	99.0	-	0	-	-	-	-	-
24	35020	Rights of Way	99.0	-	0	-	-	-	-	-
25	35100	Structures and Improvements	99.0	-	0	-	-	-	-	-
26	35102	Compression Station Equipment	99.0	-	0	-	-	-	-	-
27	35103	Meas. & Reg. Sta. Structures	99.0	-	0	-	-	-	-	-
28	35104	Other Structures	99.0	-	0	-	-	-	-	-
29	35200	Wells \ Rights of Way	99.0	-	0	-	-	-	-	-
30	35201	Well Construction	99.0	-	0	-	-	-	-	-
31	35202	Well Equipment	99.0	-	0	-	-	-	-	-
32	35203	Cushion Gas	99.0	-	0	-	-	-	-	-
33	35210	Leaseholds	99.0	-	0	-	-	-	-	-
34	35211	Storage Rights	99.0	-	0	-	-	-	-	-
35	35301	Field Lines	99.0	-	0	-	-	-	-	-
36	35302	Tributary Lines	99.0	-	0	-	-	-	-	-
37	35400	Compressor Station Equipment	99.0	-	0	-	-	-	-	-
38	35500	Meas & Reg. Equipment	99.0	-	0	-	-	-	-	-
39	35600	Purification Equipment	99.0	-	0	-	-	-	-	-
40										
41		Total Storage Plant			0	-	-	-	-	-
42										
43		Transmission:								
44										
45	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
46	36520	Rights of Way	99.0	-	0	-	-	-	-	-
47	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
48	36603	Other Structures	99.0	-	0	-	-	-	-	-
49	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
50	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
51	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
52	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
53										
54		Total Transmission Plant			0	-	-	-	-	-
55										
56		Distribution:								
57										
58	37400	Land & Land Rights	2.0	Bills	0	-	-	-	-	-
59	37401	Land	2.0	Bills	0	-	-	-	-	-
60	37402	Land Rights	2.0	Bills	78,719	70,102	8,528	4	54	31
61	37403	Land Other	2.0	Bills	0	-	-	-	-	-
62	37500	Structures & Improvements	2.0	Bills	38,026	33,864	4,120	2	26	15
63	37501	Structures & Improvements T.B.	2.0	Bills	23,897	21,281	2,589	1	16	9
64	37502	Land Rights	2.0	Bills	11,840	10,544	1,283	1	8	5
65	37503	Improvements	2.0	Bills	642	572	70	0	0	0
66	37600	Mains Cathodic Protection	2.0	Bills	4,418,417	3,934,744	478,667	243	3,042	1,722
67	37601	Mains - Steel	2.0	Bills	11,261,591	10,028,811	1,220,020	620	7,753	4,388
68	37602	Mains - Plastic	2.0	Bills	6,964,302	5,867,616	689,474	350	4,381	2,480
69	37800	Meas & Reg. Sta. Equip - General	2.0	Bills	968,190	862,205	104,888	53	667	377
70	37900	Meas & Reg. Sta. Equip - City Gate	2.0	Bills	329,244	293,202	35,669	18	227	128
71	37905	Meas & Reg. Sta. Equipment T.B.	2.0	Bills	347,205	309,197	37,614	19	239	135
72	38000	Services	2.0	Bills	30,562,139	27,216,572	3,310,936	1,683	21,040	11,908
73	38100	Meters	4.0	Meter Investment	21,386,354	13,797,005	7,076,398	24,923	311,648	176,380
74	38200	Meter Installations	4.0	Meter Investment	26,987,899	17,410,737	8,929,858	31,450	393,275	222,578
75	38300	House Regulators	4.0	Meter Investment	4,321,265	2,787,783	1,429,636	5,036	62,971	35,639
76	38400	House Reg. Installations	4.0	Meter Investment	94,403	60,903	31,237	110	1,376	779
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2	Non-Residential Bills	2,958,741	-	2,928,115	1,488	18,607	10,531
78	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
79										
80		Total Distribution Plant			110,152,874	82,505,136	26,289,301	66,002	825,330	467,104

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
81									
82	General:								
83									
84	38900	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
85	39000	Structures & Improvements	6.2 P, S, T & D Plant - Customer	714,244	578,384	130,391	266	3,323	1,881
86	39002	Structures - Brick	6.2 P, S, T & D Plant - Customer	61,302	49,641	11,191	23	285	161
87	39003	Improvements	6.2 P, S, T & D Plant - Customer	166,800	135,072	30,451	62	776	439
88	39003	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	2,877	2,330	525	1	13	8
89	39004	Improvement to Leased Premises	6.2 P, S, T & D Plant - Customer	711,183	575,905	129,832	265	3,309	1,873
90	39009	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	652,208	528,148	119,066	243	3,035	1,717
91	39100	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
92	39102	Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
93	39103	Transportation Equipment	6.2 P, S, T & D Plant - Customer	64,837	52,504	11,837	24	302	171
94	39200	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
95	39201	Trailers	6.2 P, S, T & D Plant - Customer	(1,441)	(1,167)	(263)	(1)	(7)	(4)
96	39202	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
97	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	741,236	600,241	135,319	276	3,449	1,952
98	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
99	39603	Ditchers	6.2 P, S, T & D Plant - Customer	22,596	18,298	4,125	8	105	60
100	39604	Backhoes	6.2 P, S, T & D Plant - Customer	35,794	28,986	6,535	13	167	94
101	39605	Welders	6.2 P, S, T & D Plant - Customer	11,086	8,978	2,024	4	52	29
102	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	153,284	124,127	27,983	57	713	404
103	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
104	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
105	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
106	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	1,181,146	956,473	215,628	439	5,496	3,110
107	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
108	39901	Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	3,801	3,078	694	1	18	10
109	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
110	39903	Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	36,835	29,828	6,725	14	171	97
111	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
112	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
113	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	63,947	51,783	11,674	24	298	168
114	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
115	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
116	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	67,190	54,409	12,266	25	313	177
117	39909	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
118	39909	Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	(3,632,362)	(2,941,429)	(663,117)	(1,352)	(16,900)	(9,565)
119	39909	AR 15 general plant amortization	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
120									
121	Total General Plant			1,056,563	855,588	192,884	393	4,916	2,782
122									
123	TOTAL DIRECT RESERVE FOR DEPRECIATION			111,282,476	83,419,870	26,495,519	66,422	830,586	470,079
124									
125	Kentucky Mid-States General Office:								
126									
127	Intangible Plant:								
128									
129	30100	Organization	99.0 -	0	-	-	-	-	-
130	30200	Franchises & Consents	99.0 -	0	-	-	-	-	-
131	30300	Misc Intangible Plant	99.0 -	0	-	-	-	-	-
132									
133	Total Intangible Plant:								
134									
135	General:								
136									
137	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
138	39001	Structures Frame	6.2 P, S, T & D Plant - Customer	30,033	24,320	5,483	11	140	79
139	36602	Structures & Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
140	38900	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
141	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	2,900	2,348	529	1	13	8
142	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	11,015	8,920	2,011	4	51	29
143	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	10,952	8,868	1,999	4	51	29
144	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
145	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
146	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	5,069	4,104	925	2	24	13
147	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
148	39202	Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
149	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
150	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	40,804	33,043	7,449	15	190	107
151	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	2,493	2,019	455	1	12	7
152	39603	Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
153	39604	Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
154	39605	Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
155	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	(1,705)	(1,380)	(311)	(1)	(8)	(4)
156	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
157	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
158	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
159	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	204,755	165,808	37,380	76	953	539
160	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
161	39901	Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	(9,861)	(7,986)	(1,800)	(4)	(46)	(26)
162	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
163	39903	Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
164	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
165	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
166	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	19,911	16,124	3,635	7	93	52
167	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	12,015	9,730	2,193	4	56	32
168	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	235,007	190,305	42,902	87	1,093	619
169	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
170	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
171	39909	Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	14,897	12,063	2,719	6	69	39
172									
173	Total General Plant			578,286	468,286	105,571	215	2,691	1,523

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
174									
175		Shared Services General Office:							
176		General:							
177									
178									
179	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
180	39000	Structures & Improvements	6.2 P, S, T & D Plant - Customer	51,770	41,922	9,451	19	241	136
181	36602	Structures & Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
182	37503	Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
183	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
184	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	274,857	222,575	50,177	102	1,279	724
185	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	66,216	53,621	12,088	25	308	174
186	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	0	0	0	0	0
187	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	0	0	0	0	0
188	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	162	131	30	0	1	0
189	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
190	39202	Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
191	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
192	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	981	795	179	0	5	3
193	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
194	39603	Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
195	39604	Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
196	39605	Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
197	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	16,134	13,065	2,945	6	75	42
198	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
199	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
200	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
201	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	1,627	1,317	297	1	8	4
202	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	4,808	3,893	878	2	22	13
203	39901	Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	760,994	616,240	138,925	263	3,541	2,004
204	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	552,588	447,477	100,879	206	2,571	1,455
205	39903	Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	76,461	61,917	13,959	28	356	201
206	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
207	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
208	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	53,593	43,399	9,784	20	249	141
209	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	52,384	42,419	9,563	19	244	138
210	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	1,317	1,066	240	0	6	3
211	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	1,439,600	1,165,765	262,810	536	6,698	3,791
212	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
213		Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
214		Total General Plant		3,353,490	2,715,602	612,206	1,248	15,603	8,831
215				945,223	765,427	172,558	352	4,398	2,489
216									
217		Shared Services Customer Support:							
218		General:							
219									
220									
221	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
222	39001	Structures Frame	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
223	36602	Structures & Improvements	6.2 P, S, T & D Plant - Customer	116,628	94,443	21,291	43	543	307
224	37503	Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
225	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
226	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	56,813	46,006	10,372	21	264	150
227	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	31,203	25,268	5,696	12	145	82
228	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
229	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
230	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	1,273	1,031	232	0	6	3
231	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
232	39202	Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
233	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
234	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	2,082	1,686	380	1	10	5
235	39500	Laboratory Equipment	6.2 P, S, T & D Plant - Customer	243	196	44	0	1	1
236	39603	Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
237	39604	Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
238	39605	Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
239	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	39,989	32,383	7,300	15	186	105
240	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
241	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
242	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
243	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	2,770	2,243	506	1	13	7
244	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	18,109	14,664	3,306	7	84	48
245	39901	Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	192,681	156,030	35,175	72	896	507
246	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	44,082	35,697	8,048	16	205	116
247	39903	Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	13,086	10,596	2,389	5	61	34
248	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
249	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
250	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	25,002	20,246	4,564	9	116	66
251	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	5,795	4,693	1,058	2	27	15
252	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	1,168,380	946,135	213,297	435	5,436	3,077
253	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	2,772	2,245	506	1	13	7
254	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
255		Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
256									
257		Total General Plant		1,720,907	1,393,563	314,165	640	8,007	4,532
258									
259		TOTAL RESERVE FOR DEPRECIATION - CUSTOMER		116,935,159	87,997,322	27,527,461	68,526	856,887	484,964

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF RESERVE FOR DEPRECIATION										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
260		Intangible Plant:								
261										
262	30100	Organization	6.4	P, S, T & D Plant - Demand	3,492	1,579	903	47	506	457
263	30200	Franchises & Consents	6.4	P, S, T & D Plant - Demand	50,240	22,715	12,989	683	7,277	6,576
264	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
265										
266		Total Intangible Plant:			53,731	24,294	13,892	731	7,783	7,033
267										
268		Production Plant:								
269										
270	32520	Producing Leaseholds	3.0	Peak Day	0	-	-	-	-	-
271	32540	Rights of Ways	3.0	Peak Day	0	-	-	-	-	-
272	33100	Production Gas Wells Equipment	3.0	Peak Day	0	-	-	-	-	-
273	33201	Field Lines	3.0	Peak Day	0	-	-	-	-	-
274	33202	Tributary Lines	3.0	Peak Day	0	-	-	-	-	-
275	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0	-	-	-	-	-
276	33600	Purification Equipment	3.0	Peak Day	0	-	-	-	-	-
277										
278		Total Production Plant			0	0	0	0	0	0
279										
280		Storage Plant:								
281										
282	35010	Land	3.0	Peak Day	0	-	-	-	-	-
283	35020	Rights of Way	3.0	Peak Day	2,227	1,007	576	30	323	291
284	35100	Structures and Improvements	3.0	Peak Day	3,144	1,422	813	43	455	412
285	35102	Compression Station Equipment	3.0	Peak Day	56,872	25,714	14,704	773	8,238	7,444
286	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	10,242	4,631	2,648	139	1,483	1,340
287	35104	Other Structures	3.0	Peak Day	50,072	22,639	12,946	681	7,253	6,554
288	35200	Wells \ Rights of Way	3.0	Peak Day	595,415	269,208	153,938	8,097	86,242	77,931
289	35201	Well Construction	3.0	Peak Day	709,755	320,905	183,500	9,652	102,803	92,896
290	35202	Well Equipment	3.0	Peak Day	225,298	101,865	58,248	3,064	32,633	29,488
291	35203	Cushion Gas	3.0	Peak Day	379,297	171,493	98,063	5,158	54,939	49,644
292	35210	Leaseholds	3.0	Peak Day	84,031	37,993	21,725	1,143	12,171	10,998
293	35211	Storage Rights	3.0	Peak Day	21,978	9,937	5,682	299	3,183	2,877
294	35301	Field Lines	3.0	Peak Day	(44,198)	(19,983)	(11,427)	(601)	(6,402)	(5,785)
295	35302	Tributary Lines	3.0	Peak Day	94,588	42,767	24,455	1,286	13,700	12,380
296	35400	Compressor Station Equipment	3.0	Peak Day	248,926	112,548	64,357	3,385	36,655	32,581
297	35500	Meas & Reg. Equipment	3.0	Peak Day	101,272	45,788	26,183	1,377	14,669	13,255
298	35600	Purification Equipment	3.0	Peak Day	95,899	43,359	24,794	1,304	13,890	12,552
299										
300		Total Storage Plant			2,634,817	1,191,292	681,204	35,830	381,635	344,857
301										
302		Transmission:								
303										
304	36510	Land & Land Rights	3.0	Peak Day	0	-	-	-	-	-
305	36520	Rights of Way	3.0	Peak Day	428,096	193,557	110,680	5,821	62,007	56,031
306	36602	Structures & Improvements	3.0	Peak Day	16,837	7,613	4,353	229	2,439	2,204
307	36603	Other Structures	3.0	Peak Day	53,066	23,993	13,720	722	7,686	6,946
308	36700	Mains Catholic Protection	3.0	Peak Day	98,316	44,452	25,419	1,337	14,240	12,868
309	36701	Mains - Steel	3.0	Peak Day	16,387,961	7,409,562	4,236,933	222,852	2,373,684	2,144,929
310	36900	Meas. & Reg. Equipment	3.0	Peak Day	353,469	159,816	91,386	4,807	51,198	46,264
311	36901	Meas. & Reg. Equipment	3.0	Peak Day	1,774,251	802,200	458,714	24,127	256,988	232,222
312										
313		Total Transmission Plant			19,111,996	8,641,192	4,941,204	259,895	2,768,242	2,501,463
314										
315		Distribution:								
316										
317	37400	Land & Land Rights	3.0	Peak Day	0	-	-	-	-	-
318	37401	Land	3.0	Peak Day	0	-	-	-	-	-
319	37402	Land Rights	3.0	Peak Day	156,644	70,824	40,499	2,130	22,689	20,502
320	37403	Land Other	3.0	Peak Day	0	-	-	-	-	-
321	37500	Structures & Improvements	3.0	Peak Day	75,869	34,212	19,563	1,029	10,960	9,904
322	37501	Structures & Improvements T.B.	3.0	Peak Day	47,552	21,500	12,294	647	6,888	6,224
323	37502	Land Rights	3.0	Peak Day	23,560	10,652	6,091	320	3,412	3,084
324	37503	Improvements	3.0	Peak Day	1,278	578	330	17	185	167
325	37600	Mains Catholic Protection	3.0	Peak Day	8,792,241	3,975,275	2,273,141	119,562	1,273,496	1,150,767
326	37601	Mains - Steel	3.0	Peak Day	22,409,521	10,132,117	5,793,744	304,737	3,245,866	2,933,057
327	37602	Mains - Plastic	3.0	Peak Day	12,864,370	5,725,998	3,274,238	172,217	1,834,347	1,657,569
328	37800	Meas & Reg. Sta. Equip - General	3.0	Peak Day	1,926,609	871,086	498,104	26,199	279,056	252,163
329	37900	Meas & Reg. Sta. Equip - City Gate	3.0	Peak Day	655,165	296,223	169,386	8,909	94,896	85,751
330	37905	Meas & Reg. Sta. Equipment T.b.	3.0	Peak Day	690,906	312,382	178,626	9,395	100,073	90,429
331	38000	Services	99.0	-	0	-	-	-	-	-
332	38100	Meters	99.0	-	0	-	-	-	-	-
333	38200	Meter Installations	99.0	-	0	-	-	-	-	-
334	38300	House Regulators	99.0	-	0	-	-	-	-	-
335	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
336	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
337	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
338										
339		Total Distribution Plant			47,443,513	21,450,848	12,266,017	645,163	6,871,869	6,209,617

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
340									
341	General:								
342									
343	38900 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
344	39000 Structures & Improvements	6.4	P, S, T & D Plant - Demand	525,432	237,566	135,845	7,145	78,105	68,771
345	39002 Structures - Brick	6.4	P, S, T & D Plant - Demand	45,096	20,390	11,659	613	6,532	5,902
346	39003 Improvements	6.4	P, S, T & D Plant - Demand	122,706	55,480	31,724	1,669	17,773	16,060
347	39003 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	2,117	957	547	29	307	277
348	39004 Improvement to Leased Premises	6.4	P, S, T & D Plant - Demand	523,180	236,548	135,263	7,114	75,779	68,476
349	39009 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	479,795	216,932	124,046	6,525	69,495	62,798
350	39100 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
351	39102 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
352	39103 Transportation Equipment	6.4	P, S, T & D Plant - Demand	47,697	21,566	12,332	649	6,909	6,243
353	39200 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
354	39201 Trailers	6.4	P, S, T & D Plant - Demand	(1,060)	(479)	(274)	(14)	(154)	(139)
355	39202 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
356	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	545,288	246,544	140,979	7,415	78,981	71,370
357	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
358	39603 Ditchers	6.4	P, S, T & D Plant - Demand	16,622	7,516	4,298	226	2,408	2,176
359	39604 Backhoes	6.4	P, S, T & D Plant - Demand	26,332	11,906	6,808	358	3,814	3,446
360	39605 Welders	6.4	P, S, T & D Plant - Demand	8,156	3,687	2,109	111	1,181	1,067
361	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	112,763	50,984	29,154	1,533	16,333	14,759
362	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
363	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
364	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
365	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	868,907	392,863	224,647	11,816	125,855	113,726
366	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
367	39901 Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	2,796	1,264	723	38	405	366
368	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
369	39903 Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	27,098	12,252	7,006	368	3,925	3,547
370	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
371	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
372	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	47,043	21,270	12,162	640	6,814	6,157
373	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
374	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
375	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	49,428	22,348	12,779	672	7,159	6,469
376	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
377	Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	(2,672,138)	(1,208,166)	(690,853)	(36,337)	(387,041)	(349,741)
378	AR 15 general plant amortization	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
379									
380	Total General Plant			777,258	351,425	200,952	10,570	112,581	101,731
381									
382	TOTAL DIRECT RESERVE FOR DEPRECIATION			70,021,316	31,659,051	18,103,268	952,188	10,142,110	9,164,700
383									
384	Kentucky Mid-States General Office:								
385									
386	Intangible Plant:								
387									
388	30100 Organization	99.0	-	0	-	-	-	-	-
389	30200 Franchises & Consents	99.0	-	0	-	-	-	-	-
390	30300 Misc Intangible Plant	99.0	-	0	-	-	-	-	-
391									
392	Total Intangible Plant:								
393									
394	General:								
395									
396	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
397	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	22,094	9,989	5,712	300	3,200	2,892
398	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
399	38900 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
400	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	2,133	965	552	29	309	279
401	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	8,103	3,664	2,095	110	1,174	1,061
402	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	8,056	3,643	2,083	110	1,167	1,054
403	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
404	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
405	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	3,729	1,686	964	51	540	488
406	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
407	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
408	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
409	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	30,018	13,572	7,761	408	4,348	3,929
410	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	1,834	829	474	25	266	240
411	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
412	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
413	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
414	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	(1,254)	(567)	(324)	(17)	(182)	(164)
415	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
416	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
417	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
418	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	150,628	68,104	38,943	2,048	21,817	19,715
419	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
420	39901 Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	(7,254)	(3,280)	(1,876)	(99)	(1,051)	(949)
421	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
422	39903 Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
423	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
424	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
425	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	14,648	6,623	3,787	199	2,122	1,917
426	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	8,839	3,996	2,285	120	1,280	1,157
427	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	172,882	78,166	44,697	2,351	25,041	22,628
428	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
429	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
430	Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	10,959	4,955	2,833	149	1,587	1,434
431									
432	Total General Plant			425,414	192,344	109,986	5,785	61,618	55,680

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
433									
434	Shared Services General Office:								
435									
436	General:								
437									
438	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
439	39000 Structures & Improvements	6.4	P, S, T & D Plant - Demand	38,084	17,219	9,846	518	5,516	4,985
440	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
441	37503 Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
442	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
443	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	202,198	91,421	52,276	2,750	29,287	26,465
444	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	48,712	22,024	12,594	662	7,056	6,376
445	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
446	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
447	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	119	54	31	2	17	16
448	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
449	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
450	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
451	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	722	326	187	10	105	94
452	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
453	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
454	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
455	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
456	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	11,869	5,366	3,069	161	1,719	1,553
457	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
458	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
459	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
460	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	1,197	541	309	16	173	157
461	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	3,537	1,599	914	48	512	463
462	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	559,823	253,115	144,736	7,613	81,087	73,272
463	39902 Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	406,510	183,797	105,099	5,528	58,890	53,206
464	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	56,248	25,432	14,542	765	8,147	7,362
465	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
466	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
467	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	39,426	17,826	10,193	536	5,711	5,160
468	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	38,536	17,423	9,963	524	5,592	5,044
469	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	969	438	250	13	140	127
470	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	1,059,038	478,828	273,803	14,401	153,394	138,612
471	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
472	Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
473									
474	Total General Plant			2,466,987	1,115,410	637,813	33,547	357,326	322,890
475									
476	Shared Services Customer Support:								
477									
478	General:								
479									
480	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
481	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
482	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	85,797	38,792	22,182	1,167	12,427	11,229
483	37503 Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
484	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
485	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	41,794	18,897	10,806	568	6,054	5,470
486	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	22,954	10,379	5,935	312	3,325	3,004
487	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
488	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
489	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	937	424	242	13	136	123
490	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
491	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
492	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
493	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	1,532	692	396	21	222	200
494	39500 Laboratory Equipment	6.4	P, S, T & D Plant - Demand	178	81	46	2	26	23
495	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
496	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
497	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
498	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	29,418	13,301	7,606	400	4,261	3,850
499	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
500	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
501	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
502	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	2,038	921	527	28	295	267
503	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	13,322	6,023	3,444	181	1,930	1,744
504	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	141,745	64,088	36,647	1,928	20,531	18,552
505	39902 Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	32,429	14,662	8,384	441	4,697	4,244
506	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	9,626	4,352	2,489	131	1,394	1,260
507	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
508	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
509	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	18,392	8,316	4,755	250	2,664	2,407
510	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	4,263	1,928	1,102	58	618	558
511	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	859,516	388,617	222,219	11,688	124,495	112,497
512	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	2,039	922	527	28	295	267
513	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
514	Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
515									
516	Total General Plant			1,265,981	572,394	327,306	17,215	183,369	165,697
517									
518	TOTAL RESERVE FOR DEPRECIATION - DEMAND			74,179,698	33,539,199	19,178,374	1,008,736	10,744,423	9,708,967

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF RESERVE FOR DEPRECIATION										
Commodity										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
519		Intangible Plant:								
520										
521	30100	Organization	6.6	P, S, T & D Plant - Commodity	92	35	21	1	17	17
522	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	1,320	500	309	17	243	251
523	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
524										
525		Total Intangible Plant:			1,412	535	331	18	260	269
526										
527		Production Plant:								
528										
529	32520	Producing Leaseholds	99.0	-	0	-	-	-	-	-
530	32540	Rights of Ways	99.0	-	0	-	-	-	-	-
531	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
532	33201	Field Lines	99.0	-	0	-	-	-	-	-
533	33202	Tributary Lines	1.2	Sales Mcf	0	-	-	-	-	-
534	33400	Field Meas. & Reg. Sta. Equip	1.2	Sales Mcf	0	-	-	-	-	-
535	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
536										
537		Total Production Plant			0	0	0	0	0	0
538										
539		Storage Plant:								
540										
541	35010	Land	1.5	Winter Volumes	0	-	-	-	-	-
542	35020	Rights of Way	1.5	Winter Volumes	2,227	843	522	29	409	424
543	35100	Structures and Improvements	1.5	Winter Volumes	3,144	1,191	737	40	578	599
544	35102	Compression Station Equipment	1.5	Winter Volumes	56,872	21,533	13,324	729	10,455	10,831
545	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	10,242	3,878	2,399	131	1,883	1,950
546	35104	Other Structures	1.5	Winter Volumes	50,072	18,959	11,731	642	9,205	9,536
547	35200	Wells \ Rights of Way	1.5	Winter Volumes	595,415	225,442	139,498	7,628	109,455	113,392
548	35201	Well Construction	1.5	Winter Volumes	709,755	268,734	166,287	9,093	130,475	135,167
549	35202	Well Equipment	1.5	Winter Volumes	225,298	85,304	52,784	2,887	41,417	42,906
550	35203	Cushion Gas	1.5	Winter Volumes	379,297	143,613	88,864	4,860	69,726	72,234
551	35210	Leaseholds	1.5	Winter Volumes	84,031	31,817	19,687	1,077	15,447	16,003
552	35211	Storage Rights	1.5	Winter Volumes	21,978	8,321	5,149	282	4,040	4,185
553	35301	Field Lines	1.5	Winter Volumes	(44,198)	(16,735)	(10,355)	(566)	(8,125)	(8,417)
554	35302	Tributary Lines	1.5	Winter Volumes	94,588	35,814	22,161	1,212	17,388	18,014
555	35400	Compressor Station Equipment	1.5	Winter Volumes	248,926	94,251	58,320	3,189	45,760	47,408
556	35500	Meas & Reg. Equipment	1.5	Winter Volumes	101,272	38,344	23,727	1,297	18,617	19,286
557	35600	Purification Equipment	1.5	Winter Volumes	95,899	36,310	22,468	1,229	17,629	18,263
558										
559		Total Storage Plant			2,634,817	997,619	617,304	33,757	484,359	501,778
560										
561		Transmission:								
562										
563	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
564	36520	Rights of Way	99.0	-	0	-	-	-	-	-
565	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
566	36603	Other Structures	99.0	-	0	-	-	-	-	-
567	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
568	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
569	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
570	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
571										
572		Total Transmission Plant			0	-	-	-	-	-
573										
574		Distribution:								
575										
576	37400	Land & Land Rights	99.0	-	0	-	-	-	-	-
577	37401	Land	99.0	-	0	-	-	-	-	-
578	37402	Land Rights	1.0	Mcf	0	-	-	-	-	-
579	37403	Land Other	99.0	-	0	-	-	-	-	-
580	37500	Structures & Improvements	1.0	Mcf	0	-	-	-	-	-
581	37501	Structures & Improvements T.B.	1.0	Mcf	0	-	-	-	-	-
582	37502	Land Rights	1.0	Mcf	0	-	-	-	-	-
583	37503	Improvements	1.0	Mcf	0	-	-	-	-	-
584	37600	Mains Cathodic Protection	1.0	Mcf	0	-	-	-	-	-
585	37601	Mains - Steel	1.0	Mcf	0	-	-	-	-	-
586	37602	Mains - Plastic	1.0	Mcf	0	-	-	-	-	-
587	37800	Meas & Reg. Sta. Equip - General	1.0	Mcf	0	-	-	-	-	-
588	37900	Meas & Reg. Sta. Equip - City Gate	1.0	Mcf	0	-	-	-	-	-
589	37905	Meas & Reg. Sta. Equipment T.b.	1.0	Mcf	0	-	-	-	-	-
590	38000	Services	99.0	-	0	-	-	-	-	-
591	38100	Meters	99.0	-	0	-	-	-	-	-
592	38200	Meter Installations	99.0	-	0	-	-	-	-	-
593	38300	House Regulators	99.0	-	0	-	-	-	-	-
594	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
595	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
596	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
597										
598		Total Distribution Plant			0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
599									
600	General:								
601									
602	38900 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
603	39000 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	13,805	5,227	3,234	177	2,538	2,629
604	39002 Structures - Brick	6.6	P, S, T & D Plant - Commodity	1,185	449	278	15	218	226
605	39003 Improvements	6.6	P, S, T & D Plant - Commodity	3,224	1,221	755	41	593	614
606	39003 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	56	21	13	1	10	11
607	39004 Improvement to Leased Premises	6.6	P, S, T & D Plant - Commodity	13,746	5,205	3,221	176	2,527	2,618
608	39009 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	12,606	4,773	2,953	162	2,317	2,401
609	39100 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
610	39102 Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
611	39103 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	1,253	475	294	16	230	239
612	39200 Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
613	39201 Trailers	6.6	P, S, T & D Plant - Commodity	(28)	(11)	(7)	(0)	(5)	(5)
614	39202 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
615	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	14,327	5,425	3,357	184	2,634	2,728
616	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
617	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	437	165	102	6	80	83
618	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	692	262	162	9	127	132
619	39605 Welders	6.6	P, S, T & D Plant - Commodity	214	81	50	3	39	41
620	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	2,963	1,122	694	38	545	564
621	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
622	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
623	39705 Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
624	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	22,830	8,644	5,349	292	4,197	4,348
625	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
626	39901 Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	73	28	17	1	14	14
627	39902 Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
628	39903 Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	712	270	167	9	131	136
629	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
630	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
631	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	1,236	468	290	16	227	235
632	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
633	39908 Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
634	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	1,299	492	304	17	239	247
635	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
636	Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	(70,209)	(26,583)	(16,449)	(900)	(12,906)	(13,371)
637	AR 15 general plant amortization	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
638									
639	Total General Plant			20,422	7,732	4,785	262	3,754	3,889
640									
641	TOTAL DIRECT RESERVE FOR DEPRECIATION			2,656,651	1,005,885	622,419	34,037	488,373	505,936
642									
643	Kentucky Mid-States General Office:								
644									
645	Intangible Plant:								
646									
647	30100 Organization	99.0	-	0	-	-	-	-	-
648	30200 Franchises & Consents	99.0	-	0	-	-	-	-	-
649	30300 Misc Intangible Plant	99.0	-	0	-	-	-	-	-
650									
651	Total Intangible Plant:								
652									
653	General:								
654									
655	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
656	39001 Structures Frame	6.6	P, S, T & D Plant - Commodity	581	220	136	7	107	111
657	36602 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
658	38900 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
659	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	56	21	13	1	10	11
660	39009 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	213	81	50	3	39	41
661	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	212	80	50	3	39	40
662	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
663	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
664	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	98	37	23	1	18	19
665	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
666	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
667	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
668	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	789	299	185	10	145	150
669	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	48	18	11	1	9	9
670	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
671	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
672	39605 Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
673	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	(33)	(12)	(8)	(0)	(6)	(6)
674	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
675	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
676	39705 Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
677	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	3,958	1,498	927	51	728	754
678	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
679	39901 Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	(191)	(72)	(45)	(2)	(35)	(36)
680	39902 Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
681	39903 Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
682	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
683	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
684	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	385	146	90	5	71	73
685	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	232	88	54	3	43	44
686	39908 Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	4,542	1,720	1,064	58	835	865
687	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
688	39924 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
689	Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	288	109	67	4	53	55
690									
691	Total General Plant			11,177	4,232	2,619	143	2,055	2,129

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
692									
693	Shared Services General Office:								
694									
695	General:								
696									
697	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
698	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	1,001	379	234	13	184
699	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
700	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
701	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
702	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	5,313	2,012	1,245	68	977
703	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	1,280	485	300	16	235
704	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
705	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
706	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	3	1	1	0	1
707	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
708	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
709	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
710	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	19	7	4	0	3
711	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
712	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
713	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
714	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
715	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	312	118	73	4	57
716	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
717	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
718	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
719	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	31	12	7	0	6
720	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	93	35	22	1	17
721	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	14,709	5,569	3,446	188	2,704
722	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	10,681	4,044	2,502	137	1,963
723	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	1,478	560	346	19	272
724	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
725	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
726	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	1,036	392	243	13	190
727	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	1,013	383	237	13	166
728	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	25	10	6	0	5
729	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	27,826	10,536	6,519	357	5,115
730	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
731		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
732									
733		Total General Plant			64,818	24,542	15,186	830	11,916
734					18,270	6,918	4,280	234	3,359
735	Shared Services Customer Support:								
736									
737	General:								
738									
739	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
740	39001	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
741	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	2,254	854	528	29	414
742	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
743	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
744	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	1,098	416	257	14	202
745	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	603	228	141	8	111
746	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
747	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
748	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	25	9	6	0	5
749	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
750	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
751	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
752	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	40	15	9	1	7
753	39500	Laboratory Equipment	6.6	P, S, T & D Plant - Commodity	5	2	1	0	1
754	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
755	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
756	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
757	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	773	293	181	10	142
758	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
759	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
760	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
761	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	54	20	13	1	10
762	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	350	133	82	4	64
763	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	3,724	1,410	873	48	685
764	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	852	323	200	11	157
765	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	253	96	59	3	46
766	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
767	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
768	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	483	183	113	6	89
769	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	112	42	26	1	21
770	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	22,583	8,551	5,291	289	4,151
771	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	54	20	13	1	10
772	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
773		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
774									
775		Total General Plant			33,263	12,594	7,793	426	6,115
776									
777		TOTAL RESERVE FOR DEPRECIATION - COMMODITY			2,765,910	1,047,254	648,017	35,437	508,458

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF RESERVE FOR DEPRECIATION										
Total Reserve for Depreciation										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
778		Intangible Plant:								
779										
780	30100	Organization			8,330	5,457	1,791	50	545	487
781	30200	Franchises & Consents			119,853	78,517	25,766	726	7,837	7,007
782	30300	Misc Intangible Plant			0	-	-	-	-	-
783										
784		Total Intangible Plant:			128,182	83,974	27,556	776	8,382	7,494
785										
786		Production Plant:								
787										
788	32520	Producing Leaseholds			0	-	-	-	-	-
789	32540	Rights of Ways			0	-	-	-	-	-
790	33100	Production Gas Wells Equipment			0	-	-	-	-	-
791	33201	Field Lines			0	-	-	-	-	-
792	33202	Tributary Lines			0	-	-	-	-	-
793	33400	Field Meas. & Reg. Sta. Equip			0	-	-	-	-	-
794	33600	Purification Equipment			0	-	-	-	-	-
795										
796		Total Production Plant			0	0	0	0	0	0
797										
798		Storage Plant:								
799										
800	35010	Land			0	-	-	-	-	-
801	35020	Rights of Way			4,453	1,850	1,097	59	732	715
802	35100	Structures and Improvements			6,289	2,612	1,550	83	1,033	1,010
803	35102	Compression Station Equipment			113,744	47,247	28,028	1,502	18,692	18,275
804	35103	Meas. & Reg. Sta. Structures			20,483	8,508	5,047	270	3,366	3,291
805	35104	Other Structures			100,144	41,598	24,677	1,322	16,457	16,089
806	35200	Wells \ Rights of Way			1,190,830	494,649	293,436	15,725	195,697	191,322
807	35201	Well Construction			1,419,511	583,639	349,786	18,745	233,278	228,063
808	35202	Well Equipment			450,595	187,169	111,033	5,950	74,049	72,394
809	35203	Cushion Gas			758,594	315,106	186,928	10,017	124,665	121,878
810	35210	Leaseholds			168,062	69,810	41,413	2,219	27,619	27,001
811	35211	Storage Rights			43,956	18,258	10,831	580	7,224	7,062
812	35301	Field Lines			(88,396)	(36,718)	(21,782)	(1,167)	(14,527)	(14,202)
813	35302	Tributary Lines			189,177	78,561	46,616	2,498	31,069	30,594
814	35400	Compressor Station Equipment			497,853	206,799	122,676	6,574	81,815	79,986
815	35500	Meas & Reg. Equipment			202,544	84,133	49,909	2,675	33,285	32,541
816	35600	Purification Equipment			191,797	79,669	47,261	2,533	31,519	30,815
817										
818		Total Storage Plant			5,269,635	2,188,910	1,298,508	69,587	865,995	846,635
819										
820		Transmission:								
821										
822	36510	Land & Land Rights			0	-	-	-	-	-
823	36520	Rights of Way			428,096	193,557	110,680	5,821	62,007	56,031
824	36602	Structures & Improvements			16,837	7,613	4,353	229	2,439	2,204
825	36603	Other Structures			53,066	23,993	13,720	722	7,686	6,946
826	36700	Mains Cathodic Protection			98,316	44,452	25,419	1,337	14,240	12,868
827	36701	Mains - Steel			16,387,961	7,409,562	4,236,933	222,852	2,373,684	2,144,929
828	36900	Meas. & Reg. Equipment			353,469	159,816	91,386	4,807	51,198	46,264
829	36901	Meas. & Reg. Equipment			1,774,251	802,200	458,714	24,127	256,988	232,222
830										
831		Total Transmission Plant			19,111,996	8,641,192	4,941,204	259,895	2,768,242	2,501,463
832										
833		Distribution:								
834										
835	37400	Land & Land Rights			0	-	-	-	-	-
836	37401	Land			0	-	-	-	-	-
837	37402	Land Rights			235,363	140,926	49,027	2,134	22,743	20,533
838	37403	Land Other			0	-	-	-	-	-
839	37500	Structures & Improvements			113,695	68,076	23,683	1,031	10,986	9,919
840	37501	Structures & Improvements T.B.			71,449	42,781	14,883	648	6,904	6,233
841	37502	Land Rights			35,399	21,196	7,374	321	3,421	3,088
842	37503	Improvements			1,920	1,150	400	17	186	168
843	37600	Mains Cathodic Protection			13,210,658	7,910,019	2,751,808	119,805	1,276,538	1,152,489
844	37601	Mains - Steel			33,671,112	20,160,928	7,013,763	305,357	3,253,619	2,937,445
845	37602	Mains - Plastic			19,028,671	11,393,614	3,963,712	172,567	1,838,729	1,660,048
846	37800	Meas & Reg. Sta. Equip - General			2,894,799	1,733,291	602,993	26,252	279,723	252,540
847	37900	Meas & Reg. Sta. Equip - City Gate			984,409	589,425	205,054	8,927	95,123	85,879
848	37905	Meas & Reg. Sta. Equipment T.B.			1,038,111	621,580	216,241	9,414	100,312	90,564
849	38000	Services			30,562,139	27,216,572	3,310,936	1,683	21,040	11,908
850	38100	Meters			21,386,354	13,797,005	7,076,398	24,923	311,648	176,380
851	38200	Meter Installations			26,987,899	17,410,737	8,929,858	31,450	393,275	222,578
852	38300	House Regulators			4,321,265	2,787,783	1,429,636	5,036	62,971	35,639
853	38400	House Reg. Installations			94,403	60,903	31,237	110	1,376	779
854	38500	Ind. Meas. & Reg. Sta. Equipment			2,958,741	-	2,928,115	1,488	18,607	10,531
855	38600	Other Prop. On Cust. Prem			0	-	-	-	-	-
856										
857		Total Distribution Plant			157,596,387	103,955,984	38,555,318	711,165	7,697,199	6,676,721

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF RESERVE FOR DEPRECIATION							
858							
859	General:						
860							
861	38900 Land & Land Rights	0	-	-	-	-	-
862	39000 Structures & Improvements	1,253,482	821,177	269,470	7,588	81,966	73,281
863	39002 Structures - Brick	107,583	70,479	23,128	651	7,035	6,289
864	39003 Improvements	292,730	191,772	62,930	1,772	19,142	17,114
865	39003 Air Conditioning Equipment	5,049	3,308	1,086	31	330	295
866	39004 Improvement to Leased Premises	1,248,110	817,657	268,315	7,555	81,615	72,967
867	39009 Office Furniture & Equipment	1,144,609	749,853	246,065	6,929	74,847	66,916
868	39100 Remittance Processing Equip	0	-	-	-	-	-
869	39102 Office Machines	0	-	-	-	-	-
870	39103 Transportation Equipment	113,788	74,544	24,462	689	7,441	6,652
871	39200 Trucks	0	-	-	-	-	-
872	39201 Trailers	(2,529)	(1,657)	(544)	(15)	(165)	(148)
873	39202 Stores Equipment	0	-	-	-	-	-
874	39400 Tools, Shop & Garage Equipment	1,300,851	852,209	279,654	7,874	85,064	76,050
875	39600 Power Operated Equipment	0	-	-	-	-	-
876	39603 Ditchers	39,655	25,978	8,525	240	2,593	2,318
877	39604 Backhoes	62,818	41,153	13,504	380	4,108	3,672
878	39605 Welders	19,456	12,746	4,183	118	1,272	1,137
879	39700 Communication Equipment	269,010	176,233	57,831	1,628	17,591	15,727
880	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
881	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
882	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
883	39800 Miscellaneous Equipment	2,072,883	1,357,980	445,623	12,548	135,548	121,184
884	39900 Other Tangible Property	0	-	-	-	-	-
885	39901 Other Tangible Property - Servers - H/W	6,670	4,370	1,434	40	436	390
886	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
887	39903 Other Tangible Property - Network - H/W	64,644	42,350	13,897	391	4,227	3,779
888	39904 Other Tang. Property - CPU	0	-	-	-	-	-
889	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
890	39906 Other Tang. Property - PC Hardware	112,226	73,521	24,126	679	7,339	6,561
891	39907 Other Tang. Property - PC Software	0	-	-	-	-	-
892	39908 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
893	39909 Other Tang. Property - Application Software	117,916	77,249	25,349	714	7,711	6,894
894	Other Tang. Property - General Startup Costs	0	-	-	-	-	-
895	Retirement Work in Progress	(6,374,709)	(4,176,178)	(1,370,419)	(38,588)	(416,848)	(372,677)
896	AR 15 general plant amortization	0	-	-	-	-	-
897							
898	Total General Plant	1,854,243	1,214,745	398,620	11,224	121,251	108,402
899							
900	TOTAL DIRECT RESERVE FOR DEPRECIATION	183,960,444	116,084,806	45,221,207	1,052,647	11,461,069	10,140,715
901							
902	Kentucky Mid-States General Office:						
903							
904	Intangible Plant:						
905							
906	30100 Organization	0	-	-	-	-	-
907	30200 Franchises & Consents	0	-	-	-	-	-
908	30300 Misc Intangible Plant	0	-	-	-	-	-
909							
910	Total Intangible Plant:						
911							
912	General:						
913							
914	37400 Land & Land Rights	0	-	-	-	-	-
915	39001 Structures Frame	52,708	34,530	11,331	319	3,447	3,081
916	36602 Structures & Improvements	0	-	-	-	-	-
917	38900 Land & Land Rights	0	-	-	-	-	-
918	39004 Air Conditioning Equipment	5,090	3,334	1,094	31	333	298
919	39009 Improvement to leased Premises	19,332	12,664	4,156	117	1,264	1,130
920	39100 Office Furniture & Equipment	19,220	12,591	4,132	116	1,257	1,124
921	39102 Remittance Processing Equip	0	-	-	-	-	-
922	39103 Office Machines	0	-	-	-	-	-
923	39200 Transportation Equipment	8,895	5,827	1,912	54	582	520
924	39201 Trucks	0	-	-	-	-	-
925	39202 Trailers	0	-	-	-	-	-
926	39300 Stores Equipment	0	-	-	-	-	-
927	39400 Tools, Shop & Garage Equipment	71,611	46,913	15,395	433	4,683	4,186
928	39600 Power Operated Equipment	4,375	2,866	941	26	286	256
929	39603 Ditchers	0	-	-	-	-	-
930	39604 Backhoes	0	-	-	-	-	-
931	39605 Welders	0	-	-	-	-	-
932	39700 Communication Equipment	(2,991)	(1,960)	(643)	(18)	(196)	(175)
933	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
934	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
935	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
936	39800 Miscellaneous Equipment	359,341	235,410	77,250	2,175	23,498	21,008
937	39900 Other Tangible Property	0	-	-	-	-	-
938	39901 Other Tangible Property - Servers - H/W	(17,306)	(11,338)	(3,720)	(105)	(1,132)	(1,012)
939	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
940	39903 Other Tangible Property - Network - H/W	0	-	-	-	-	-
941	39904 Other Tang. Property - CPU	0	-	-	-	-	-
942	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
943	39906 Other Tang. Property - PC Hardware	34,944	22,892	7,512	212	2,285	2,043
944	39907 Other Tang. Property - PC Software	21,086	13,814	4,533	128	1,379	1,233
945	39908 Other Tang. Property - Mainframe S/W	412,432	270,191	88,664	2,497	26,969	24,112
946	39909 Other Tang. Property - Application Software	0	-	-	-	-	-
947	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
948	Retirement Work in Progress	26,143	17,127	5,620	158	1,710	1,528
949							
950	Total General Plant	1,014,877	664,883	218,176	6,143	66,364	59,332

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF OTHER RATE BASE									
Customer									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base Additions:								
2									
3	Materials and Supplies - KY Direct	7.2	Allocated O&M Expenses - Cust	(59,842)	(49,202)	(10,322)	(28)	(185)	(105)
4	Materials and Supplies - KY Mid-States GO	7.2	Allocated O&M Expenses - Cust	77,382	63,623	13,347	36	240	136
5	Materials and Supplies - Shared Services GO	7.2	Allocated O&M Expenses - Cust	(0)	(0)	(0)	(0)	(0)	(0)
6	Materials and Supplies - Shared Services CS	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
7	Gas Storage Inventory	99.0	-	0	-	-	-	-	-
8	Prepayments - KY Direct	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
9	Prepayments - KY Mid-States GO	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
10	Prepayments - Shared Services GO	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
11	Prepayments - Shared Services CS	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
12	Cash Working Capital	7.2	Allocated O&M Expenses - Cust	400,723	329,472	69,119	188	1,241	703
13	Regulatory Assets	7.2	Allocated O&M Expenses - Cust	(4,913,977)	(4,040,242)	(847,591)	(2,308)	(15,219)	(8,616)
14									
15	Total Rate Base Additions			(4,495,713)	(3,696,348)	(775,447)	(2,112)	(13,924)	(7,883)
16									
17	Rate Base Deductions:								
18									
19	Customer Advances - KY Direct	2.0	Bills	(747,234)	(665,436)	(80,951)	(41)	(514)	(291)
20	Customer Advances - KY Mid-States GO	2.0	Bills	0	-	-	-	-	-
21	Customer Advances - Shared Services GO	2.0	Bills	0	-	-	-	-	-
22	Customer Advances - Shared Services CS	2.0	Bills	0	-	-	-	-	-
23	ADIT - KY Direct	9.2	Allocated Net Plant - Cust	(41,950,948)	(34,853,614)	(6,843,930)	(12,312)	(153,957)	(87,134)
24	ADIT - KY Mid-States GO	9.2	Allocated Net Plant - Cust	12,759,018	10,600,426	2,081,522	3,745	46,825	26,501
25	ADIT - Shared Services GO	9.2	Allocated Net Plant - Cust	(473,848)	(393,682)	(77,304)	(139)	(1,739)	(984)
26	ADIT - Shared Services CS	9.2	Allocated Net Plant - Cust	37,760	31,372	6,160	11	139	78
27	Change in Net Operating Loss Carryforward	9.2	Allocated Net Plant - Cust	723,651	601,222	118,057	212	2,656	1,503
28									
29									
30	Total Rate Base Deductions			(29,651,601)	(24,679,712)	(4,796,446)	(8,524)	(106,592)	(60,327)
31									
32									
33	TOTAL OTHER RB - CUSTOMER			(34,147,314)	(28,376,061)	(5,571,893)	(10,636)	(120,515)	(68,209)
34									
35	Interest on Customer Deposits	2.0	Bills	0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF OTHER RATE BASE									
Demand									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
35	Rate Base Additions:								
36									
37	Materials and Supplies - KY Direct	7.4	Allocated O&M Expenses - Demand	(42,645)	(19,281)	(11,025)	(580)	(6,177)	(5,582)
38	Materials and Supplies - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	55,144	24,933	14,257	750	7,987	7,218
39	Materials and Supplies - Shared Services GO	7.4	Allocated O&M Expenses - Demand	(0)	(0)	(0)	(0)	(0)	(0)
40	Materials and Supplies - Shared Services CS	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
41	Gas Storage Inventory	99.0	-	0	-	-	-	-	-
42	Prepayments - KY Direct	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
43	Prepayments - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
44	Prepayments - Shared Services GO	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
45	Prepayments - Shared Services CS	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
46	Cash Working Capital	7.4	Allocated O&M Expenses - Demand	285,564	129,113	73,829	3,883	41,362	37,376
47	Regulatory Assets	7.4	Allocated O&M Expenses - Demand	(3,501,799)	(1,583,284)	(905,353)	(47,619)	(507,212)	(458,331)
48									
49	Total Rate Base Additions			(3,203,736)	(1,448,520)	(828,292)	(43,566)	(464,039)	(419,319)
50									
51	Rate Base Deductions:								
52									
53									
54	Customer Advances - KY Direct	99.0	-	0	-	-	-	-	-
55	Customer Advances - KY Mid-States GO	99.0	-	0	-	-	-	-	-
56	Customer Advances - Shared Services GO	99.0	-	0	-	-	-	-	-
57	Customer Advances - Shared Services CS	99.0	-	0	-	-	-	-	-
58	ADIT - KY Direct	9.4	Allocated Net Plant - Demand	(32,422,107)	(14,659,152)	(8,382,392)	(440,893)	(4,696,121)	(4,243,549)
59	ADIT - KY Mid-States GO	9.4	Allocated Net Plant - Demand	9,860,904	4,458,455	2,549,432	134,094	1,428,285	1,290,639
60	ADIT - Shared Services GO	9.4	Allocated Net Plant - Demand	(366,217)	(165,579)	(94,682)	(4,980)	(53,044)	(47,932)
61	ADIT - Shared Services CS	9.4	Allocated Net Plant - Demand	29,183	13,195	7,545	397	4,227	3,820
62	Change in Net Operating Loss Carryforward	9.4	Allocated Net Plant - Demand	559,279	252,869	144,596	7,605	81,008	73,201
63									
64	Total Rate Base Deductions			(22,338,958)	(10,100,213)	(5,775,501)	(303,777)	(3,235,646)	(2,923,822)
65									
66									
67	TOTAL OTHER RB - DEMAND			(25,542,694)	(11,548,733)	(6,603,793)	(347,343)	(3,699,685)	(3,343,141)
68									
69	Interest on Customer Deposits	3.0	Peak Day	0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF OTHER RATE BASE									
Commodity									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
69	Rate Base Additions:								
70									
71	Materials and Supplies - KY Direct	7.6	Allocated O&M Expenses - Comm	(299,637)	(175,607)	(119,309)	(4,252)	(227)	(240)
72	Materials and Supplies - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	387,463	227,079	154,280	5,499	294	311
73	Materials and Supplies - Shared Services GO	7.6	Allocated O&M Expenses - Comm	(0)	(0)	(0)	(0)	(0)	(0)
74	Materials and Supplies - Shared Services CS	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
75	Gas Storage Inventory	1.0	Mcf	8,905,991	2,696,819	1,827,594	90,291	2,021,444	2,269,843
76	Prepayments - KY Direct	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
77	Prepayments - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
78	Prepayments - Shared Services GO	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
79	Prepayments - Shared Services CS	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
80	Cash Working Capital	7.6	Allocated O&M Expenses - Comm	2,006,472	1,175,928	798,937	28,475	1,522	1,609
81	Regulatory Assets	7.6	Allocated O&M Expenses - Comm	(24,604,894)	(14,420,124)	(9,797,181)	(349,187)	(18,665)	(19,737)
82									
83	Total Rate Base Additions			(13,604,604)	(10,495,905)	(7,135,679)	(229,175)	2,004,368	2,251,786
84									
85									
86	Rate Base Deductions:								
87									
88	Customer Advances - KY Direct	99.0	-	0	-	-	-	-	-
89	Customer Advances - KY Mid-States GO	99.0	-	0	-	-	-	-	-
90	Customer Advances - Shared Services GO	99.0	-	0	-	-	-	-	-
91	Customer Advances - Shared Services CS	99.0	-	0	-	-	-	-	-
92	ADIT - KY Direct	9.6	Allocated Net Plant - Comm	(744,201)	(281,776)	(174,357)	(9,535)	(136,807)	(141,727)
93	ADIT - KY Mid-States GO	9.6	Allocated Net Plant - Comm	226,342	85,700	53,029	2,900	41,609	43,105
94	ADIT - Shared Services GO	9.6	Allocated Net Plant - Comm	(8,406)	(3,183)	(1,969)	(108)	(1,545)	(1,601)
95	ADIT - Shared Services CS	9.6	Allocated Net Plant - Comm	670	254	157	9	123	128
96	Change in Net Operating Loss Carryforward	9.6	Allocated Net Plant - Comm	12,837	4,861	3,008	164	2,360	2,445
97									
98	Total Rate Base Deductions			(512,758)	(194,145)	(120,133)	(6,569)	(94,260)	(97,650)
99									
100									
101	TOTAL OTHER RB - COMMODITY			(14,117,362)	(10,690,050)	(7,255,811)	(235,744)	1,910,108	2,154,136
102									
103	Interest on Customer Deposits	1.0	Mcf	0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
ALLOCATION OF OTHER RATE BASE								
Total Other Rate Base								
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
103	Rate Base Additions:							
104								
105		Materials and Supplies - KY Direct	(402,124)	(244,090)	(140,657)	(4,860)	(6,589)	(5,927)
106		Materials and Supplies - KY Mid-States GO	519,990	315,635	181,884	6,285	8,521	7,664
107		Materials and Supplies - Shared Services GO	(0)	(0)	(0)	(0)	(0)	(0)
108		Materials and Supplies - Shared Services CS	0	-	-	-	-	-
109		Gas Storage Inventory	8,905,991	2,696,819	1,827,594	90,291	2,021,444	2,269,843
110		Prepayments - KY Direct	0	-	-	-	-	-
111		Prepayments - KY Mid-States GO	0	-	-	-	-	-
112		Prepayments - Shared Services GO	0	-	-	-	-	-
113		Prepayments - Shared Services CS	0	-	-	-	-	-
114		Cash Working Capital	2,692,759	1,634,513	941,886	32,547	44,125	39,688
115		Regulatory Assets	(33,020,670)	(20,043,651)	(11,550,125)	(399,115)	(541,096)	(486,684)
116								
117		Total Rate Base Additions	(21,304,054)	(15,640,773)	(8,739,417)	(274,853)	1,526,405	1,824,584
118								
119								
120	Rate Base Deductions:							
121								
122		Customer Advances - KY Direct	(747,234)	(665,436)	(80,951)	(41)	(514)	(291)
123		Customer Advances - KY Mid-States GO	0	-	-	-	-	-
124		Customer Advances - Shared Services GO	0	-	-	-	-	-
125		Customer Advances - Shared Services CS	0	-	-	-	-	-
126		ADIT - KY Direct	(75,117,257)	(49,794,543)	(15,400,679)	(462,740)	(4,986,885)	(4,472,409)
127		ADIT - KY Mid-States GO	22,846,265	15,144,580	4,683,983	140,738	1,516,718	1,360,245
128		ADIT - Shared Services GO	(848,471)	(562,444)	(173,955)	(5,227)	(56,328)	(50,517)
129		ADIT - Shared Services CS	67,614	44,820	13,862	417	4,489	4,026
130		Change in Net Operating Loss Carryforward	1,295,767	858,952	265,661	7,982	86,023	77,149
131								
132		Total Rate Base Deductions	(52,503,316)	(34,974,070)	(10,692,079)	(318,871)	(3,436,498)	(3,081,799)
133								
134								
135		TOTAL OTHER RB	(73,807,370)	(50,614,844)	(19,431,496)	(593,724)	(1,910,092)	(1,257,214)
136								
137		Interest on Customer Deposits	0	-	-	-	-	-

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
Customer									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1			Production & Gathering:						
2			Operation						
3	7500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
4	7510	99.0 -	Production Maps & Records	0	-	-	-	-	-
5	7530	99.0 -	Field Lines Expenses	0	-	-	-	-	-
6	7540	99.0 -	Field Compressor Station Expense	0	-	-	-	-	-
7	7550	99.0 -	Field Compressor Sta. Fuel & Pwr.	0	-	-	-	-	-
8	7560	99.0 -	Field Meas. & Regul. Station Exp	0	-	-	-	-	-
9	7570	99.0 -	Purification Equipment	0	-	-	-	-	-
10	7590	99.0 -	Other Expenses	0	-	-	-	-	-
11			Maintenance						
12	7610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
13	7620	99.0 -	Structures and Improvements	0	-	-	-	-	-
14	7640	99.0 -	Field Line Maintenance	0	-	-	-	-	-
15	7650	99.0 -	Compressor Station Equip. Maint.	0	-	-	-	-	-
16	7660	99.0 -	Meas. & Regul. Station Equip Maint.	0	-	-	-	-	-
17	7670	99.0 -	Purification Equipment Maintenance	0	-	-	-	-	-
18	7680	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
19	7690	99.0 -	Gas Processed By Others	0	-	-	-	-	-
20			Total Production & Gathering	0	0	0	0	0	0
21									
22			Other Gas Supply Expenses:						
23			Operation						
24	8001	99.0 -	Intercompany Gas Well-head Purchases	0	-	-	-	-	-
25	8010	99.0 -	Natural gas field line purchases	0	-	-	-	-	-
26	8040	99.0 -	Natural gas city gate purchases	0	-	-	-	-	-
27	8050	99.0 -	Other purchases	0	-	-	-	-	-
28	8051	99.0 -	PGA for Residential	0	-	-	-	-	-
29	8052	99.0 -	PGA for Commercial	0	-	-	-	-	-
30	8053	99.0 -	PGA for Industrial	0	-	-	-	-	-
31	8054	99.0 -	PGA for Public Authorities	0	-	-	-	-	-
32	8058	99.0 -	Unbilled PGA Cost	0	-	-	-	-	-
33	8059	99.0 -	PGA Offset to Unrecovered Gas Cost	0	-	-	-	-	-
34	8060	99.0 -	Exchange gas	0	-	-	-	-	-
35	8081	99.0 -	Gas withdrawn from storage-Debit	0	-	-	-	-	-
36	8082	99.0 -	Gas delivered to storage-Credit	0	-	-	-	-	-
37	8120	99.0 -	Gas used for other utility operations-Credit	0	-	-	-	-	-
38	8580	99.0 -	Transmission and compression of gas by others	0	-	-	-	-	-
39			Maintenance						
40	8350	99.0 -	Maint. Of Purch. Gas Meas. Sta.	0	-	-	-	-	-
41			Total Other Gas Supply Expenses	0	0	0	0	0	0
42									
43			Underground Storage:						
44			Operation						
45	8140	99.0 -	Storage-Operation supervision and engineering	0	-	-	-	-	-
46	8160	99.0 -	Wells expenses	0	-	-	-	-	-
47	8170	99.0 -	Lines expenses	0	-	-	-	-	-
48	8180	99.0 -	Compressor station expenses	0	-	-	-	-	-
49	8190	99.0 -	Compressor station fuel and power	0	-	-	-	-	-
50	8200	99.0 -	Storage-Measuring and regulating station expenses	0	-	-	-	-	-
51	8210	99.0 -	Storage-Purification expenses	0	-	-	-	-	-
52	8240	99.0 -	Storage-Other expenses	0	-	-	-	-	-
53	8250	99.0 -	Storage well royalties	0	-	-	-	-	-
54	8260	99.0 -	Rents	0	-	-	-	-	-
55			Maintenance						
56	8300	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
57	8310	99.0 -	Structures and Improvements	0	-	-	-	-	-
58	8320	99.0 -	Reservoirs & Wells Maintenance	0	-	-	-	-	-
59	8330	99.0 -	Line Maintenance	0	-	-	-	-	-
60	8340	99.0 -	Compressor Station Equip Maint	0	-	-	-	-	-
61	8350	99.0 -	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
62	8360	99.0 -	Purification Equipment Maintenance	0	-	-	-	-	-
63	8410	99.0 -	Other storage expenses-Operation labor and expenses	0	-	-	-	-	-
64			Total Underground Storage Expense	0	0	0	0	0	0
65									
66			Transmission:						
67			Operation						
68	8500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
69	8510	99.0 -	System Control & Load Dispatching	0	-	-	-	-	-
70	8520	99.0 -	Communication Systems Expense	0	-	-	-	-	-
71	8530	99.0 -	Compressor Station Labor Expense	0	-	-	-	-	-
72	8540	99.0 -	Compressor Station Fuel Gas	0	-	-	-	-	-
73	8550	99.0 -	Compressor Station Fuel & Power	0	-	-	-	-	-
74	8560	99.0 -	Mains Expense	0	-	-	-	-	-
75	8570	99.0 -	Meas. & Regul. Station Expenses	0	-	-	-	-	-
76	8580	99.0 -	LDC Payment	0	-	-	-	-	-
77	8580	99.0 -	LDC Payment - A&G	0	-	-	-	-	-
78	8590	99.0 -	Other Expenses	0	-	-	-	-	-
79	8600	99.0 -	Rents	0	-	-	-	-	-
80			Maintenance						
81	8610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
82	8620	99.0 -	Structures and Improvements	0	-	-	-	-	-
83	8630	99.0 -	Mains	0	-	-	-	-	-
84	8640	99.0 -	Compressor Station Equip Maint	0	-	-	-	-	-
85	8650	99.0 -	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
86	8660	99.0 -	Communication Equipment Maintenance	0	-	-	-	-	-
87	8670	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
88			Total Transmission Expense	0	0	0	0	0	0

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
89									
90	Distribution:								
91	Operation								
92	8700 Supervision and Engineering	10.2 Composite of Accts. 871-879 & 886-893 - Cust	422,826	326,681	92,474	178	2,230	1,262	
93	8710 Distribution Load Dispatching	99.0 -	0	-	-	-	-	-	
94	8711 Odorization	99.0 -	0	-	-	-	-	-	
94	8720 Compressor Station Labor & Expenses	11.2 Composite of Accts. 376 & 380 - Cust	0	-	-	-	-	-	
95	8740 Mains & Services	12.2 Composite of Accts. 374-379 - Cust	1,445,101	1,286,909	156,554	80	995	563	
96	8750 Measuring and Regulating Station Exp. - Gen	11.2 Composite of Accts. 376 & 380 - Cust	192,218	171,176	20,824	11	132	75	
97	8760 Measuring and Regulating Station Exp. - Ind.	2.2 Non-Residential Bills	120,928	-	119,676	61	761	430	
98	8770 Measuring and Regulating Sta. Exp. - City Gate	11.2 Composite of Accts. 376 & 380 - Cust	12,805	11,403	1,387	1	9	5	
99	8780 Meters and House Regulator Expense	13.2 Composite of Accts. 381-383 - Cust	820,621	529,408	271,530	956	11,968	6,768	
100	8790 Customer Installations Expense	2.0 Bills	2,246	2,000	243	0	2	1	
101	8800 Other Expense	10.2 Composite of Accts. 871-879 & 886-893 - Cust	1,406	1,086	307	1	7	4	
102	8810 Rents	10.2 Composite of Accts. 871-879 & 886-893 - Cust	162,285	125,384	35,493	68	856	484	
103	Maintenance								
104	8850 Maintenance Supervision and Engineering	10.2 Composite of Accts. 871-879 & 886-893 - Cust	697	538	152	0	4	2	
105	8860 Maintenance of Structures and Improvements	12.2 Composite of Accts. 374-379 - Cust	33	29	4	0	0	0	
106	8870 Maintenance of Mains	12.2 Composite of Accts. 374-379 - Cust	9,650	8,593	1,045	1	7	4	
107	8890 Maintenance of compressor station equipment	99.0 -	0	-	-	-	-	-	
108	8900 Maint. of Measuring and Regulating Station Equip. - General	12.2 Composite of Accts. 374-379 - Cust	21,931	19,530	2,376	1	15	9	
109	8910 Maint. of Measuring and Regulating Station Equip. - Industrial	2.2 Non-Residential Bills	1,723	-	1,705	1	11	6	
110	8920 Maint. of Measuring and Regulating Station Equip. - City Gate	12.2 Composite of Accts. 374-379 - Cust	296	237	29	0	0	0	
111	8930 Maintenance of Services	14.2 Account 380 - Cust	6,533	5,817	708	0	4	3	
112	8940 Maintenance of Meters and House Regulators	13.2 Composite of Accts. 381-383 - Cust	0	-	-	-	-	-	
113	8950 Maintenance of Other Equipment	10.2 Composite of Accts. 871-879 & 886-893 - Cust	2,575	1,989	563	1	14	8	
114	Total Distribution		3,223,843	2,490,783	705,072	1,360	17,005	9,624	
115	Customer Accounts:								
116	9010 Supervision	2.0 Bills	0	-	-	-	-	-	
118	9020 Meter Reading Expense	2.0 Bills	1,085,047	966,269	117,548	60	747	423	
119	9030 Customer Records and Collection Expenses	2.0 Bills	1,220,802	1,087,164	132,255	67	840	476	
120	9040 Uncollectible Accounts	8.0 Customer Deposit Balances	341,050	208,226	129,278	3,493	29	25	
121	9050 Miscellaneous Customer Accounts Expenses	2.0 Bills	0	-	-	-	-	-	
122	Total Customer Accounts		2,646,900	2,261,659	379,081	3,620	1,616	924	
123	Customer Service and Information:								
124	9070 Supervision	2.0 Bills	0	-	-	-	-	-	
126	9080 Customer Assistance Expenses	2.0 Bills	0	-	-	-	-	-	
127	9090 Informational and Instructional Advertising Expenses	2.0 Bills	128,272	114,230	13,896	7	88	50	
128	9100 Miscellaneous Customer Service and Informational Expenses	2.0 Bills	0	-	-	-	-	-	
129	Total Customer Service and Information		128,272	114,230	13,896	7	88	50	
130	Sales:								
131	9110 Supervision	2.0 Bills	253,468	225,721	27,459	14	174	99	
133	9120 Demonstrating and Selling Expenses	2.0 Bills	115,937	103,246	12,560	6	80	45	
134	9130 Advertising Expenses	2.0 Bills	35,170	31,320	3,810	2	24	14	
135	9160 Miscellaneous Sales Expenses	2.0 Bills	(196,207)	(174,809)	(21,266)	(11)	(135)	(76)	
136	Total Sales		208,278	185,478	22,564	11	143	81	
137	Administrative & General:								
138	Operation								
140	9200 Administrative and General Salaries	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	(476,980)	(391,790)	(82,539)	(129)	(1,611)	(912)	
141	9210 Office Supplies and Expenses	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	10,068	8,270	1,742	3	34	19	
142	9220 Administrative Expenses Transferred - Customer Support	2.0 Bills	0	-	-	-	-	-	
143	9220 Administrative Expenses Transferred - General	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	8,286,720	6,806,682	1,433,970	2,238	27,989	15,841	
144	9230 Outside Services Employed	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	194,153	159,476	33,597	52	656	371	
145	9240 Property Insurance	9.2 Allocated Net Plant - Cust	2,077	1,725	339	1	8	4	
146	9250 Injuries and Damages	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	42,300	34,745	7,320	11	143	81	
147	9260 Employee Pensions and Benefits	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	618,951	508,404	107,106	167	2,091	1,183	
148	9270 Franchise Requirements	2.0 Bills	646	576	70	0	0	0	
149	9280 Regulatory Commission Expenses	2.0 Bills	852,920	759,553	92,401	47	587	332	
150	930.1 General Advertising Expenses	2.0 Bills	0	-	-	-	-	-	
151	930.2 Miscellaneous General Expense	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	(24,191)	(19,870)	(4,186)	(7)	(82)	(46)	
152	9310 Rents	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	(4,730)	(3,885)	(818)	(1)	(16)	(9)	
153	Maintenance								
154	9320 Maintenance of General Plant	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	6,746	5,541	1,167	2	23	13	
155	Total A&G		9,508,682	7,869,429	1,590,169	2,385	29,821	16,878	
156									
157	TOTAL O&M EXPENSE - CUSTOMER		15,715,974	12,921,579	2,710,782	7,383	48,674	27,556	

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
Demand									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
158			Production & Gathering:						
159			Operation						
160	7500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
161	7510	99.0 -	Production Maps & Records	0	-	-	-	-	-
162	7530	99.0 -	Field Lines Expenses	0	-	-	-	-	-
163	7540	99.0 -	Field Compressor Station Expense	0	-	-	-	-	-
164	7550	99.0 -	Field Compressor Sta. Fuel & Pwr.	0	-	-	-	-	-
165	7560	99.0 -	Field Meas. & Regul. Station Exp	0	-	-	-	-	-
166	7570	99.0 -	Purification Expense	0	-	-	-	-	-
167	7590	99.0 -	Other Expenses	0	-	-	-	-	-
168			Maintenance						
169	7610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
170	7620	99.0 -	Structures and Improvements	0	-	-	-	-	-
171	7640	99.0 -	Field Line Maintenance	0	-	-	-	-	-
172	7650	99.0 -	Compressor Station Equip. Maint.	0	-	-	-	-	-
173	7660	99.0 -	Meas. & Regul. Station Equip Maint.	0	-	-	-	-	-
174	7670	99.0 -	Purification Equipment Maintenance	0	-	-	-	-	-
175	7680	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
176	7690	99.0 -	Gas Processed By Others	0	-	-	-	-	-
177			Total Production & Gathering	0	0	0	0	0	0
178			Other Gas Supply Expenses:						
179			Operation						
180	8001	99.0 -	Intercompany Gas Well-head Purchases	0	-	-	-	-	-
182	8010	99.0 -	Natural gas field line purchases	0	-	-	-	-	-
183	8040	99.0 -	Natural gas city gate purchases	0	-	-	-	-	-
184	8050	99.0 -	Other purchases	0	-	-	-	-	-
185	8051	99.0 -	PGA for Residential	0	-	-	-	-	-
186	8052	99.0 -	PGA for Commercial	0	-	-	-	-	-
187	8053	99.0 -	PGA for Industrial	0	-	-	-	-	-
188	8054	99.0 -	PGA for Public Authorities	0	-	-	-	-	-
189	8058	99.0 -	Unbilled PGA Cost	0	-	-	-	-	-
190	8059	99.0 -	PGA Offset to Unrecovered Gas Cost	0	-	-	-	-	-
191	8060	99.0 -	Exchange gas	0	-	-	-	-	-
192	8081	99.0 -	Gas withdrawn from storage-Debit	0	-	-	-	-	-
193	8082	99.0 -	Gas delivered to storage-Credit	0	-	-	-	-	-
194	8120	99.0 -	Gas used for other utility operations-Credit	0	-	-	-	-	-
195	8580	99.0 -	Transmission and compression of gas by others	0	-	-	-	-	-
196			Maintenance						
197	8350	99.0 -	Maint. Of Purch. Gas Meas. Sta.	0	-	-	-	-	-
198			Total Other Gas Supply Expenses	0	0	0	0	0	0
199			Underground Storage:						
200			Operation						
202	8140	3.0 Peak Day	Storage-Operation supervision and engineering	0	-	-	-	-	-
203	8160	3.0 Peak Day	Wells expenses	145,959	65,993	37,736	1,985	21,141	19,104
204	8170	3.0 Peak Day	Lines expenses	10,626	4,804	2,747	144	1,539	1,391
205	8180	3.0 Peak Day	Compressor station expenses	12,530	5,665	3,240	170	1,815	1,640
206	8190	3.0 Peak Day	Compressor station fuel and power	368	166	95	5	53	48
207	8200	3.0 Peak Day	Storage-Measuring and regulating station expenses	3,090	1,397	799	42	448	404
208	8210	3.0 Peak Day	Storage-Purification expenses	24,928	11,271	6,445	339	3,611	3,263
209	8240	3.0 Peak Day	Storage-Other expenses	0	-	-	-	-	-
210	8250	3.0 Peak Day	Storage well royalties	4,382	1,981	1,133	60	635	573
211	8260	3.0 Peak Day	Rents	0	-	-	-	-	-
212			Maintenance						
213	8300	3.0 Peak Day	Maint. Sup., & Eng.	0	-	-	-	-	-
214	8310	3.0 Peak Day	Structures and Improvements	6,368	2,879	1,646	87	922	833
215	8320	3.0 Peak Day	Reservoirs & Wells Maintenance	0	-	-	-	-	-
216	8330	3.0 Peak Day	Line Maintenance	0	-	-	-	-	-
217	8340	3.0 Peak Day	Compressor Station Equip Maint	1,665	753	431	23	241	218
218	8350	3.0 Peak Day	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
219	8360	3.0 Peak Day	Purification Equipment Maintenance	0	-	-	-	-	-
220	8410	3.0 Peak Day	Other storage expenses-Operation labor and expenses	34,542	15,617	8,930	470	5,003	4,521
221			Total Underground Storage Expense	244,457	110,527	63,202	3,324	35,408	31,996
222			Transmission:						
223			Operation						
224			Op., Sup., & Eng.						
225	8500	3.0 Peak Day	Op., Sup., & Eng.	35	16	9	0	5	5
226	8510	3.0 Peak Day	System Control & Load Dispatching	0	-	-	-	-	-
227	8520	3.0 Peak Day	Communication Systems Expense	0	-	-	-	-	-
228	8530	3.0 Peak Day	Compressor Station Labor Expense	0	-	-	-	-	-
229	8540	3.0 Peak Day	Compressor Station Fuel Gas	0	-	-	-	-	-
230	8550	3.0 Peak Day	Compressor Station Fuel & Power	308	139	80	4	45	40
231	8560	3.0 Peak Day	Mains Expense	366,202	165,573	94,678	4,960	53,042	47,930
232	8570	3.0 Peak Day	Meas. & Regul. Station Expenses	27,278	12,333	7,052	371	3,951	3,570
233	8580	3.0 Peak Day	LDC Payment	0	-	-	-	-	-
234	8580	3.0 Peak Day	LDC Payment - A&G	0	-	-	-	-	-
235	8590	3.0 Peak Day	Other Expenses	0	-	-	-	-	-
236	8600	3.0 Peak Day	Rents	0	-	-	-	-	-
237			Maintenance						
238	8610	3.0 Peak Day	Maint. Sup., & Eng.	0	-	-	-	-	-
239	8620	3.0 Peak Day	Structures and Improvements	0	-	-	-	-	-
240	8630	3.0 Peak Day	Mains	16,280	7,361	4,209	221	2,358	2,131
241	8640	3.0 Peak Day	Compressor Station Equip Maint	0	-	-	-	-	-
242	8650	3.0 Peak Day	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
243	8660	3.0 Peak Day	Communication Equipment Maintenance	0	-	-	-	-	-
244	8670	3.0 Peak Day	Other Equipment Maintenance	0	-	-	-	-	-
245			Total Transmission Expense	410,103	185,422	106,028	5,677	59,401	53,676

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
246									
247	Distribution:								
248	Operation								
249	8700 Supervision and Engineering	10.4	Composite of Accts. 871-879 & 886-893 - Demand	537,275	242,921	138,907	7,306	77,821	70,321
250	8710 Distribution Load Dispatching	99.0	-	0	-	-	-	-	-
251	8711 Odorization	99.0	-	0	-	-	-	-	-
251	8720 Compressor Station Labor & Expenses	11.4	Composite of Accts. 376 & 380 - Demand	0	-	-	-	-	-
252	8740 Mains & Services	12.4	Composite of Accts. 374-379 - Demand	2,875,617	1,300,166	743,460	39,104	416,514	376,374
253	8750 Measuring and Regulating Station Exp. - Gen	12.4	Composite of Accts. 374-379 - Demand	382,496	172,939	98,890	5,201	55,402	50,063
254	8760 Measuring and Regulating Station Exp. - Ind.	99.0	-	0	-	-	-	-	-
255	8770 Measuring and Regulating Sta. Exp. - City Gate	12.4	Composite of Accts. 374-379 - Demand	25,481	11,521	6,588	347	3,691	3,335
256	8780 Meters and House Regulator Expense	13.4	Composite of Accts. 381-383 - Demand	0	-	-	-	-	-
257	8790 Customer Installations Expense	99.0	-	0	-	-	-	-	-
258	8800 Other Expense	10.4	Composite of Accts. 871-879 & 886-893 - Demand	1,787	808	462	24	259	234
259	8810 Rents	10.4	Composite of Accts. 871-879 & 886-893 - Demand	206,212	93,236	53,314	2,804	29,868	26,990
260	Maintenance								
261	8850 Maintenance Supervision and Engineering	10.4	Composite of Accts. 871-879 & 886-893 - Demand	886	400	229	12	128	116
262	8860 Maintenance of Structures and Improvements	12.4	Composite of Accts. 374-379 - Demand	65	30	17	1	9	9
263	8870 Maintenance of Mains	12.4	Composite of Accts. 374-379 - Demand	19,202	8,662	4,965	261	2,781	2,513
264	8890 Maintenance of compressor station equipment	99.0	-	0	-	-	-	-	-
265	8900 Maint. of Measuring and Regulating Station Equip. - General	12.4	Composite of Accts. 374-379 - Demand	43,641	19,732	11,283	593	6,321	5,712
266	8910 Maint. of Measuring and Regulating Station Equip. - Industrial	99.0	-	0	-	-	-	-	-
267	8920 Maint. of Measuring and Regulating Station Equip. - City Gate	12.4	Composite of Accts. 374-379 - Demand	529	239	137	7	77	69
268	8930 Maintenance of Services	14.4	Account 380 - Demand	0	-	-	-	-	-
269	8940 Maintenance of Meters and House Regulators	13.4	Composite of Accts. 381-383 - Demand	0	-	-	-	-	-
270	8950 Maintenance of Other Equipment	10.4	Composite of Accts. 871-879 & 886-893 - Demand	3,271	1,470	846	44	474	428
271	Total Distribution			4,096,462	1,852,152	1,059,097	55,706	593,345	536,163
272	Customer Accounts:								
273	9010 Supervision	99.0	-	0	-	-	-	-	-
275	9020 Meter Reading Expense	99.0	-	0	-	-	-	-	-
276	9030 Customer Records and Collection Expenses	99.0	-	0	-	-	-	-	-
277	9040 Uncollectible Accounts	99.0	-	0	-	-	-	-	-
278	9050 Miscellaneous Customer Accounts Expenses	99.0	-	0	-	-	-	-	-
279	Total Customer Accounts			0	-	-	-	-	-
280	Customer Service and Information:								
281	9070 Supervision	99.0	-	0	-	-	-	-	-
283	9080 Customer Assistance Expenses	99.0	-	0	-	-	-	-	-
284	9090 Informational and Instructional Advertising Expenses	99.0	-	0	-	-	-	-	-
285	9100 Miscellaneous Customer Service and Informational Expenses	99.0	-	0	-	-	-	-	-
286	Total Customer Service and Information			0	-	-	-	-	-
287	Sales:								
288	9110 Supervision	99.0	-	0	-	-	-	-	-
290	9120 Demonstrating and Selling Expenses	99.0	-	0	-	-	-	-	-
291	9130 Advertising Expenses	99.0	-	0	-	-	-	-	-
292	9160 Miscellaneous Sales Expenses	99.0	-	0	-	-	-	-	-
293	Total Sales			0	-	-	-	-	-
294	Administrative & General:								
295	Operation								
297	9200 Administrative and General Salaries	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(355,371)	(160,676)	(91,877)	(4,833)	(51,473)	(46,513)
298	9210 Office Supplies and Expenses	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	7,501	3,392	1,939	102	1,086	982
299	9220 Administrative Expenses Transferred - Customer Support	99.0	-	0	-	-	-	-	-
300	9220 Administrative Expenses Transferred - General	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	6,173,971	2,791,465	1,596,215	83,957	894,258	808,077
301	9230 Outside Services Employed	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	144,652	65,402	37,398	1,967	20,952	18,933
302	9240 Property Insurance	9.4	Allocated Net Plant - Demand	1,605	726	415	22	232	210
303	9250 Injuries and Damages	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	31,516	14,249	8,148	429	4,565	4,125
304	9260 Employee Pensions and Benefits	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	461,146	208,500	119,224	6,271	66,794	60,357
305	9270 Franchise Requirements	99.0	-	0	-	-	-	-	-
306	9280 Regulatory Commission Expenses	99.0	-	0	-	-	-	-	-
307	930.1 General Advertising Expenses	99.0	-	0	-	-	-	-	-
308	930.2 Miscellaneous General Expense	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(18,023)	(8,149)	(4,660)	(245)	(2,611)	(2,359)
309	9310 Rents	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(3,524)	(1,593)	(911)	(48)	(510)	(461)
310	Maintenance								
311	9320 Maintenance of General Plant	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	5,026	2,273	1,300	68	728	658
312	Total A&G			6,448,499	2,915,589	1,667,191	87,690	934,021	844,008
313									
314	TOTAL O&M EXPENSE - DEMAND			11,199,521	5,063,690	2,895,517	152,297	1,622,174	1,465,843

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
Commodity									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
315			Production & Gathering:						
316			Operation						
317	7500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
318	7510	99.0 -	Production Maps & Records	0	-	-	-	-	-
319	7530	99.0 -	Field Lines Expenses	0	-	-	-	-	-
320	7540	99.0 -	Field Compressor Station Expense	0	-	-	-	-	-
321	7550	99.0 -	Field Compressor Sta. Fuel & Pwr.	0	-	-	-	-	-
322	7560	18.4 Gas Costs	Field Meas. & Regul. Station Exp	0	-	-	-	-	-
323	7570	99.0 -	Purification Equipment	0	-	-	-	-	-
324	7590	99.0 -	Other Expenses	0	-	-	-	-	-
325			Maintenance						
326	7610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
327	7620	99.0 -	Structures and Improvements	0	-	-	-	-	-
328	7640	99.0 -	Field Line Maintenance	0	-	-	-	-	-
329	7650	99.0 -	Compressor Station Equip. Maint.	0	-	-	-	-	-
330	7660	99.0 -	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
331	7670	99.0 -	Purification Equipment Maintenance	0	-	-	-	-	-
332	7680	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
333	7690	99.0 -	Gas Processed By Others	0	-	-	-	-	-
334			Total Production & Gathering	0	0	0	0	0	0
335									
336			Other Gas Supply Expenses:						
337			Operation						
338	8001	18.4 Gas Costs	Intercompany Gas Well-head Purchases	0	-	-	-	-	-
339	8010	18.4 Gas Costs	Natural gas field line purchases	61,240	35,945	24,426	870	-	-
340	8040	18.4 Gas Costs	Natural gas city gate purchases	51,401,318	30,169,962	20,501,486	729,870	-	-
341	8050	18.4 Gas Costs	Other purchases	(7,602)	(4,462)	(3,052)	(108)	-	-
342	8051	18.4 Gas Costs	PGA for Residential	47,517,427	27,890,315	18,952,391	674,721	-	-
343	8052	18.4 Gas Costs	PGA for Commercial	24,564,311	14,418,002	9,797,509	348,799	-	-
344	8053	18.4 Gas Costs	PGA for Industrial	4,854,142	2,849,135	1,936,081	68,926	-	-
345	8054	18.4 Gas Costs	PGA for Public Authorities	4,585,482	2,691,445	1,828,026	65,111	-	-
346	8058	18.4 Gas Costs	Unbilled PGA Cost	(3,124,678)	(1,834,027)	(1,246,282)	(44,369)	-	-
347	8059	18.4 Gas Costs	PGA Offset to Unrecovered Gas Cost	(71,826,171)	(42,158,313)	(28,647,966)	(1,019,892)	-	-
348	8060	18.4 Gas Costs	Exchange gas	(2,147,338)	(1,280,379)	(855,469)	(30,491)	-	-
349	8081	18.4 Gas Costs	Gas withdrawn from storage-Debit	12,436,037	7,299,322	4,960,130	176,585	-	-
350	8082	18.4 Gas Costs	Gas delivered to storage-Credit	(12,626,734)	(7,411,252)	(5,036,190)	(179,293)	-	-
351	8120	18.4 Gas Costs	Gas used for other utility operations-Credit	(14,329)	(8,410)	(5,715)	(203)	-	-
352	8580	18.4 Gas Costs	Transmission and compression of gas by others	22,709,250	13,329,176	9,057,616	322,459	-	-
353			Maintenance						
354	8350	18.4 Gas Costs	Maint. Of Purch. Gas Meas. Sta.	0	-	-	-	-	-
355			Total Other Gas Supply Expenses	78,382,354	46,006,460	31,262,909	1,112,986	0	0
356									
357			Underground Storage:						
358			Operation						
359	8140	1.5 Winter Volumes	Storage-Operation supervision and engineering	0	-	-	-	-	-
360	8160	1.5 Winter Volumes	Wells expenses	145,959	55,264	34,196	1,870	26,832	27,797
361	8170	1.5 Winter Volumes	Lines expenses	10,626	4,023	2,489	136	1,953	2,024
362	8180	1.5 Winter Volumes	Compressor station expenses	12,530	4,744	2,936	161	2,303	2,386
363	8190	1.5 Winter Volumes	Compressor station fuel and power	368	139	86	5	66	70
364	8200	1.5 Winter Volumes	Storage-Measuring and regulating station expenses	3,090	1,170	724	40	568	589
365	8210	1.5 Winter Volumes	Storage-Purification expenses	24,928	9,438	5,840	319	4,582	4,747
366	8240	1.5 Winter Volumes	Storage-Other expenses	0	-	-	-	-	-
367	8250	1.5 Winter Volumes	Storage well royalties	4,382	1,659	1,027	56	805	834
368	8260	1.5 Winter Volumes	Rents	0	-	-	-	-	-
369			Maintenance						
370	8300	1.5 Winter Volumes	Maint. Sup., & Eng.	0	-	-	-	-	-
371	8310	1.5 Winter Volumes	Structures and Improvements	6,368	2,411	1,492	82	1,171	1,213
372	8320	1.5 Winter Volumes	Reservoirs & Wells Maintenance	0	-	-	-	-	-
373	8330	1.5 Winter Volumes	Line Maintenance	0	-	-	-	-	-
374	8340	1.5 Winter Volumes	Compressor Station Equip Maint	1,665	631	390	21	306	317
375	8350	1.5 Winter Volumes	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
376	8360	1.5 Winter Volumes	Purification Equipment Maintenance	0	-	-	-	-	-
377	8410	1.5 Winter Volumes	Other storage expenses-Operation labor and expenses	34,542	13,078	8,093	443	6,350	6,578
378			Total Underground Storage Expense	244,457	92,559	57,273	3,132	44,939	46,555
379									
380			Transmission:						
381			Operation						
382	8500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
383	8510	99.0 -	System Control & Load Dispatching	0	-	-	-	-	-
384	8520	99.0 -	Communication Systems Expense	0	-	-	-	-	-
385	8530	99.0 -	Compressor Station Labor Expense	0	-	-	-	-	-
386	8540	99.0 -	Compressor Station Fuel Gas	0	-	-	-	-	-
387	8550	99.0 -	Compressor Station Fuel & Power	0	-	-	-	-	-
388	8560	99.0 -	Mains Expense	0	-	-	-	-	-
389	8570	99.0 -	Meas. & Regul. Station Expenses	0	-	-	-	-	-
390	8580	99.0 -	LDC Payment	0	-	-	-	-	-
391	8580	99.0 -	LDC Payment - A&G	0	-	-	-	-	-
392	8590	99.0 -	Other Expenses	0	-	-	-	-	-
393	8600	99.0 -	Rents	0	-	-	-	-	-
394			Maintenance						
395	8610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
396	8620	99.0 -	Structures and Improvements	0	-	-	-	-	-
397	8630	99.0 -	Mains	0	-	-	-	-	-
398	8640	99.0 -	Compressor Station Equip Maint	0	-	-	-	-	-
399	8650	99.0 -	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
400	8660	99.0 -	Communication Equipment Maintenance	0	-	-	-	-	-
401	8670	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
402			Total Transmission Expense	0	0	0	0	0	0

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
403									
404	Distribution:								
405	Operation								
406	8700 Supervision and Engineering	10.6	Composite of Accts. 871-879 & 886-893 - Comm	3,310	1,002	679	34	751	844
407	8710 Distribution Load Dispatching	1.0	Mcf	853	201	136	7	150	169
408	8711 Odorization	1.0	Mcf	19,956	6,043	4,095	202	4,529	5,086
408	8720 Compressor Station Labor & Expenses	99.0	-	0	-	-	-	-	-
409	8740 Mains & Services	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
410	8750 Measuring and Regulating Station Exp. - Gen	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
411	8760 Measuring and Regulating Station Exp. - Ind.	99.0	-	0	-	-	-	-	-
412	8770 Measuring and Regulating Sta. Exp. - City Gate	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
413	8780 Meters and House Regulator Expense	99.0	-	0	-	-	-	-	-
414	8790 Customer Installations Expense	99.0	-	0	-	-	-	-	-
415	8800 Other Expense	10.6	Composite of Accts. 871-879 & 886-893 - Comm	11	3	2	0	2	3
416	8810 Rents	10.6	Composite of Accts. 871-879 & 886-893 - Comm	1,270	385	261	13	288	324
417	Maintenance								
418	8850 Maintenance Supervision and Engineering	10.6	Composite of Accts. 871-879 & 886-893 - Comm	5	2	1	0	1	1
419	8860 Maintenance of Structures and Improvements	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
420	8870 Maintenance of Mains	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
421	8890 Maintenance of compressor station equipment	1.0	Mcf	0	-	-	-	-	-
422	8900 Maint. of Measuring and Regulating Station Equip. - General	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
423	8910 Maint. of Measuring and Regulating Station Equip. - Industrial	5.0	Direct to Transport	0	-	-	-	-	-
424	8920 Maint. of Measuring and Regulating Station Equip. - City Gate	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
425	8930 Maintenance of Services	14.6	Account 380 - Comm	0	-	-	-	-	-
426	8940 Maintenance of Meters and House Regulators	13.6	Composite of Accts. 381-383 - Comm	0	-	-	-	-	-
427	8950 Maintenance of Other Equipment	10.6	Composite of Accts. 871-879 & 886-893 - Comm	20	6	4	0	5	5
428	Total Distribution			25,235	7,641	5,178	256	5,728	6,432
429									
430	Customer Accounts:								
431	9010 Supervision	99.0	-	0	-	-	-	-	-
432	9020 Meter Reading Expense	99.0	-	0	-	-	-	-	-
433	9030 Customer Records and Collection Expenses	99.0	-	0	-	-	-	-	-
434	9040 Uncollectible Accounts	99.0	-	0	-	-	-	-	-
435	9050 Miscellaneous Customer Accounts Expenses	99.0	-	0	-	-	-	-	-
436	Total Customer Accounts			0	-	-	-	-	-
437									
438	Customer Service and Information:								
439	9070 Supervision	99.0	-	0	-	-	-	-	-
440	9080 Customer Assistance Expenses	99.0	-	0	-	-	-	-	-
441	9090 Informational and Instructional Advertising Expenses	99.0	-	0	-	-	-	-	-
442	9100 Miscellaneous Customer Service and Informational Expenses	99.0	-	0	-	-	-	-	-
443	Total Customer Service and Information			0	-	-	-	-	-
444									
445	Sales:								
446	9110 Supervision	99.0	-	0	-	-	-	-	-
447	9120 Demonstrating and Selling Expenses	99.0	-	0	-	-	-	-	-
448	9130 Advertising Expenses	99.0	-	0	-	-	-	-	-
449	9160 Miscellaneous Sales Expenses	99.0	-	0	-	-	-	-	-
450	Total Sales			0	-	-	-	-	-
451									
452	Administrative & General:								
453	Operation								
454	9200 Administrative and General Salaries	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	(2,191)	(664)	(450)	(22)	(497)	(558)
455	9210 Office Supplies and Expenses	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	46	14	9	0	10	12
456	9220 Administrative Expenses Transferred - Customer Support	99.0	-	0	-	-	-	-	-
457	9220 Administrative Expenses Transferred - General	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	38,074	11,533	7,815	386	8,639	9,700
458	9230 Outside Services Employed	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	892	270	183	9	202	227
459	9240 Property Insurance	9.6	Allocated Net Plant - Comm	37	14	9	0	7	7
460	9250 Injuries and Damages	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	194	59	40	2	44	50
461	9260 Employee Pensions and Benefits	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	2,844	861	584	29	645	725
462	9270 Franchise Requirements	99.0	-	0	-	-	-	-	-
463	9280 Regulatory Commission Expenses	99.0	-	0	-	-	-	-	-
464	930.1 General Advertising Expenses	99.0	-	0	-	-	-	-	-
465	930.2 Miscellaneous General Expense	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	(111)	(34)	(23)	(1)	(25)	(28)
466	9310 Rents	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	(22)	(7)	(4)	(0)	(5)	(6)
467	Maintenance								
468	9320 Maintenance of General Plant	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	31	9	6	0	7	8
469	Total A&G			39,793	12,057	8,169	404	9,028	10,136
470									
471	TOTAL O&M EXPENSE - COMMODITY			78,691,840	46,118,716	31,333,529	1,116,777	59,694	63,122

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
Total O&M Expenses									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
472			Production & Gathering:						
473			Operation						
474	7500		Op., Sup., & Eng.	0	0	0	0	0	0
475	7510		Production Maps & Records	0	0	0	0	0	0
476	7530		Field Lines Expenses	0	0	0	0	0	0
477	7540		Field Compressor Station Expense	0	0	0	0	0	0
478	7550		Field Compressor Sta. Fuel & Pwr.	0	0	0	0	0	0
479	7560		Field Meas. & Regul. Station Exp	0	0	0	0	0	0
480	7570		Purification Expense	0	0	0	0	0	0
481	7590		Other Expenses	0	0	0	0	0	0
482			Maintenance						
483	7610		Maint. Sup., & Eng.	0	0	0	0	0	0
484	7620		Structures and Improvements	0	0	0	0	0	0
485	7640		Field Line Maintenance	0	0	0	0	0	0
486	7650		Compressor Station Equip. Maint.	0	0	0	0	0	0
487	7660		Meas. & Regul. Station Equip Maint.	0	0	0	0	0	0
488	7670		Purification Equipment Maintenance	0	0	0	0	0	0
489	7680		Other Equipment Maintenance	0	0	0	0	0	0
490	7690		Gas Processed By Others	0	0	0	0	0	0
491			Total Production & Gathering	0	0	0	0	0	0
492									
493			Other Gas Supply Expenses:						
494			Operation						
495	8001		Intercompany Gas Well-head Purchases	0	0	0	0	0	0
496	8010		Natural gas field line purchases	61,240	35,945	24,426	870	0	0
497	8040		Natural gas city gate purchases	51,401,318	30,169,962	20,501,486	729,870	0	0
498	8050		Other purchases	(7,602)	(4,462)	(3,052)	(108)	0	0
499	8051		PGA for Residential	47,517,427	27,890,315	18,952,391	674,721	0	0
500	8052		PGA for Commercial	24,564,311	14,418,002	9,797,509	348,799	0	0
501	8053		PGA for Industrial	4,854,142	2,849,135	1,936,081	68,926	0	0
502	8054		PGA for Public Authorities	4,585,482	2,691,445	1,828,026	65,111	0	0
503	8058		Unbilled PGA Cost	(3,124,678)	(1,834,027)	(1,246,282)	(44,369)	0	0
504	8059		PGA Offset to Unrecovered Gas Cost	(71,826,171)	(42,158,313)	(28,647,966)	(1,019,892)	0	0
505	8060		Exchange gas	(2,147,338)	(1,280,379)	(856,469)	(30,491)	0	0
506	8081		Gas withdrawn from storage-Debit	12,436,037	7,299,322	4,960,130	176,585	0	0
507	8082		Gas delivered to storage-Credit	(12,626,734)	(7,411,252)	(5,036,190)	(179,293)	0	0
508	8120		Gas used for other utility operations-Credit	(14,329)	(8,410)	(5,715)	(203)	0	0
509	8580		Transmission and compression of gas by others	22,709,250	13,329,176	9,057,616	322,459	0	0
510			Maintenance						
511	8350		Maint. Of Purch. Gas Meas. Sta.	0	0	0	0	0	0
512			Total Other Gas Supply Expenses	78,382,354	46,006,460	31,262,909	1,112,986	0	0
513									
514			Underground Storage:						
515			Operation						
516	8140		Storage-Operation supervision and engineering	0	0	0	0	0	0
517	8160		Wells expenses	291,917	121,257	71,932	3,855	47,973	46,900
518	8170		Lines expenses	21,251	8,827	5,237	281	3,492	3,414
519	8180		Compressor station expenses	25,060	10,410	6,175	331	4,118	4,026
520	8190		Compressor station fuel and power	735	305	181	10	121	118
521	8200		Storage-Measuring and regulating station expenses	6,181	2,567	1,523	82	1,016	993
522	8210		Storage-Purification expenses	49,856	20,709	12,285	658	8,193	8,010
523	8240		Storage-Other expenses	0	0	0	0	0	0
524	8250		Storage well royalties	8,763	3,640	2,159	116	1,440	1,408
525	8260		Rents	0	0	0	0	0	0
526			Maintenance						
527	8300		Maint. Sup., & Eng.	0	0	0	0	0	0
528	8310		Structures and Improvements	12,736	5,290	3,138	168	2,093	2,046
529	8320		Reservoirs & Wells Maintenance	0	0	0	0	0	0
530	8330		Line Maintenance	0	0	0	0	0	0
531	8340		Compressor Station Equip Maint	3,331	1,384	821	44	547	535
532	8350		Meas. & Regul. Station Equip Maint	0	0	0	0	0	0
533	8360		Purification Equipment Maintenance	0	0	0	0	0	0
534	8410		Other storage expenses-Operation labor and expenses	69,083	28,696	17,023	912	11,353	11,099
535			Total Underground Storage Expense	488,914	203,086	120,475	6,456	80,347	78,550
536									
537			Transmission:						
538			Operation						
539	8500		Op., Sup., & Eng.	35	16	9	0	5	5
540	8510		System Control & Load Dispatching	0	0	0	0	0	0
541	8520		Communication Systems Expense	0	0	0	0	0	0
542	8530		Compressor Station Labor Expense	0	0	0	0	0	0
543	8540		Compressor Station Fuel Gas	0	0	0	0	0	0
544	8550		Compressor Station Fuel & Power	308	139	80	4	45	40
545	8560		Mains Expense	366,202	165,573	94,678	4,980	53,042	47,650
546	8570		Meas. & Regul. Station Expenses	27,278	12,333	7,052	371	3,951	3,570
547	8580		LDC Payment	0	0	0	0	0	0
548	8580		LDC Payment - A&G	0	0	0	0	0	0
549	8590		Other Expenses	0	0	0	0	0	0
550	8600		Rents	0	0	0	0	0	0
551			Maintenance						
552	8610		Maint. Sup., & Eng.	0	0	0	0	0	0
553	8620		Structures and Improvements	0	0	0	0	0	0
554	8630		Mains	16,280	7,361	4,209	221	2,358	2,131
555	8640		Compressor Station Equip Maint	0	0	0	0	0	0
556	8650		Meas. & Regul. Station Equip Maint	0	0	0	0	0	0
557	8660		Communication Equipment Maintenance	0	0	0	0	0	0
558	8670		Other Equipment Maintenance	0	0	0	0	0	0
559			Total Transmission Expense	410,103	185,422	106,028	5,577	59,401	53,676

Almos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Customer/Demand Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
ALLOCATION OF O&M EXPENSES								
560								
561	Distribution:							
562	Operation:							
563	8700 Supervision and Engineering	963,411	570,604	232,060	7,518	80,802	72,427	
564	8710 Distribution Load Dispatching	863	201	136	7	150	169	
565	8711 Odorization	19,956	6,043	4,095	202	4,529	5,086	
565	8720 Compressor Station Labor & Expenses	0	0	0	0	0	0	
566	8740 Mains & Services	4,320,719	2,587,075	900,015	39,194	417,508	376,937	
567	8750 Measuring and Regulating Station Exp. - Gen	574,714	344,116	119,714	5,212	55,534	50,138	
568	8760 Measuring and Regulating Station Exp. - Ind.	120,928	0	119,676	61	761	430	
569	8770 Measuring and Regulating Sta. Exp. - City Gate	38,286	22,924	7,975	347	3,700	3,340	
570	8780 Meters and House Regulator Expense	820,621	529,408	271,530	956	11,958	6,768	
571	8790 Customer Installations Expense	2,246	2,000	243	0	2	1	
572	8800 Other Expense	3,204	1,897	772	25	269	241	
573	8810 Rents	369,768	219,004	89,067	2,886	31,013	27,798	
574	Maintenance:							
575	8850 Maintenance Supervision and Engineering	1,588	941	383	12	133	119	
576	8860 Maintenance of Structures and Improvements	98	59	20	1	9	9	
577	8870 Maintenance of Mains	28,852	17,275	6,010	262	2,788	2,517	
578	8890 Maintenance of compressor station equipment	0	0	0	0	0	0	
579	8900 Maint. of Measuring and Regulating Station Equip. - General	65,572	39,262	13,659	595	6,336	5,720	
580	8910 Maint. of Measuring and Regulating Station Equip. - Industrial	1,723	0	1,705	1	11	6	
581	8920 Maint. of Measuring and Regulating Station Equip. - City Gate	795	476	186	7	77	69	
582	8930 Maintenance of Services	6,533	5,817	708	0	4	3	
583	8940 Maintenance of Meters and House Regulators	0	0	0	0	0	0	
584	8950 Maintenance of Other Equipment	5,865	3,474	1,413	46	492	441	
585	Total Distribution	7,345,541	4,350,576	1,769,347	57,322	616,077	552,219	
586	Customer Accounts:							
587	9010 Supervision	0	0	0	0	0	0	
589	9020 Meter Reading Expense	1,085,047	966,269	117,548	60	747	423	
590	9030 Customer Records and Collection Expenses	1,220,802	1,087,164	132,255	67	840	476	
591	9040 Uncollectible Accounts	341,050	208,226	129,278	3,493	29	25	
592	9050 Miscellaneous Customer Accounts Expenses	0	0	0	0	0	0	
593	Total Customer Accounts	2,646,900	2,261,659	379,081	3,620	1,616	924	
594	Customer Service and Information:							
595	9070 Supervision	0	0	0	0	0	0	
597	9080 Customer Assistance Expenses	0	0	0	0	0	0	
598	9090 Informational and Instructional Advertising Expenses	128,272	114,230	13,896	7	88	50	
599	9100 Miscellaneous Customer Service and Informational Expenses	0	0	0	0	0	0	
600	Total Customer Service and Information	128,272	114,230	13,896	7	88	50	
601	Sales:							
602	9110 Supervision	253,468	225,721	27,459	14	174	99	
604	9120 Demonstrating and Selling Expenses	115,937	103,246	12,560	6	80	45	
605	9130 Advertising Expenses	35,170	31,320	3,810	2	24	14	
606	9160 Miscellaneous Sales Expenses	(196,207)	(174,809)	(21,266)	(11)	(135)	(76)	
607	Total Sales	208,278	185,478	22,564	11	143	81	
608	Administrative & General:							
609	Operation:							
611	9200 Administrative and General Salaries	(834,543)	(553,129)	(174,866)	(4,984)	(53,581)	(47,983)	
612	9210 Office Supplies and Expenses	17,616	11,675	3,691	105	1,131	1,013	
613	9220 Administrative Expenses Transferred - Customer Support	0	0	0	0	0	0	
614	9220 Administrative Expenses Transferred - General	14,498,764	9,609,680	3,037,999	86,581	930,886	833,617	
615	9230 Outside Services Employed	339,697	225,149	71,178	2,029	21,810	19,531	
616	9240 Property Insurance	3,718	2,465	762	23	247	221	
617	9250 Injuries and Damages	74,010	49,054	15,508	442	4,752	4,255	
618	9260 Employee Pensions and Benefits	1,082,941	717,766	226,914	6,467	69,530	62,265	
619	9270 Franchise Requirements	646	576	70	0	0	0	
620	9280 Regulatory Commission Expenses	852,920	759,553	92,401	47	587	332	
621	930.1 General Advertising Expenses	0	0	0	0	0	0	
622	930.2 Miscellaneous General Expense	(42,325)	(28,053)	(8,869)	(253)	(2,717)	(2,434)	
623	9310 Rents	(8,275)	(5,485)	(1,734)	(49)	(531)	(476)	
624	Maintenance:							
625	9320 Maintenance of General Plant	11,804	7,823	2,473	70	758	679	
626	Total A&G	15,996,974	10,797,075	3,265,529	90,479	972,870	871,022	
627								
628	TOTAL O&M EXPENSE	105,607,336	64,103,985	36,939,829	1,276,457	1,730,542	1,556,521	

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF DEPRECIATION EXPENSE										
Customer										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1		Intangible Plant:								
2										
3	30100	Organization	99.0 -		0	-	-	-	-	-
4	30200	Franchises & Consents	99.0 -		0	-	-	-	-	-
5	30300	Misc Intangible Plant	99.0 -		0	-	-	-	-	-
6										
7		Total Intangible Plant:			0	-	-	-	-	-
8										
9		Production Plant:								
10			99.0 -		0	-	-	-	-	-
11	32520	Producing Leaseholds	99.0 -		0	-	-	-	-	-
12	32540	Rights of Ways	99.0 -		0	-	-	-	-	-
13	33100	Production Gas Wells Equipment	99.0 -		0	-	-	-	-	-
14	33201	Field Lines	99.0 -		0	-	-	-	-	-
15	33202	Tributary Lines	99.0 -		0	-	-	-	-	-
16	33400	Field Meas. & Reg. Sta. Equip	99.0 -		0	-	-	-	-	-
17	33600	Purification Equipment	99.0 -		0	-	-	-	-	-
18										
19		Total Production Plant			0	-	-	-	-	-
20										
21		Storage Plant:								
22										
23	35010	Land	99.0 -		0	-	-	-	-	-
24	35020	Rights of Way	99.0 -		0	-	-	-	-	-
25	35100	Structures and Improvements	99.0 -		0	-	-	-	-	-
26	35102	Compression Station Equipment	99.0 -		0	-	-	-	-	-
27	35103	Meas. & Reg. Sta. Structures	99.0 -		0	-	-	-	-	-
28	35104	Other Structures	99.0 -		0	-	-	-	-	-
29	35200	Wells \ Rights of Way	99.0 -		0	-	-	-	-	-
30	35201	Well Construction	99.0 -		0	-	-	-	-	-
31	35202	Well Equipment	99.0 -		0	-	-	-	-	-
32	35203	Cushion Gas	99.0 -		0	-	-	-	-	-
33	35210	Leaseholds	99.0 -		0	-	-	-	-	-
34	35211	Storage Rights	99.0 -		0	-	-	-	-	-
35	35301	Field Lines	99.0 -		0	-	-	-	-	-
36	35302	Tributary Lines	99.0 -		0	-	-	-	-	-
37	35400	Compressor Station Equipment	99.0 -		0	-	-	-	-	-
38	35500	Meas & Reg. Equipment	99.0 -		0	-	-	-	-	-
39	35600	Purification Equipment	99.0 -		0	-	-	-	-	-
40										
41		Total Storage Plant			0	-	-	-	-	-
42										
43		Transmission:								
44										
45	36510	Land & Land Rights	99.0 -		0	-	-	-	-	-
46	36520	Rights of Way	99.0 -		0	-	-	-	-	-
47	36602	Structures & Improvements	99.0 -		0	-	-	-	-	-
48	36603	Other Structures	99.0 -		0	-	-	-	-	-
49	36700	Mains Cathodic Protection	99.0 -		0	-	-	-	-	-
50	36701	Mains - Steel	99.0 -		0	-	-	-	-	-
51	36900	Meas. & Reg. Equipment	99.0 -		0	-	-	-	-	-
52	36901	Meas. & Reg. Equipment	99.0 -		0	-	-	-	-	-
53										
54		Total Transmission Plant			0	-	-	-	-	-
55										
56		Distribution:								
57										
58	37400	Land & Land Rights	2.0 Bills		0	-	-	-	-	-
59	37401	Land	2.0 Bills		0	-	-	-	-	-
60	37402	Land Rights	2.0 Bills		16,692	14,865	1,808	1	11	7
61	37403	Land Other	2.0 Bills		0	-	-	-	-	-
62	37500	Structures & Improvements	2.0 Bills		2,013	1,792	218	0	1	1
63	37501	Structures & Improvements T.B.	2.0 Bills		598	532	65	0	0	0
64	37502	Land Rights	2.0 Bills		277	247	30	0	0	0
65	37503	Improvements	2.0 Bills		24	21	3	0	0	0
66	37600	Mains Cathodic Protection	2.0 Bills		292,164	260,181	31,651	16	201	114
67	37601	Mains - Steel	2.0 Bills		1,489,960	1,326,858	161,414	82	1,026	581
68	37602	Mains - Plastic	2.0 Bills		1,129,199	1,005,588	122,331	62	777	440
69	37800	Meas & Reg. Sta. Equip - General	2.0 Bills		309,588	275,698	33,539	17	213	121
70	37900	Meas & Reg. Sta. Equip - City Gate	2.0 Bills		48,799	43,457	5,287	3	34	19
71	37905	Meas & Reg. Sta. Equipment T.b.	2.0 Bills		15,639	13,927	1,694	1	11	6
72	38000	Services	2.0 Bills		4,817,588	4,290,218	521,911	265	3,317	1,877
73	38100	Meters	4.0 Meter Investment		2,741,749	1,768,788	907,200	3,195	39,954	22,612
74	38200	Meter Installations	4.0 Meter Investment		2,232,937	1,440,537	738,843	2,602	32,539	18,416
75	38300	House Regulators	4.0 Meter Investment		514,355	331,827	170,192	599	7,495	4,242
76	38400	House Reg. Installations	4.0 Meter Investment		8,807	5,681	2,914	10	128	73
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2 Non-Residential Bills		112,194	-	111,033	56	706	399
78	38600	Other Prop. On Cust. Prem	99.0 -		0	-	-	-	-	-
79										
80		Total Distribution Plant			13,732,582	10,780,217	2,810,134	6,911	86,414	48,907

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
81									
82	General:								
83									
84	38900 Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
85	39000 Structures Frame	6.2	P, S, T & D Plant - Customer	139,539	112,997	25,474	52	649	367
86	39001 Structures & Improvements	6.2	P, S, T & D Plant - Customer	3,176	2,572	580	1	15	8
87	39002 Improvements	6.2	P, S, T & D Plant - Customer	13,012	10,537	2,375	5	61	34
88	39003 Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	416	337	76	0	2	1
89	39004 Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
90	39009 Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	53,247	43,119	9,721	20	248	140
91	39100 Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
92	39102 Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
93	39103 Transportation Equipment	6.2	P, S, T & D Plant - Customer	2,958	2,395	540	1	14	8
94	39200 Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
95	39201 Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
96	39202 Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
97	39300 Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	66,585	53,919	12,156	25	310	175
98	39400 Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
99	39600 Ditchers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
100	39603 Backhoes	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
101	39604 Welders	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
102	39605 Communication Equipment	6.2	P, S, T & D Plant - Customer	19,925	16,135	3,637	7	93	52
103	39700 Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
104	39701 Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
105	39702 Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
106	39705 Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	110,878	89,787	20,242	41	516	292
107	39800 Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
108	39900 Other Tangible Property - Servers - H/W	6.2	P, S, T & D Plant - Customer	1,172	949	214	0	5	3
109	39901 Other Tangible Property - Servers - S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
110	39902 Other Tangible Property - Network - H/W	6.2	P, S, T & D Plant - Customer	7,670	6,211	1,400	3	36	20
111	39903 Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
112	39904 Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
113	39905 Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	50,913	41,228	9,295	19	237	134
114	39906 Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
115	39907 Other Tang. Property - Mainframe S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
116	39908 Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	5,863	4,747	1,070	2	27	15
117	40600 Amortization of gas plant acquisition adjustments	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
118									
119									
120	Total General Plant			475,354	384,934	86,780	177	2,212	1,252
121									
122	TOTAL DIRECT DEPRECIATION EXPENSE			14,207,936	11,165,152	2,896,913	7,087	88,625	50,158
123									
124	Kentucky Mid-States General Office:								
125									
126	Intangible Plant:								
127									
128	30100 Organization	99.0	-	0	-	-	-	-	-
129	30200 Franchises & Consents	99.0	-	0	-	-	-	-	-
130	30300 Misc Intangible Plant	99.0	-	0	-	-	-	-	-
131									
132	Total Intangible Plant:			0	-	-	-	-	-
133									
134	General:								
135									
136	37400 Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
137	39001 Structures Frame	6.2	P, S, T & D Plant - Customer	1,424	1,153	260	1	7	4
138	36602 Structures & Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
139	38900 Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
140	39004 Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	320	259	58	0	1	1
141	39009 Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
142	39100 Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
143	39102 Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
144	39103 Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
145	39200 Transportation Equipment	6.2	P, S, T & D Plant - Customer	228	184	42	0	1	1
146	39201 Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
147	39202 Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
148	39300 Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
149	39400 Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	1,154	934	211	0	5	3
150	39600 Power Operated Equipment	6.2	P, S, T & D Plant - Customer	7	6	1	0	0	0
151	39603 Ditchers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
152	39604 Backhoes	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
153	39605 Welders	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
154	39700 Communication Equipment	6.2	P, S, T & D Plant - Customer	941	762	172	0	4	2
155	39701 Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
156	39702 Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
157	39705 Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
158	39800 Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	6,974	5,648	1,273	3	32	18
159	39900 Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
160	39901 Other Tangible Property - Servers - H/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
161	39902 Other Tangible Property - Servers - S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
162	39903 Other Tangible Property - Network - H/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
163	39904 Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
164	39905 Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
165	39906 Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
166	39907 Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	6,351	5,143	1,159	2	30	17
167	39908 Other Tang. Property - Mainframe S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
168	39909 Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
169	39924 Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
170									
171									
172	Total General Plant			17,399	14,089	3,176	6	81	46

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
173									
174		Shared Services General Office:							
175									
176		General:							
177									
178	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
179	39000	Structures & Improvements	6.2	P, S, T & D Plant - Customer	4,064	3,291	742	2	19
180	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
181	37503	Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
182	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
183	39009	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	20	16	4	0	0
184	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	6,149	4,979	1,122	2	29
185	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
186	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
187	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
188	39201	Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
189	39202	Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
190	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
191	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
192	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
193	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
194	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
195	39605	Welders	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
196	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	15	12	3	0	0
197	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
198	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
199	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
200	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	37	30	7	0	0
201	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
202	39901	Other Tangible Property - Servers - H/W	6.2	P, S, T & D Plant - Customer	76,287	61,776	13,927	28	355
203	39902	Other Tangible Property - Servers - S/W	6.2	P, S, T & D Plant - Customer	22,863	18,514	4,174	9	106
204	39903	Other Tangible Property - Network - H/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
205	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
206	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
207	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	5,170	4,186	944	2	24
208	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
209	39908	Other Tang. Property - Mainframe S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
210	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	778	630	142	0	4
211	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
212									
213									
214		Total General Plant			115,383	93,435	21,064	43	537
215									
216		Shared Services Customer Support:							
217									
218		General:							
219									
220	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
221	39001	Structures Frame	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
222	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	17,151	13,889	3,131	6	80
223	37503	Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
224	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
225	39009	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	2,947	2,386	538	1	14
226	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	3,498	2,833	639	1	16
227	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
228	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
229	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
230	39201	Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
231	39202	Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
232	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
233	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	679	550	124	0	3
234	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	31	25	6	0	0
235	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
236	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
237	39605	Welders	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
238	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	3,823	3,096	698	1	18
239	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
240	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
241	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
242	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	475	385	87	0	2
243	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	3,227	2,613	589	1	15
244	39901	Other Tangible Property - Servers - H/W	6.2	P, S, T & D Plant - Customer	31,519	25,523	5,754	12	147
245	39902	Other Tangible Property - Servers - S/W	6.2	P, S, T & D Plant - Customer	5,810	4,705	1,061	2	27
246	39903	Other Tangible Property - Network - H/W	6.2	P, S, T & D Plant - Customer	1,414	1,145	258	1	7
247	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
248	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
249	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	4,165	3,373	760	2	19
250	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	496	402	91	0	2
251	39908	Other Tang. Property - Mainframe S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
252	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	195,174	158,048	35,630	73	908
253	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	18	14	3	0	0
254									
255									
256		Total General Plant			270,426	218,987	49,368	101	1,258
257									
258		TOTAL DEPRECIATION EXPENSE - CUSTOMER			14,611,144	11,491,663	2,970,522	7,237	90,501

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF DEPRECIATION EXPENSE										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
259		Intangible Plant:								
260										
261	30100	Organization	99.0	-	0	-	-	-	-	-
262	30200	Franchises & Consents	99.0	-	0	-	-	-	-	-
263	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
264										
265		Total Intangible Plant:			0	-	-	-	-	-
266										
267		Production Plant:								
268			3.0	Peak Day	0	-	-	-	-	-
269	32520	Producing Leaseholds	3.0	Peak Day	0	-	-	-	-	-
270	32540	Rights of Ways	3.0	Peak Day	0	-	-	-	-	-
271	33100	Production Gas Wells Equipment	3.0	Peak Day	0	-	-	-	-	-
272	33201	Field Lines	3.0	Peak Day	0	-	-	-	-	-
273	33202	Tributary Lines	3.0	Peak Day	0	-	-	-	-	-
274	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0	-	-	-	-	-
275	33600	Purification Equipment	3.0	Peak Day	0	-	-	-	-	-
276										
277		Total Production Plant			0	-	-	-	-	-
278										
279		Storage Plant:								
280										
281	35010	Land	3.0	Peak Day	0	-	-	-	-	-
282	35020	Rights of Way	3.0	Peak Day	11	5	3	0	2	1
283	35100	Structures and Improvements	3.0	Peak Day	149	67	38	2	22	19
284	35102	Compression Station Equipment	3.0	Peak Day	958	433	248	13	139	125
285	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	104	47	27	1	15	14
286	35104	Other Structures	3.0	Peak Day	887	401	229	12	128	116
287	35200	Wells \ Rights of Way	3.0	Peak Day	80,561	36,424	20,828	1,096	11,669	10,544
288	35201	Well Construction	3.0	Peak Day	12,920	5,842	3,340	176	1,871	1,691
289	35202	Well Equipment	3.0	Peak Day	0	-	-	-	-	-
290	35203	Cushion Gas	3.0	Peak Day	11,694	5,287	3,023	159	1,694	1,531
291	35210	Leaseholds	3.0	Peak Day	277	125	72	4	40	36
292	35211	Storage Rights	3.0	Peak Day	240	109	62	3	35	31
293	35301	Field Lines	3.0	Peak Day	798	361	206	11	116	104
294	35302	Tributary Lines	3.0	Peak Day	952	431	246	13	138	125
295	35400	Compressor Station Equipment	3.0	Peak Day	7,849	3,549	2,029	107	1,137	1,027
296	35500	Meas & Reg. Equipment	3.0	Peak Day	2,280	1,031	590	31	330	298
297	35600	Purification Equipment	3.0	Peak Day	4,105	1,856	1,061	56	595	537
298										
299		Total Storage Plant			123,785	55,968	32,003	1,683	17,929	16,202
300										
301		Transmission:								
302										
303	36510	Land & Land Rights	3.0	Peak Day	0	-	-	-	-	-
304	36520	Rights of Way	3.0	Peak Day	9,112	4,120	2,356	124	1,320	1,193
305	36602	Structures & Improvements	3.0	Peak Day	608	275	157	8	88	80
306	36603	Other Structures	3.0	Peak Day	754	341	195	10	109	99
307	36700	Mains Cathodic Protection	3.0	Peak Day	5,362	2,424	1,386	73	777	702
308	36701	Mains - Steel	3.0	Peak Day	381,167	172,339	98,547	5,183	55,209	49,889
309	36900	Meas. & Reg. Equipment	3.0	Peak Day	11,265	5,093	2,912	153	1,632	1,474
310	36901	Meas. & Reg. Equipment	3.0	Peak Day	34,951	15,803	9,036	475	5,062	4,575
311										
312		Total Transmission Plant			443,218	200,394	114,589	6,027	64,197	58,010
313										
314		Distribution:								
315										
316	37400	Land & Land Rights	3.0	Peak Day	0	-	-	-	-	-
317	37401	Land	3.0	Peak Day	0	-	-	-	-	-
318	37402	Land Rights	3.0	Peak Day	33,216	15,018	8,588	452	4,811	4,347
319	37403	Land Other	3.0	Peak Day	0	-	-	-	-	-
320	37500	Structures & Improvements	3.0	Peak Day	4,005	1,811	1,035	54	580	524
321	37501	Structures & Improvements T.B.	3.0	Peak Day	1,189	538	307	16	172	156
322	37502	Land Rights	3.0	Peak Day	551	249	142	7	80	72
323	37503	Improvements	3.0	Peak Day	48	22	12	1	7	6
324	37600	Mains Cathodic Protection	3.0	Peak Day	581,379	262,861	150,309	7,906	84,209	76,093
325	37601	Mains - Steel	3.0	Peak Day	2,964,882	1,340,526	766,539	40,318	429,443	388,057
326	37602	Mains - Plastic	3.0	Peak Day	2,247,002	1,015,947	580,938	30,556	325,463	294,097
327	37800	Meas & Reg. Sta. Equip - General	3.0	Peak Day	616,052	278,538	159,274	8,377	89,231	80,632
328	37900	Meas & Reg. Sta. Equip - City Gate	3.0	Peak Day	97,105	43,904	25,105	1,320	14,065	12,710
329	37905	Meas & Reg. Sta. Equipment T.b.	3.0	Peak Day	31,120	14,070	8,046	423	4,508	4,073
330	38000	Services	99.0	-	0	-	-	-	-	-
331	38100	Meters	99.0	-	0	-	-	-	-	-
332	38200	Meter Installations	99.0	-	0	-	-	-	-	-
333	38300	House Regulators	99.0	-	0	-	-	-	-	-
334	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
335	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
336	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
337										
338		Total Distribution Plant			6,576,548	2,973,484	1,700,297	89,431	952,568	860,768

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
339									
340	General:								
341									
342	38900	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
343	39000	Structures Frame	6.4	P, S, T & D Plant - Demand	102,652	46,412	26,540	1,396	14,868
344	39001	Structures & Improvements	6.4	P, S, T & D Plant - Demand	2,337	1,056	604	32	338
345	39002	Improvements	6.4	P, S, T & D Plant - Demand	9,572	4,328	2,475	130	1,387
346	39003	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	306	138	79	4	44
347	39004	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
348	39009	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	39,171	17,711	10,127	533	5,674
349	39100	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
350	39102	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
351	39103	Transportation Equipment	6.4	P, S, T & D Plant - Demand	2,176	984	563	30	315
352	39200	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
353	39201	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
354	39202	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
355	39300	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	48,983	22,147	12,664	666	7,095
356	39400	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
357	39600	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
358	39603	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
359	39604	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
360	39605	Communication Equipment	6.4	P, S, T & D Plant - Demand	14,658	6,627	3,790	199	2,123
361	39700	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
362	39701	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
363	39702	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
364	39705	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	81,567	36,879	21,088	1,109	11,814
365	39800	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
366	39900	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	862	390	223	12	125
367	39901	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
368	39902	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	5,642	2,551	1,459	77	817
369	39903	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
370	39904	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
371	39905	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	37,454	16,934	9,683	509	5,425
372	39906	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
373	39907	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
374	39908	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	4,313	1,950	1,115	59	625
375	40600	Amortization of gas plant acquisition adjustments	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
376									
377									
378		Total General Plant			349,693	158,108	90,409	4,755	50,651
379									
380		TOTAL DIRECT DEPRECIATION EXPENSE			7,493,244	3,387,954	1,937,299	101,897	1,085,345
381									
382		Kentucky Mid-States General Office:							
383									
384		Intangible Plant:							
385									
386	30100	Organization	99.0	-	0	-	-	-	-
387	30200	Franchises & Consents	99.0	-	0	-	-	-	-
388	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
389									
390		Total Intangible Plant:			0	-	-	-	-
391									
392		General:							
393									
394	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
395	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	1,048	474	271	14	152
396	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
397	38900	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
398	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	235	106	61	3	34
399	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
400	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
401	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
402	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
403	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	168	76	43	2	24
404	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
405	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
406	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
407	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	849	384	219	12	123
408	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	5	2	1	0	1
409	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
410	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
411	39605	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
412	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	692	313	179	9	100
413	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
414	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
415	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
416	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	5,131	2,320	1,326	70	743
417	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
418	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
419	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
420	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
421	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
422	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
423	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
424	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	4,672	2,112	1,208	64	677
425	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
426	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
427	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
428									
429									
430		Total General Plant			12,800	5,787	3,309	174	1,854

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
431									
432		Shared Services General Office:							
433									
434		General:							
435									
436	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
437	39000	Structures & Improvements	6.4	P, S, T & D Plant - Demand	2,990	1,352	773	41	433
438	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
439	37503	Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
440	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
441	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	15	7	4	0	2
442	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	4,523	2,045	1,169	62	655
443	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
444	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
445	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
446	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
447	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
448	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
449	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
450	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
451	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
452	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
453	39605	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
454	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	11	5	3	0	2
455	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
456	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
457	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
458	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	28	12	7	0	4
459	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
460	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	56,121	25,374	14,509	763	8,129
461	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	16,819	7,604	4,348	229	2,436
462	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
463	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
464	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
465	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	3,803	1,719	983	52	551
466	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
467	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
468	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	572	259	148	8	83
469	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
470									
471									
472		Total General Plant			84,881	38,378	21,945	1,154	12,294
473									
474		Shared Services Customer Support:							
475		General:							
476									
477									
478	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
479	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
480	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	12,617	5,705	3,262	172	1,828
481	37503	Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
482	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
483	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	2,168	980	560	29	314
484	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	2,573	1,164	665	35	373
485	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
486	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
487	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
488	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
489	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
490	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
491	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	499	226	129	7	72
492	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	23	10	6	0	3
493	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
494	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
495	39605	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
496	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	2,812	1,272	727	38	407
497	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
498	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
499	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
500	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	349	158	90	5	51
501	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	2,374	1,073	614	32	344
502	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	23,187	10,483	5,995	315	3,358
503	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	4,274	1,932	1,105	58	619
504	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	1,040	470	269	14	151
505	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
506	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
507	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	3,064	1,385	792	42	444
508	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	365	165	94	5	53
509	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
510	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	143,579	64,917	37,121	1,952	20,796
511	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	13	6	3	0	2
512									
513									
514		Total General Plant			198,938	89,947	51,433	2,705	28,815
515									
516		TOTAL DEPRECIATION EXPENSE - DEMAND			7,789,863	3,522,066	2,013,986	105,931	1,128,309

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF DEPRECIATION EXPENSE										
Commodity										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
517		Intangible Plant:								
518										
519	30100	Organization	99.0 -		0	-	-	-	-	-
520	30200	Franchises & Consents	99.0 -		0	-	-	-	-	-
521	30300	Misc Intangible Plant	99.0 -		0	-	-	-	-	-
522										
523		Total Intangible Plant:			0	-	-	-	-	-
524										
525		Production Plant:								
526			99.0 -		0	-	-	-	-	-
527	32520	Producing Leaseholds	99.0 -		0	-	-	-	-	-
528	32540	Rights of Ways	99.0 -		0	-	-	-	-	-
529	33100	Production Gas Wells Equipment	99.0 -		0	-	-	-	-	-
530	33201	Field Lines	99.0 -		0	-	-	-	-	-
531	33202	Tributary Lines	99.0 -		0	-	-	-	-	-
532	33400	Field Meas. & Reg. Sta. Equip	99.0 -		0	-	-	-	-	-
533	33600	Purification Equipment	99.0 -		0	-	-	-	-	-
534										
535		Total Production Plant			0	-	-	-	-	-
536										
537		Storage Plant:								
538										
539	35010	Land	1.5 Winter Volumes		0	-	-	-	-	-
540	35020	Rights of Way	1.5 Winter Volumes		11	4	3	0	2	2
541	35100	Structures and Improvements	1.5 Winter Volumes		149	56	35	2	27	28
542	35102	Compression Station Equipment	1.5 Winter Volumes		958	363	224	12	176	182
543	35103	Meas. & Reg. Sta. Structures	1.5 Winter Volumes		104	39	24	1	19	20
544	35104	Other Structures	1.5 Winter Volumes		887	336	208	11	163	169
545	35200	Wells & Rights of Way	1.5 Winter Volumes		80,561	30,503	18,874	1,032	14,810	15,342
546	35201	Well Construction	1.5 Winter Volumes		12,920	4,892	3,027	166	2,375	2,461
547	35202	Well Equipment	1.5 Winter Volumes		0	-	-	-	-	-
548	35203	Cushion Gas	1.5 Winter Volumes		11,694	4,428	2,740	150	2,150	2,227
549	35210	Leaseholds	1.5 Winter Volumes		277	105	65	4	51	53
550	35211	Storage Rights	1.5 Winter Volumes		240	91	56	3	44	46
551	35301	Field Lines	1.5 Winter Volumes		798	302	187	10	147	152
552	35302	Tributary Lines	1.5 Winter Volumes		952	361	223	12	175	181
553	35400	Compressor Station Equipment	1.5 Winter Volumes		7,849	2,972	1,839	101	1,443	1,495
554	35500	Meas & Reg. Equipment	1.5 Winter Volumes		2,280	863	534	29	419	434
555	35600	Purification Equipment	1.5 Winter Volumes		4,105	1,554	962	53	755	782
556										
557		Total Storage Plant			123,785	46,869	29,001	1,586	22,756	23,574
558										
559		Transmission:								
560										
561	36510	Land & Land Rights	99.0 -		0	-	-	-	-	-
562	36520	Rights of Way	99.0 -		0	-	-	-	-	-
563	36602	Structures & Improvements	99.0 -		0	-	-	-	-	-
564	36603	Other Structures	99.0 -		0	-	-	-	-	-
565	36700	Mains Cathodic Protection	99.0 -		0	-	-	-	-	-
566	36701	Mains - Steel	99.0 -		0	-	-	-	-	-
567	36900	Meas. & Reg. Equipment	99.0 -		0	-	-	-	-	-
568	36901	Meas. & Reg. Equipment	99.0 -		0	-	-	-	-	-
569										
570		Total Transmission Plant			0	-	-	-	-	-
571										
572		Distribution:								
573										
574	37400	Land & Land Rights	99.0 -		0	-	-	-	-	-
575	37401	Land	99.0 -		0	-	-	-	-	-
576	37402	Land Rights	1.0 Mcf		0	-	-	-	-	-
577	37403	Land Other	99.0 -		0	-	-	-	-	-
578	37500	Structures & Improvements	1.0 Mcf		0	-	-	-	-	-
579	37501	Structures & Improvements T.B.	1.0 Mcf		0	-	-	-	-	-
580	37502	Land Rights	1.0 Mcf		0	-	-	-	-	-
581	37503	Improvements	1.0 Mcf		0	-	-	-	-	-
582	37600	Mains Cathodic Protection	1.0 Mcf		0	-	-	-	-	-
583	37601	Mains - Steel	1.0 Mcf		0	-	-	-	-	-
584	37602	Mains - Plastic	1.0 Mcf		0	-	-	-	-	-
585	37800	Meas & Reg. Sta. Equip - General	1.0 Mcf		0	-	-	-	-	-
586	37900	Meas & Reg. Sta. Equip - City Gate	1.0 Mcf		0	-	-	-	-	-
587	37905	Meas & Reg. Sta. Equipment T.b.	1.0 Mcf		0	-	-	-	-	-
588	38000	Services	99.0 -		0	-	-	-	-	-
589	38100	Meters	99.0 -		0	-	-	-	-	-
590	38200	Meter Installations	99.0 -		0	-	-	-	-	-
591	38300	House Regulators	99.0 -		0	-	-	-	-	-
592	38400	House Reg. Installations	99.0 -		0	-	-	-	-	-
593	38500	Ind. Meas. & Reg. Sta. Equipment	99.0 -		0	-	-	-	-	-
594	38600	Other Prop. On Cust. Prem	99.0 -		0	-	-	-	-	-
595										
596		Total Distribution Plant			0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
597									
598	General:								
599									
600	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
601	39000	Structures Frame	6.6	P, S, T & D Plant - Commodity	2,697	1,021	632	35	496
602	39001	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	61	23	14	1	11
603	39002	Improvements	6.6	P, S, T & D Plant - Commodity	252	95	59	3	46
604	39003	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	8	3	2	0	1
605	39004	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
606	39009	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	1,029	390	241	13	189
607	39100	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
608	39102	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
609	39103	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	57	22	13	1	11
610	39200	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
611	39201	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
612	39202	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
613	39300	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	1,287	487	302	16	237
614	39400	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
615	39600	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
616	39603	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
617	39604	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
618	39605	Communication Equipment	6.6	P, S, T & D Plant - Commodity	385	146	90	5	71
619	39700	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
620	39701	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
621	39702	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
622	39705	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	2,143	811	502	27	394
623	39800	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
624	39900	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	23	9	5	0	4
625	39901	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
626	39902	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	148	56	35	2	27
627	39903	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
628	39904	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
629	39905	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	984	373	231	13	181
630	39906	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
631	39907	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
632	39908	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	113	43	27	1	21
633	40600	Amortization of gas plant acquisition adjustments	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
634									
635									
636		Total General Plant			9,188	3,479	2,153	118	1,689
637									
638		TOTAL DIRECT DEPRECIATION EXPENSE			132,973	50,348	31,154	1,704	24,445
639									
640		Kentucky Mid-States General Office:							
641									
642		Intangible Plant:							
643									
644	30100	Organization	99.0	-	0	-	-	-	-
645	30200	Franchises & Consents	99.0	-	0	-	-	-	-
646	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
647									
648		Total Intangible Plant:			0	-	-	-	-
649									
650		General:							
651									
652	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
653	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	28	10	6	0	5
654	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
655	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
656	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	6	2	1	0	1
657	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
658	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
659	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
660	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
661	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	4	2	1	0	1
662	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
663	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
664	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
665	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	22	8	5	0	4
666	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
667	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
668	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
669	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
670	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	18	7	4	0	3
671	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
672	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
673	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
674	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	135	51	32	2	25
675	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
676	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
677	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
678	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
679	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
680	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
681	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
682	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	123	46	29	2	23
683	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
684	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
685	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
686									
687									
688		Total General Plant			336	127	79	4	62
689									
690		Shared Services General Office:							

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
691									
692	General:								
693									
694	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
695	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	79	30	18	1	14
696	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
697	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
698	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
699	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
700	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	119	45	28	2	22
701	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
702	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
703	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
704	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
705	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
706	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
707	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
708	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
709	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
710	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
711	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
712	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
713	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
714	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
715	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
716	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	1	0	0	0	0
717	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
718	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	1,475	558	345	19	271
719	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	442	167	104	6	81
720	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
721	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
722	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
723	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	100	38	23	1	18
724	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
725	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
726	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	15	6	4	0	3
727	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
728									
729									
730		Total General Plant			2,230	844	523	29	410
731									
732		Shared Services Customer Support:							
733									
734	General:								
735									
736	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
737	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
738	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	332	126	78	4	61
739	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
740	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
741	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	57	22	13	1	10
742	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	68	26	16	1	12
743	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
744	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
745	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
746	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
747	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
748	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
749	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	13	5	3	0	2
750	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	1	0	0	0	0
751	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
752	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
753	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
754	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	74	28	17	1	14
755	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
756	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
757	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
758	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	9	3	2	0	2
759	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	62	24	15	1	11
760	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	609	231	143	8	112
761	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	112	43	26	1	21
762	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	27	10	6	0	5
763	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
764	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
765	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	80	30	19	1	15
766	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	10	4	2	0	2
767	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
768	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	3,772	1,428	884	48	693
769	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
770									
771									
772		Total General Plant			5,227	1,979	1,225	67	961
773									
774		TOTAL DEPRECIATION EXPENSE - COMMODITY			140,767	53,298	32,980	1,804	25,877

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Customer/Demand Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF DEPRECIATION EXPENSE										
Total Depreciation Expense										
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
775			Intangible Plant:							
776										
777	30100		Organization	0	-	-	-	-	-	
778	30200		Franchises & Consents	0	-	-	-	-	-	
779	30300		Misc Intangible Plant	0	-	-	-	-	-	
780										
781			Total Intangible Plant:	0	-	-	-	-	-	
782										
783			Production Plant:							
784										
785	32520		Producing Leaseholds	0	-	-	-	-	-	
786	32540		Rights of Ways	0	-	-	-	-	-	
787	33100		Production Gas Wells Equipment	0	-	-	-	-	-	
788	33201		Field Lines	0	-	-	-	-	-	
789	33202		Tributary Lines	0	-	-	-	-	-	
790	33400		Field Meas. & Reg. Sta. Equip	0	-	-	-	-	-	
791	33600		Purification Equipment	0	-	-	-	-	-	
792										
793			Total Production Plant	0	-	-	-	-	-	
794										
795			Storage Plant:							
796										
797	35010		Land	0	-	-	-	-	-	
798	35020		Rights of Way	22	9	5	0	4	4	
799	35100		Structures and Improvements	297	124	73	4	49	48	
800	35102		Compression Station Equipment	1,916	796	472	25	315	308	
801	35103		Meas. & Reg. Sta. Structures	208	87	51	3	34	33	
802	35104		Other Structures	1,773	736	437	23	291	285	
803	35200		Wells \ Rights of Way	161,122	66,927	39,703	2,128	26,478	25,886	
804	35201		Well Construction	25,840	10,733	6,367	341	4,246	4,152	
805	35202		Well Equipment	0	-	-	-	-	-	
806	35203		Cushion Gas	23,389	9,715	5,763	309	3,844	3,758	
807	35210		Leaseholds	553	230	136	7	91	89	
808	35211		Storage Rights	481	200	118	6	79	77	
809	35301		Field Lines	1,596	663	393	21	262	256	
810	35302		Tributary Lines	1,905	791	469	25	313	306	
811	35400		Compressor Station Equipment	15,699	6,521	3,868	207	2,580	2,522	
812	35500		Meas & Reg. Equipment	4,561	1,894	1,124	60	749	733	
813	35600		Purification Equipment	8,210	3,410	2,023	108	1,349	1,319	
814										
815			Total Storage Plant	247,571	102,836	61,005	3,269	40,685	39,775	
816										
817			Transmission:							
818										
819	36510		Land & Land Rights	0	-	-	-	-	-	
820	36520		Rights of Way	9,112	4,120	2,356	124	1,320	1,193	
821	36602		Structures & Improvements	608	275	157	8	88	80	
822	36603		Other Structures	754	341	195	10	109	99	
823	36700		Mains Cathodic Protection	5,362	2,424	1,386	73	777	702	
824	36701		Mains - Steel	381,167	172,339	98,547	5,183	55,209	49,889	
825	36900		Meas. & Reg. Equipment	11,265	5,093	2,912	153	1,632	1,474	
826	36901		Meas. & Reg. Equipment	34,951	15,803	9,036	475	5,062	4,575	
827										
828			Total Transmission Plant	443,218	200,394	114,589	6,027	64,197	58,010	
829										
830			Distribution:							
831										
832	37400		Land & Land Rights	0	-	-	-	-	-	
833	37401		Land	0	-	-	-	-	-	
834	37402		Land Rights	49,908	29,883	10,396	453	4,823	4,354	
835	37403		Land Other	0	-	-	-	-	-	
836	37500		Structures & Improvements	6,017	3,603	1,253	55	581	525	
837	37501		Structures & Improvements T.B.	1,787	1,070	372	16	173	156	
838	37502		Land Rights	828	496	173	8	80	72	
839	37503		Improvements	72	43	15	1	7	6	
840	37600		Mains Cathodic Protection	873,542	523,042	181,961	7,922	84,410	76,207	
841	37601		Mains - Steel	4,454,842	2,667,383	927,953	40,400	430,469	388,637	
842	37602		Mains - Plastic	3,376,201	2,021,535	703,270	30,618	326,240	294,537	
843	37800		Meas & Reg. Sta. Equip - General	925,640	554,237	192,813	8,394	89,444	80,752	
844	37900		Meas & Reg. Sta. Equip - City Gate	145,903	87,361	30,392	1,323	14,099	12,729	
845	37905		Meas & Reg. Sta. Equipment T.b.	46,759	27,997	9,740	424	4,518	4,079	
846	38000		Services	4,817,588	4,290,218	521,911	265	3,317	1,877	
847	38100		Meters	2,741,749	1,768,788	907,200	3,195	39,954	22,612	
848	38200		Meter Installations	2,232,937	1,440,537	738,843	2,602	32,539	18,416	
849	38300		House Regulators	514,355	331,827	170,192	599	7,495	4,242	
850	38400		House Reg. Installations	8,807	5,681	2,914	10	128	73	
851	38500		Ind. Meas. & Reg. Sta. Equipment	112,194	-	111,033	56	706	399	
852	38600		Other Prop. On Cust. Prem	0	-	-	-	-	-	
853										
854			Total Distribution Plant	20,309,129	13,753,701	4,510,430	96,342	1,038,982	909,674	

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF DEPRECIATION EXPENSE							
855							
856	General:						
857							
858	38900 Land & Land Rights	0	-	-	-	-	-
859	39000 Structures Frame	244,888	160,430	52,645	1,482	16,013	14,317
860	39001 Structures & Improvements	5,574	3,652	1,198	34	365	326
861	39002 Improvements	22,836	14,960	4,909	138	1,493	1,335
862	39003 Air Conditioning Equipment	731	479	157	4	48	43
863	39004 Improvement to leased Premises	0	-	-	-	-	-
864	39009 Office Furniture & Equipment	93,448	61,219	20,089	566	6,111	5,463
865	39100 Remittance Processing Equip	0	-	-	-	-	-
866	39102 Office Machines	0	-	-	-	-	-
867	39103 Transportation Equipment	5,191	3,401	1,116	31	339	303
868	39200 Trucks	0	-	-	-	-	-
869	39201 Trailers	0	-	-	-	-	-
870	39202 Stores Equipment	0	-	-	-	-	-
871	39300 Tools, Shop & Garage Equipment	116,855	76,553	25,121	707	7,641	6,832
872	39400 Power Operated Equipment	0	-	-	-	-	-
873	39600 Ditchers	0	-	-	-	-	-
874	39603 Backhoes	0	-	-	-	-	-
875	39604 Welders	0	-	-	-	-	-
876	39605 Communication Equipment	34,968	22,908	7,517	212	2,287	2,044
877	39700 Communication Equipment - Mobile Radios	0	-	-	-	-	-
878	39701 Communication Equipment - Fixed Radios	0	-	-	-	-	-
879	39702 Communication Equip. - Telemetering	0	-	-	-	-	-
880	39705 Miscellaneous Equipment	194,589	127,478	41,832	1,178	12,724	11,376
881	39800 Other Tangible Property	0	-	-	-	-	-
882	39900 Other Tangible Property - Servers - H/W	2,056	1,347	442	12	134	120
883	39901 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
884	39902 Other Tangible Property - Network - H/W	13,460	8,818	2,894	81	880	787
885	39903 Other Tang. Property - CPU	0	-	-	-	-	-
886	39904 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
887	39905 Other Tang. Property - PC Hardware	89,351	58,535	19,208	541	5,843	5,224
888	39906 Other Tang. Property - PC Software	0	-	-	-	-	-
889	39907 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
890	39908 Other Tang. Property - Application Software	10,289	6,740	2,212	62	673	602
891	40600 Amortization of gas plant acquisition adjustments	0	-	-	-	-	-
892							
893							
894	Total General Plant	834,236	546,522	179,342	5,050	54,551	48,771
895							
896	TOTAL DIRECT DEPRECIATION EXPENSE	21,834,154	14,603,453	4,865,366	110,688	1,198,415	1,056,231
897							
898	Kentucky Mid-States General Office:						
899							
900	Intangible Plant:						
901							
902	30100 Organization	0	-	-	-	-	-
903	30200 Franchises & Consents	0	-	-	-	-	-
904	30300 Misc Intangible Plant	0	-	-	-	-	-
905							
906	Total Intangible Plant:	0	-	-	-	-	-
907							
908	General:						
909							
910	37400 Land & Land Rights	0	-	-	-	-	-
911	39001 Structures Frame	2,500	1,638	537	15	163	146
912	36602 Structures & Improvements	0	-	-	-	-	-
913	38900 Land & Land Rights	0	-	-	-	-	-
914	39004 Air Conditioning Equipment	561	368	121	3	37	33
915	39009 Improvement to leased Premises	0	-	-	-	-	-
916	39100 Office Furniture & Equipment	0	-	-	-	-	-
917	39102 Remittance Processing Equip	0	-	-	-	-	-
918	39103 Office Machines	0	-	-	-	-	-
919	39200 Transportation Equipment	400	262	96	2	26	23
920	39201 Trucks	0	-	-	-	-	-
921	39202 Trailers	0	-	-	-	-	-
922	39300 Stores Equipment	0	-	-	-	-	-
923	39400 Tools, Shop & Garage Equipment	2,025	1,326	435	12	132	118
924	39600 Power Operated Equipment	12	8	3	0	1	1
925	39603 Ditchers	0	-	-	-	-	-
926	39604 Backhoes	0	-	-	-	-	-
927	39605 Welders	0	-	-	-	-	-
928	39700 Communication Equipment	1,652	1,082	355	10	108	97
929	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
930	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
931	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
932	39800 Miscellaneous Equipment	12,240	8,019	2,631	74	800	716
933	39900 Other Tangible Property	0	-	-	-	-	-
934	39901 Other Tangible Property - Servers - H/W	0	-	-	-	-	-
935	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
936	39903 Other Tangible Property - Network - H/W	0	-	-	-	-	-
937	39904 Other Tang. Property - CPU	0	-	-	-	-	-
938	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
939	39906 Other Tang. Property - PC Hardware	0	-	-	-	-	-
940	39907 Other Tang. Property - PC Software	11,145	7,302	2,396	67	729	652
941	39908 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
942	39909 Other Tang. Property - Application Software	0	-	-	-	-	-
943	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
944							
945							
946	Total General Plant	30,535	20,004	6,564	185	1,997	1,785
947							
948	Shared Services General Office:						

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Customer/Demand Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF DEPRECIATION EXPENSE							
949							
950	General:						
951							
952	37400 Land & Land Rights	0	-	-	-	-	-
953	39000 Structures & Improvements	7,132	4,672	1,533	43	466	417
954	36602 Structures & Improvements	0	-	-	-	-	-
955	37503 Improvements	0	-	-	-	-	-
956	39004 Air Conditioning Equipment	0	-	-	-	-	-
957	39009 Improvement to leased Premises	35	23	8	0	2	2
958	39100 Office Furniture & Equipment	10,791	7,069	2,320	65	706	631
959	39102 Remittance Processing Equip	0	-	-	-	-	-
960	39103 Office Machines	0	-	-	-	-	-
961	39200 Transportation Equipment	0	-	-	-	-	-
962	39201 Trucks	0	-	-	-	-	-
963	39202 Trailers	0	-	-	-	-	-
964	39300 Stores Equipment	0	-	-	-	-	-
965	39400 Tools, Shop & Garage Equipment	0	-	-	-	-	-
966	39600 Power Operated Equipment	0	-	-	-	-	-
967	39603 Ditchers	0	-	-	-	-	-
968	39604 Backhoes	0	-	-	-	-	-
969	39605 Welders	0	-	-	-	-	-
970	39700 Communication Equipment	27	18	6	0	2	2
971	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
972	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
973	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
974	39800 Miscellaneous Equipment	66	43	14	0	4	4
975	39900 Other Tangible Property	0	-	-	-	-	-
976	39901 Other Tangible Property - Servers - H/W	133,882	87,708	28,782	810	8,755	7,827
977	39902 Other Tangible Property - Servers - S/W	40,124	26,286	8,626	243	2,624	2,346
978	39903 Other Tangible Property - Network - H/W	0	-	-	-	-	-
979	39904 Other Tang. Property - CPU	0	-	-	-	-	-
980	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
981	39906 Other Tang. Property - PC Hardware	9,073	5,944	1,950	55	593	530
982	39907 Other Tang. Property - PC Software	0	-	-	-	-	-
983	39908 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
984	39909 Other Tang. Property - Application Software	1,366	895	294	8	89	80
985	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
986							
987							
988	Total General Plant	202,494	132,657	43,532	1,226	13,241	11,838
989							
990	Shared Services Customer Support:						
991							
992	General:						
993							
994	37400 Land & Land Rights	0	-	-	-	-	-
995	39001 Structures Frame	0	-	-	-	-	-
996	36602 Structures & Improvements	30,100	19,719	6,471	182	1,968	1,760
997	37503 Improvements	0	-	-	-	-	-
998	39004 Air Conditioning Equipment	0	-	-	-	-	-
999	39009 Improvement to leased Premises	5,171	3,388	1,112	31	338	302
1000	39100 Office Furniture & Equipment	6,139	4,022	1,320	37	401	359
1001	39102 Remittance Processing Equip	0	-	-	-	-	-
1002	39103 Office Machines	0	-	-	-	-	-
1003	39200 Transportation Equipment	0	-	-	-	-	-
1004	39201 Trucks	0	-	-	-	-	-
1005	39202 Trailers	0	-	-	-	-	-
1006	39300 Stores Equipment	0	-	-	-	-	-
1007	39400 Tools, Shop & Garage Equipment	1,191	780	256	7	78	70
1008	39600 Power Operated Equipment	55	36	12	0	4	3
1009	39603 Ditchers	0	-	-	-	-	-
1010	39604 Backhoes	0	-	-	-	-	-
1011	39605 Welders	0	-	-	-	-	-
1012	39700 Communication Equipment	6,709	4,395	1,442	41	439	392
1013	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
1014	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
1015	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
1016	39800 Miscellaneous Equipment	834	546	179	5	55	49
1017	39900 Other Tangible Property	5,664	3,710	1,218	34	370	331
1018	39901 Other Tangible Property - Servers - H/W	55,314	36,237	11,891	335	3,617	3,234
1019	39902 Other Tangible Property - Servers - S/W	10,196	6,679	2,192	62	667	596
1020	39903 Other Tangible Property - Network - H/W	2,481	1,625	533	15	162	145
1021	39904 Other Tang. Property - CPU	0	-	-	-	-	-
1022	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
1023	39906 Other Tang. Property - PC Hardware	7,309	4,788	1,571	44	478	427
1024	39907 Other Tang. Property - PC Software	871	571	187	5	57	51
1025	39908 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
1026	39909 Other Tang. Property - Application Software	342,525	224,394	73,635	2,073	22,398	20,025
1027	39924 Other Tang. Property - General Startup Costs	31	20	7	0	2	2
1028							
1029							
1030	Total General Plant	474,591	310,912	102,026	2,873	31,034	27,745
1031							
1032	TOTAL DEPRECIATION EXPENSE	22,541,774	15,067,027	5,017,488	114,972	1,244,687	1,097,600

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Customer									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Taxes Other Than Income								
2									
3	Non Revenue Related:								
4	Payroll Related	7.2	Allocated O&M Expenses - Cust	138,081	113,529	23,817	65	428	242
5	Property Related	6.2	P, S, T & D Plant - Customer	3,423,620	2,772,392	625,009	1,274	15,929	9,015
6	DOT transmission User Tax	7.2	Allocated O&M Expenses - Cust	20,397	16,770	3,518	10	63	36
7	Other	7.2	Allocated O&M Expenses - Cust	14,747	12,125	2,544	7	46	26
8	Total Non Revenue Related:			3,596,845	2,914,817	654,888	1,355	16,466	9,319
9									
10	Revenue Related:								
11	State Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
12	Local Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
13	Public Service Commission Assessment	99.0	-	0	-	-	-	-	-
14	Total Revenue Related:			0	-	-	-	-	-
15									
16	Total Taxes, Other Than Income			3,596,845	2,914,817	654,888	1,355	16,466	9,319
17									
18									
19	Interest Expense	19.2	Rate Base - Cust	5,365,163	4,457,365	875,259	1,563	19,781	11,195
20									
21	Amortization of Excess ADIT	20.2	Cost of Service - Cust	(493,187)	(403,218)	(86,680)	(198)	(1,985)	(1,106)

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Demand									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
20	Taxes Other Than Income								
21									
22	Non Revenue Related:								
23	Payroll Related	7.4	Allocated O&M Expenses - Demand	98,399	44,490	25,440	1,338	14,252	12,879
24	Property Related	6.4	P, S, T & D Plant - Demand	2,518,577	1,138,736	651,151	34,249	364,799	329,643
25	DOT transmission User Tax	7.4	Allocated O&M Expenses - Demand	14,535	6,572	3,758	198	2,105	1,902
26	Other	7.4	Allocated O&M Expenses - Demand	10,509	4,752	2,717	143	1,522	1,376
27	Total Non Revenue Related:			2,642,021	1,194,549	683,067	35,928	382,679	345,799
28									
29	Revenue Related:								
30	State Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
31	Local Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
32	Public Service Commission Assessment	99.0	-	0	-	-	-	-	-
33	Total Revenue Related:			0	-	-	-	-	-
34									
35	Total Taxes, Other Than Income			2,642,021	1,194,549	683,067	35,928	382,679	345,799
36									
37									
38	Interest Expense	19.4	Rate Base - Demand	4,162,525	1,882,021	1,076,177	56,604	602,913	544,810
39									
40	Amortization of Excess ADIT	20.4	Cost of Service - Demand	(345,668)	(156,466)	(89,291)	(4,706)	(50,010)	(45,196)

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Commodity									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
39	Taxes Other Than Income								
40									
41	Non Revenue Related:								
42	Payroll Related	7.6	Allocated O&M Expenses - Comm	691,389	405,201	275,297	9,812	524	555
43	Property Related	6.6	P, S, T & D Plant - Commodity	66,174	25,055	15,504	848	12,165	12,602
44	DOT transmission User Tax	7.6	Allocated O&M Expenses - Comm	102,130	59,855	40,666	1,449	77	82
45	Other	7.6	Allocated O&M Expenses - Comm	73,842	43,276	29,402	1,048	56	59
46	Total Non Revenue Related:			933,535	533,367	360,670	13,157	12,823	13,298
47									
48	Revenue Related:								
49	State Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
50	Local Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
51	Public Service Commission Assessment	1.0	Mcf	339,436	102,784	69,655	3,441	77,044	86,511
52	Total Revenue Related:			339,436	102,784	69,655	3,441	77,044	86,511
53									
54	Total Taxes, Other Than Income			1,272,971	636,172	430,525	16,598	89,866	99,809
55									
56									
57	Interest Expense	19.6	Rate Base - Comm	(159,953)	(161,485)	(112,028)	(3,085)	55,666	60,979
58									
59	Amortization of Excess ADIT	20.6	Cost of Service - Comm	(624,911)	(362,294)	(246,010)	(8,821)	(3,725)	(4,061)

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Customer/Demand Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Total Taxes Other									
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
58	Taxes Other Than Income								
59									
60	Non Revenue Related:								
61	Payroll Related		927,870	563,220	324,555	11,215	15,205	13,676	
62	Property Related		6,008,371	3,936,183	1,291,664	36,371	392,893	351,260	
63	DOT transmission User Tax		137,062	83,197	47,942	1,657	2,246	2,020	
64	Other		99,099	60,153	34,663	1,198	1,624	1,461	
65	Total Non Revenue Related:		7,172,401	4,642,753	1,698,824	50,440	411,967	368,417	
66									
67	Revenue Related:								
68	State Gross Receipts - Tax		0	-	-	-	-	-	
69	Local Gross Receipts - Tax		0	-	-	-	-	-	
70	Public Service Commission Assessment		339,436	102,784	69,655	3,441	77,044	86,511	
71	Total Revenue Related:		339,436	102,784	69,655	3,441	77,044	86,511	
72									
73	Total Taxes, Other Than Income		7,511,837	4,745,538	1,768,479	53,881	489,011	454,927	
74									
75									
76	Interest Expense		9,367,735	6,177,901	1,839,408	55,082	678,360	616,984	
77									
78	Amortization of Excess ADIT		(1,463,766)	(921,978)	(421,980)	(13,725)	(55,720)	(50,363)	

Atmos Energy Corporation, Kentucky/Mid-States Division						
Class Cost of Service - Customer/Demand Study						
Forecasted Test Period: Twelve Months Ended March 31, 2020						
CLASSIFICATION FACTORS						
			Total Company	Customer	Demand	Commodity
	Input	Values	1	1	0	0
1.0	Customer	%	100.0000%	100.0000%	0.0000%	0.0000%
	Input	Values	1	0	1	0
2.0	Demand	%	100.0000%	0.0000%	100.0000%	0.0000%
	Input	Values	1	0	0	1
3.0	Commodity	%	100.0000%	0.0000%	0.0000%	100.0000%
	Input	Values	100	0	50	50
3.5	Storage (50/50)	%	100.0000%	0.0000%	50.0000%	50.0000%
	Input	Values	255,402,252	85,421,465	169,980,788	0
4.0	Mains (Minimum System)	%	100.0000%	33.4459%	66.5541%	0.0000%
	Internally Generated	Values	383,700,807	208,005,510	175,695,297	0
4.1	Mains & Services	%	100.0000%	54.2103%	45.7897%	0.0000%
	Internally Generated	Values	681,841,791	388,519,111	285,813,125	7,509,555
5.4	P, S, T & D Plant	%	100.0000%	56.9808%	41.9178%	1.1014%
	Internally Generated	Values	569,918,798	318,284,171	245,988,328	5,646,298
5.7	Net Plant	%	100.0000%	55.8473%	43.1620%	0.9907%
	Internally Generated	Values	105,607,336	15,715,974	11,199,521	78,691,840
9.1	Allocated O&M Expenses	%	100.0000%	14.8815%	10.6049%	74.5136%
	Internally Generated	Values	6,001,704	2,634,055	3,347,032	20,618
10.0	Composite of Accts. 871-879 & 886-893	%	100.0000%	43.8884%	55.7680%	0.3435%
	Internally Generated	Values	300,006,847	100,339,852	199,666,995	-
12.0	Composite of Accts. 374-379	%	100.0000%	33.4459%	66.5541%	0.0000%
	Internally Generated	Values	496,111,427	284,136,858	220,445,634	(8,471,064)
13.0	Rate Base	%	100.0000%	57.2728%	44.4347%	-1.7075%
	Internally Generated	Values	9,623,776	5,500,437	4,098,067	25,272
17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	%	100.0000%	57.1547%	42.5827%	0.2626%
	Internally Generated	Values	185,637,186	62,546,750	43,838,199	79,252,237
18.0	Total Cost of Service at Equalized ROR	%	100.0000%	33.6930%	23.6150%	42.6920%
		Values	0	0	0	0
99.0	-	%	0.0000%	0.0000%	0.0000%	0.0000%

ALLOCATION FACTORS			Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1.0	Input Mcf	Value %	33,298,463 100.0000%	10,083,093 30.2810%	6,833,161 20.5209%	337,587 1.0138%	7,557,945 22.6976%	8,486,677 25.4867%
1.2	Input Sales Mcf	Value %	17,253,841 100.0000%	10,083,093 58.4397%	6,833,161 39.6037%	337,587 1.9566%	- 0.0000%	- 0.0000%
1.5	Input Winter Volumes	Value %	20,546,467 100.0000%	7,779,490 37.8629%	4,813,775 23.4287%	263,242 1.2812%	3,777,063 18.3830%	3,912,897 19.0441%
2.0	Input Bills	Value %	2,125,194 100.0000%	1,892,554 89.0532%	230,232 10.8335%	117 0.0055%	1,463 0.0688%	828 0.0390%
2.2	Input Non-Residential Bills	Value %	232,640 100.0000%	0 0.0000%	230,232 98.9649%	117 0.0503%	1,463 0.6289%	828 0.3559%
3.0	Input Peak Day	Value %	288,074 100.0000%	130,248 45.2134%	74,478 25.8539%	3,917 1.3599%	41,726 14.4843%	37,704 13.0884%
4.0	Input Meter Investment	Value %	42,429,546 100.0000%	27,372,625 64.5131%	14,039,249 33.0884%	49,445 0.1165%	618,296 1.4572%	349,931 0.8247%
4.2	Input Direct to Residential	Value %	1 100.0000%	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%	- 0.0000%
4.4	Input Direct to Commercial	Value %	1 100.0000%	- 0.0000%	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%
4.6	Input Direct to Industrial	Value %	1 100.0000%	- 0.0000%	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%
4.8	Input Direct to Public Authority	Value %	1 100.0000%	- 0.0000%	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%
5.0	Input Direct to Transport	Value %	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%	1 100.0000%	- 0.0000%
6.0	Internally Generated P, S, T & D Plant	Value %	681,841,791 100.0000%	446,685,845 65.5117%	146,580,588 21.4977%	4,127,415 0.6053%	44,586,248 6.5391%	39,861,694 5.8462%
6.2	Internally Generated P, S, T & D Plant - Customer	Value %	388,519,111 100.0000%	314,616,542 80.9784%	70,927,245 18.2558%	144,561 0.0372%	1,807,685 0.4653%	1,023,078 0.2633%
6.4	Internally Generated P, S, T & D Plant - Demand	Value %	285,813,125 100.0000%	129,225,967 45.2134%	73,893,950 25.8539%	3,886,642 1.3599%	41,398,080 14.4843%	37,408,486 13.0884%
6.6	Internally Generated P, S, T & D Plant - Commodity	Value %	7,509,555 100.0000%	2,843,336 37.8629%	1,759,393 23.4287%	96,213 1.2812%	1,380,484 18.3830%	1,430,130 19.0441%
7.0	Internally Generated Allocated O&M Expenses	Value %	105,607,336 100.0000%	64,103,985 60.7003%	36,939,829 34.9785%	1,276,457 1.2087%	1,730,542 1.6387%	1,556,521 1.4739%
7.2	Internally Generated Allocated O&M Expenses - Cust	Value %	15,715,974 100.0000%	12,921,579 82.2194%	2,710,782 17.2486%	7,383 0.0470%	48,674 0.3097%	27,556 0.1753%
7.4	Internally Generated Allocated O&M Expenses - Demand	Value %	11,199,521 100.0000%	5,063,690 45.2134%	2,895,517 25.8539%	152,297 1.3599%	1,622,174 14.4843%	1,465,843 13.0884%
7.6	Internally Generated Allocated O&M Expenses - Comm	Value %	78,691,840 100.0000%	46,118,716 58.6067%	31,333,529 39.8180%	1,116,777 1.4192%	59,694 0.0759%	63,122 0.0802%
8.0	Input Customer Deposit Balances	Value %	26,564,782 100.0000%	16,218,920 61.0542%	10,069,596 37.9058%	272,066 1.0242%	2,238 0.0084%	1,962 0.0074%
9.0	Internally Generated Allocated Net Plant	Value %	569,918,798 100.0000%	377,793,965 66.2891%	116,845,806 20.5022%	3,510,835 0.6160%	37,835,773 6.6388%	33,932,418 5.9539%
9.2	Internally Generated Allocated Net Plant - Cust	Value %	318,284,171 100.0000%	264,436,309 83.0818%	51,925,279 16.3141%	93,412 0.0293%	1,168,083 0.3670%	661,089 0.2077%
9.4	Internally Generated Allocated Net Plant - Demand	Value %	245,988,328 100.0000%	111,219,803 45.2134%	63,597,672 25.8539%	3,345,082 1.3599%	35,629,730 14.4843%	32,196,040 13.0884%
9.6	Internally Generated Allocated Net Plant - Comm	Value %	5,646,298 100.0000%	2,137,853 37.8629%	1,322,856 23.4287%	72,340 1.2812%	1,037,961 18.3830%	1,075,289 19.0441%
10.0	Internally Generated Composite of Accts. 871-879 & 886-893	Value %	6,001,704 100.0000%	3,554,656 59.2274%	1,445,653 24.0874%	46,835 0.7804%	503,368 8.3871%	451,192 7.5177%
10.2	Internally Generated Composite of Accts. 871-879 & 886-893 - Cust	Value %	2,634,055 100.0000%	2,035,105 77.2613%	576,082 21.8705%	1,111 0.0422%	13,894 0.5275%	7,863 0.2985%
10.4	Internally Generated Composite of Accts. 871-879 & 886-893 - Demand	Value %	3,347,032 100.0000%	1,513,308 45.2134%	865,339 25.8539%	45,515 1.3599%	484,795 14.4843%	438,074 13.0884%
10.6	Internally Generated Composite of Accts. 871-879 & 886-893 - Comm	Value %	20,618 100.0000%	6,243 30.2810%	4,231 20.5209%	209 1.0138%	4,680 22.6976%	5,255 25.4867%
11.0	Internally Generated Composite of Accts. 376 & 380	Value %	383,700,807 100.0000%	264,673,530 68.9791%	67,958,344 17.7113%	2,400,651 0.6257%	25,591,461 6.6696%	23,076,821 6.0143%
11.2	Internally Generated Composite of Accts. 376 & 380 - Cust	Value %	208,005,510 100.0000%	185,235,629 89.0532%	22,534,189 10.8335%	11,451 0.0055%	143,197 0.0688%	81,044 0.0390%
11.4	Internally Generated Composite of Accts. 376 & 380 - Demand	Value %	175,695,297 100.0000%	79,437,901 45.2134%	45,424,155 25.8539%	2,389,200 1.3599%	25,448,264 14.4843%	22,995,778 13.0884%

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
SUMMARY OF RESULTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1							
2							
3							
4							
5							
6							
7							
8	Operating Revenues	169,717,866	99,196,203	53,584,857	1,440,122	8,258,004	7,238,681
9							
10	Operating Expenses:						
11							
12	Operating & Maintenance	105,607,336	61,780,895	37,735,771	1,348,225	2,494,425	2,248,019
13	Depreciation & Amortization	22,541,774	13,495,035	5,556,088	163,535	1,761,592	1,565,524
14	Taxes Other Than Income	7,511,837	4,240,199	1,941,620	69,493	655,177	605,348
15							
16	Total Operating Expenses	135,660,946	79,516,129	45,233,479	1,581,253	4,911,195	4,418,891
17							
18	Income Before Taxes	34,056,920	19,680,074	8,351,378	(141,132)	3,346,809	2,819,789
19							
20	Interest Expense	9,367,735	5,339,243	2,126,751	80,991	954,129	866,621
21							
22	Income Taxes:						
23							
24	State Income Taxes	6.00%	1,481,351	860,450	373,478	(13,327)	143,561
25	Federal Income Taxes	21.00%	4,873,645	2,830,880	1,228,741	(43,847)	472,315
26	Total Deferred Income Taxes		0	0	0	0	0
27	Amortization of ITC		0	0	0	0	0
28	Total Income Taxes	6,354,996	3,691,330	1,602,219	(57,174)	615,876	502,746
29							
30	Net Income	27,701,923	15,988,744	6,749,159	(83,957)	2,730,933	2,317,044
31							
32	Total Rate Base	496,111,427	282,764,123	112,631,872	4,289,230	50,530,298	45,895,903
33							
34	Rate of Return	5.5838%	5.6544%	5.9922%	-1.9574%	5.4045%	5.0485%
35	Relative Rate of Return	1.00	1.01	1.07	(0.35)	0.97	0.90
36							
37	Equalized ROR:						
38							
39	Net Income Increase		11,738,935	6,491,004	2,205,075	424,951	1,286,225
40	Uncollectibles/PSC Fees Increase	0.7000%	111,435	61,618	20,932	4,034	12,210
41	Income Taxes		4,068,949	2,249,912	764,323	147,297	445,831
42	Gross Revenue After Increase		185,637,186	107,998,736	56,575,187	2,016,403	10,002,270
43	Revenue Deficiency		15,919,320	8,802,533	2,990,330	576,282	1,744,267
44	Rate of Return		7.9500%	7.9500%	7.9500%	7.9500%	7.9500%
45	Relative Rate of Return		1.00	1.00	1.00	1.00	1.00
46	Percent Increase		9.3799%	8.8739%	5.5806%	40.0162%	21.1221%
47							
48	Proposed Rate Levels:						
49							
50	Net Income Increase		11,738,923	6,829,924	2,855,619	46,872	1,163,606
51	Uncollectibles/PSC Fees Increase		111,435	64,835	27,108	445	11,046
52	Income Taxes		4,068,945	2,367,388	989,815	16,247	403,329
53	Gross Revenue After Increase		185,637,170	108,458,350	57,457,398	1,503,685	9,835,985
54	Revenue Deficiency		15,919,304	9,262,147	3,872,541	63,563	1,577,981
55	Rate of Return		7.9500%	8.0699%	8.5276%	-0.8646%	7.7073%
56	Relative Rate of Return		1.00	1.02	1.07	(0.11)	0.97
57	Percent Increase		9.3799%	9.3372%	7.2269%	4.4137%	19.1085%

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
SUMMARY OF CUSTOMER COSTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	182,824,775	145,838,565	35,377,785	77,198	977,822	553,406
2							
3	Return @ Realized ROR	10,208,589	8,216,953	2,144,949	(114,889)	21,218	(59,642)
4	O&M Expenses	10,416,928	8,202,608	2,136,712	7,091	45,026	25,492
5	Depreciation Expense	11,025,378	8,298,422	2,582,060	7,040	88,033	49,823
6	Taxes, Other	2,444,150	1,888,305	530,011	1,292	15,672	8,870
7							
8	Interest Expense	3,452,156	2,753,770	668,015	1,458	18,464	10,450
9							
10	Income Taxes:						
11							
12	State Income Taxes	545,901	441,410	119,332	(9,401)	223	(5,663)
13	Federal Income Taxes	1,796,014	1,452,238	392,603	(30,928)	732	(18,632)
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	2,341,915	1,893,648	511,935	(40,328)	955	(24,295)
18							
19	Total Customer-Related Costs @ Realized ROR	36,436,961	28,499,937	7,905,667	(139,794)	170,904	248
20	Total Customers	177,100	157,713	19,186	10	122	69
21	Customer Costs (\$/customer/month)		\$ 15.06	\$ 34.34	\$ (1,194.82)	\$ 116.81	\$ 0.30
22							
23							
24	Incremental Return @ Equalized ROR	4,325,980	3,377,213	667,585	121,027	56,518	103,638
25	Incremental Income Taxes	1,499,471	1,170,609	231,398	41,950	19,590	35,923
26	Incremental Uncollectibles/PSC Fees Increase	41,066	32,059	6,337	1,149	537	984
27							
28	Total Customer-Related Costs @ Equalized ROR	42,303,478	33,079,818	8,810,987	24,331	247,549	140,792
29	Customers	177,100	157,713	19,186	10	122	69
30	Dollars/Customer/Month	\$ 19.91	\$ 17.48	\$ 38.27	\$ 207.96	\$ 169.20	\$ 170.03
31							
32							
33	Incremental Return @ Proposed Rates	4,325,976	3,502,109	907,321	(18,302)	11,332	(76,484)
34	Incremental Income Taxes	1,499,470	1,213,901	314,496	(6,344)	3,928	(26,511)
35	Incremental Uncollectibles/PSC Fees Increase	41,066	33,245	8,613	(174)	108	(726)
36							
37	Total Customer-Related Costs @ Proposed Rates	42,303,472	33,249,191	9,136,096	(164,613)	186,271	(103,473)
38	Customers	177,100	157,713	19,186	10	122	69
39	Dollars/Customer/Month	\$ 19.91	\$ 17.57	\$ 39.68	\$ (1,406.95)	\$ 127.32	\$ (124.96)

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
SUMMARY OF DEMAND COSTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	321,757,716	145,477,756	83,187,043	4,375,436	46,604,408	42,113,073
2							
3	Return @ Realized ROR	17,966,342	8,252,740	4,943,350	34,533	2,543,554	2,192,166
4	O&M Expenses	16,498,567	7,459,571	4,265,530	224,356	2,389,705	2,159,405
5	Depreciation Expense	11,375,629	5,143,314	2,941,048	154,692	1,647,682	1,488,893
6	Taxes, Other	3,794,716	1,715,722	981,084	51,603	549,639	496,669
7							
8	Interest Expense	6,075,532	2,746,958	1,570,764	82,618	879,999	795,193
9							
10	Income Taxes:						
11							
12	State Income Taxes	960,744	444,852	272,495	(3,885)	134,411	112,872
13	Federal Income Taxes	3,160,848	1,463,562	896,510	(12,782)	442,211	371,347
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	4,121,592	1,908,414	1,169,006	(16,667)	576,621	484,219
18							
19	Total Demand-Related Costs @ Realized ROR	53,756,847	24,479,761	14,300,017	448,517	7,707,200	6,821,352
20							
21							
22	Incremental Return @ Equalized ROR	7,613,396	3,312,742	1,670,020	313,314	1,161,497	1,155,824
23	Incremental Income Taxes	2,638,953	1,148,263	578,862	108,601	402,598	400,632
24	Incremental Uncollectibles/PSC Fees Increase	72,272	31,447	15,853	2,974	11,026	10,972
25							
26	Total Demand-Related Costs @ Equalized ROR	64,081,471	28,972,213	16,564,752	873,406	9,282,321	8,388,779
27							
28							
29	Incremental Return @ Proposed Rates	7,613,389	3,532,553	2,091,936	68,107	1,081,971	838,822
30	Incremental Income Taxes	2,638,953	1,224,453	725,107	23,607	375,033	290,753
31	Incremental Uncollectibles/PSC Fees Increase	72,272	33,534	19,858	647	10,271	7,963
32							
33	Total Demand-Related Costs @ Proposed Rates	64,081,461	29,270,301	17,136,918	540,877	9,174,475	7,958,889

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
SUMMARY OF COMMODITY COSTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	(8,471,064)	(8,552,198)	(5,932,956)	(163,404)	2,948,068	3,229,424
2							
3	Return @ Realized ROR	(473,008)	(477,539)	(331,285)	(9,124)	164,615	180,325
4	O&M Expenses	78,691,840	46,118,716	31,333,529	1,116,777	59,694	63,122
5	Depreciation Expense	140,767	53,298	32,980	1,804	25,877	26,808
6	Taxes, Other	1,272,971	636,172	430,525	16,598	89,866	99,809
7							
8	Interest Expense	(159,953)	(161,485)	(112,028)	(3,085)	55,666	60,979
9							
10	Income Taxes:						
11							
12	State Income Taxes	(25,294)	(25,536)	(17,715)	(488)	8,803	9,643
13	Federal Income Taxes	(83,217)	(84,014)	(58,284)	(1,605)	28,961	31,725
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	(108,511)	(109,550)	(75,999)	(2,093)	37,764	41,368
18							
19	Total Commodity-Related Costs	79,524,058	46,221,098	31,389,750	1,123,962	377,816	411,432
20	Total Throughput	33,298,463	10,083,093	6,833,161	337,587	7,557,945	8,486,677
21	Commodity Costs (\$/Mcf)		\$ 4.58402	\$ 4.59374	\$ 3.32940	\$ 0.04999	\$ 0.05
22							
23							
24	Incremental Return @ Equalized ROR	(200,441)	(202,361)	(140,385)	(3,866)	69,757	76,414
25	Incremental Income Taxes	(69,477)	(70,142)	(48,660)	(1,340)	24,179	26,487
26	Incremental Uncollectibles/PSC Fees Increase	(1,903)	(1,921)	(1,333)	(37)	662	725
27							
28	Total Commodity-Related Costs @ Equalized ROR	79,252,237	45,946,673	31,199,373	1,118,719	472,414	515,058
29	Total Throughput	33,298,463	10,083,093	6,833,161	337,587	7,557,945	8,486,677
30	Commodity Costs (\$/Mcf)	\$ 2.38	\$ 4.56	\$ 4.57	\$ 3.31	\$ 0.06	\$ 0.06
31							
32							
33	Incremental Return @ Proposed Rates	(200,441)	(208,148)	(151,493)	2,589	71,851	84,760
34	Incremental Income Taxes	(69,477)	(72,148)	(52,510)	897	24,905	29,380
35	Incremental Uncollectibles/PSC Fees Increase	(1,903)	(1,976)	(1,438)	25	682	805
36							
37	Total Commodity-Related Costs @ Proposed Rates	79,252,237	45,938,825	31,184,309	1,127,473	475,254	526,376
38	Total Throughput	33,298,463	10,083,093	6,833,161	337,587	7,557,945	8,486,677
39	Commodity Costs (\$/Mcf)	\$ 2.38	\$ 4.56	\$ 4.56	\$ 3.34	\$ 0.06	\$ 0.06

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF GROSS PLANT IN SERVICE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
177		Shared Services General Office:						
178								
179		General:						
180								
181	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
182	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
183	36602	Structures & Improvements	236,424	5.4	P, S, T & D Plant	91,657	142,163	2,604
184	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
185	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
186	39009	Improvement to leased Premises	483,357	5.4	P, S, T & D Plant	187,389	290,645	5,324
187	39100	Office Furniture & Equipment	286,918	5.4	P, S, T & D Plant	111,233	172,525	3,160
188	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
189	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
190	39200	Transportation Equipment	369	5.4	P, S, T & D Plant	143	222	4
191	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
192	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
193	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
194	39400	Tools, Shop & Garage Equipment	3,938	5.4	P, S, T & D Plant	1,527	2,368	43
195	39500	Tools, Shop & Garage Equipment	-	5.4	P, S, T & D Plant	-	-	-
196	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
197	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
198	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
199	39700	Communication Equipment	54,370	5.4	P, S, T & D Plant	21,078	32,693	599
200	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
201	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
202	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
203	39800	Miscellaneous Equipment	7,537	5.4	P, S, T & D Plant	2,922	4,532	83
204	39900	Other Tangible Property	8,377	5.4	P, S, T & D Plant	3,248	5,037	92
205	39901	Other Tangible Property - Servers - H/W	2,321,928	5.4	P, S, T & D Plant	900,168	1,396,188	25,573
206	39902	Other Tangible Property - Servers - S/W	1,402,428	5.4	P, S, T & D Plant	543,695	843,287	15,446
207	39903	Other Tangible Property - Network - H/W	442,303	5.4	P, S, T & D Plant	171,472	265,959	4,871
208	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
209	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
210	39906	Other Tang. Property - PC Hardware	155,862	5.4	P, S, T & D Plant	60,425	93,720	1,717
211	39907	Other Tang. Property - PC Software	86,214	5.4	P, S, T & D Plant	33,424	51,841	950
212	39908	Other Tang. Property - Mainframe S/W	3,879,643	5.4	P, S, T & D Plant	1,504,064	2,332,850	42,729
213	39909	Other Tang. Property - Application Software	1,322,956	5.4	P, S, T & D Plant	512,885	795,501	14,571
214	39931	Other Tang. Property - ALGN	-	5.4	P, S, T & D Plant	-	-	-
215								
216		Total General Plant	10,692,624			4,145,328	6,429,531	117,765
217								
218		CWIP w/o AFUDC	748,344	5.4	P, S, T & D Plant	290,119	449,983	8,242
219								
220		Shared Services Customer Support:						
221								
222		General:						
223								
224	37400	Land & Land Rights	205,882	5.4	P, S, T & D Plant	79,816	123,798	2,268
225	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
226	36602	Structures & Improvements	1,000,011	5.4	P, S, T & D Plant	387,685	601,312	11,014
227	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
228	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
229	39009	Improvement to leased Premises	159,117	5.4	P, S, T & D Plant	61,687	95,678	1,752
230	39100	Office Furniture & Equipment	154,692	5.4	P, S, T & D Plant	59,971	93,017	1,704
231	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
232	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
233	39200	Transportation Equipment	2,233	5.4	P, S, T & D Plant	866	1,342	25
234	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
235	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
236	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
237	39400	Tools, Shop & Garage Equipment	14,093	5.4	P, S, T & D Plant	5,463	8,474	155
238	39510	Laboratory Equip	548	5.4	P, S, T & D Plant	212	329	6
239	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
240	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
241	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
242	39700	Communication Equipment	114,682	5.4	P, S, T & D Plant	44,460	68,959	1,263
243	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
244	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
245	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
246	39800	Miscellaneous Equipment	15,758	5.4	P, S, T & D Plant	6,109	9,475	174
247	39900	Other Tangible Property	43,368	5.4	P, S, T & D Plant	16,813	26,077	478
248	39901	Other Tangible Property - Servers - H/W	583,485	5.4	P, S, T & D Plant	226,206	350,853	6,426
249	39902	Other Tangible Property - Servers - S/W	114,175	5.4	P, S, T & D Plant	44,263	68,654	1,257
250	39903	Other Tangible Property - Network - H/W	35,496	5.4	P, S, T & D Plant	13,761	21,344	391
251	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
252	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
253	39906	Other Tang. Property - PC Hardware	69,473	5.4	P, S, T & D Plant	26,933	41,774	765
254	39907	Other Tang. Property - PC Software	13,141	5.4	P, S, T & D Plant	5,095	7,902	145
255	39908	Other Tang. Property - Mainframe S/W	5,248,748	5.4	P, S, T & D Plant	2,034,841	3,156,100	57,808
256	39909	Other Tang. Property - Application Software	477	5.4	P, S, T & D Plant	185	287	5
257	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
258								
259		Total General Plant	7,775,377			3,014,367	4,675,375	85,635
260								
261		CWIP w/o AFUDC	224,734	5.4	P, S, T & D Plant	87,125	135,134	2,475
262								
263		TOTAL PLANT IN SERVICE	724,669,367			280,940,628	435,747,497	7,981,242
264								
265		TOTAL CWIP W/O AFUDC	39,130,198			15,170,039	23,529,194	430,966

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF RESERVE FOR DEPRECIATION AND AMORTIZATION								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
175		Shared Services General Office:						
176								
177		General:						
178								
179	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
180	39000	Structures & Improvements	90,855	5.4	P, S, T & D Plant	35,223	54,631	1,001
181	36602	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
182	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
183	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
184	39009	Improvement to leased Premises	482,368	5.4	P, S, T & D Plant	187,005	290,050	5,313
185	39100	Office Furniture & Equipment	116,207	5.4	P, S, T & D Plant	45,051	69,876	1,280
186	39102	Remittance Processing Equip	0	5.4	P, S, T & D Plant	0	0	0
187	39103	Office Machines	0	5.4	P, S, T & D Plant	0	0	0
188	39200	Transportation Equipment	284	5.4	P, S, T & D Plant	110	171	3
189	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
190	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
191	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
192	39400	Tools, Shop & Garage Equipment	1,722	5.4	P, S, T & D Plant	668	1,035	19
193	39500	39500-Laboratory Equipment	-	5.4	P, S, T & D Plant	-	-	-
194	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
195	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
196	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
197	39700	Communication Equipment	28,314	5.4	P, S, T & D Plant	10,977	17,025	312
198	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
199	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
200	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
201	39800	Miscellaneous Equipment	2,855	5.4	P, S, T & D Plant	1,107	1,717	31
202	39900	Other Tangible Property	8,438	5.4	P, S, T & D Plant	3,271	5,074	93
203	39901	Other Tangible Property - Servers - H/W	1,335,526	5.4	P, S, T & D Plant	517,758	803,059	14,709
204	39902	Other Tangible Property - Servers - S/W	969,778	5.4	P, S, T & D Plant	375,965	583,133	10,681
205	39903	Other Tangible Property - Network - H/W	134,188	5.4	P, S, T & D Plant	52,022	80,688	1,478
206	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
207	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
208	39906	Other Tang. Property - PC Hardware	94,055	5.4	P, S, T & D Plant	36,463	56,556	1,036
209	39907	Other Tang. Property - PC Software	91,932	5.4	P, S, T & D Plant	35,640	55,279	1,013
210	39908	Other Tang. Property - Mainframe S/W	2,311	5.4	P, S, T & D Plant	896	1,389	25
211	39909	Other Tang. Property - Application Software	2,526,463	5.4	P, S, T & D Plant	979,462	1,519,175	27,826
212	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
213		Retirement Work in Progress	-	5.4	P, S, T & D Plant	-	-	-
214								
215		Total General Plant	5,885,295			2,281,618	3,538,859	64,818
216								
217		Shared Services Customer Support:						
218								
219		General:						
220								
221	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
222	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
223	36602	Structures & Improvements	204,679	5.4	P, S, T & D Plant	79,350	123,075	2,254
224	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
225	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
226	39009	Improvement to leased Premises	99,706	5.4	P, S, T & D Plant	38,654	59,954	1,098
227	39100	Office Furniture & Equipment	54,761	5.4	P, S, T & D Plant	21,230	32,928	603
228	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
229	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
230	39200	Transportation Equipment	2,235	5.4	P, S, T & D Plant	866	1,344	25
231	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
232	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
233	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
234	39400	Tools, Shop & Garage Equipment	3,654	5.4	P, S, T & D Plant	1,416	2,197	40
235	39500	Laboratory Equipment	426	5.4	P, S, T & D Plant	165	256	5
236	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
237	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
238	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
239	39700	Communication Equipment	70,180	5.4	P, S, T & D Plant	27,208	42,200	773
240	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
241	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
242	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
243	39800	Miscellaneous Equipment	4,862	5.4	P, S, T & D Plant	1,885	2,923	54
244	39900	Other Tangible Property	31,781	5.4	P, S, T & D Plant	12,321	19,110	350
245	39901	Other Tangible Property - Servers - H/W	338,151	5.4	P, S, T & D Plant	131,095	203,332	3,724
246	39902	Other Tangible Property - Servers - S/W	77,363	5.4	P, S, T & D Plant	29,992	46,519	852
247	39903	Other Tangible Property - Network - H/W	22,965	5.4	P, S, T & D Plant	8,903	13,809	253
248	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
249	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
250	39906	Other Tang. Property - PC Hardware	43,877	5.4	P, S, T & D Plant	17,010	26,384	483
251	39907	Other Tang. Property - PC Software	10,171	5.4	P, S, T & D Plant	3,943	6,116	112
252	39908	Other Tang. Property - Mainframe S/W	2,050,478	5.4	P, S, T & D Plant	794,932	1,232,963	22,583
253	39909	Other Tang. Property - Application Software	4,865	5.4	P, S, T & D Plant	1,886	2,925	54
254	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
255		Retirement Work in Progress	-	5.4	P, S, T & D Plant	-	-	-
256								
257		Total General Plant	3,020,151			1,170,856	1,816,033	33,263
258								
259		TOTAL RESERVE FOR DEPRECIATION	193,880,768			90,925,272	100,189,586	2,765,910

Atmos Energy Corporation, Kentucky/Mid-States Division
Class Cost of Service - Demand Only Study
Forecasted Test Period: Twelve Months Ended March 31, 2020

CLASSIFICATION OF OTHER RATE BASE

	Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
Rate Base Additions:						
Materials and Supplies - KY Direct	(402,124)	9.1	Allocated O&M Expenses	(39,665)	(62,822)	(299,637)
Materials and Supplies - KY Mid-States GO	519,990	9.1	Allocated O&M Expenses	51,291	81,236	387,463
Materials and Supplies - Shared Services GO	(0)	9.1	Allocated O&M Expenses	(0)	(0)	(0)
Materials and Supplies - Shared Services CS	0	9.1	Allocated O&M Expenses	-	-	-
Gas Storage Inventory	8,905,991	3.0	Commodity	-	-	8,905,991
Prepayments - KY Direct	0	9.1	Allocated O&M Expenses	-	-	-
Prepayments - KY Mid-States GO	0	9.1	Allocated O&M Expenses	-	-	-
Prepayments - Shared Services GO	0	9.1	Allocated O&M Expenses	-	-	-
Prepayments - Shared Services CS	0	9.1	Allocated O&M Expenses	-	-	-
Cash Working Capital	2,692,759	9.1	Allocated O&M Expenses	265,609	420,678	2,006,472
Regulatory Assets	(33,020,670)	9.1	Allocated O&M Expenses	(3,257,103)	(5,158,673)	(24,604,894)
Total Rate Base Additions	(21,304,054)			(2,979,868)	(4,719,582)	(13,604,604)
Rate Base Deductions:						
Customer Advances - KY Direct	(747,234)	1.0	Customer	(747,234)	-	-
Customer Advances - KY Mid-States GO	0	1.0	Customer	-	-	-
Customer Advances - Shared Services GO	0	1.0	Customer	-	-	-
Customer Advances - Shared Services CS	0	1.0	Customer	-	-	-
ADIT - KY Direct	(75,117,257)	5.7	Net Plant	(27,044,140)	(47,328,915)	(744,201)
ADIT - KY Mid-States GO	22,846,265	5.7	Net Plant	8,225,242	14,394,681	226,342
ADIT - Shared Services GO	(848,471)	5.7	Net Plant	(305,471)	(534,594)	(8,406)
ADIT - Shared Services CS	67,614	5.7	Net Plant	24,343	42,601	670
Change in Net Operating Loss Carryforward	1,295,767	5.7	Net Plant	466,510	816,420	12,837
Total Rate Base Deductions	(52,503,316)			(19,380,752)	(32,609,807)	(512,758)
TOTAL OTHER RB	(73,807,370)			(22,360,620)	(37,329,389)	(14,117,362)
Interest on Customer Deposits	0	1.0	Customer	-	-	-

Almos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF O&M EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
90		Distribution:						
91		Operation						
92	8700	Supervision and Engineering	963,411	10.0	Composite of Accts. 871-879 & 886-893	152,826	807,275	3,310
93	8710	Distribution Load Dispatching	663	3.0	Commodity	-	-	663
94	8711	Odorization	19,956	3.0	Commodity	-	-	19,956
94	8720	Compressor Station Labor & Expenses	0	3.0	Commodity	-	-	-
95	8740	Mains & Services	4,320,719	12.0	Composite of Accts. 374-379	-	4,320,719	-
96	8750	Measuring and Regulating Station Exp. - Gen	574,714	12.0	Composite of Accts. 374-379	-	574,714	-
97	8760	Measuring and Regulating Station Exp. - Ind.	120,928	1.0	Customer	120,928	-	-
98	8770	Measuring and Regulating Sta. Exp. - City Gate	38,286	12.0	Composite of Accts. 374-379	-	38,286	-
99	8780	Meters and House Regulator Expense	820,621	1.0	Customer	820,621	-	-
100	8790	Customer Installations Expense	2,246	1.0	Customer	2,246	-	-
101	8800	Other Expense	3,204	10.0	Composite of Accts. 871-879 & 886-893	508	2,684	11
102	8810	Rents	369,768	10.0	Composite of Accts. 871-879 & 886-893	58,656	309,841	1,270
103		Maintenance						
104	8850	Maintenance Supervision and Engineering	1,588	10.0	Composite of Accts. 871-879 & 886-893	252	1,331	5
105	8860	Maintenance of Structures and Improvements	98	12.0	Composite of Accts. 374-379	-	98	-
106	8870	Maintenance of Mains	28,852	12.0	Composite of Accts. 374-379	-	28,852	-
107	8890	Maintenance of compressor station equipment	0	3.0	Commodity	-	-	-
108	8900	Maint. of Measuring and Regulating Station Equip. - General	65,572	12.0	Composite of Accts. 374-379	-	65,572	-
109	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	1,723	1.0	Customer	1,723	-	-
110	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	795	12.0	Composite of Accts. 374-379	-	795	-
111	8930	Maintenance of Services	6,533	1.0	Customer	6,533	-	-
112	8940	Maintenance of Meters and House Regulators	0	1.0	Customer	-	-	-
113	8950	Maintenance of Other Equipment	5,866	10.0	Composite of Accts. 871-879 & 886-893	931	4,915	20
114		Total Distribution	7,345,541			1,165,224	6,155,082	25,235
115		Customer Accounts:						
116	9010	Supervision	0	1.0	Customer	-	-	-
117	9020	Meter Reading Expense	1,085,047	1.0	Customer	1,085,047	-	-
119	9030	Customer Records and Collection Expenses	1,220,802	1.0	Customer	1,220,802	-	-
120	9040	Uncollectible Accounts	341,050	1.0	Customer	341,050	-	-
121	9050	Miscellaneous Customer Accounts Expenses	0	1.0	Customer	-	-	-
122		Total Customer Accounts	2,646,900			2,646,900	0	0
123		Customer Service and Information:						
124	9070	Supervision	0	1.0	Customer	-	-	-
126	9080	Customer Assistance Expenses	0	1.0	Customer	-	-	-
127	9090	Informational and Instructional Advertising Expenses	128,272	1.0	Customer	128,272	-	-
128	9100	Miscellaneous Customer Service and Informational Expenses	0	1.0	Customer	-	-	-
129		Total Customer Service and Information	128,272			128,272	0	0
130		Sales:						
131								
132	9110	Supervision	253,468	1.0	Customer	253,468	-	-
133	9120	Demonstrating and Selling Expenses	115,937	1.0	Customer	115,937	-	-
134	9130	Advertising Expenses	35,170	1.0	Customer	35,170	-	-
135	9160	Miscellaneous Sales Expenses	(196,297)	1.0	Customer	(196,297)	-	-
136		Total Sales	208,278			208,278	0	0
137		Administrative & General:						
138		Operation						
140	9200	Administrative and General Salaries	(834,543)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(298,399)	(533,952)	(2,191)
141	9210	Office Supplies and Expenses	17,616	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	6,299	11,271	46
142	9220	Administrative Expenses Transferred - Customer Support	-	1.0	Customer	-	-	-
143	9220	Administrative Expenses Transferred - General	14,498,764	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	5,184,181	9,276,510	38,074
144	9230	Outside Services Employed	339,697	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	121,462	217,343	892
145	9240	Property Insurance	3,718	5.7	Net Plant	1,339	2,343	37
146	9250	Injuries and Damages	74,010	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	26,463	47,353	194
147	9260	Employee Pensions and Benefits	1,082,941	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	387,217	692,881	2,844
148	9270	Franchise Requirements	646	1.0	Customer	646	-	-
149	9280	Regulatory Commission Expenses	852,920	1.0	Customer	852,920	-	-
150	930.1	General Advertising Expenses	-	1.0	Customer	-	-	-
151	930.2	Miscellaneous General Expense	(42,325)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(15,134)	(27,080)	(111)
152	9310	Rents	(8,275)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(2,959)	(5,294)	(22)
153		Maintenance						
154	9320	Maintenance of General Plant	11,804	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	4,221	7,552	31
155		Total A&G	15,996,974			6,268,256	9,688,925	39,793
156								
157		TOTAL O&M EXPENSE	105,607,336			10,416,928	16,498,567	78,691,840

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF DEPRECIATION EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
82		General:						
83								
84	38900	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
85	39000	Structures & Improvements	244,888	5.4	P, S, T & D Plant	94,939	147,253	2,697
86	39001	Structures - Brick	5,574	5.4	P, S, T & D Plant	2,161	3,352	61
87	39002	Improvements	22,836	5.4	P, S, T & D Plant	8,853	13,732	252
88	39003	Air Conditioning Equipment	731	5.4	P, S, T & D Plant	283	439	8
89	39004	Improvement to leased Premises	-	5.4	P, S, T & D Plant	-	-	-
90	39009	Office Furniture & Equipment	93,448	5.4	P, S, T & D Plant	36,228	56,191	1,029
91	39100	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
92	39102	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
93	39200	Transportation Equipment	5,191	5.4	P, S, T & D Plant	2,013	3,122	57
94	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
95	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
96	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
97	39400	Tools, Shop & Garage Equipment	116,855	5.4	P, S, T & D Plant	45,302	70,265	1,287
98	39600	Power Operated Equipment	-	5.4	P, S, T & D Plant	-	-	-
99	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
100	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
101	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
102	39700	Communication Equipment	34,968	5.4	P, S, T & D Plant	13,556	21,026	385
103	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
104	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
105	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
106	39800	Miscellaneous Equipment	194,589	5.4	P, S, T & D Plant	75,438	117,007	2,143
107	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
108	39901	Other Tangible Property - Servers - H/W	2,056	5.4	P, S, T & D Plant	797	1,236	23
109	39902	Other Tangible Property - Servers - S/W	-	5.4	P, S, T & D Plant	-	-	-
110	39903	Other Tangible Property - Network - H/W	13,460	5.4	P, S, T & D Plant	5,218	8,094	148
111	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
112	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
113	39906	Other Tang. Property - PC Hardware	89,351	5.4	P, S, T & D Plant	34,640	53,727	984
114	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant	-	-	-
115	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
116	39908	Other Tang. Property - Application Software	10,289	5.4	P, S, T & D Plant	3,989	6,187	113
117	40600	Amortization of gas plant acquisition adjustments	-	5.4	P, S, T & D Plant	-	-	-
118								
119								
120		Total General Plant	834,236			323,417	501,630	9,188
121								
122		TOTAL DIRECT DEPRECIATION EXPENSE	21,834,154			10,751,047	10,950,133	132,973
123								
124		Kentucky Mid-States General Office:						
125								
126		Intangible Plant:						
127								
128	30100	Organization	-	5.4	P, S, T & D Plant	-	-	-
129	30200	Franchises & Consents	-	5.4	P, S, T & D Plant	-	-	-
130	30300	Misc Intangible Plant	-	5.4	P, S, T & D Plant	-	-	-
131								
132		Total Intangible Plant:	0			0	0	0
133								
134		General:						
135								
136	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
137	39001	Structures Frame	2,500	5.4	P, S, T & D Plant	969	1,503	28
138	36602	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
139	38900	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
140	39004	Air Conditioning Equipment	561	5.4	P, S, T & D Plant	218	338	6
141	39009	Improvement to leased Premises	-	5.4	P, S, T & D Plant	-	-	-
142	39100	Office Furniture & Equipment	-	5.4	P, S, T & D Plant	-	-	-
143	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
144	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
145	39200	Transportation Equipment	400	5.4	P, S, T & D Plant	155	240	4
146	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
147	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
148	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
149	39400	Tools, Shop & Garage Equipment	2,025	5.4	P, S, T & D Plant	785	1,217	22
150	39600	Power Operated Equipment	12	5.4	P, S, T & D Plant	5	7	0
151	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
152	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
153	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
154	39700	Communication Equipment	1,652	5.4	P, S, T & D Plant	640	993	18
155	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
156	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
157	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
158	39800	Miscellaneous Equipment	12,240	5.4	P, S, T & D Plant	4,745	7,360	135
159	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
160	39901	Other Tangible Property - Servers - H/W	-	5.4	P, S, T & D Plant	-	-	-
161	39902	Other Tangible Property - Servers - S/W	-	5.4	P, S, T & D Plant	-	-	-
162	39903	Other Tangible Property - Network - H/W	-	5.4	P, S, T & D Plant	-	-	-
163	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
164	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
165	39906	Other Tang. Property - PC Hardware	-	5.4	P, S, T & D Plant	-	-	-
166	39907	Other Tang. Property - PC Software	11,145	5.4	P, S, T & D Plant	4,321	6,702	123
167	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
168	39909	Other Tang. Property - Application Software	-	5.4	P, S, T & D Plant	-	-	-
169	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
170								
171								
172		Total General Plant	30,535			11,838	18,361	336

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF DEPRECIATION EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
173								
174		Shared Services General Office:						
175								
176		General:						
177								
178	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
179	39000	Structures & Improvements	7,132	5.4	P, S, T & D Plant	2,765	4,289	79
180	36602	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
181	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
182	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
183	39009	Improvement to leased Premises	35	5.4	P, S, T & D Plant	14	21	0
184	39100	Office Furniture & Equipment	10,791	5.4	P, S, T & D Plant	4,183	6,488	119
185	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
186	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
187	39200	Transportation Equipment	-	5.4	P, S, T & D Plant	-	-	-
188	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
189	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
190	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
191	39400	Tools, Shop & Garage Equipment	-	5.4	P, S, T & D Plant	-	-	-
192	39500	Laboratory Equipment	-	5.4	P, S, T & D Plant	-	-	-
193	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
194	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
195	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
196	39700	Communication Equipment	27	5.4	P, S, T & D Plant	10	16	0
197	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
198	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
199	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
200	39800	Miscellaneous Equipment	66	5.4	P, S, T & D Plant	25	39	1
201	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
202	39901	Other Tangible Property - Servers - H/W	133,882	5.4	P, S, T & D Plant	51,904	80,504	1,475
203	39902	Other Tangible Property - Servers - S/W	40,124	5.4	P, S, T & D Plant	15,555	24,127	442
204	39903	Other Tangible Property - Network - H/W	-	5.4	P, S, T & D Plant	-	-	-
205	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
206	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
207	39906	Other Tang. Property - PC Hardware	9,073	5.4	P, S, T & D Plant	3,517	5,455	100
208	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant	-	-	-
209	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
210	39909	Other Tang. Property - Application Software	1,366	5.4	P, S, T & D Plant	529	821	15
211	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
212								
213								
214		Total General Plant	202,494			78,503	121,761	2,230
215								
216		Shared Services Customer Support:						
217								
218		General:						
219								
220	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
221	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
222	36602	Structures & Improvements	30,100	5.4	P, S, T & D Plant	11,669	18,099	332
223	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
224	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
225	39009	Improvement to leased Premises	5,171	5.4	P, S, T & D Plant	2,005	3,110	57
226	39100	Office Furniture & Equipment	6,139	5.4	P, S, T & D Plant	2,380	3,692	68
227	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
228	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
229	39200	Transportation Equipment	-	5.4	P, S, T & D Plant	-	-	-
230	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
231	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
232	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
233	39500	Laboratory Equipment	1,191	5.4	P, S, T & D Plant	462	716	13
234	39600	Power Operated Equipment	55	5.4	P, S, T & D Plant	21	33	1
235	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
236	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
237	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
238	39700	Communication Equipment	6,709	5.4	P, S, T & D Plant	2,601	4,034	74
239	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
240	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
241	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
242	39800	Miscellaneous Equipment	834	5.4	P, S, T & D Plant	323	501	9
243	39900	Other Tangible Property	5,664	5.4	P, S, T & D Plant	2,196	3,406	62
244	39901	Other Tangible Property - Servers - H/W	55,314	5.4	P, S, T & D Plant	21,444	33,261	609
245	39902	Other Tangible Property - Servers - S/W	10,196	5.4	P, S, T & D Plant	3,953	6,131	112
246	39903	Other Tangible Property - Network - H/W	2,481	5.4	P, S, T & D Plant	962	1,492	27
247	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
248	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
249	39906	Other Tang. Property - PC Hardware	7,309	5.4	P, S, T & D Plant	2,834	4,395	80
250	39907	Other Tang. Property - PC Software	871	5.4	P, S, T & D Plant	338	524	10
251	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
252	39909	Other Tang. Property - Application Software	342,525	5.4	P, S, T & D Plant	132,791	205,962	3,772
253	39924	Other Tang. Property - General Startup Costs	31	5.4	P, S, T & D Plant	12	19	0
254								
255								
256		Total General Plant	474,591			183,990	285,374	5,227
257								
258		TOTAL DEPRECIATION EXPENSE	22,541,774			11,025,378	11,375,629	140,767

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
SUMMARY OF CLASSIFICATION							
		Test Year	Classif.	Classif.	Customer	Demand	Commodity
		\$	Factor	Basis	\$	\$	\$
1							
2							
3							
4							
5							
6							
7	Operating Revenues	169,717,866			36,436,961	53,756,847	79,524,058
8							
9	Operating Expenses:						
10							
11	Operating & Maintenance	105,607,336			10,416,928	16,498,567	78,691,840
12	Depreciation & Amortization	22,541,774			11,025,378	11,375,629	140,767
13	Taxes Other Than Income	7,511,837			2,444,150	3,794,716	1,272,971
14							
15	Total Operating Expenses	135,660,946			23,886,456	31,668,913	80,105,577
16							
17	Income Before Taxes	34,056,920			12,550,504	22,087,934	(581,519)
18							
19	Interest Expense	9,367,735			3,452,156	6,075,532	(159,953)
20							
21	Income Taxes:						
22							
23	State Income Taxes	1,481,351	6.00%		545,901	960,744	(25,294)
24	Federal Income Taxes	4,873,645	21.00%		1,796,014	3,160,848	(83,217)
25	Total Deferred Income Taxes	0			0	0	0
26	Amortization of ITC	0			0	0	0
27							
28	Total Income Taxes	6,354,996			2,341,915	4,121,592	(108,511)
29							
30	Net Income	27,701,923			10,208,589	17,966,342	(473,008)
31							
32	Total Rate Base	496,111,427			182,824,775	321,757,716	(8,471,064)
33							
34	Rate of Return	5.5838%			5.5838%	5.5838%	5.5838%

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
Customer										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1		Intangible Plant:								
2										
3	30100	Organization	6.2	P, S, T & D Plant - Customer	3,229	2,493	702	2	21	12
4	30200	Franchises & Consents	6.2	P, S, T & D Plant - Customer	46,465	35,864	10,103	24	303	171
5	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
6										
7		Total Intangible Plant:			49,694	38,356	10,805	26	324	183
8										
9		Production Plant:								
10										
11	32500	Producing Leaseholds	99.0	-	0	-	-	-	-	-
12	32540	Rights of Ways	99.0	-	0	-	-	-	-	-
13	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
14	33201	Field Lines	99.0	-	0	-	-	-	-	-
15	33202	Tributary Lines	99.0	-	0	-	-	-	-	-
16	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-	-
17	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
18										
19		Total Production Plant			0	0	0	0	0	0
20										
21		Storage Plant:								
22										
23	35010	Land	99.0	-	0	-	-	-	-	-
24	35020	Rights of Way	99.0	-	0	-	-	-	-	-
25	35100	Structures and Improvements	99.0	-	0	-	-	-	-	-
26	35102	Compression Station Equipment	99.0	-	0	-	-	-	-	-
27	35103	Meas. & Reg. Sta. Structures	99.0	-	0	-	-	-	-	-
28	35104	Other Structures	99.0	-	0	-	-	-	-	-
29	35200	Wells & Rights of Way	99.0	-	0	-	-	-	-	-
30	35201	Well Construction	99.0	-	0	-	-	-	-	-
31	35202	Well Equipment	99.0	-	0	-	-	-	-	-
32	35203	Cushion Gas	99.0	-	0	-	-	-	-	-
33	35210	Leaseholds	99.0	-	0	-	-	-	-	-
34	35211	Storage Rights	99.0	-	0	-	-	-	-	-
35	35301	Field Lines	99.0	-	0	-	-	-	-	-
36	35302	Tributary Lines	99.0	-	0	-	-	-	-	-
37	35400	Compressor Station Equipment	99.0	-	0	-	-	-	-	-
38	35500	Meas & Reg. Equipment	99.0	-	0	-	-	-	-	-
39	35600	Purification Equipment	99.0	-	0	-	-	-	-	-
40										
41		Total Storage Plant			0	0	0	0	0	0
42										
43		Transmission:								
44										
45	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
46	36520	Rights of Way	99.0	-	0	-	-	-	-	-
47	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
48	36603	Other Structures	99.0	-	0	-	-	-	-	-
49	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
50	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
51	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
52	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
53										
54		Total Transmission Plant			0	0	0	0	0	0
55										
56		Distribution:								
57										
58	37400	Land & Land Rights	2.0	Bills	0	-	-	-	-	-
59	37401	Land	2.0	Bills	0	-	-	-	-	-
60	37402	Land Rights	2.0	Bills	0	-	-	-	-	-
61	37403	Land Other	2.0	Bills	0	-	-	-	-	-
62	37500	Structures & Improvements	2.0	Bills	0	-	-	-	-	-
63	37501	Structures & Improvements T.B.	2.0	Bills	0	-	-	-	-	-
64	37502	Land Rights	2.0	Bills	0	-	-	-	-	-
65	37503	Improvements	2.0	Bills	0	-	-	-	-	-
66	37600	Mains Cathodic Protection	2.0	Bills	0	-	-	-	-	-
67	37601	Mains - Steel	2.0	Bills	0	-	-	-	-	-
68	37602	Mains - Plastic	2.0	Bills	0	-	-	-	-	-
69	37800	Meas & Reg. Sta. Equip - General	2.0	Bills	0	-	-	-	-	-
70	37900	Meas & Reg. Sta. Equip - City Gate	2.0	Bills	0	-	-	-	-	-
71	37905	Meas & Reg. Sta. Equipment T.b.	2.0	Bills	0	-	-	-	-	-
72	38000	Services	2.0	Bills	150,274,437	133,824,243	16,279,918	8,273	103,453	58,550
73	38100	Meters	4.0	Meter Investment	38,722,015	24,990,781	12,812,487	45,125	564,268	319,353
74	38200	Meter Installations	4.0	Meter Investment	57,067,155	36,815,804	18,882,597	66,503	831,599	470,652
75	38300	House Regulators	4.0	Meter Investment	12,779,948	8,244,744	4,228,678	14,893	186,233	105,401
76	38400	House Reg. Installations	4.0	Meter Investment	252,587	162,952	83,577	294	3,681	2,083
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2	Non-Residential Bills	5,241,043	-	5,186,793	2,636	32,960	18,654
78	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
79										
80		Total Distribution Plant			264,337,185	204,028,524	57,474,048	137,724	1,722,195	974,694

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
ALLOCATION OF PLANT IN SERVICE								
81								
82	General:							
83								
84	38900 Land & Land Rights	6.2 P, S, T & D Plant - Customer	469,752	362,578	102,137	245	3,061	1,732
85	39000 Structures & Improvements	6.2 P, S, T & D Plant - Customer	2,944,671	2,272,843	640,251	1,534	19,185	10,858
86	39001 Structures Frame	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
87	39002 Structures-Brick	6.2 P, S, T & D Plant - Customer	67,113	51,801	14,592	35	437	247
88	39003 Improvements	6.2 P, S, T & D Plant - Customer	274,943	212,215	59,780	143	1,791	1,014
89	39004 Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	5,022	3,876	1,092	3	33	19
90	39009 Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	483,126	372,901	105,045	252	3,148	1,781
91	39100 Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	723,428	558,377	157,293	377	4,713	2,668
92	39102 Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
93	39103 Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
94	39200 Transportation Equipment	6.2 P, S, T & D Plant - Customer	85,672	66,126	18,628	45	558	316
95	39201 Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
96	39202 Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
97	39300 Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
98	39400 Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	1,581,103	1,220,374	343,775	824	10,301	5,830
99	39600 Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
100	39603 Ditchers	6.2 P, S, T & D Plant - Customer	15,356	11,853	3,339	8	100	57
101	39604 Backhoes	6.2 P, S, T & D Plant - Customer	24,326	18,776	5,289	13	158	90
102	39605 Welders	6.2 P, S, T & D Plant - Customer	7,532	5,813	1,638	4	49	28
103	39700 Communication Equipment	6.2 P, S, T & D Plant - Customer	203,245	156,874	44,191	106	1,324	749
104	39701 Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
105	39702 Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
106	39705 Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
107	39800 Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	1,508,766	1,164,540	328,047	786	9,830	5,563
108	39900 Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
109	39901 Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	5,579	4,306	1,213	3	36	21
110	39902 Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
111	39903 Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	52,181	40,276	11,346	27	340	192
112	39904 Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
113	39905 Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
114	39906 Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	179,065	138,211	38,934	93	1,167	660
115	39907 Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
116	39908 Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	47,884	36,960	10,411	25	312	177
117	39909 Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
118	39924 Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
119								
120	Total General Plant		8,678,765	6,698,701	1,886,998	4,522	56,543	32,001
121								
122	TOTAL DIRECT PLANT		273,065,644	210,765,581	59,371,851	142,272	1,779,062	1,006,878
123								
124	CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	14,791,899	11,417,120	3,216,159	7,707	96,371	54,542
125								
126	Kentucky Mid-States General Office:							
127								
128	Intangible Plant:							
129								
130	30100 Organization	6.2 P, S, T & D Plant - Customer	35,762	27,603	7,776	19	233	132
131	30200 Franchises & Consents	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
132	30300 Misc Intangible Plant	6.2 P, S, T & D Plant - Customer	214,130	165,276	46,558	112	1,395	790
133								
134	Total Intangible Plant		249,892	192,879	54,333	130	1,628	921
135								
136	General:							
137								
138	37400 Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
139	39001 Structures Frame	6.2 P, S, T & D Plant - Customer	34,610	26,714	7,525	18	225	128
140	39602 Structures & Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
141	39900 Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
142	39004 Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	2,969	2,292	646	2	19	11
143	39009 Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	7,494	5,785	1,630	4	49	28
144	39100 Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	7,451	5,751	1,620	4	49	27
145	39102 Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
146	39103 Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
147	39200 Transportation Equipment	6.2 P, S, T & D Plant - Customer	5,266	4,064	1,145	3	34	19
148	39201 Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
149	39202 Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
150	39300 Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
151	39400 Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	33,940	26,197	7,380	18	221	125
152	39600 Power Operated Equipment	6.2 P, S, T & D Plant - Customer	3,959	3,056	861	2	26	15
153	39603 Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
154	39604 Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
155	39605 Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
156	39700 Communication Equipment	6.2 P, S, T & D Plant - Customer	7,245	5,592	1,575	4	47	27
157	39701 Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
158	39702 Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
159	39705 Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
160	39800 Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	157,124	121,276	34,163	82	1,024	579
161	39900 Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
162	39901 Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
163	39902 Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
164	39903 Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
165	39904 Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
166	39905 Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
167	39906 Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	13,543	10,453	2,945	7	88	50
168	39907 Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	31,902	24,623	6,936	17	208	118
169	39908 Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	159,892	123,413	34,765	83	1,042	590
170	39909 Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
171	39924 Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
172								
173	Total General Plant		465,396	359,216	101,190	242	3,032	1,716
174								
175	CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	896	691	195	0	6	3

Atmos Energy Corporation, Kentucky/Mid-States Division						
Class Cost of Service - Demand Only Study						
Forecasted Test Period: Twelve Months Ended March 31, 2020						
ALLOCATION OF PLANT IN SERVICE						
176						
177	Shared Services General Office:					
178						
179	General:					
180						
181	37400 Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-
182	39001 Structures Frame	6.2 P, S, T & D Plant - Customer	0	-	-	-
183	36602 Structures & Improvements	6.2 P, S, T & D Plant - Customer	91,657	70,745	19,929	48
184	37503 Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-
185	39004 Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-
186	39009 Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	187,389	144,636	40,743	98
187	39100 Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	111,233	85,855	24,185	58
188	39102 Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-
189	39103 Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-
190	39200 Transportation Equipment	6.2 P, S, T & D Plant - Customer	143	110	31	0
191	39201 Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-
192	39202 Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-
193	39300 Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-
194	39400 Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	1,527	1,178	332	1
195	39600 Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-
196	39603 Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-
197	39604 Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-
198	39605 Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-
199	39700 Communication Equipment	6.2 P, S, T & D Plant - Customer	21,078	16,269	4,583	11
200	39701 Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-
201	39702 Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-
202	39705 Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-
203	39800 Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	2,922	2,255	635	2
204	39900 Other Tangible Property	6.2 P, S, T & D Plant - Customer	3,248	2,507	706	2
205	39901 Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	900,168	694,794	195,221	469
206	39902 Other Tangible Property - Servers - SW	6.2 P, S, T & D Plant - Customer	543,695	419,651	118,214	283
207	39903 Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	171,472	132,351	37,283	89
208	39904 Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-
209	39905 Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-
210	39906 Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	60,425	46,639	13,138	31
211	39907 Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	33,424	25,798	7,267	17
212	39908 Other Tang. Property - Mainframe SW	6.2 P, S, T & D Plant - Customer	1,504,064	1,160,911	327,024	784
213	39909 Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	512,885	395,870	111,515	267
214	39931 Other Tang. Property - ALGN	6.2 P, S, T & D Plant - Customer	0	-	-	-
215						
216	Total General Plant		4,145,328	3,199,570	901,306	2,160
217						
218	CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	290,119	223,928	63,080	151
219						
220	Shared Services Customer Support:					
221						
222	General:					
223						
224	37400 Land & Land Rights	6.2 P, S, T & D Plant - Customer	79,816	61,606	17,354	42
225	39001 Structures Frame	6.2 P, S, T & D Plant - Customer	0	-	-	-
226	36602 Structures & Improvements	6.2 P, S, T & D Plant - Customer	387,685	299,235	84,293	202
227	37503 Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-
228	39004 Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-
229	39009 Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	61,687	47,613	13,412	32
230	39100 Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	59,971	46,289	13,039	31
231	39102 Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-
232	39103 Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-
233	39200 Transportation Equipment	6.2 P, S, T & D Plant - Customer	866	668	188	0
234	39201 Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-
235	39202 Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-
236	39300 Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-
237	39400 Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	5,463	4,217	1,188	3
238	39600 Power Operated Equipment	6.2 P, S, T & D Plant - Customer	212	164	46	0
239	39603 Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-
240	39604 Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-
241	39605 Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-
242	39700 Communication Equipment	6.2 P, S, T & D Plant - Customer	44,460	34,316	9,667	23
243	39701 Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-
244	39702 Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-
245	39705 Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-
246	39800 Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	6,109	4,715	1,328	3
247	39900 Other Tangible Property	6.2 P, S, T & D Plant - Customer	16,813	12,977	3,656	9
248	39901 Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	226,206	174,567	49,163	118
249	39902 Other Tangible Property - Servers - SW	6.2 P, S, T & D Plant - Customer	44,263	34,165	9,624	23
250	39903 Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	13,761	10,622	2,992	7
251	39904 Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-
252	39905 Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-
253	39906 Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	26,933	20,788	5,856	14
254	39907 Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	5,095	3,932	1,108	3
255	39908 Other Tang. Property - Mainframe SW	6.2 P, S, T & D Plant - Customer	2,034,841	1,570,591	442,429	1,060
256	39909 Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	185	143	40	0
257	39924 Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-
258						
259	Total General Plant		3,014,367	2,326,638	655,405	1,571
260						
261	CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	87,125	67,248	18,943	45
262						
263	TOTAL PLANT IN SERVICE - CUSTOMER		280,940,628	216,843,883	61,084,086	146,375
264						
265	TOTAL CWIP W/O AFUDC - CUSTOMER		15,170,039	11,708,987	3,298,376	7,904

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
266		Intangible Plant:								
267										
268	30100	Organization	6.4	P, S, T & D Plant - Demand	5,009	2,265	1,295	68	725	656
269	30200	Franchises & Consents	6.4	P, S, T & D Plant - Demand	72,068	32,584	18,632	980	10,439	9,433
270	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
271										
272		Total Intangible Plant:			77,077	34,849	19,927	1,048	11,164	10,088
273										
274		Production Plant:								
275										
276	32500	Producing Leaseholds	3.0	Peak Day	0	-	-	-	-	-
277	32540	Rights of Ways	3.0	Peak Day	2,341	1,058	605	32	339	306
278	33100	Production Gas Wells Equipment	3.0	Peak Day	0	-	-	-	-	-
279	33201	Field Lines	3.0	Peak Day	0	-	-	-	-	-
280	33202	Tributary Lines	3.0	Peak Day	0	-	-	-	-	-
281	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0	-	-	-	-	-
282	33600	Purification Equipment	3.0	Peak Day	0	-	-	-	-	-
283										
284		Total Production Plant			0	0	0	0	0	0
285										
286		Storage Plant:								
287										
288	35010	Land	3.0	Peak Day	130,563	59,032	33,756	1,775	18,911	17,089
289	35020	Rights of Way	3.0	Peak Day	2,341	1,058	605	32	339	306
290	35100	Structures and Improvements	3.0	Peak Day	8,958	4,050	2,316	122	1,298	1,172
291	35102	Compression Station Equipment	3.0	Peak Day	76,631	34,647	19,812	1,042	11,099	10,030
292	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	11,569	5,231	2,991	157	1,676	1,514
293	35104	Other Structures	3.0	Peak Day	68,721	31,071	17,767	935	9,954	8,995
294	35200	Wells & Rights of Way	3.0	Peak Day	4,174,198	1,887,299	1,079,195	56,763	604,604	546,337
295	35201	Well Construction	3.0	Peak Day	849,999	384,314	219,758	11,559	123,117	111,252
296	35202	Well Equipment	3.0	Peak Day	224,655	101,574	58,082	3,055	32,540	29,404
297	35203	Cushion Gas	3.0	Peak Day	847,416	383,146	219,091	11,524	122,742	110,914
298	35210	Leaseholds	3.0	Peak Day	89,265	40,360	23,079	1,214	12,929	11,683
299	35211	Storage Rights	3.0	Peak Day	27,307	12,346	7,060	371	3,955	3,574
300	35301	Field Lines	3.0	Peak Day	87,675	39,641	22,667	1,192	12,699	11,475
301	35302	Tributary Lines	3.0	Peak Day	104,659	47,320	27,059	1,423	15,159	13,698
302	35400	Compressor Station Equipment	3.0	Peak Day	461,723	208,761	119,374	6,279	66,877	60,432
303	35500	Meas. & Reg. Equipment	3.0	Peak Day	136,542	61,735	35,302	1,857	19,777	17,871
304	35600	Purification Equipment	3.0	Peak Day	207,332	93,742	53,603	2,819	30,031	27,136
305										
306		Total Storage Plant			7,509,555	3,395,329	1,941,516	102,119	1,087,708	982,884
307										
308		Transmission:								
309										
310	36510	Land & Land Rights	3.0	Peak Day	26,970	12,194	6,973	367	3,906	3,530
311	36520	Rights of Way	3.0	Peak Day	867,772	392,350	224,353	11,800	125,691	113,578
312	36602	Structures & Improvements	3.0	Peak Day	49,002	22,155	12,669	666	7,098	6,414
313	36603	Other Structures	3.0	Peak Day	60,626	27,502	15,726	827	8,810	7,961
314	36700	Mains Cathodic Protection	3.0	Peak Day	139,638	63,135	36,102	1,899	20,226	18,276
315	36701	Mains - Steel	3.0	Peak Day	27,047,831	12,229,257	6,992,930	367,811	3,917,694	3,540,140
316	36900	Meas. & Reg. Equipment	3.0	Peak Day	71,467	330,721	189,113	9,947	105,948	95,738
317	36901	Meas. & Reg. Equipment	3.0	Peak Day	2,269,556	1,026,144	586,770	30,863	328,730	297,050
318										
319		Total Transmission Plant			31,193,061	14,103,458	8,064,635	424,180	4,518,102	4,082,686
320										
321		Distribution:								
322										
323	37400	Land & Land Rights	3.0	Peak Day	531,167	240,159	137,328	7,223	76,936	69,521
324	37401	Land	3.0	Peak Day	37,326	16,877	9,650	508	5,406	4,885
325	37402	Land Rights	3.0	Peak Day	3,645,749	1,648,369	942,570	49,577	528,062	477,172
326	37403	Land Other	3.0	Peak Day	2,784	1,259	720	38	403	364
327	37500	Structures & Improvements	3.0	Peak Day	336,168	151,993	86,913	4,571	48,692	43,999
328	37501	Structures & Improvements T.B.	3.0	Peak Day	99,818	45,131	25,807	1,357	14,458	13,065
329	37502	Land Rights	3.0	Peak Day	46,264	20,918	11,961	629	6,701	6,055
330	37503	Improvements	3.0	Peak Day	4,005	1,811	1,035	54	580	524
331	37600	Mains Cathodic Protection	3.0	Peak Day	20,811,541	9,319,188	5,328,895	280,287	2,985,441	2,697,730
332	37601	Mains - Steel	3.0	Peak Day	176,025,498	79,587,196	45,509,525	2,393,690	25,496,092	23,038,996
333	37602	Mains - Plastic	3.0	Peak Day	133,261,910	60,252,304	34,453,453	1,812,168	19,302,078	17,441,908
334	37800	Meas. & Reg. Sta. Equip - General	3.0	Peak Day	29,911,913	13,524,207	7,733,408	406,758	4,332,536	3,915,003
335	37900	Meas. & Reg. Sta. Equip - City Gate	3.0	Peak Day	5,126,032	2,317,656	1,325,281	69,707	742,471	670,918
336	37905	Meas. & Reg. Sta. Equipment T.b.	3.0	Peak Day	1,652,259	747,043	427,174	22,468	239,318	216,255
337	38000	Services	99.0	-	0	-	-	-	-	-
338	38100	Meters	99.0	-	0	-	-	-	-	-
339	38200	Meter Installations	99.0	-	0	-	-	-	-	-
340	38300	House Regulators	99.0	-	0	-	-	-	-	-
341	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
342	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
343	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
344										
345		Total Distribution Plant			371,292,434	167,874,109	95,993,719	5,049,035	53,779,174	48,596,396

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF PLANT IN SERVICE									
346									
347	General:								
348									
349	38900 Land & Land Rights	6.4	P, S, T & D Plant - Demand	728,600	329,425	188,372	9,908	105,533	95,362
350	39000 Structures & Improvements	6.4	P, S, T & D Plant - Demand	4,567,274	2,065,022	1,180,820	62,108	661,538	597,785
351	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
352	39002 Structures-Brick	6.4	P, S, T & D Plant - Demand	104,095	47,065	26,913	1,416	15,077	13,624
353	39003 Improvements	6.4	P, S, T & D Plant - Demand	426,445	192,811	110,253	5,799	61,768	55,815
354	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	7,790	3,522	2,014	106	1,128	1,020
355	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	749,343	338,804	193,735	10,190	108,537	98,077
356	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	1,122,059	507,321	290,096	15,258	162,523	146,860
357	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
358	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
359	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	132,881	60,080	34,355	1,807	19,247	17,392
360	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
361	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
362	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
363	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	2,452,340	1,108,787	634,026	33,348	355,205	320,973
364	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
365	39603 Ditchers	6.4	P, S, T & D Plant - Demand	23,818	10,769	6,158	324	3,450	3,117
366	39604 Backhoes	6.4	P, S, T & D Plant - Demand	37,730	17,059	9,755	513	5,465	4,938
367	39605 Welders	6.4	P, S, T & D Plant - Demand	11,682	5,282	3,020	159	1,692	1,529
368	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	315,239	142,530	81,502	4,287	45,660	41,260
369	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
370	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
371	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
372	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	2,340,142	1,058,059	605,019	31,823	338,954	306,288
373	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
374	39901 Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	8,653	3,912	2,237	118	1,253	1,132
375	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
376	39903 Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	80,935	36,594	20,925	1,101	11,723	10,593
377	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
378	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
379	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	277,736	125,574	71,806	3,777	40,228	36,351
380	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
381	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	74,270	33,580	19,202	1,010	10,758	9,721
382	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
383	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
384									
385	Total General Plant			13,461,030	6,086,196	3,480,206	183,050	1,949,738	1,761,839
386									
387	TOTAL DIRECT PLANT			423,533,157	191,493,941	109,500,003	5,759,433	61,345,886	55,433,893
388									
389	CWIP w/o AFUDC	6.4	P, S, T & D Plant - Demand	22,942,687	10,373,180	5,931,588	311,987	3,323,092	3,002,840
390									
391	Kentucky Mid-States General Office:								
392									
393	Intangible Plant:								
394									
395	30100 Organization	6.4	P, S, T & D Plant - Demand	55,469	25,079	14,341	754	8,034	7,260
396	30200 Franchises & Consents	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
397	30300 Misc Intangible Plant	6.4	P, S, T & D Plant - Demand	332,122	150,164	85,867	4,516	48,106	43,470
398									
399	Total Intangible Plant:			387,590	175,243	100,207	5,271	56,140	50,730
400									
401	General:								
402									
403	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
404	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	53,681	24,271	13,879	730	7,775	7,026
405	39602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
406	39900 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
407	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	4,605	2,082	1,191	63	667	603
408	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	11,624	5,256	3,005	158	1,684	1,521
409	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	11,557	5,225	2,988	157	1,674	1,513
410	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
411	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
412	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	8,167	3,693	2,112	111	1,183	1,069
413	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
414	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
415	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
416	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	52,642	23,801	13,610	716	7,625	6,890
417	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	6,141	2,777	1,588	84	889	804
418	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
419	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
420	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
421	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	11,237	5,081	2,905	153	1,628	1,471
422	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
423	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
424	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
425	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	243,704	110,187	63,007	3,314	35,299	31,897
426	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
427	39901 Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
428	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
429	39903 Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
430	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
431	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
432	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	21,006	9,498	5,431	286	3,043	2,749
433	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	49,480	22,372	12,793	673	7,167	6,476
434	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	247,998	112,128	64,117	3,372	35,921	32,459
435	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
436	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
437									
438	Total General Plant			721,843	326,370	186,625	9,816	104,554	94,478
439									
440	CWIP w/o AFUDC	6.4	P, S, T & D Plant - Demand	1,389	628	359	19	201	182

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF PLANT IN SERVICE									
441									
442	Shared Services General Office:								
443									
444	General:								
445									
446	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
447	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
448	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	142,163	64,277	36,755	1,933	20,591	18,607
449	37503 Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
450	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
451	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	290,645	131,411	75,143	3,952	42,098	38,041
452	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	172,525	78,005	44,605	2,346	24,989	22,581
453	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
454	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
455	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	222	100	57	3	32	29
456	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
457	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
458	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
459	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	2,368	1,071	612	32	343	310
460	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
461	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
462	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
463	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
464	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	32,693	14,781	8,452	445	4,735	4,279
465	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
466	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
467	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
468	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	4,532	2,049	1,172	62	656	593
469	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	5,037	2,278	1,302	69	730	659
470	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	1,396,188	631,265	360,969	18,986	202,228	182,739
471	39902 Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	843,287	381,279	218,023	11,467	122,144	110,373
472	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	265,959	120,249	68,761	3,617	38,522	34,810
473	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
474	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
475	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	93,720	42,374	24,230	1,274	13,575	12,267
476	39907 Other Tangible Property - PC Software	6.4	P, S, T & D Plant - Demand	51,841	23,439	13,403	705	7,509	6,785
477	39908 Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	2,332,850	1,054,762	603,134	31,723	337,897	305,334
478	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	795,501	359,673	205,668	10,818	115,223	104,119
479	39931 Other Tang. Property - ALGN	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
480									
481	Total General Plant			6,429,531	2,907,013	1,662,287	87,432	931,274	841,525
482									
483	CWIP w/o AFUDC	6.4	P, S, T & D Plant - Demand	449,983	203,453	116,338	6,119	65,177	58,896
484									
485	Shared Services Customer Support:								
486									
487	General:								
488									
489	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	123,798	55,973	32,007	1,683	17,931	16,203
490	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
491	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	601,312	271,874	155,463	8,177	87,096	78,702
492	37503 Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
493	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
494	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	95,678	43,259	24,736	1,301	13,858	12,523
495	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	93,017	42,056	24,049	1,265	13,473	12,174
496	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
497	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
498	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	1,342	607	347	18	194	176
499	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
500	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
501	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
502	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	8,474	3,831	2,191	115	1,227	1,109
503	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	329	149	85	4	48	43
504	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
505	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
506	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
507	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	68,959	31,179	17,829	938	9,988	9,026
508	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
509	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
510	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
511	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	9,475	4,284	2,450	129	1,372	1,240
512	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	26,077	11,790	6,742	355	3,777	3,413
513	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	350,853	158,633	90,709	4,771	50,819	45,921
514	39902 Other Tangible Property - Servers - SW	6.4	P, S, T & D Plant - Demand	88,654	31,041	17,750	934	9,944	8,986
515	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	21,344	9,650	5,518	290	3,092	2,794
516	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
517	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
518	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	41,774	18,888	10,800	568	6,051	5,468
519	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	7,902	3,573	2,043	107	1,145	1,034
520	39908 Other Tang. Property - Mainframe SW	6.4	P, S, T & D Plant - Demand	3,156,100	1,426,982	815,976	42,918	457,140	413,084
521	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	287	130	74	4	42	38
522	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
523									
524	Total General Plant			4,675,375	2,113,898	1,208,769	63,578	677,196	611,934
525									
526	CWIP w/o AFUDC	6.4	P, S, T & D Plant - Demand	135,134	61,099	34,937	1,838	19,573	17,687
527									
528	TOTAL PLANT IN SERVICE - DEMAND			435,747,497	197,016,466	112,657,891	5,925,530	63,115,050	57,032,560
529									
530	TOTAL CWIP W/O AFUDC - DEMAND			23,529,194	10,638,360	6,083,223	319,963	3,408,043	3,079,605

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
Commodity										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
531		Intangible Plant:								
532										
533	30100	Organization	6.6	P, S, T & D Plant - Commodity	92	35	21	1	17	17
534	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	1,320	500	309	17	243	251
535	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
536										
537		Total Intangible Plant:			1,412	535	331	18	260	269
538										
539		Production Plant:								
540										
541	32520	Producing Leaseholds	99.0	-	0	-	-	-	-	-
542	32540	Rights of Ways	99.0	-	0	-	-	-	-	-
543	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
544	33201	Field Lines	99.0	-	0	-	-	-	-	-
545	33202	Tributary Lines	99.0	-	0	-	-	-	-	-
546	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-	-
547	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
548										
549		Total Production Plant			0	0	0	0	0	0
550										
551		Storage Plant:								
552										
553	35010	Land	1.5	Winter Volumes	130,563	49,435	30,589	1,673	24,001	24,865
554	35020	Rights of Way	1.5	Winter Volumes	2,341	886	548	30	430	446
555	35100	Structures and Improvements	1.5	Winter Volumes	8,958	3,392	2,099	115	1,647	1,706
556	35102	Compression Station Equipment	1.5	Winter Volumes	76,631	29,015	17,954	982	14,087	14,594
557	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	11,569	4,380	2,711	148	2,127	2,203
558	35104	Other Structures	1.5	Winter Volumes	68,721	26,020	16,101	880	12,633	13,087
559	35200	Wells & Rights of Way	1.5	Winter Volumes	4,174,198	1,580,473	977,961	53,480	767,344	794,940
560	35201	Well Construction	1.5	Winter Volumes	849,999	321,834	199,144	10,890	156,256	161,875
561	35202	Well Equipment	1.5	Winter Volumes	224,655	85,061	52,634	2,878	41,298	42,784
562	35203	Cushion Gas	1.5	Winter Volumes	847,416	320,857	198,539	10,857	155,781	161,383
563	35210	Leaseholds	1.5	Winter Volumes	89,265	33,798	20,914	1,144	16,410	17,000
564	35211	Storage Rights	1.5	Winter Volumes	27,307	10,339	6,398	350	5,020	5,200
565	35301	Field Lines	1.5	Winter Volumes	87,675	33,196	20,541	1,123	16,117	16,697
566	35302	Tributary Lines	1.5	Winter Volumes	104,659	39,627	24,520	1,341	19,240	19,931
567	35400	Compressor Station Equipment	1.5	Winter Volumes	461,723	174,822	108,176	5,916	84,879	87,931
568	35500	Meas & Reg. Equipment	1.5	Winter Volumes	136,542	51,699	31,990	1,749	25,101	26,003
569	35600	Purification Equipment	1.5	Winter Volumes	207,332	78,502	48,575	2,656	38,114	39,485
570										
571		Total Storage Plant			7,509,555	2,843,336	1,759,393	96,213	1,380,484	1,430,130
572										
573		Transmission:								
574										
575	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
576	36520	Rights of Way	99.0	-	0	-	-	-	-	-
577	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
578	36603	Other Structures	99.0	-	0	-	-	-	-	-
579	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
580	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
581	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
582	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
583		Total Transmission Plant			0	0	0	0	0	0
584										
585		Distribution:								
586										
587										
588	37400	Land & Land Rights	1.0	Mcf	0	-	-	-	-	-
589	37401	Land	1.0	Mcf	0	-	-	-	-	-
590	37402	Land Rights	1.0	Mcf	0	-	-	-	-	-
591	37403	Land Other	1.0	Mcf	0	-	-	-	-	-
592	37500	Structures & Improvements	1.0	Mcf	0	-	-	-	-	-
593	37501	Structures & Improvements T.B.	1.0	Mcf	0	-	-	-	-	-
594	37502	Land Rights	1.0	Mcf	0	-	-	-	-	-
595	37503	Improvements	1.0	Mcf	0	-	-	-	-	-
596	37600	Mains Cathodic Protection	1.0	Mcf	0	-	-	-	-	-
597	37601	Mains - Steel	1.0	Mcf	0	-	-	-	-	-
598	37602	Mains - Plastic	1.0	Mcf	0	-	-	-	-	-
599	37800	Meas & Reg. Sta. Equip - General	1.0	Mcf	0	-	-	-	-	-
600	37900	Meas & Reg. Sta. Equip - City Gate	1.0	Mcf	0	-	-	-	-	-
601	37905	Meas & Reg. Sta. Equipment T.b.	1.0	Mcf	0	-	-	-	-	-
602	38000	Services	99.0	-	0	-	-	-	-	-
603	38100	Meters	99.0	-	0	-	-	-	-	-
604	38200	Meter Installations	99.0	-	0	-	-	-	-	-
605	38300	House Regulators	99.0	-	0	-	-	-	-	-
606	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
607	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
608	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
609										
610		Total Distribution Plant			0	0	0	0	0	0

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
611										
612	General:									
613										
614	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	13,345	5,053	3,127	171	2,453	2,541
615	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	83,655	31,674	19,599	1,072	15,378	15,931
616	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
617	39002	Structures-Brick	6.6	P, S, T & D Plant - Commodity	1,907	722	447	24	350	363
618	39003	Improvements	6.6	P, S, T & D Plant - Commodity	7,811	2,957	1,830	100	1,436	1,488
619	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	143	54	33	2	26	27
620	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	13,725	5,197	3,216	176	2,523	2,614
621	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	20,552	7,782	4,815	263	3,778	3,914
622	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
623	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
624	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	2,434	922	570	31	447	464
625	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
626	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
627	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
628	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	44,918	17,007	10,524	575	8,257	8,554
629	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
630	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	436	165	102	6	80	83
631	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	691	262	162	9	127	132
632	39605	Welders	6.6	P, S, T & D Plant - Commodity	214	81	50	3	39	41
633	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	5,774	2,186	1,353	74	1,061	1,100
634	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
635	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
636	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
637	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	42,863	16,229	10,042	549	7,879	8,163
638	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
639	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	158	60	37	2	29	30
640	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
641	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	1,482	561	347	19	273	282
642	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
643	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
644	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	5,087	1,926	1,192	65	935	969
645	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
646	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	1,360	515	319	17	250	259
647	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
648	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
649	Total General Plant				246,555	93,353	57,765	3,159	45,324	46,954
650	TOTAL DIRECT PLANT				7,757,522	2,937,224	1,817,488	99,389	1,426,068	1,477,353
651										
652										
653										
654	61000	CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	420,223	159,109	98,453	5,384	77,250	80,028
655										
656	Kentucky Mid-States General Office:									
657										
658	Intangible Plant:									
659										
660	30100	Organization	6.6	P, S, T & D Plant - Commodity	1,016	385	238	13	187	193
661	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
662	30300	Misc Intangible Plant	6.6	P, S, T & D Plant - Commodity	6,083	2,303	1,425	78	1,118	1,158
663	Total Intangible Plant:				7,099	2,688	1,663	91	1,305	1,352
664										
665	General:									
666										
667										
668	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
669	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	983	372	230	13	181	187
670	39602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
671	39900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
672	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	84	32	20	1	16	16
673	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	213	81	50	3	39	41
674	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	212	80	50	3	39	40
675	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
676	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
677	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	150	57	35	2	27	28
678	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
679	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
680	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
681	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	964	365	226	12	177	184
682	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	112	43	26	1	21	21
683	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
684	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
685	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
686	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	206	78	48	3	38	39
687	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
688	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
689	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
690	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	4,464	1,690	1,046	57	821	850
691	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
692	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
693	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
694	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
695	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
696	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
697	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	385	146	90	5	71	73
698	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	906	343	212	12	167	173
699	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	4,542	1,720	1,064	58	835	865
700	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
701	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
702	Total General Plant				13,221	5,006	3,098	169	2,431	2,518
703										
704										
705	61000	CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	25	10	6	0	5	5

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF PLANT IN SERVICE									
706									
707	Shared Services General Office:								
708									
709	General:								
710									
711	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
712	39001 Structures Frame	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
713	36602 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	2,604	986	610	33	479	496
714	37503 Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
715	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
716	39009 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	5,324	2,016	1,247	68	979	1,014
717	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	3,160	1,196	740	40	581	602
718	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
719	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
720	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	4	2	1	0	1	1
721	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
722	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
723	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
724	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	43	16	10	1	8	8
725	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
726	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
727	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
728	39605 Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
729	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	599	227	140	8	110	114
730	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
731	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
732	39705 Communication Equip. - Telemetry	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
733	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	83	31	19	1	15	16
734	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	92	35	22	1	17	18
735	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	25,573	9,863	5,991	328	4,701	4,870
736	39902 Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	15,446	5,848	3,619	198	2,839	2,942
737	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	4,871	1,844	1,141	62	896	928
738	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
739	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
740	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	1,717	650	402	22	316	327
741	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	950	360	222	12	175	181
742	39908 Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	42,729	16,178	10,011	547	7,855	8,137
743	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	14,571	5,517	3,414	187	2,679	2,775
744	39931 Other Tang. Property - ALGN	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
745									
746	Total General Plant			117,765	44,589	27,591	1,509	21,649	22,427
747									
748	CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	8,242	3,121	1,931	106	1,515	1,570
749									
750	Shared Services Customer Support:								
751									
752	General:								
753									
754	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	2,268	859	531	29	417	432
755	39001 Structures Frame	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
756	36602 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	11,014	4,170	2,580	141	2,025	2,097
757	37503 Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
758	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
759	39009 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	1,752	664	411	22	322	334
760	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	1,704	645	399	22	313	324
761	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
762	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
763	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	25	9	6	0	5	5
764	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
765	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
766	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
767	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	155	59	36	2	29	30
768	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	6	2	1	0	1	1
769	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
770	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
771	39605 Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
772	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	1,263	478	296	16	232	241
773	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
774	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
775	39705 Communication Equip. - Telemetry	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
776	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	174	66	41	2	32	33
777	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	478	181	112	6	88	91
778	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	6,426	2,433	1,506	82	1,181	1,224
779	39902 Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	1,257	476	295	16	231	239
780	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	391	148	92	5	72	74
781	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
782	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
783	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	765	290	179	10	141	146
784	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	145	55	34	2	27	28
785	39908 Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	57,808	21,888	13,544	741	10,627	11,009
786	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	5	2	1	0	1	1
787	39924 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
788									
789	Total General Plant			85,635	32,424	20,063	1,097	15,742	16,308
790									
791	CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	2,475	937	580	32	455	471
792									
793	TOTAL PLANT IN SERVICE - COMMODITY			7,981,242	3,021,931	1,869,903	102,256	1,467,194	1,519,959
794									
795	TOTAL CWIP W/O AFUDC - COMMODITY			430,966	163,176	100,970	5,522	79,225	82,074

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
Total Plant in Service										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
796		Intangible Plant:								
797										
798	30100	Organization			8,330	4,792	2,019	71	763	685
799	30200	Franchises & Consents			119,853	68,948	29,044	1,021	10,984	9,855
800	30300	Misc Intangible Plant			0	-	-	-	-	-
801										
802		Total Intangible Plant:			128,182	73,740	31,063	1,092	11,747	10,540
803										
804		Production Plant:								
805										
806	32500	Producing Leaseholds			0	-	-	-	-	-
807	32540	Rights of Ways			4,682	1,945	1,154	62	769	752
808	33100	Production Gas Wells Equipment			0	-	-	-	-	-
809	33201	Field Lines			0	-	-	-	-	-
810	33202	Tributary Lines			0	-	-	-	-	-
811	33400	Field Meas. & Reg. Sta. Equip			0	-	-	-	-	-
812	33600	Purification Equipment			0	-	-	-	-	-
813										
814		Total Production Plant			0	0	0	0	0	0
815										
816		Storage Plant:								
817										
818	35010	Land			261,127	108,467	64,345	3,448	42,913	41,953
819	35020	Rights of Way			4,682	1,945	1,154	62	769	752
820	35100	Structures and Improvements			17,916	7,442	4,415	237	2,944	2,678
821	35102	Compression Station Equipment			153,261	63,662	37,766	2,024	25,186	24,623
822	35103	Meas. & Reg. Sta. Structures			23,138	9,611	5,702	306	3,802	3,717
823	35104	Other Structures			137,443	57,091	33,868	1,815	22,587	22,082
824	35200	Wells \ Rights of Way			8,348,396	3,467,772	2,057,156	110,243	1,371,948	1,341,277
825	35201	Well Construction			1,699,989	706,148	418,902	22,449	278,372	273,127
826	35202	Well Equipment			449,309	186,635	110,716	5,933	73,838	72,187
827	35203	Cushion Gas			1,694,833	704,003	417,629	22,381	278,523	272,297
828	35210	Leaseholds			178,530	74,158	43,992	2,358	29,339	28,683
829	35211	Storage Rights			54,614	22,686	13,458	721	8,975	8,774
830	35301	Field Lines			175,350	72,837	43,209	2,316	28,817	28,172
831	35302	Tributary Lines			209,319	86,947	51,579	2,764	34,369	33,630
832	35400	Compressor Station Equipment			923,446	383,583	227,549	12,194	151,756	148,364
833	35500	Meas. & Reg. Equipment			273,084	113,434	67,292	3,606	44,878	43,875
834	35600	Purification Equipment			414,663	172,244	102,179	5,476	68,144	66,621
835										
836		Total Storage Plant			15,019,110	6,238,665	3,700,909	198,331	2,468,192	2,413,014
837										
838		Transmission:								
839										
840	36510	Land & Land Rights			26,970	12,194	6,973	367	3,906	3,530
841	36520	Rights of Way			867,772	392,350	224,353	11,800	125,691	113,578
842	36602	Structures & Improvements			49,002	22,155	12,669	666	7,098	6,414
843	36603	Other Structures			60,626	27,502	15,726	827	8,810	7,961
844	36700	Mains Cathodic Protection			139,638	63,135	36,102	1,899	20,226	18,276
845	36701	Mains - Steel			27,047,831	12,229,257	6,992,930	367,811	3,917,694	3,540,140
846	36900	Meas. & Reg. Equipment			731,467	330,721	189,113	9,947	105,948	95,738
847	36901	Meas. & Reg. Equipment			2,269,556	1,026,144	586,770	30,863	328,730	297,050
848										
849		Total Transmission Plant			31,193,061	14,103,458	8,064,635	424,180	4,518,102	4,082,686
850										
851		Distribution:								
852										
853	37400	Land & Land Rights			531,167	240,159	137,328	7,223	76,936	69,521
854	37401	Land			37,326	16,877	9,650	508	5,406	4,885
855	37402	Land Rights			3,645,749	1,648,369	942,570	49,577	528,062	477,172
856	37403	Land Other			2,784	1,259	720	38	403	364
857	37500	Structures & Improvements			336,168	151,993	86,913	4,571	48,692	43,999
858	37501	Structures & Improvements T.B.			99,818	45,131	25,807	1,357	14,458	13,065
859	37502	Land Rights			46,264	20,918	11,961	629	6,701	6,055
860	37503	Improvements			4,005	1,811	1,035	54	580	524
861	37600	Mains Cathodic Protection			20,811,541	9,319,188	5,328,895	280,287	2,985,441	2,697,730
862	37601	Mains - Steel			176,025,498	79,587,196	45,509,525	2,393,690	25,496,092	23,038,996
863	37602	Mains - Plastic			133,261,910	60,252,304	34,453,453	1,812,168	19,302,078	17,441,908
864	37800	Meas. & Reg. Sta. Equip - General			29,911,913	13,524,207	7,733,408	406,758	4,332,536	3,915,003
865	37900	Meas. & Reg. Sta. Equip - City Gate			5,126,032	2,317,656	1,325,281	69,707	742,471	670,918
866	37905	Meas. & Reg. Sta. Equipment T.b.			1,652,259	747,043	427,174	22,468	239,318	216,255
867	38000	Services			150,274,437	133,824,243	16,279,918	8,273	103,453	58,550
868	38100	Meters			38,722,015	24,990,781	12,812,487	45,125	564,268	319,353
869	38200	Meter Installations			57,067,155	36,815,804	18,882,597	66,503	831,599	470,652
870	38300	House Regulators			12,779,948	8,244,744	4,228,678	14,893	186,233	105,401
871	38400	House Reg. Installations			252,587	162,952	83,577	294	3,681	2,083
872	38500	Ind. Meas. & Reg. Sta. Equipment			5,241,043	-	5,186,793	2,636	32,960	18,654
873	38600	Other Prop. On Cust. Prem			0	-	-	-	-	-
874										
875		Total Distribution Plant			635,629,619	371,902,633	153,467,767	5,186,760	55,501,369	49,571,090

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
ALLOCATION OF PLANT IN SERVICE								
876								
877	General:							
878								
879	38900 Land & Land Rights	1,211,697	697,056	293,635	10,324	111,046		99,636
880	39000 Structures & Improvements	7,595,600	4,369,539	1,840,671	64,714	696,102		624,574
881	39001 Structures Frame	0	-	-	-	-	-	-
882	39002 Structures-Brick	173,115	99,588	41,952	1,475	15,865		14,235
883	39003 Improvements	709,199	407,983	171,863	6,042	64,995		58,316
884	39004 Air Conditioning Equipment	12,955	7,453	3,139	110	1,187		1,065
885	39009 Improvement to leased Premises	1,246,194	716,901	301,995	10,618	114,208		102,473
886	39100 Office Furniture & Equipment	1,866,038	1,073,480	452,204	15,999	171,014		153,441
887	39102 Remittance Processing Equip	0	-	-	-	-	-	-
888	39103 Office Machines	0	-	-	-	-	-	-
889	39200 Transportation Equipment	220,987	127,128	53,553	1,883	20,252		18,171
890	39201 Trucks	0	-	-	-	-	-	-
891	39202 Trailers	0	-	-	-	-	-	-
892	39300 Stores Equipment	0	-	-	-	-	-	-
893	39400 Tools, Shop & Garage Equipment	4,078,361	2,346,168	988,325	34,748	373,763		335,357
894	39600 Power Operated Equipment	0	-	-	-	-	-	-
895	39603 Ditchers	39,610	22,787	9,599	337	3,630		3,257
896	39604 Backhoes	62,747	36,097	15,206	535	5,751		5,160
897	39605 Welders	19,427	11,176	4,708	166	1,780		1,597
898	39700 Communication Equipment	524,257	301,591	127,045	4,467	48,046		43,109
899	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-	-
900	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-	-
901	39705 Communication Equip. - Telemetering	0	-	-	-	-	-	-
902	39800 Miscellaneous Equipment	3,891,771	2,238,828	943,108	33,158	356,663		320,014
903	39900 Other Tangible Property	0	-	-	-	-	-	-
904	39901 Other Tangible Property - Servers - H/W	14,590	8,278	3,487	123	1,319		1,183
905	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-	-
906	39903 Other Tangible Property - Network - H/W	134,599	77,431	32,618	1,147	12,335		11,068
907	39904 Other Tang. Property - CPU	0	-	-	-	-	-	-
908	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-	-
909	39906 Other Tang. Property - PC Hardware	461,888	265,711	111,931	3,935	42,330		37,980
910	39907 Other Tang. Property - PC Software	0	-	-	-	-	-	-
911	39908 Other Tang. Property - Mainframe S/W	123,515	71,055	29,932	1,052	11,320		10,156
912	39909 Other Tang. Property - Application Software	0	-	-	-	-	-	-
913	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-	-
914								
915	Total General Plant	22,386,350	12,878,249	5,424,969	190,731	2,051,606		1,840,795
916								
917	TOTAL DIRECT PLANT	704,356,323	405,196,746	170,689,343	6,001,095	64,551,015		57,918,124
918								
919	CWIP w/o AFUDC	38,154,809	21,949,408	9,246,200	325,078	3,496,713		3,137,411
920								
921	Kentucky Mid-States General Office:							
922								
923	Intangible Plant:							
924								
925	30100 Organization	92,247	53,067	22,355	786	8,454		7,585
926	30200 Franchises & Consents	0	-	-	-	-	-	-
927	30300 Misc Intangible Plant	552,335	317,743	133,849	4,706	50,619		45,418
928								
929	Total Intangible Plant:	644,582	370,810	156,204	5,492	59,073		53,003
930								
931	General:							
932								
933	37400 Land & Land Rights	0	-	-	-	-	-	-
934	39001 Structures Frame	89,275	51,357	21,634	761	8,182		7,341
935	36602 Structures & Improvements	0	-	-	-	-	-	-
936	38900 Land & Land Rights	0	-	-	-	-	-	-
937	39004 Air Conditioning Equipment	7,658	4,405	1,856	65	702		630
938	39009 Improvement to leased Premises	19,332	11,121	4,685	165	1,772		1,590
939	39100 Office Furniture & Equipment	19,220	11,057	4,658	164	1,761		1,580
940	39102 Remittance Processing Equip	0	-	-	-	-	-	-
941	39103 Office Machines	0	-	-	-	-	-	-
942	39200 Transportation Equipment	13,582	7,814	3,291	116	1,245		1,117
943	39201 Trucks	0	-	-	-	-	-	-
944	39202 Trailers	0	-	-	-	-	-	-
945	39300 Stores Equipment	0	-	-	-	-	-	-
946	39400 Tools, Shop & Garage Equipment	87,547	50,363	21,216	746	8,023		7,199
947	39600 Power Operated Equipment	10,213	5,875	2,475	87	936		840
948	39603 Ditchers	0	-	-	-	-	-	-
949	39604 Backhoes	0	-	-	-	-	-	-
950	39605 Welders	0	-	-	-	-	-	-
951	39700 Communication Equipment	18,688	10,751	4,529	159	1,713		1,537
952	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-	-
953	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-	-
954	39705 Communication Equip. - Telemetering	0	-	-	-	-	-	-
955	39800 Miscellaneous Equipment	405,292	233,153	98,216	3,453	37,143		33,327
956	39900 Other Tangible Property	0	-	-	-	-	-	-
957	39901 Other Tangible Property - Servers - H/W	0	-	-	-	-	-	-
958	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-	-
959	39903 Other Tangible Property - Network - H/W	0	-	-	-	-	-	-
960	39904 Other Tang. Property - CPU	0	-	-	-	-	-	-
961	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-	-
962	39906 Other Tang. Property - PC Hardware	34,934	20,097	8,466	298	3,202		2,873
963	39907 Other Tang. Property - PC Software	82,288	47,338	19,941	701	7,541		6,766
964	39908 Other Tang. Property - Mainframe S/W	412,432	237,261	99,946	3,514	37,797		33,914
965	39909 Other Tang. Property - Application Software	0	-	-	-	-	-	-
966	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-	-
967								
968	Total General Plant	1,200,461	690,592	290,912	10,228	110,017		98,712
969								
970	CWIP w/o AFUDC	2,311	1,329	560	20	212		190

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF PLANT IN SERVICE							
971							
972	Shared Services General Office:						
973							
974	General:						
975							
976	37400 Land & Land Rights	0	-	-	-	-	-
977	39001 Structures Frame	0	-	-	-	-	-
978	36602 Structures & Improvements	236,424	136,008	57,293	2,014	21,667	19,441
979	37503 Improvements	0	-	-	-	-	-
980	39004 Air Conditioning Equipment	0	-	-	-	-	-
981	39009 Improvement to leased Premises	483,357	278,062	117,134	4,118	44,297	39,746
982	39100 Office Furniture & Equipment	286,918	165,056	69,530	2,445	26,295	23,593
983	39102 Remittance Processing Equip	0	-	-	-	-	-
984	39103 Office Machines	0	-	-	-	-	-
985	39200 Transportation Equipment	369	212	89	3	34	30
986	39201 Trucks	0	-	-	-	-	-
987	39202 Trailers	0	-	-	-	-	-
988	39300 Stores Equipment	0	-	-	-	-	-
989	39400 Tools, Shop & Garage Equipment	3,938	2,266	954	34	361	324
990	39600 Power Operated Equipment	0	-	-	-	-	-
991	39603 Ditchers	0	-	-	-	-	-
992	39604 Backhoes	0	-	-	-	-	-
993	39605 Welders	0	-	-	-	-	-
994	39700 Communication Equipment	54,370	31,277	13,176	463	4,983	4,471
995	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
996	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
997	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
998	39800 Miscellaneous Equipment	7,537	4,336	1,827	64	691	620
999	39900 Other Tangible Property	8,377	4,819	2,030	71	768	689
1000	39901 Other Tangible Property - Servers - HW	2,321,928	1,335,741	562,682	19,783	212,794	190,929
1001	39902 Other Tangible Property - Servers - S/W	1,402,428	806,778	339,856	11,949	128,526	115,319
1002	39903 Other Tangible Property - Network - HW	442,303	254,445	107,185	3,768	40,535	36,370
1003	39904 Other Tang. Property - CPU	0	-	-	-	-	-
1004	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
1005	39906 Other Tang. Property - PC Hardware	155,862	89,663	37,771	1,328	14,284	12,816
1006	39907 Other Tang. Property - PC Software	86,214	49,597	20,893	735	7,901	7,089
1007	39908 Other Tang. Property - Mainframe S/W	3,879,643	2,231,851	940,169	33,054	355,551	319,017
1008	39909 Other Tang. Property - Application Software	1,322,956	761,060	320,597	11,272	121,243	108,785
1009	39931 Other Tang. Property - ALGN	0	-	-	-	-	-
1010							
1011	Total General Plant	10,692,624	6,151,171	2,591,184	91,101	979,930	879,238
1012							
1013	CWIP w/o AFUDC	748,344	430,502	181,349	6,376	68,582	61,535
1014							
1015	Shared Services Customer Support:						
1016							
1017	General:						
1018							
1019	37400 Land & Land Rights	205,882	118,438	49,892	1,754	18,868	16,929
1020	39001 Structures Frame	0	-	-	-	-	-
1021	36602 Structures & Improvements	1,000,011	575,279	242,337	8,520	91,646	82,229
1022	37503 Improvements	0	-	-	-	-	-
1023	39004 Air Conditioning Equipment	0	-	-	-	-	-
1024	39009 Improvement to leased Premises	159,117	91,536	38,559	1,356	14,582	13,084
1025	39100 Office Furniture & Equipment	154,692	88,990	37,487	1,318	14,177	12,720
1026	39102 Remittance Processing Equip	0	-	-	-	-	-
1027	39103 Office Machines	0	-	-	-	-	-
1028	39200 Transportation Equipment	2,233	1,284	541	19	205	184
1029	39201 Trucks	0	-	-	-	-	-
1030	39202 Trailers	0	-	-	-	-	-
1031	39300 Stores Equipment	0	-	-	-	-	-
1032	39400 Tools, Shop & Garage Equipment	14,093	8,107	3,415	120	1,292	1,159
1033	39600 Power Operated Equipment	548	315	133	5	50	45
1034	39603 Ditchers	0	-	-	-	-	-
1035	39604 Backhoes	0	-	-	-	-	-
1036	39605 Welders	0	-	-	-	-	-
1037	39700 Communication Equipment	114,682	65,973	27,791	977	10,510	9,430
1038	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
1039	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
1040	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
1041	39800 Miscellaneous Equipment	15,758	9,065	3,819	134	1,444	1,296
1042	39900 Other Tangible Property	43,368	24,948	10,510	369	3,974	3,566
1043	39901 Other Tangible Property - Servers - HW	583,485	335,663	141,398	4,971	53,474	47,979
1044	39902 Other Tangible Property - Servers - S/W	114,175	65,682	27,688	973	10,464	9,388
1045	39903 Other Tangible Property - Network - HW	35,496	20,420	8,602	302	3,253	2,919
1046	39904 Other Tang. Property - CPU	0	-	-	-	-	-
1047	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
1048	39906 Other Tang. Property - PC Hardware	69,473	39,966	16,836	592	6,367	5,713
1049	39907 Other Tang. Property - PC Software	13,141	7,560	3,185	112	1,204	1,081
1050	39908 Other Tang. Property - Mainframe S/W	5,248,748	3,019,460	1,271,949	44,719	481,024	431,596
1051	39909 Other Tang. Property - Application Software	477	274	116	4	44	39
1052	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
1053							
1054	Total General Plant	7,775,377	4,472,960	1,884,237	66,246	712,578	639,357
1055							
1056	CWIP w/o AFUDC	224,734	129,284	54,461	1,915	20,596	18,480
1057							
1058	TOTAL PLANT IN SERVICE	724,669,367	416,882,279	175,611,880	6,174,161	66,412,612	59,588,434
1059							
1060	TOTAL CWIP W/O AFUDC	39,130,198	22,510,523	9,482,570	333,388	3,586,103	3,217,615

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF RESERVE FOR DEPRECIATION										
Customer										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1		Intangible Plant:								
2										
3	30100	Organization	6.2	P, S, T & D Plant - Customer	3,229	2,493	702	2	21	12
4	30200	Franchises & Consents	6.2	P, S, T & D Plant - Customer	46,465	35,864	10,103	24	303	171
5	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
6										
7		Total Intangible Plant:			49,694	38,356	10,805	26	324	183
8										
9		Production Plant:								
10										
11	32520	Producing Leaseholds	99.0	-	0	-	-	-	-	-
12	32540	Rights of Way	99.0	-	0	-	-	-	-	-
13	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
14	33201	Field Lines	99.0	-	0	-	-	-	-	-
15	33202	Tributary Lines	99.0	-	0	-	-	-	-	-
16	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-	-
17	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
18										
19		Total Production Plant			0	0	0	0	0	0
20										
21		Storage Plant:								
22										
23	35010	Land	99.0	-	0	-	-	-	-	-
24	35020	Rights of Way	99.0	-	0	-	-	-	-	-
25	35100	Structures and Improvements	99.0	-	0	-	-	-	-	-
26	35102	Compression Station Equipment	99.0	-	0	-	-	-	-	-
27	35103	Meas. & Reg. Sta. Structures	99.0	-	0	-	-	-	-	-
28	35104	Other Structures	99.0	-	0	-	-	-	-	-
29	35200	Wells \ Rights of Way	99.0	-	0	-	-	-	-	-
30	35201	Well Construction	99.0	-	0	-	-	-	-	-
31	35202	Well Equipment	99.0	-	0	-	-	-	-	-
32	35203	Cushion Gas	99.0	-	0	-	-	-	-	-
33	35210	Leaseholds	99.0	-	0	-	-	-	-	-
34	35211	Storage Rights	99.0	-	0	-	-	-	-	-
35	35301	Field Lines	99.0	-	0	-	-	-	-	-
36	35302	Tributary Lines	99.0	-	0	-	-	-	-	-
37	35400	Compressor Station Equipment	99.0	-	0	-	-	-	-	-
38	35500	Meas & Reg. Equipment	99.0	-	0	-	-	-	-	-
39	35600	Purification Equipment	99.0	-	0	-	-	-	-	-
40										
41		Total Storage Plant			0	-	-	-	-	-
42										
43		Transmission:								
44										
45	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
46	36520	Rights of Way	99.0	-	0	-	-	-	-	-
47	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
48	36603	Other Structures	99.0	-	0	-	-	-	-	-
49	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
50	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
51	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
52	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
53										
54		Total Transmission Plant			0	-	-	-	-	-
55										
56		Distribution:								
57										
58	37400	Land & Land Rights	2.0	Bills	0	-	-	-	-	-
59	37401	Land	2.0	Bills	0	-	-	-	-	-
60	37402	Land Rights	2.0	Bills	0	-	-	-	-	-
61	37403	Land Other	2.0	Bills	0	-	-	-	-	-
62	37500	Structures & Improvements	2.0	Bills	0	-	-	-	-	-
63	37501	Structures & Improvements T.B.	2.0	Bills	0	-	-	-	-	-
64	37502	Land Rights	2.0	Bills	0	-	-	-	-	-
65	37503	Improvements	2.0	Bills	0	-	-	-	-	-
66	37600	Mains Cathodic Protection	2.0	Bills	0	-	-	-	-	-
67	37601	Mains - Steel	2.0	Bills	0	-	-	-	-	-
68	37602	Mains - Plastic	2.0	Bills	0	-	-	-	-	-
69	37800	Meas & Reg. Sta. Equip - General	2.0	Bills	0	-	-	-	-	-
70	37900	Meas & Reg. Sta. Equip - City Gate	2.0	Bills	0	-	-	-	-	-
71	37905	Meas & Reg. Sta. Equipment T.b.	2.0	Bills	0	-	-	-	-	-
72	38000	Services	2.0	Bills	30,562,139	27,216,572	3,310,936	1,683	21,040	11,908
73	38100	Meters	4.0	Meter Investment	21,386,354	13,797,005	7,076,398	24,923	311,648	176,380
74	38200	Meter Installations	4.0	Meter Investment	26,987,899	17,410,737	8,929,858	31,450	393,275	222,578
75	38300	House Regulators	4.0	Meter Investment	4,321,265	2,787,783	1,429,636	5,036	62,971	35,639
76	38400	House Reg. Installations	4.0	Meter Investment	94,403	60,903	31,237	110	1,376	779
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2	Non-Residential Bills	2,958,741	-	2,928,115	1,488	18,607	10,531
78	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
79										
80		Total Distribution Plant			86,310,801	61,272,999	23,706,380	64,689	808,917	457,815

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
81									
82	General:								
83									
84	38900 Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	-
85	39000 Structures & Improvements	6.2 P, S, T & D Plant - Customer	485,951	375,081	105,659	253	3,166	1,792	
86	39002 Structures - Brick	6.2 P, S, T & D Plant - Customer	41,708	32,192	9,068	22	272	154	
87	39003 Improvements	6.2 P, S, T & D Plant - Customer	113,486	87,594	24,675	59	739	418	
88	39003 Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	1,958	1,511	426	1	13	7	
89	39004 Improvement to Leased Premises	6.2 P, S, T & D Plant - Customer	483,869	373,474	105,206	252	3,152	1,784	
90	39009 Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	443,743	342,503	96,482	231	2,891	1,636	
91	39100 Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
92	39102 Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
93	39103 Transportation Equipment	6.2 P, S, T & D Plant - Customer	44,113	34,049	9,591	23	287	163	
94	39200 Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
95	39201 Trailers	6.2 P, S, T & D Plant - Customer	(981)	(757)	(213)	(1)	(6)	(4)	
96	39202 Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
97	39400 Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	504,316	389,256	109,652	263	3,286	1,860	
98	39600 Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
99	39603 Ditchers	6.2 P, S, T & D Plant - Customer	15,373	11,866	3,343	8	100	57	
100	39604 Backhoes	6.2 P, S, T & D Plant - Customer	24,353	18,797	5,295	13	159	90	
101	39605 Welders	6.2 P, S, T & D Plant - Customer	7,543	5,822	1,640	4	49	28	
102	39700 Communication Equipment	6.2 P, S, T & D Plant - Customer	104,290	80,496	22,676	54	679	385	
103	39701 Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
104	39702 Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
105	39705 Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
106	39800 Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	803,618	620,272	174,728	419	5,236	2,963	
107	39900 Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
108	39901 Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	2,586	1,996	562	1	17	10	
109	39902 Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
110	39903 Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	25,061	19,344	5,449	13	163	92	
111	39904 Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
112	39905 Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
113	39906 Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	43,508	33,582	9,460	23	283	160	
114	39907 Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
115	39908 Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
116	39909 Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	45,714	35,284	9,939	24	298	169	
117	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
118	Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	(2,471,354)	(1,907,514)	(537,339)	(1,288)	(16,101)	(9,113)	
119	AR 15 general plant amortization	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
120									
121	Total General Plant		718,855	554,848	156,299	375	4,683	2,651	
122									
123	TOTAL DIRECT RESERVE FOR DEPRECIATION		87,079,350	61,866,203	23,873,484	65,090	813,924	460,649	
124									
125	Kentucky Mid-States General Office:								
126									
127	Intangible Plant:								
128									
129	30100 Organization	99.0 -	0	-	-	-	-	-	
130	30200 Franchises & Consents	99.0 -	0	-	-	-	-	-	
131	30300 Misc Intangible Plant	99.0 -	0	-	-	-	-	-	
132									
133	Total Intangible Plant:								
134									
135	General:								
136									
137	37400 Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
138	39001 Structures Frame	6.2 P, S, T & D Plant - Customer	20,434	15,772	4,443	11	133	75	
139	36602 Structures & Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
140	38900 Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
141	39004 Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	1,973	1,523	429	1	13	7	
142	39009 Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	7,494	5,785	1,630	4	49	28	
143	39100 Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	7,451	5,751	1,620	4	49	27	
144	39102 Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
145	39103 Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
146	39200 Transportation Equipment	6.2 P, S, T & D Plant - Customer	3,449	2,662	750	2	22	13	
147	39201 Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
148	39202 Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
149	39300 Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
150	39400 Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	27,762	21,428	6,036	14	181	102	
151	39600 Power Operated Equipment	6.2 P, S, T & D Plant - Customer	1,696	1,309	369	1	11	6	
152	39603 Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
153	39604 Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
154	39605 Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
155	39700 Communication Equipment	6.2 P, S, T & D Plant - Customer	(1,160)	(895)	(252)	(1)	(8)	(4)	
156	39701 Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
157	39702 Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
158	39705 Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
159	39800 Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	139,310	107,526	30,290	73	908	514	
160	39900 Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
161	39901 Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	(6,709)	(5,179)	(1,459)	(3)	(44)	(25)	
162	39902 Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
163	39903 Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
164	39904 Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
165	39905 Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
166	39906 Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	13,547	10,456	2,945	7	88	50	
167	39907 Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	8,175	6,310	1,777	4	53	30	
168	39908 Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	159,892	123,413	34,765	83	1,042	590	
169	39909 Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
170	39924 Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
171	Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	10,135	7,823	2,204	5	66	37	
172									
173	Total General Plant		393,449	303,683	85,546	205	2,563	1,451	

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
174									
175		Shared Services General Office:							
176		General:							
177									
178									
179	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
180	39000	Structures & Improvements	6.2 P, S, T & D Plant - Customer	35,223	27,187	7,658	18	229	130
181	36602	Structures & Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
182	37503	Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
183	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
184	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	187,005	144,340	40,660	97	1,218	690
185	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	45,051	34,773	9,795	23	294	166
186	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	0	0	0	0	0
187	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	0	0	0	0	0
188	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	110	85	24	0	1	0
189	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
190	39202	Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
191	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
192	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	668	515	145	0	4	2
193	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
194	39603	Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
195	39604	Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
196	39605	Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
197	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	10,977	8,472	2,387	6	72	40
198	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
199	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
200	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
201	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	1,107	854	241	1	7	4
202	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	3,271	2,525	711	2	21	12
203	39901	Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	517,758	399,631	112,575	270	3,373	1,909
204	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	375,965	290,188	81,745	196	2,449	1,386
205	39903	Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	52,022	40,153	11,311	27	339	192
206	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
207	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
208	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	36,463	28,144	7,928	19	238	134
209	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	35,640	27,509	7,749	19	232	131
210	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	896	691	195	0	6	3
211	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	979,462	755,997	212,962	510	6,381	3,612
212	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
213		Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
214		Total General Plant		2,281,618	1,761,066	496,085	1,189	14,865	8,413
215				643,103	496,378	139,828	335	4,190	2,371
216									
217		Shared Services Customer Support:							
218		General:							
219									
220									
221	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
222	39001	Structures & Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
223	36602	Structures & Improvements	6.2 P, S, T & D Plant - Customer	79,350	61,246	17,253	41	517	293
224	37503	Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
225	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
226	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	38,654	29,835	8,404	20	252	143
227	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	21,230	16,386	4,616	11	138	78
228	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
229	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
230	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	866	669	188	0	6	3
231	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
232	39202	Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
233	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
234	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	1,416	1,093	308	1	9	5
235	39500	Laboratory Equipment	6.2 P, S, T & D Plant - Customer	165	127	36	0	1	1
236	39603	Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
237	39604	Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
238	39605	Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
239	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	27,208	21,000	5,916	14	177	100
240	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
241	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
242	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
243	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	1,885	1,455	410	1	12	7
244	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	12,321	9,510	2,679	6	80	45
245	39901	Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	131,095	101,185	28,504	68	854	483
246	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	29,992	23,149	6,521	16	195	111
247	39903	Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	8,903	6,872	1,936	5	58	33
248	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
249	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
250	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	17,010	13,129	3,699	9	111	63
251	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	3,943	3,043	857	2	26	15
252	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	794,932	613,568	172,840	414	5,179	2,931
253	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	1,886	1,456	410	1	12	7
254	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
255		Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
256									
257		Total General Plant		1,170,856	903,724	254,576	610	7,628	4,317
258									
259		TOTAL RESERVE FOR DEPRECIATION - CUSTOMER		90,925,272	64,834,677	24,709,691	67,094	838,981	474,830

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF RESERVE FOR DEPRECIATION										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
260		Intangible Plant:								
261										
262	30100	Organization	6.4	P, S, T & D Plant - Demand	5,009	2,265	1,295	68	725	656
263	30200	Franchises & Consents	6.4	P, S, T & D Plant - Demand	72,068	32,584	18,632	980	10,439	9,433
264	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
265										
266		Total Intangible Plant:			77,077	34,849	19,927	1,048	11,164	10,088
267										
268		Production Plant:								
269										
270	32520	Producing Leaseholds	3.0	Peak Day	0	-	-	-	-	-
271	32540	Rights of Way	3.0	Peak Day	0	-	-	-	-	-
272	33100	Production Gas Wells Equipment	3.0	Peak Day	0	-	-	-	-	-
273	33201	Field Lines	3.0	Peak Day	0	-	-	-	-	-
274	33202	Tributary Lines	3.0	Peak Day	0	-	-	-	-	-
275	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0	-	-	-	-	-
276	33600	Purification Equipment	3.0	Peak Day	0	-	-	-	-	-
277										
278		Total Production Plant			0	0	0	0	0	0
279										
280		Storage Plant:								
281										
282	35010	Land	3.0	Peak Day	0	-	-	-	-	-
283	35020	Rights of Way	3.0	Peak Day	2,227	1,007	576	30	323	291
284	35100	Structures and Improvements	3.0	Peak Day	3,144	1,422	813	43	455	412
285	35102	Compression Station Equipment	3.0	Peak Day	56,872	25,714	14,704	773	8,238	7,444
286	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	10,242	4,631	2,648	139	1,483	1,340
287	35104	Other Structures	3.0	Peak Day	50,072	22,639	12,946	681	7,253	6,554
288	35200	Wells \ Rights of Way	3.0	Peak Day	595,415	269,208	153,938	8,097	86,242	77,931
289	35201	Well Construction	3.0	Peak Day	709,755	320,905	183,500	9,652	102,803	92,896
290	35202	Well Equipment	3.0	Peak Day	225,298	101,865	58,248	3,064	32,633	29,488
291	35203	Cushion Gas	3.0	Peak Day	379,297	171,493	98,063	5,158	54,939	49,644
292	35210	Leaseholds	3.0	Peak Day	84,031	37,993	21,725	1,143	12,171	10,998
293	35211	Storage Rights	3.0	Peak Day	21,978	9,937	5,682	299	3,183	2,877
294	35301	Field Lines	3.0	Peak Day	(44,198)	(19,983)	(11,427)	(601)	(6,402)	(5,785)
295	35302	Tributary Lines	3.0	Peak Day	94,588	42,767	24,455	1,286	13,700	12,380
296	35400	Compressor Station Equipment	3.0	Peak Day	248,926	112,548	64,357	3,385	36,055	32,581
297	35500	Meas & Reg. Equipment	3.0	Peak Day	101,272	45,788	26,183	1,377	14,669	13,255
298	35600	Purification Equipment	3.0	Peak Day	95,899	43,359	24,794	1,304	13,890	12,552
299										
300		Total Storage Plant			2,634,817	1,191,292	681,204	35,830	381,635	344,857
301										
302		Transmission:								
303										
304	36510	Land & Land Rights	3.0	Peak Day	0	-	-	-	-	-
305	36520	Rights of Way	3.0	Peak Day	428,096	193,557	110,680	5,821	62,007	56,031
306	36602	Structures & Improvements	3.0	Peak Day	16,837	7,613	4,353	229	2,439	2,204
307	36603	Other Structures	3.0	Peak Day	53,066	23,993	13,720	722	7,686	6,946
308	36700	Mains Cathodic Protection	3.0	Peak Day	98,316	44,452	25,419	1,337	14,240	12,868
309	36701	Mains - Steel	3.0	Peak Day	16,387,961	7,409,562	4,236,933	222,852	2,373,684	2,144,929
310	36900	Meas. & Reg. Equipment	3.0	Peak Day	353,469	159,816	91,386	4,807	51,198	46,264
311	36901	Meas. & Reg. Equipment	3.0	Peak Day	1,774,251	802,200	458,714	24,127	256,988	232,222
312										
313		Total Transmission Plant			19,111,996	8,641,192	4,941,204	259,895	2,768,242	2,501,463
314										
315		Distribution:								
316										
317	37400	Land & Land Rights	3.0	Peak Day	0	-	-	-	-	-
318	37401	Land	3.0	Peak Day	0	-	-	-	-	-
319	37402	Land Rights	3.0	Peak Day	235,363	106,416	60,851	3,201	34,091	30,805
320	37403	Land Other	3.0	Peak Day	0	-	-	-	-	-
321	37500	Structures & Improvements	3.0	Peak Day	113,695	51,405	29,395	1,546	16,468	14,881
322	37501	Structures & Improvements T.B.	3.0	Peak Day	71,449	32,305	18,472	972	10,349	9,352
323	37502	Land Rights	3.0	Peak Day	35,399	16,005	9,152	481	5,127	4,633
324	37503	Improvements	3.0	Peak Day	1,920	868	496	26	278	251
325	37600	Mains Cathodic Protection	3.0	Peak Day	13,210,658	5,972,994	3,415,475	179,646	1,913,474	1,729,069
326	37601	Mains - Steel	3.0	Peak Day	33,671,112	15,223,870	8,705,309	457,878	4,877,031	4,407,024
327	37602	Mains - Plastic	3.0	Peak Day	19,028,671	8,603,518	4,919,661	258,762	2,756,173	2,490,557
328	37800	Meas & Reg. Sta. Equip - General	3.0	Peak Day	2,894,799	1,308,838	748,420	39,365	419,292	378,884
329	37900	Meas & Reg. Sta. Equip - City Gate	3.0	Peak Day	984,409	445,085	254,508	13,387	142,585	128,844
330	37905	Meas & Reg. Sta. Equipment T.b.	3.0	Peak Day	1,038,111	469,366	268,393	14,117	150,363	135,873
331	38000	Services	99.0	-	0	-	-	-	-	-
332	38100	Meters	99.0	-	0	-	-	-	-	-
333	38200	Meter Installations	99.0	-	0	-	-	-	-	-
334	38300	House Regulators	99.0	-	0	-	-	-	-	-
335	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
336	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
337	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
338										
339		Total Distribution Plant			71,285,587	32,230,671	18,430,132	969,380	10,325,230	9,330,173

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
340									
341	General:								
342									
343	38900 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
344	39000 Structures & Improvements	6.4	P, S, T & D Plant - Demand	753,725	340,785	194,868	10,250	109,172	98,651
345	39002 Structures - Brick	6.4	P, S, T & D Plant - Demand	64,690	29,249	16,725	880	9,370	8,467
346	39003 Improvements	6.4	P, S, T & D Plant - Demand	176,020	79,585	45,508	2,394	25,495	23,038
347	39003 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	3,036	1,373	785	41	440	397
348	39004 Improvement to Leased Premises	6.4	P, S, T & D Plant - Demand	750,495	339,325	194,033	10,206	108,704	98,228
349	39009 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	688,260	311,186	177,942	9,359	99,690	90,082
350	39100 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
351	39102 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
352	39103 Transportation Equipment	6.4	P, S, T & D Plant - Demand	68,421	30,936	17,690	930	9,910	8,955
353	39200 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
354	39201 Trailers	6.4	P, S, T & D Plant - Demand	(1,521)	(688)	(393)	(21)	(220)	(199)
355	39202 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
356	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	782,209	353,664	202,232	10,637	113,298	102,379
357	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
358	39603 Ditchers	6.4	P, S, T & D Plant - Demand	23,845	10,781	6,165	324	3,454	3,121
359	39604 Backhoes	6.4	P, S, T & D Plant - Demand	37,773	17,078	9,766	514	5,471	4,944
360	39605 Welders	6.4	P, S, T & D Plant - Demand	11,699	5,290	3,025	159	1,695	1,531
361	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	161,757	73,136	41,821	2,200	23,429	21,172
362	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
363	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
364	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
365	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	1,246,435	563,556	322,253	16,950	180,538	163,139
366	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
367	39901 Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	4,011	1,813	1,037	55	581	525
368	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
369	39903 Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	38,871	17,575	10,050	529	5,630	5,088
370	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
371	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
372	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	67,482	30,511	17,447	918	9,774	8,832
373	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
374	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
375	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	70,904	32,058	18,331	964	10,270	9,280
376	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
377	Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	(3,833,146)	(1,733,098)	(991,019)	(52,125)	(555,205)	(501,699)
378	AR 15 general plant amortization	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
379									
380	Total General Plant			1,114,966	504,115	288,263	15,162	161,495	145,932
381									
382	TOTAL DIRECT RESERVE FOR DEPRECIATION			94,224,443	42,602,119	24,360,730	1,281,315	13,647,767	12,332,512
383									
384	Kentucky Mid-States General Office:								
385									
386	Intangible Plant:								
387									
388	30100 Organization	99.0	-	0	-	-	-	-	-
389	30200 Franchises & Consents	99.0	-	0	-	-	-	-	-
390	30300 Misc Intangible Plant	99.0	-	0	-	-	-	-	-
391									
392	Total Intangible Plant:								
393									
394	General:								
395									
396	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
397	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	31,693	14,330	8,194	431	4,591	4,148
398	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
399	38900 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
400	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	3,060	1,384	791	42	443	401
401	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	11,624	5,256	3,005	158	1,684	1,521
402	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	11,557	5,225	2,988	157	1,674	1,513
403	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
404	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
405	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	5,349	2,418	1,383	73	775	700
406	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
407	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
408	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
409	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	43,060	19,469	11,133	586	6,237	5,636
410	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	2,631	1,189	680	36	381	344
411	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
412	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
413	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
414	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	(1,799)	(813)	(465)	(24)	(261)	(235)
415	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
416	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
417	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
418	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	216,074	97,694	55,864	2,938	31,297	28,281
419	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
420	39901 Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	(10,406)	(4,705)	(2,690)	(142)	(1,507)	(1,362)
421	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
422	39903 Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
423	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
424	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
425	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	21,012	9,500	5,432	286	3,043	2,750
426	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	12,679	5,733	3,278	172	1,836	1,660
427	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	247,998	112,128	64,117	3,372	35,921	32,459
428	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
429	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
430	Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	15,720	7,108	4,064	214	2,277	2,058
431									
432	Total General Plant			610,251	275,916	157,774	8,299	88,391	79,872

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
433									
434	Shared Services General Office:								
435									
436	General:								
437									
438	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
439	39000 Structures & Improvements	6.4	P, S, T & D Plant - Demand	54,631	24,701	14,124	743	7,913	7,150
440	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
441	37503 Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
442	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
443	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	290,050	131,142	74,989	3,944	42,012	37,963
444	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	69,876	31,593	18,066	950	10,121	9,146
445	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
446	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	0	0	0	0	0
447	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	171	77	44	2	25	22
448	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
449	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
450	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
451	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	1,035	468	268	14	150	136
452	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
453	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
454	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
455	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
456	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	17,025	7,698	4,402	232	2,466	2,228
457	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
458	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
459	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
460	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	1,717	776	444	23	249	225
461	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	5,074	2,294	1,312	69	735	664
462	39901 Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	803,059	363,090	207,622	10,920	116,318	105,108
463	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	583,133	263,654	150,763	7,930	84,463	76,323
464	39903 Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	80,688	36,482	20,861	1,097	11,687	10,561
465	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
466	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
467	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	56,556	25,571	14,622	769	8,192	7,402
468	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	55,279	24,984	14,292	752	8,007	7,235
469	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	1,389	628	359	19	201	182
470	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	1,519,175	686,872	392,767	20,659	220,042	198,836
471	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
472	Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
473									
474	Total General Plant			3,538,859	1,600,040	914,934	48,123	512,580	463,182
475									
476	Shared Services Customer Support:								
477									
478	General:								
479									
480	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
481	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
482	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	123,075	55,646	31,820	1,674	17,827	16,109
483	37503 Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
484	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
485	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	59,954	27,107	15,500	815	8,684	7,847
486	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	32,928	14,888	8,513	448	4,769	4,310
487	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
488	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
489	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	1,344	608	347	18	195	176
490	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
491	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
492	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
493	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	2,197	993	568	30	318	288
494	39500 Laboratory Equipment	6.4	P, S, T & D Plant - Demand	256	116	66	3	37	34
495	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
496	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
497	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
498	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	42,200	19,080	10,910	574	6,112	5,523
499	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
500	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
501	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
502	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	2,923	1,322	756	40	423	383
503	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	19,110	8,640	4,941	260	2,768	2,501
504	39901 Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	203,332	91,933	52,569	2,765	29,451	26,613
505	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	46,519	21,033	12,027	633	6,738	6,089
506	39903 Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	13,809	6,243	3,570	188	2,000	1,807
507	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
508	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
509	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	26,384	11,929	6,821	359	3,821	3,453
510	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	6,116	2,765	1,581	83	886	800
511	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	1,232,963	557,465	318,770	16,767	178,586	161,376
512	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	2,925	1,323	756	40	424	383
513	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
514	Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
515									
516	Total General Plant			1,816,033	821,091	469,516	24,695	263,040	237,690
517									
518	TOTAL RESERVE FOR DEPRECIATION - DEMAND			100,189,586	45,299,166	25,902,954	1,362,432	14,511,777	13,113,256

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF RESERVE FOR DEPRECIATION										
Commodity										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
519		Intangible Plant:								
520										
521	30100	Organization	6.6	P, S, T & D Plant - Commodity	92	35	21	1	17	17
522	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	1,320	500	309	17	243	251
523	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
524										
525		Total Intangible Plant:			1,412	535	331	18	260	269
526										
527		Production Plant:								
528										
529	32520	Producing Leaseholds	99.0	-	0	-	-	-	-	-
530	32540	Rights of Ways	99.0	-	0	-	-	-	-	-
531	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
532	33201	Field Lines	99.0	-	0	-	-	-	-	-
533	33202	Tributary Lines	1.2	Sales Mcf	0	-	-	-	-	-
534	33400	Field Meas. & Reg. Sta. Equip	1.2	Sales Mcf	0	-	-	-	-	-
535	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
536										
537		Total Production Plant			0	0	0	0	0	0
538										
539		Storage Plant:								
540										
541	35010	Land	1.5	Winter Volumes	0	-	-	-	-	-
542	35020	Rights of Way	1.5	Winter Volumes	2,227	843	522	29	409	424
543	35100	Structures and Improvements	1.5	Winter Volumes	3,144	1,191	737	40	578	599
544	35102	Compression Station Equipment	1.5	Winter Volumes	56,872	21,533	13,324	729	10,455	10,831
545	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	10,242	3,878	2,399	131	1,883	1,950
546	35104	Other Structures	1.5	Winter Volumes	50,072	18,959	11,731	642	9,205	9,536
547	35200	Wells \ Rights of Way	1.5	Winter Volumes	595,415	225,442	139,498	7,628	109,455	113,392
548	35201	Well Construction	1.5	Winter Volumes	709,755	268,734	166,287	9,093	130,475	135,167
549	35202	Well Equipment	1.5	Winter Volumes	225,298	85,304	52,784	2,887	41,417	42,906
550	35203	Cushion Gas	1.5	Winter Volumes	379,297	143,613	88,864	4,860	69,726	72,234
551	35210	Leaseholds	1.5	Winter Volumes	84,031	31,817	19,687	1,077	15,447	16,003
552	35211	Storage Rights	1.5	Winter Volumes	21,978	8,321	5,149	282	4,040	4,185
553	35301	Field Lines	1.5	Winter Volumes	(44,198)	(16,735)	(10,355)	(566)	(8,125)	(8,417)
554	35302	Tributary Lines	1.5	Winter Volumes	94,588	35,614	22,161	1,212	17,368	18,014
555	35400	Compressor Station Equipment	1.5	Winter Volumes	248,926	94,251	58,320	3,189	45,760	47,406
556	35500	Meas & Reg. Equipment	1.5	Winter Volumes	101,272	38,344	23,727	1,297	18,617	19,286
557	35600	Purification Equipment	1.5	Winter Volumes	95,899	36,310	22,468	1,229	17,629	18,263
558										
559		Total Storage Plant			2,634,817	997,619	617,304	33,757	484,359	501,778
560										
561		Transmission:								
562										
563	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
564	36520	Rights of Way	99.0	-	0	-	-	-	-	-
565	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
566	36603	Other Structures	99.0	-	0	-	-	-	-	-
567	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
568	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
569	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
570	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
571										
572		Total Transmission Plant			0	-	-	-	-	-
573										
574		Distribution:								
575										
576	37400	Land & Land Rights	99.0	-	0	-	-	-	-	-
577	37401	Land	99.0	-	0	-	-	-	-	-
578	37402	Land Rights	1.0	Mcf	0	-	-	-	-	-
579	37403	Land Other	99.0	-	0	-	-	-	-	-
580	37500	Structures & Improvements	1.0	Mcf	0	-	-	-	-	-
581	37501	Structures & Improvements T.B.	1.0	Mcf	0	-	-	-	-	-
582	37502	Land Rights	1.0	Mcf	0	-	-	-	-	-
583	37503	Improvements	1.0	Mcf	0	-	-	-	-	-
584	37600	Mains Cathodic Protection	1.0	Mcf	0	-	-	-	-	-
585	37601	Mains - Steel	1.0	Mcf	0	-	-	-	-	-
586	37602	Mains - Plastic	1.0	Mcf	0	-	-	-	-	-
587	37800	Meas & Reg. Sta. Equip - General	1.0	Mcf	0	-	-	-	-	-
588	37900	Meas & Reg. Sta. Equip - City Gate	1.0	Mcf	0	-	-	-	-	-
589	37905	Meas & Reg. Sta. Equipment T.b.	1.0	Mcf	0	-	-	-	-	-
590	38000	Services	99.0	-	0	-	-	-	-	-
591	38100	Meters	99.0	-	0	-	-	-	-	-
592	38200	Meter Installations	99.0	-	0	-	-	-	-	-
593	38300	House Regulators	99.0	-	0	-	-	-	-	-
594	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
595	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
596	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
597										
598		Total Distribution Plant			0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
599									
600	General:								
601									
602	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
603	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	13,805	5,227	3,234	177	2,538
604	39002	Structures - Brick	6.6	P, S, T & D Plant - Commodity	1,185	449	278	15	218
605	39003	Improvements	6.6	P, S, T & D Plant - Commodity	3,224	1,221	755	41	593
606	39003	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	56	21	13	1	10
607	39004	Improvement to Leased Premises	6.6	P, S, T & D Plant - Commodity	13,746	5,205	3,221	176	2,527
608	39009	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	12,606	4,773	2,953	162	2,317
609	39100	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
610	39102	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
611	39103	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	1,253	475	294	16	230
612	39200	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
613	39201	Trailers	6.6	P, S, T & D Plant - Commodity	(28)	(11)	(7)	(0)	(5)
614	39202	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
615	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	14,327	5,425	3,357	184	2,634
616	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
617	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	437	165	102	6	80
618	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	692	262	162	9	127
619	39605	Welders	6.6	P, S, T & D Plant - Commodity	214	81	50	3	39
620	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	2,963	1,122	694	38	545
621	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
622	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
623	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
624	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	22,830	8,644	5,349	292	4,197
625	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
626	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	73	28	17	1	14
627	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
628	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	712	270	167	9	131
629	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
630	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
631	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	1,236	468	290	16	227
632	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
633	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
634	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	1,299	492	304	17	239
635		Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
636		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	(70,209)	(26,583)	(16,449)	(900)	(12,906)
637		AR 15 general plant amortization	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
638									
639		Total General Plant			20,422	7,732	4,785	262	3,754
640									
641		TOTAL DIRECT RESERVE FOR DEPRECIATION			2,656,651	1,005,885	622,419	34,037	488,373
642									
643		Kentucky Mid-States General Office:							
644									
645		Intangible Plant:							
646									
647	30100	Organization	99.0	-	0	-	-	-	-
648	30200	Franchises & Consents	99.0	-	0	-	-	-	-
649	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
650									
651		Total Intangible Plant:							
652									
653		General:							
654									
655	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
656	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	581	220	136	7	107
657	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
658	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
659	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	56	21	13	1	10
660	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	213	81	50	3	39
661	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	212	80	50	3	39
662	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
663	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
664	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	98	37	23	1	18
665	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
666	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
667	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
668	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	789	299	185	10	145
669	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	48	18	11	1	9
670	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
671	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
672	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
673	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	(33)	(12)	(8)	(0)	(6)
674	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
675	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
676	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
677	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	3,958	1,498	927	51	728
678	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
679	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	(191)	(72)	(45)	(2)	(35)
680	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
681	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
682	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
683	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
684	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	385	146	90	5	71
685	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	232	88	54	3	43
686	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	4,542	1,720	1,064	58	835
687	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
688	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
689		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	288	109	67	4	53
690									
691		Total General Plant			11,177	4,232	2,619	143	2,055

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
692									
693		Shared Services General Office:							
694									
695		General:							
696									
697	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
698	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	1,001	379	234	13	184
699	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
700	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
701	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
702	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	5,313	2,012	1,245	68	977
703	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	1,280	485	300	16	235
704	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
705	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
706	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	3	1	1	0	1
707	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
708	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
709	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
710	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	19	7	4	0	3
711	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
712	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
713	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
714	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
715	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	312	118	73	4	57
716	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
717	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
718	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
719	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	31	12	7	0	6
720	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	93	35	22	1	17
721	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	14,709	5,569	3,446	188	2,704
722	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	10,681	4,044	2,502	137	1,963
723	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	1,478	560	346	19	272
724	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
725	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
726	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	1,036	392	243	13	190
727	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	1,013	383	237	13	166
728	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	25	10	6	0	5
729	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	27,826	10,536	6,519	357	5,115
730	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
731		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
732									
733		Total General Plant			64,818	24,542	15,186	830	11,916
734					18,270	6,918	4,280	234	3,359
735		Shared Services Customer Support:							
736									
737		General:							
738									
739	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
740	39001	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
741	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	2,254	854	528	29	414
742	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
743	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
744	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	1,098	416	257	14	202
745	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	603	228	141	8	111
746	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
747	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
748	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	25	9	6	0	5
749	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
750	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
751	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
752	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	40	15	9	1	7
753	39500	Laboratory Equipment	6.6	P, S, T & D Plant - Commodity	5	2	1	0	1
754	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
755	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
756	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
757	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	773	293	181	10	142
758	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
759	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
760	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
761	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	54	20	13	1	10
762	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	350	133	82	4	64
763	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	3,724	1,410	873	48	685
764	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	852	323	200	11	157
765	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	253	96	59	3	46
766	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
767	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
768	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	483	183	113	6	89
769	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	112	42	26	1	21
770	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	22,583	8,551	5,291	289	4,151
771	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	54	20	13	1	10
772	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
773		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
774									
775		Total General Plant			33,263	12,594	7,793	426	6,115
776									
777		TOTAL RESERVE FOR DEPRECIATION - COMMODITY			2,765,910	1,047,254	648,017	35,437	508,458

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
Total Reserve for Depreciation									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
778			Intangible Plant:						
779									
780	30100		Organization	8,330	4,792	2,019	71	763	685
781	30200		Franchises & Consents	119,853	68,948	29,044	1,021	10,984	9,855
782	30300		Misc Intangible Plant	0	-	-	-	-	-
783									
784			Total Intangible Plant:	128,182	73,740	31,063	1,092	11,747	10,540
785									
786			Production Plant:						
787									
788	32520		Producing Leaseholds	0	-	-	-	-	-
789	32540		Rights of Ways	0	-	-	-	-	-
790	33100		Production Gas Wells Equipment	0	-	-	-	-	-
791	33201		Field Lines	0	-	-	-	-	-
792	33202		Tributary Lines	0	-	-	-	-	-
793	33400		Field Meas. & Reg. Sta. Equip	0	-	-	-	-	-
794	33600		Purification Equipment	0	-	-	-	-	-
795									
796			Total Production Plant	0	0	0	0	0	0
797									
798			Storage Plant:						
799									
800	35010		Land	0	-	-	-	-	-
801	35020		Rights of Way	4,453	1,850	1,097	59	732	715
802	35100		Structures and Improvements	6,289	2,612	1,550	83	1,033	1,010
803	35102		Compression Station Equipment	113,744	47,247	28,028	1,502	18,692	18,275
804	35103		Meas. & Reg. Sta. Structures	20,483	8,508	5,047	270	3,366	3,291
805	35104		Other Structures	100,144	41,598	24,677	1,322	16,457	16,089
806	35200		Wells \ Rights of Way	1,190,830	494,649	293,436	15,725	195,597	191,322
807	35201		Well Construction	1,419,511	589,639	349,786	18,745	233,278	228,063
808	35202		Well Equipment	450,595	187,169	111,033	5,950	74,049	72,394
809	35203		Cushion Gas	758,594	315,106	186,928	10,017	124,665	121,878
810	35210		Leaseholds	168,062	69,810	41,413	2,219	27,619	27,001
811	35211		Storage Rights	43,956	18,258	10,831	580	7,224	7,062
812	35301		Field Lines	(88,396)	(36,718)	(21,782)	(1,167)	(14,527)	(14,202)
813	35302		Tributary Lines	189,177	78,561	46,616	2,498	31,069	30,594
814	35400		Compressor Station Equipment	497,853	206,799	122,878	6,574	81,815	79,986
815	35500		Meas & Reg. Equipment	202,544	84,133	49,909	2,675	33,285	32,541
816	35600		Purification Equipment	191,797	79,669	47,261	2,533	31,519	30,815
817									
818			Total Storage Plant	5,269,635	2,188,910	1,298,508	69,587	865,995	846,635
819									
820			Transmission:						
821									
822	36510		Land & Land Rights	0	-	-	-	-	-
823	36520		Rights of Way	428,096	193,557	110,680	5,821	62,007	56,031
824	36602		Structures & Improvements	16,837	7,613	4,353	229	2,439	2,204
825	36603		Other Structures	53,066	23,993	13,720	722	7,686	6,946
826	36700		Mains Cathodic Protection	98,316	44,452	25,419	1,337	14,240	12,868
827	36701		Mains - Steel	16,387,961	7,409,562	4,236,933	222,852	2,373,684	2,144,929
828	36900		Meas. & Reg. Equipment	353,469	159,816	91,386	4,807	51,198	46,264
829	36901		Meas. & Reg. Equipment	1,774,251	802,200	458,714	24,127	256,988	232,222
830									
831			Total Transmission Plant	19,111,996	8,641,192	4,941,204	259,895	2,768,242	2,501,463
832									
833			Distribution:						
834									
835	37400		Land & Land Rights	0	-	-	-	-	-
836	37401		Land	0	-	-	-	-	-
837	37402		Land Rights	235,363	106,416	60,851	3,201	34,091	30,805
838	37403		Land Other	0	-	-	-	-	-
839	37500		Structures & Improvements	113,695	51,405	29,395	1,546	16,468	14,881
840	37501		Structures & Improvements T.B.	71,449	32,305	18,472	972	10,349	9,352
841	37502		Land Rights	35,399	16,005	9,152	481	5,127	4,633
842	37503		Improvements	1,920	868	496	26	278	251
843	37600		Mains Cathodic Protection	13,210,658	5,972,994	3,415,475	179,646	1,913,474	1,729,069
844	37601		Mains - Steel	33,671,112	15,223,870	8,705,309	457,878	4,877,031	4,407,024
845	37602		Mains - Plastic	19,028,671	8,603,518	4,919,661	258,762	2,756,173	2,490,557
846	37800		Meas & Reg. Sta. Equip - General	2,894,799	1,308,838	748,420	39,365	419,292	378,884
847	37900		Meas & Reg. Sta. Equip - City Gate	984,409	445,085	254,508	13,387	142,585	128,844
848	37905		Meas & Reg. Sta. Equipment T.B.	1,038,111	469,366	268,393	14,117	150,363	135,873
849	38000		Services	30,562,139	27,216,572	3,310,936	1,683	21,040	11,908
850	38100		Meters	21,386,354	13,797,005	7,076,398	24,923	311,648	176,380
851	38200		Meter Installations	26,987,899	17,410,737	8,929,858	31,450	393,275	222,578
852	38300		House Regulators	4,321,265	2,787,783	1,429,836	5,036	62,971	35,639
853	38400		House Reg. Installations	94,403	60,903	31,237	110	1,376	779
854	38500		Ind. Meas. & Reg. Sta. Equipment	2,958,741	-	2,928,115	1,488	18,607	10,531
855	38600		Other Prop. On Cust. Prem	0	-	-	-	-	-
856									
857			Total Distribution Plant	157,596,387	93,503,670	42,136,512	1,034,069	11,134,147	9,787,988

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF RESERVE FOR DEPRECIATION							
858							
859	General:						
860							
861	38900 Land & Land Rights	0	-	-	-	-	-
862	39000 Structures & Improvements	1,253,482	721,094	303,761	10,680	114,876	103,072
863	39002 Structures - Brick	107,583	61,889	26,071	917	9,859	8,846
864	39003 Improvements	292,730	168,399	70,938	2,494	26,827	24,071
865	39003 Air Conditioning Equipment	5,049	2,905	1,224	43	463	415
866	39004 Improvement to Leased Premises	1,248,110	718,003	302,459	10,634	114,384	102,630
867	39009 Office Furniture & Equipment	1,144,609	658,462	277,378	9,752	104,898	94,119
868	39100 Remittance Processing Equip	0	-	-	-	-	-
869	39102 Office Machines	0	-	-	-	-	-
870	39103 Transportation Equipment	113,788	65,459	27,575	969	10,428	9,357
871	39200 Trucks	0	-	-	-	-	-
872	39201 Trailers	(2,529)	(1,455)	(613)	(22)	(232)	(208)
873	39202 Stores Equipment	0	-	-	-	-	-
874	39400 Tools, Shop & Garage Equipment	1,300,851	748,344	315,240	11,083	119,217	106,967
875	39600 Power Operated Equipment	0	-	-	-	-	-
876	39603 Ditchers	39,655	22,812	9,610	338	3,634	3,261
877	39604 Backhoes	62,818	36,137	15,223	535	5,757	5,165
878	39605 Welders	19,456	11,193	4,715	166	1,783	1,600
879	39700 Communication Equipment	269,010	154,754	65,190	2,292	24,654	22,120
880	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
881	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
882	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
883	39800 Miscellaneous Equipment	2,072,883	1,192,472	502,330	17,661	189,970	170,450
884	39900 Other Tangible Property	0	-	-	-	-	-
885	39901 Other Tangible Property - Servers - H/W	6,670	3,837	1,616	57	611	548
886	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
887	39903 Other Tangible Property - Network - H/W	64,644	37,188	15,666	551	5,924	5,316
888	39904 Other Tang. Property - CPU	0	-	-	-	-	-
889	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
890	39906 Other Tang. Property - PC Hardware	112,226	64,560	27,196	956	10,285	9,228
891	39907 Other Tang. Property - PC Software	0	-	-	-	-	-
892	39908 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
893	39909 Other Tang. Property - Application Software	117,916	67,834	28,575	1,005	10,806	9,696
894	Other Tang. Property - General Startup Costs	0	-	-	-	-	-
895	Retirement Work in Progress	(6,374,709)	(3,667,194)	(1,544,808)	(54,312)	(584,213)	(524,182)
896	AR 15 general plant amortization	0	-	-	-	-	-
897							
898	Total General Plant	1,854,243	1,066,695	449,346	15,798	169,933	152,472
899							
900	TOTAL DIRECT RESERVE FOR DEPRECIATION	183,960,444	105,474,208	48,856,833	1,380,442	14,950,064	13,299,097
901							
902	Kentucky Mid-States General Office:						
903							
904	Intangible Plant:						
905							
906	30100 Organization	0	-	-	-	-	-
907	30200 Franchises & Consents	0	-	-	-	-	-
908	30300 Misc Intangible Plant	0	-	-	-	-	-
909							
910	Total Intangible Plant:						
911							
912	General:						
913							
914	37400 Land & Land Rights	0	-	-	-	-	-
915	39001 Structures Frame	52,708	30,321	12,773	449	4,830	4,334
916	36602 Structures & Improvements	0	-	-	-	-	-
917	38900 Land & Land Rights	0	-	-	-	-	-
918	39004 Air Conditioning Equipment	5,090	2,928	1,233	43	466	419
919	39009 Improvement to leased Premises	19,332	11,121	4,685	165	1,772	1,590
920	39100 Office Furniture & Equipment	19,220	11,057	4,658	164	1,761	1,580
921	39102 Remittance Processing Equip	0	-	-	-	-	-
922	39103 Office Machines	0	-	-	-	-	-
923	39200 Transportation Equipment	8,895	5,117	2,156	76	815	731
924	39201 Trucks	0	-	-	-	-	-
925	39202 Trailers	0	-	-	-	-	-
926	39300 Stores Equipment	0	-	-	-	-	-
927	39400 Tools, Shop & Garage Equipment	71,611	41,196	17,354	610	6,563	5,888
928	39600 Power Operated Equipment	4,375	2,517	1,060	37	401	360
929	39603 Ditchers	0	-	-	-	-	-
930	39604 Backhoes	0	-	-	-	-	-
931	39605 Welders	0	-	-	-	-	-
932	39700 Communication Equipment	(2,991)	(1,721)	(725)	(25)	(274)	(246)
933	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
934	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
935	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
936	39800 Miscellaneous Equipment	359,341	206,719	87,080	3,062	32,932	29,548
937	39900 Other Tangible Property	0	-	-	-	-	-
938	39901 Other Tangible Property - Servers - H/W	(17,306)	(9,956)	(4,194)	(147)	(1,586)	(1,423)
939	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
940	39903 Other Tangible Property - Network - H/W	0	-	-	-	-	-
941	39904 Other Tang. Property - CPU	0	-	-	-	-	-
942	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
943	39906 Other Tang. Property - PC Hardware	34,944	20,102	8,468	298	3,202	2,873
944	39907 Other Tang. Property - PC Software	21,086	12,130	5,110	180	1,932	1,734
945	39908 Other Tang. Property - Mainframe S/W	412,432	237,261	99,946	3,514	37,797	33,914
946	39909 Other Tang. Property - Application Software	0	-	-	-	-	-
947	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
948	Retirement Work in Progress	26,143	15,039	6,335	223	2,396	2,150
949							
950	Total General Plant	1,014,877	583,831	245,939	8,647	93,009	83,452

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF OTHER RATE BASE									
Customer									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base Additions:								
2									
3	Materials and Supplies - KY Direct	7.2	Allocated O&M Expenses - Cust	(39,665)	(31,233)	(8,136)	(27)	(171)	(97)
4	Materials and Supplies - KY Mid-States GO	7.2	Allocated O&M Expenses - Cust	51,291	40,388	10,521	35	222	126
5	Materials and Supplies - Shared Services GO	7.2	Allocated O&M Expenses - Cust	(0)	(0)	(0)	(0)	(0)	(0)
6	Materials and Supplies - Shared Services CS	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
7	Gas Storage Inventory	99.0	-	0	-	-	-	-	-
8	Prepayments - KY Direct	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
9	Prepayments - KY Mid-States GO	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
10	Prepayments - Shared Services GO	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
11	Prepayments - Shared Services CS	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
12	Cash Working Capital	7.2	Allocated O&M Expenses - Cust	265,609	209,149	54,482	181	1,148	650
13	Regulatory Assets	7.2	Allocated O&M Expenses - Cust	(3,257,103)	(2,564,742)	(668,094)	(2,217)	(14,078)	(7,971)
14									
15	Total Rate Base Additions			(2,979,868)	(2,346,439)	(611,228)	(2,029)	(12,880)	(7,292)
16									
17	Rate Base Deductions:								
18									
19	Customer Advances - KY Direct	2.0	Bills	(747,234)	(665,436)	(80,951)	(41)	(514)	(291)
20	Customer Advances - KY Mid-States GO	2.0	Bills	0	-	-	-	-	-
21	Customer Advances - Shared Services GO	2.0	Bills	0	-	-	-	-	-
22	Customer Advances - Shared Services CS	2.0	Bills	0	-	-	-	-	-
23	ADIT - KY Direct	9.2	Allocated Net Plant - Cust	(27,044,140)	(21,578,621)	(5,229,008)	(11,491)	(143,695)	(81,326)
24	ADIT - KY Mid-States GO	9.2	Allocated Net Plant - Cust	8,225,242	6,562,951	1,590,357	3,495	43,704	24,735
25	ADIT - Shared Services GO	9.2	Allocated Net Plant - Cust	(305,471)	(243,737)	(59,063)	(130)	(1,623)	(919)
26	ADIT - Shared Services CS	9.2	Allocated Net Plant - Cust	24,343	19,423	4,707	10	129	73
27	Change in Net Operating Loss Carryforward	9.2	Allocated Net Plant - Cust	466,510	372,230	90,200	198	2,479	1,403
28									
29									
30	Total Rate Base Deductions			(19,380,752)	(15,533,190)	(3,683,758)	(7,959)	(99,521)	(56,325)
31									
32	TOTAL OTHER RB - CUSTOMER			(22,360,620)	(17,879,629)	(4,294,986)	(9,987)	(112,401)	(63,617)
33									
34									
35	Interest on Customer Deposits	2.0	Bills	0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF OTHER RATE BASE									
Demand									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
35	Rate Base Additions:								
36									
37	Materials and Supplies - KY Direct	7.4	Allocated O&M Expenses - Demand	(62,822)	(28,404)	(16,242)	(854)	(9,099)	(8,222)
38	Materials and Supplies - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	81,236	36,729	21,003	1,105	11,766	10,632
39	Materials and Supplies - Shared Services GO	7.4	Allocated O&M Expenses - Demand	(0)	(0)	(0)	(0)	(0)	(0)
40	Materials and Supplies - Shared Services CS	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
41	Gas Storage Inventory	99.0	-	0	-	-	-	-	-
42	Prepayments - KY Direct	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
43	Prepayments - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
44	Prepayments - Shared Services GO	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
45	Prepayments - Shared Services CS	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
46	Cash Working Capital	7.4	Allocated O&M Expenses - Demand	420,678	190,203	108,762	5,721	60,932	55,060
47	Regulatory Assets	7.4	Allocated O&M Expenses - Demand	(5,158,673)	(2,332,414)	(1,333,720)	(70,150)	(747,199)	(675,190)
48									
49	Total Rate Base Additions			(4,719,582)	(2,133,886)	(1,220,198)	(64,179)	(683,599)	(617,720)
50									
51	Rate Base Deductions:								
52									
53									
54	Customer Advances - KY Direct	99.0	-	0	-	-	-	-	-
55	Customer Advances - KY Mid-States GO	99.0	-	0	-	-	-	-	-
56	Customer Advances - Shared Services GO	99.0	-	0	-	-	-	-	-
57	Customer Advances - Shared Services CS	99.0	-	0	-	-	-	-	-
58	ADIT - KY Direct	9.4	Allocated Net Plant - Demand	(47,328,915)	(21,399,034)	(12,236,389)	(643,604)	(6,855,270)	(6,194,618)
59	ADIT - KY Mid-States GO	9.4	Allocated Net Plant - Demand	14,394,681	6,508,331	3,721,592	195,747	2,084,971	1,884,039
60	ADIT - Shared Services GO	9.4	Allocated Net Plant - Demand	(534,594)	(241,708)	(138,214)	(7,270)	(77,432)	(69,970)
61	ADIT - Shared Services CS	9.4	Allocated Net Plant - Demand	42,601	19,261	11,014	579	6,170	5,576
62	Change in Net Operating Loss Carryforward	9.4	Allocated Net Plant - Demand	816,420	369,132	211,077	11,102	118,253	106,857
63									
64	Total Rate Base Deductions			(32,609,807)	(14,744,018)	(8,430,919)	(443,446)	(4,723,308)	(4,268,116)
65									
66									
67	TOTAL OTHER RB - DEMAND			(37,329,389)	(16,877,903)	(9,651,117)	(507,625)	(5,406,907)	(4,885,835)
68									
69	Interest on Customer Deposits	3.0	Peak Day	0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF OTHER RATE BASE									
Commodity									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
69	Rate Base Additions:								
70									
71	Materials and Supplies - KY Direct	7.6	Allocated O&M Expenses - Comm	(299,637)	(175,607)	(119,309)	(4,252)	(227)	(240)
72	Materials and Supplies - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	387,463	227,079	154,280	5,499	294	311
73	Materials and Supplies - Shared Services GO	7.6	Allocated O&M Expenses - Comm	(0)	(0)	(0)	(0)	(0)	(0)
74	Materials and Supplies - Shared Services CS	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
75	Gas Storage Inventory	1.0	Mcf	8,905,991	2,696,819	1,827,594	90,291	2,021,444	2,269,843
76	Prepayments - KY Direct	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
77	Prepayments - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
78	Prepayments - Shared Services GO	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
79	Prepayments - Shared Services CS	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
80	Cash Working Capital	7.6	Allocated O&M Expenses - Comm	2,006,472	1,175,928	798,937	28,475	1,522	1,609
81	Regulatory Assets	7.6	Allocated O&M Expenses - Comm	(24,604,894)	(14,420,124)	(9,797,181)	(349,187)	(18,665)	(19,737)
82									
83	Total Rate Base Additions			(13,604,604)	(10,495,905)	(7,135,679)	(229,175)	2,004,368	2,251,786
84									
85									
86	Rate Base Deductions:								
87									
88	Customer Advances - KY Direct	99.0	-	0	-	-	-	-	-
89	Customer Advances - KY Mid-States GO	99.0	-	0	-	-	-	-	-
90	Customer Advances - Shared Services GO	99.0	-	0	-	-	-	-	-
91	Customer Advances - Shared Services CS	99.0	-	0	-	-	-	-	-
92	ADIT - KY Direct	9.6	Allocated Net Plant - Comm	(744,201)	(281,776)	(174,357)	(9,535)	(136,807)	(141,727)
93	ADIT - KY Mid-States GO	9.6	Allocated Net Plant - Comm	226,342	85,700	53,029	2,900	41,609	43,105
94	ADIT - Shared Services GO	9.6	Allocated Net Plant - Comm	(8,406)	(3,183)	(1,969)	(108)	(1,545)	(1,601)
95	ADIT - Shared Services CS	9.6	Allocated Net Plant - Comm	670	254	157	9	123	128
96	Change in Net Operating Loss Carryforward	9.6	Allocated Net Plant - Comm	12,837	4,861	3,008	164	2,360	2,445
97									
98	Total Rate Base Deductions			(512,758)	(194,145)	(120,133)	(6,569)	(94,260)	(97,650)
99									
100									
101	TOTAL OTHER RB - COMMODITY			(14,117,362)	(10,690,050)	(7,255,811)	(235,744)	1,910,108	2,154,136
102									
103	Interest on Customer Deposits	1.0	Mcf	0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
ALLOCATION OF OTHER RATE BASE								
Total Other Rate Base								
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
103	Rate Base Additions:							
104								
105		Materials and Supplies - KY Direct	(402,124)	(235,245)	(143,687)	(5,134)	(9,498)	(8,560)
106		Materials and Supplies - KY Mid-States GO	519,990	304,197	185,803	6,638	12,282	11,069
107		Materials and Supplies - Shared Services GO	(0)	(0)	(0)	(0)	(0)	(0)
108		Materials and Supplies - Shared Services CS	0	-	-	-	-	-
109		Gas Storage Inventory	8,905,991	2,696,819	1,827,594	90,291	2,021,444	2,269,843
110		Prepayments - KY Direct	0	-	-	-	-	-
111		Prepayments - KY Mid-States GO	0	-	-	-	-	-
112		Prepayments - Shared Services GO	0	-	-	-	-	-
113		Prepayments - Shared Services CS	0	-	-	-	-	-
114		Cash Working Capital	2,692,759	1,575,279	962,181	34,377	63,602	57,320
115		Regulatory Assets	(33,020,670)	(19,317,281)	(11,798,995)	(421,555)	(779,942)	(702,897)
116								
117		Total Rate Base Additions	(21,304,054)	(14,976,230)	(8,967,105)	(295,383)	1,307,889	1,626,774
118								
119								
120	Rate Base Deductions:							
121								
122		Customer Advances - KY Direct	(747,234)	(665,436)	(80,951)	(41)	(514)	(291)
123		Customer Advances - KY Mid-States GO	0	-	-	-	-	-
124		Customer Advances - Shared Services GO	0	-	-	-	-	-
125		Customer Advances - Shared Services CS	0	-	-	-	-	-
126		ADIT - KY Direct	(75,117,257)	(43,259,431)	(17,639,753)	(664,630)	(7,135,772)	(6,417,670)
127		ADIT - KY Mid-States GO	22,846,265	13,156,982	5,364,979	202,142	2,170,283	1,951,879
128		ADIT - Shared Services GO	(848,471)	(488,628)	(199,246)	(7,507)	(80,601)	(72,489)
129		ADIT - Shared Services CS	67,614	38,938	15,878	598	6,423	5,777
130		Change in Net Operating Loss Carryforward	1,295,767	746,222	304,284	11,465	123,092	110,704
131								
132		Total Rate Base Deductions	(52,503,316)	(30,471,353)	(12,234,810)	(457,974)	(4,917,089)	(4,422,091)
133								
134								
135		TOTAL OTHER RB	(73,807,370)	(45,447,582)	(21,201,915)	(753,357)	(3,609,200)	(2,795,317)
136								
137		Interest on Customer Deposits	0	-	-	-	-	-

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
Customer									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1			Production & Gathering:						
2			Operation						
3	7500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
4	7510	99.0 -	Production Maps & Records	0	-	-	-	-	-
5	7530	99.0 -	Field Lines Expenses	0	-	-	-	-	-
6	7540	99.0 -	Field Compressor Station Expense	0	-	-	-	-	-
7	7550	99.0 -	Field Compressor Sta. Fuel & Pwr.	0	-	-	-	-	-
8	7560	99.0 -	Field Meas. & Regul. Station Exp	0	-	-	-	-	-
9	7570	99.0 -	Purification Equipment	0	-	-	-	-	-
10	7590	99.0 -	Other Expenses	0	-	-	-	-	-
11			Maintenance						
12	7610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
13	7620	99.0 -	Structures and Improvements	0	-	-	-	-	-
14	7640	99.0 -	Field Line Maintenance	0	-	-	-	-	-
15	7650	99.0 -	Compressor Station Equip. Maint.	0	-	-	-	-	-
16	7660	99.0 -	Meas. & Regul. Station Equip Maint.	0	-	-	-	-	-
17	7670	99.0 -	Purification Equipment Maintenance	0	-	-	-	-	-
18	7680	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
19	7690	99.0 -	Gas Processed By Others	0	-	-	-	-	-
20			Total Production & Gathering	0	0	0	0	0	0
21									
22			Other Gas Supply Expenses:						
23			Operation						
24	8001	99.0 -	Intercompany Gas Well-head Purchases	0	-	-	-	-	-
25	8010	99.0 -	Natural gas field line purchases	0	-	-	-	-	-
26	8040	99.0 -	Natural gas city gate purchases	0	-	-	-	-	-
27	8050	99.0 -	Other purchases	0	-	-	-	-	-
28	8051	99.0 -	PGA for Residential	0	-	-	-	-	-
29	8052	99.0 -	PGA for Commercial	0	-	-	-	-	-
30	8053	99.0 -	PGA for Industrial	0	-	-	-	-	-
31	8054	99.0 -	PGA for Public Authorities	0	-	-	-	-	-
32	8058	99.0 -	Unbilled PGA Cost	0	-	-	-	-	-
33	8059	99.0 -	PGA Offset to Unrecovered Gas Cost	0	-	-	-	-	-
34	8060	99.0 -	Exchange gas	0	-	-	-	-	-
35	8081	99.0 -	Gas withdrawn from storage-Debit	0	-	-	-	-	-
36	8082	99.0 -	Gas delivered to storage-Credit	0	-	-	-	-	-
37	8120	99.0 -	Gas used for other utility operations-Credit	0	-	-	-	-	-
38	8580	99.0 -	Transmission and compression of gas by others	0	-	-	-	-	-
39			Maintenance						
40	8350	99.0 -	Maint. Of Purch. Gas Meas. Sta.	0	-	-	-	-	-
41			Total Other Gas Supply Expenses	0	0	0	0	0	0
42									
43			Underground Storage:						
44			Operation						
45	8140	99.0 -	Storage-Operation supervision and engineering	0	-	-	-	-	-
46	8160	99.0 -	Wells expenses	0	-	-	-	-	-
47	8170	99.0 -	Lines expenses	0	-	-	-	-	-
48	8180	99.0 -	Compressor station expenses	0	-	-	-	-	-
49	8190	99.0 -	Compressor station fuel and power	0	-	-	-	-	-
50	8200	99.0 -	Storage-Measuring and regulating station expenses	0	-	-	-	-	-
51	8210	99.0 -	Storage-Purification expenses	0	-	-	-	-	-
52	8240	99.0 -	Storage-Other expenses	0	-	-	-	-	-
53	8250	99.0 -	Storage well royalties	0	-	-	-	-	-
54	8260	99.0 -	Rents	0	-	-	-	-	-
55			Maintenance						
56	8300	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
57	8310	99.0 -	Structures and Improvements	0	-	-	-	-	-
58	8320	99.0 -	Reservoirs & Wells Maintenance	0	-	-	-	-	-
59	8330	99.0 -	Line Maintenance	0	-	-	-	-	-
60	8340	99.0 -	Compressor Station Equip Maint	0	-	-	-	-	-
61	8350	99.0 -	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
62	8360	99.0 -	Purification Equipment Maintenance	0	-	-	-	-	-
63	8410	99.0 -	Other storage expenses-Operation labor and expenses	0	-	-	-	-	-
64			Total Underground Storage Expense	0	0	0	0	0	0
65									
66			Transmission:						
67			Operation						
68	8500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
69	8510	99.0 -	System Control & Load Dispatching	0	-	-	-	-	-
70	8520	99.0 -	Communication Systems Expense	0	-	-	-	-	-
71	8530	99.0 -	Compressor Station Labor Expense	0	-	-	-	-	-
72	8540	99.0 -	Compressor Station Fuel Gas	0	-	-	-	-	-
73	8550	99.0 -	Compressor Station Fuel & Power	0	-	-	-	-	-
74	8560	99.0 -	Mains Expense	0	-	-	-	-	-
75	8570	99.0 -	Meas. & Regul. Station Expenses	0	-	-	-	-	-
76	8580	99.0 -	LDC Payment	0	-	-	-	-	-
77	8590	99.0 -	LDC Payment - A&G	0	-	-	-	-	-
78	8590	99.0 -	Other Expenses	0	-	-	-	-	-
79	8600	99.0 -	Rents	0	-	-	-	-	-
80			Maintenance						
81	8610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
82	8620	99.0 -	Structures and Improvements	0	-	-	-	-	-
83	8630	99.0 -	Mains	0	-	-	-	-	-
84	8640	99.0 -	Compressor Station Equip Maint	0	-	-	-	-	-
85	8650	99.0 -	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
86	8660	99.0 -	Communication Equipment Maintenance	0	-	-	-	-	-
87	8670	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
88			Total Transmission Expense	0	0	0	0	0	0

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
89									
90	Distribution:								
91	Operation								
92	8700 Supervision and Engineering	10.2 Composite of Accts. 871-879 & 886-893 - Cust	152,826	86,237	63,224	163	2,044	1,157	
93	8710 Distribution Load Dispatching	99.0 -	0	-	-	-	-	-	
94	8711 Odorization	99.0 -	0	-	-	-	-	-	
94	8720 Compressor Station Labor & Expenses	11.2 Composite of Accts. 376 & 380 - Cust	0	-	-	-	-	-	
95	8740 Mains & Services	12.2 Composite of Accts. 374-379 - Cust	0	-	-	-	-	-	
96	8750 Measuring and Regulating Station Exp. - Gen	11.2 Composite of Accts. 376 & 380 - Cust	0	-	-	-	-	-	
97	8760 Measuring and Regulating Station Exp. - Ind.	2.2 Non-Residential Bills	120,928	-	119,676	61	761	430	
98	8770 Measuring and Regulating Sta. Exp. - City Gate	11.2 Composite of Accts. 376 & 380 - Cust	0	-	-	-	-	-	
99	8780 Meters and House Regulator Expense	13.2 Composite of Accts. 381-383 - Cust	820,621	529,408	271,530	956	11,958	6,768	
100	8790 Customer Installations Expense	2.0 Bills	2,246	2,000	243	0	2	1	
101	8800 Other Expense	10.2 Composite of Accts. 871-879 & 886-893 - Cust	508	287	210	1	7	4	
102	8810 Rents	10.2 Composite of Accts. 871-879 & 886-893 - Cust	58,056	33,099	24,266	63	785	444	
103	Maintenance								
104	8850 Maintenance Supervision and Engineering	10.2 Composite of Accts. 871-879 & 886-893 - Cust	252	142	104	0	3	2	
105	8860 Maintenance of Structures and Improvements	12.2 Composite of Accts. 374-379 - Cust	0	-	-	-	-	-	
106	8870 Maintenance of Mains	12.2 Composite of Accts. 374-379 - Cust	0	-	-	-	-	-	
107	8890 Maintenance of compressor station equipment	99.0 -	0	-	-	-	-	-	
108	8900 Maint. of Measuring and Regulating Station Equip. - General	12.2 Composite of Accts. 374-379 - Cust	0	-	-	-	-	-	
109	8910 Maint. of Measuring and Regulating Station Equip. - Industrial	2.2 Non-Residential Bills	1,723	-	1,705	1	11	6	
110	8920 Maint. of Measuring and Regulating Station Equip. - City Gate	12.2 Composite of Accts. 374-379 - Cust	0	-	-	-	-	-	
111	8930 Maintenance of Services	14.2 Account 380 - Cust	6,533	5,817	708	0	4	3	
112	8940 Maintenance of Meters and House Regulators	13.2 Composite of Accts. 381-383 - Cust	0	-	-	-	-	-	
113	8950 Maintenance of Other Equipment	10.2 Composite of Accts. 871-879 & 886-893 - Cust	931	525	385	1	12	7	
114	Total Distribution		1,165,224	657,516	482,052	1,247	15,587	8,822	
115	Customer Accounts:								
116	9010 Supervision	2.0 Bills	0	-	-	-	-	-	
118	9020 Meter Reading Expense	2.0 Bills	1,085,047	966,269	117,548	60	747	423	
119	9030 Customer Records and Collection Expenses	2.0 Bills	1,220,802	1,087,164	132,255	67	840	476	
120	9040 Uncollectible Accounts	8.0 Customer Deposit Balances	341,050	208,226	129,278	3,493	29	25	
121	9050 Miscellaneous Customer Accounts Expenses	2.0 Bills	0	-	-	-	-	-	
122	Total Customer Accounts		2,646,900	2,261,659	379,081	3,620	1,616	924	
123	Customer Service and Information:								
124	9070 Supervision	2.0 Bills	0	-	-	-	-	-	
126	9080 Customer Assistance Expenses	2.0 Bills	0	-	-	-	-	-	
127	9090 Informational and Instructional Advertising Expenses	2.0 Bills	128,272	114,230	13,896	7	88	50	
128	9100 Miscellaneous Customer Service and Informational Expenses	2.0 Bills	0	-	-	-	-	-	
129	Total Customer Service and Information		128,272	114,230	13,896	7	88	50	
130	Sales:								
131	9110 Supervision	2.0 Bills	253,468	225,721	27,459	14	174	99	
133	9120 Demonstrating and Selling Expenses	2.0 Bills	115,937	103,246	12,560	6	80	45	
134	9130 Advertising Expenses	2.0 Bills	35,170	31,320	3,810	2	24	14	
135	9160 Miscellaneous Sales Expenses	2.0 Bills	(196,207)	(174,809)	(21,266)	(11)	(135)	(76)	
136	Total Sales		208,278	185,478	22,564	11	143	81	
137	Administrative & General:								
138	Operation								
140	9200 Administrative and General Salaries	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	(298,399)	(232,758)	(63,192)	(119)	(1,488)	(842)	
141	9210 Office Supplies and Expenses	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	6,299	4,913	1,334	3	31	18	
142	9220 Administrative Expenses Transferred - Customer Support	2.0 Bills	0	-	-	-	-	-	
143	9220 Administrative Expenses Transferred - General	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	5,184,181	4,043,771	1,097,858	2,067	25,853	14,632	
144	9230 Outside Services Employed	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	121,462	94,743	25,722	48	606	343	
145	9240 Property Insurance	9.2 Allocated Net Plant - Cust	1,339	1,068	259	1	7	4	
146	9250 Injuries and Damages	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	26,463	20,642	5,604	11	132	75	
147	9260 Employee Pensions and Benefits	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	387,217	302,037	82,001	154	1,931	1,093	
148	9270 Franchise Requirements	2.0 Bills	646	576	70	0	0	0	
149	9280 Regulatory Commission Expenses	2.0 Bills	852,920	759,553	92,401	47	587	332	
150	930.1 General Advertising Expenses	2.0 Bills	0	-	-	-	-	-	
151	930.2 Miscellaneous General Expense	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	(15,134)	(11,805)	(3,205)	(6)	(75)	(43)	
152	9310 Rents	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	(2,959)	(2,308)	(627)	(1)	(15)	(8)	
153	Maintenance								
154	9320 Maintenance of General Plant	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	4,221	3,292	894	2	21	12	
155	Total A&G		6,268,256	4,983,725	1,239,119	2,206	27,591	15,615	
156									
157	TOTAL O&M EXPENSE - CUSTOMER		10,416,928	8,202,608	2,136,712	7,091	45,026	25,492	

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
246									
247	Distribution:								
248	Operation								
249	8700 Supervision and Engineering	10.4	Composite of Accts. 871-879 & 886-893 - Demand	807,275	364,997	208,712	10,978	116,928	105,660
250	8710 Distribution Load Dispatching	99.0	-	0	-	-	-	-	-
251	8711 Odorization	99.0	-	0	-	-	-	-	-
251	8720 Compressor Station Labor & Expenses	11.4	Composite of Accts. 376 & 380 - Demand	0	-	-	-	-	-
252	8740 Mains & Services	12.4	Composite of Accts. 374-379 - Demand	4,320,719	1,953,548	1,117,076	58,755	625,827	565,515
253	8750 Measuring and Regulating Station Exp. - Gen	12.4	Composite of Accts. 374-379 - Demand	574,714	259,848	148,586	7,615	83,243	75,221
254	8760 Measuring and Regulating Station Exp. - Ind.	99.0	-	0	-	-	-	-	-
255	8770 Measuring and Regulating Sta. Exp. - City Gate	12.4	Composite of Accts. 374-379 - Demand	38,286	17,310	9,898	521	5,545	5,011
256	8780 Meters and House Regulator Expense	13.4	Composite of Accts. 381-383 - Demand	0	-	-	-	-	-
257	8790 Customer Installations Expense	99.0	-	0	-	-	-	-	-
258	8800 Other Expense	10.4	Composite of Accts. 871-879 & 886-893 - Demand	2,684	1,214	694	37	389	351
259	8810 Rents	10.4	Composite of Accts. 871-879 & 886-893 - Demand	309,841	140,090	80,106	4,213	44,878	40,553
260	Maintenance								
261	8850 Maintenance Supervision and Engineering	10.4	Composite of Accts. 871-879 & 886-893 - Demand	1,331	602	344	18	193	174
262	8860 Maintenance of Structures and Improvements	12.4	Composite of Accts. 374-379 - Demand	98	44	25	1	14	13
263	8870 Maintenance of Mains	12.4	Composite of Accts. 374-379 - Demand	28,852	13,045	7,459	392	4,179	3,776
264	8890 Maintenance of compressor station equipment	99.0	-	0	-	-	-	-	-
265	8900 Maint. of Measuring and Regulating Station Equip. - General	12.4	Composite of Accts. 374-379 - Demand	65,572	29,647	16,953	892	9,498	8,582
266	8910 Maint. of Measuring and Regulating Station Equip. - Industrial	99.0	-	0	-	-	-	-	-
267	8920 Maint. of Measuring and Regulating Station Equip. - City Gate	12.4	Composite of Accts. 374-379 - Demand	795	360	206	11	115	104
268	8930 Maintenance of Services	14.4	Account 380 - Demand	0	-	-	-	-	-
269	8940 Maintenance of Meters and House Regulators	13.4	Composite of Accts. 381-383 - Demand	0	-	-	-	-	-
270	8950 Maintenance of Other Equipment	10.4	Composite of Accts. 871-879 & 886-893 - Demand	4,915	2,222	1,271	67	712	643
271	Total Distribution			6,155,082	2,782,925	1,591,331	83,700	891,522	805,604
272	Customer Accounts:								
273	9010 Supervision	99.0	-	0	-	-	-	-	-
274	9020 Meter Reading Expense	99.0	-	0	-	-	-	-	-
275	9030 Customer Records and Collection Expenses	99.0	-	0	-	-	-	-	-
276	9040 Uncollectible Accounts	99.0	-	0	-	-	-	-	-
277	9050 Miscellaneous Customer Accounts Expenses	99.0	-	0	-	-	-	-	-
278	Total Customer Accounts			0	-	-	-	-	-
279	Customer Service and Information:								
280	9070 Supervision	99.0	-	0	-	-	-	-	-
281	9080 Customer Assistance Expenses	99.0	-	0	-	-	-	-	-
282	9090 Informational and Instructional Advertising Expenses	99.0	-	0	-	-	-	-	-
283	9100 Miscellaneous Customer Service and Informational Expenses	99.0	-	0	-	-	-	-	-
284	Total Customer Service and Information			0	-	-	-	-	-
285	Sales:								
286	9110 Supervision	99.0	-	0	-	-	-	-	-
287	9120 Demonstrating and Selling Expenses	99.0	-	0	-	-	-	-	-
288	9130 Advertising Expenses	99.0	-	0	-	-	-	-	-
289	9160 Miscellaneous Sales Expenses	99.0	-	0	-	-	-	-	-
290	Total Sales			0	-	-	-	-	-
291	Administrative & General:								
292	9200 Operation								
293	9200 Administrative and General Salaries	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(533,952)	(241,418)	(138,048)	(7,261)	(77,339)	(69,886)
294	9210 Office Supplies and Expenses	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	11,271	5,096	2,914	153	1,632	1,475
295	9220 Administrative Expenses Transferred - Customer Support	99.0	-	0	-	-	-	-	-
296	9220 Administrative Expenses Transferred - General	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	9,276,510	4,194,230	2,398,343	126,147	1,343,639	1,214,151
297	9230 Outside Services Employed	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	217,343	98,268	56,192	2,956	31,481	28,447
298	9240 Property Insurance	9.4	Allocated Net Plant - Demand	2,343	1,059	606	32	339	307
299	9250 Injuries and Damages	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	47,353	21,410	12,243	644	6,859	6,198
300	9260 Employee Pensions and Benefits	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	692,881	313,275	179,137	9,422	100,359	90,687
301	9270 Franchise Requirements	99.0	-	0	-	-	-	-	-
302	9280 Regulatory Commission Expenses	99.0	-	0	-	-	-	-	-
303	930.1 General Advertising Expenses	99.0	-	0	-	-	-	-	-
304	930.2 Miscellaneous General Expense	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(27,080)	(12,244)	(7,001)	(368)	(3,922)	(3,544)
305	9310 Rents	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(5,294)	(2,394)	(1,369)	(72)	(767)	(693)
306	Maintenance								
307	9320 Maintenance of General Plant	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	7,552	3,415	1,953	103	1,094	988
308	Total A&G			9,688,925	4,380,697	2,504,969	131,755	1,403,375	1,268,129
309	313								
310	314 TOTAL O&M EXPENSE - DEMAND			16,498,567	7,459,571	4,265,530	224,356	2,389,705	2,159,405

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
Commodity									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
315			Production & Gathering:						
316			Operation						
317	7500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
318	7510	99.0 -	Production Maps & Records	0	-	-	-	-	-
319	7530	99.0 -	Field Lines Expenses	0	-	-	-	-	-
320	7540	99.0 -	Field Compressor Station Expense	0	-	-	-	-	-
321	7550	99.0 -	Field Compressor Sta. Fuel & Pwr.	0	-	-	-	-	-
322	7560	18.4 Gas Costs	Field Meas. & Regul. Station Exp	0	-	-	-	-	-
323	7570	99.0 -	Purification Equipment	0	-	-	-	-	-
324	7590	99.0 -	Other Expenses	0	-	-	-	-	-
325			Maintenance						
326	7610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
327	7620	99.0 -	Structures and Improvements	0	-	-	-	-	-
328	7640	99.0 -	Field Line Maintenance	0	-	-	-	-	-
329	7650	99.0 -	Compressor Station Equip. Maint.	0	-	-	-	-	-
330	7660	99.0 -	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
331	7670	99.0 -	Purification Equipment Maintenance	0	-	-	-	-	-
332	7680	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
333	7690	99.0 -	Gas Processed By Others	0	-	-	-	-	-
334			Total Production & Gathering	0	0	0	0	0	0
335									
336			Other Gas Supply Expenses:						
337			Operation						
338	8001	18.4 Gas Costs	Intercompany Gas Well-head Purchases	0	-	-	-	-	-
339	8010	18.4 Gas Costs	Natural gas field line purchases	61,240	35,945	24,426	870	-	-
340	8040	18.4 Gas Costs	Natural gas city gate purchases	51,401,318	30,169,962	20,501,486	729,870	-	-
341	8050	18.4 Gas Costs	Other purchases	(7,602)	(4,462)	(3,052)	(108)	-	-
342	8051	18.4 Gas Costs	PGA for Residential	47,517,427	27,890,315	18,952,391	674,721	-	-
343	8052	18.4 Gas Costs	PGA for Commercial	24,564,311	14,418,002	9,797,509	348,799	-	-
344	8053	18.4 Gas Costs	PGA for Industrial	4,854,142	2,849,135	1,936,081	68,926	-	-
345	8054	18.4 Gas Costs	PGA for Public Authorities	4,585,482	2,691,445	1,828,026	65,111	-	-
346	8058	18.4 Gas Costs	Unbilled PGA Cost	(3,124,678)	(1,834,027)	(1,246,282)	(44,369)	-	-
347	8059	18.4 Gas Costs	PGA Offset to Unrecovered Gas Cost	(71,826,171)	(42,158,313)	(28,647,966)	(1,019,892)	-	-
348	8060	18.4 Gas Costs	Exchange gas	(2,147,338)	(1,280,379)	(855,469)	(30,491)	-	-
349	8081	18.4 Gas Costs	Gas withdrawn from storage-Debit	12,436,037	7,299,322	4,960,130	176,585	-	-
350	8082	18.4 Gas Costs	Gas delivered to storage-Credit	(12,626,734)	(7,411,252)	(5,036,190)	(179,293)	-	-
351	8120	18.4 Gas Costs	Gas used for other utility operations-Credit	(14,329)	(8,410)	(5,715)	(203)	-	-
352	8580	18.4 Gas Costs	Transmission and compression of gas by others	22,709,250	13,329,176	9,057,616	322,459	-	-
353			Maintenance						
354	8350	18.4 Gas Costs	Maint. Of Purch. Gas Meas. Sta.	0	-	-	-	-	-
355			Total Other Gas Supply Expenses	78,382,354	46,006,460	31,262,909	1,112,986	0	0
356									
357			Underground Storage:						
358			Operation						
359	8140	1.5 Winter Volumes	Storage-Operation supervision and engineering	0	-	-	-	-	-
360	8160	1.5 Winter Volumes	Wells expenses	145,959	55,264	34,196	1,870	26,832	27,797
361	8170	1.5 Winter Volumes	Lines expenses	10,626	4,023	2,489	136	1,953	2,024
362	8180	1.5 Winter Volumes	Compressor station expenses	12,530	4,744	2,936	161	2,303	2,386
363	8190	1.5 Winter Volumes	Compressor station fuel and power	368	139	86	5	68	70
364	8200	1.5 Winter Volumes	Storage-Measuring and regulating station expenses	3,090	1,170	724	40	568	589
365	8210	1.5 Winter Volumes	Storage-Purification expenses	24,928	9,438	5,840	319	4,582	4,747
366	8240	1.5 Winter Volumes	Storage-Other expenses	0	-	-	-	-	-
367	8250	1.5 Winter Volumes	Storage well royalties	4,382	1,659	1,027	56	805	834
368	8260	1.5 Winter Volumes	Rents	0	-	-	-	-	-
369			Maintenance						
370	8300	1.5 Winter Volumes	Maint. Sup., & Eng.	0	-	-	-	-	-
371	8310	1.5 Winter Volumes	Structures and Improvements	6,368	2,411	1,492	82	1,171	1,213
372	8320	1.5 Winter Volumes	Reservoirs & Wells Maintenance	0	-	-	-	-	-
373	8330	1.5 Winter Volumes	Line Maintenance	0	-	-	-	-	-
374	8340	1.5 Winter Volumes	Compressor Station Equip Maint	1,665	631	390	21	306	317
375	8350	1.5 Winter Volumes	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
376	8360	1.5 Winter Volumes	Purification Equipment Maintenance	0	-	-	-	-	-
377	8410	1.5 Winter Volumes	Other storage expenses-Operation labor and expenses	34,542	13,078	8,093	443	6,350	6,578
378			Total Underground Storage Expense	244,457	92,559	57,273	3,132	44,939	46,555
379									
380			Transmission:						
381			Operation						
382	8500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
383	8510	99.0 -	System Control & Load Dispatching	0	-	-	-	-	-
384	8520	99.0 -	Communication Systems Expense	0	-	-	-	-	-
385	8530	99.0 -	Compressor Station Labor Expense	0	-	-	-	-	-
386	8540	99.0 -	Compressor Station Fuel Gas	0	-	-	-	-	-
387	8550	99.0 -	Compressor Station Fuel & Power	0	-	-	-	-	-
388	8560	99.0 -	Mains Expense	0	-	-	-	-	-
389	8570	99.0 -	Meas. & Regul. Station Expenses	0	-	-	-	-	-
390	8580	99.0 -	LDC Payment	0	-	-	-	-	-
391	8580	99.0 -	LDC Payment - A&G	0	-	-	-	-	-
392	8590	99.0 -	Other Expenses	0	-	-	-	-	-
393	8600	99.0 -	Rents	0	-	-	-	-	-
394			Maintenance						
395	8610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
396	8620	99.0 -	Structures and Improvements	0	-	-	-	-	-
397	8630	99.0 -	Mains	0	-	-	-	-	-
398	8640	99.0 -	Compressor Station Equip Maint	0	-	-	-	-	-
399	8650	99.0 -	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
400	8660	99.0 -	Communication Equipment Maintenance	0	-	-	-	-	-
401	8670	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
402			Total Transmission Expense	0	0	0	0	0	0

Almos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF O&M EXPENSES										
403										
404	Distribution:									
405	Operation									
406	8700	Supervision and Engineering	10.6	Composite of Accts. 871-879 & 886-893 - Comm	3,310	1,002	679	34	751	844
407	8710	Distribution Load Dispatching	1.0	Mcf	853	201	136	7	150	169
408	8711	Odorization	1.0	Mcf	19,956	6,043	4,095	202	4,529	5,086
408	8720	Compressor Station Labor & Expenses	99.0	-	0	-	-	-	-	-
409	8740	Mains & Services	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
410	8750	Measuring and Regulating Station Exp. - Gen	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
411	8760	Measuring and Regulating Station Exp. - Ind.	99.0	-	0	-	-	-	-	-
412	8770	Measuring and Regulating Sta. Exp. - City Gate	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
413	8780	Meters and House Regulator Expense	99.0	-	0	-	-	-	-	-
414	8790	Customer Installations Expense	99.0	-	0	-	-	-	-	-
415	8800	Other Expense	10.6	Composite of Accts. 871-879 & 886-893 - Comm	11	3	2	0	2	3
416	8810	Rents	10.6	Composite of Accts. 871-879 & 886-893 - Comm	1,270	385	261	13	288	324
417	Maintenance									
418	8850	Maintenance Supervision and Engineering	10.6	Composite of Accts. 871-879 & 886-893 - Comm	5	2	1	0	1	1
419	8860	Maintenance of Structures and Improvements	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
420	8870	Maintenance of Mains	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
421	8890	Maintenance of compressor station equipment	1.0	Mcf	0	-	-	-	-	-
422	8900	Maint. of Measuring and Regulating Station Equip. - General	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
423	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	5.0	Direct to Transport	0	-	-	-	-	-
424	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	12.6	Composite of Accts. 374-379 - Comm	0	-	-	-	-	-
425	8930	Maintenance of Services	14.6	Account 380 - Comm	0	-	-	-	-	-
426	8940	Maintenance of Meters and House Regulators	13.6	Composite of Accts. 381-383 - Comm	0	-	-	-	-	-
427	8950	Maintenance of Other Equipment	10.6	Composite of Accts. 871-879 & 886-893 - Comm	20	6	4	0	5	5
428		Total Distribution			25,235	7,641	5,178	256	5,728	6,432
429										
430	Customer Accounts:									
431	9010	Supervision	99.0	-	0	-	-	-	-	-
432	9020	Meter Reading Expense	99.0	-	0	-	-	-	-	-
433	9030	Customer Records and Collection Expenses	99.0	-	0	-	-	-	-	-
434	9040	Uncollectible Accounts	99.0	-	0	-	-	-	-	-
435	9050	Miscellaneous Customer Accounts Expenses	99.0	-	0	-	-	-	-	-
436		Total Customer Accounts			0	-	-	-	-	-
437										
438	Customer Service and Information:									
439	9070	Supervision	99.0	-	0	-	-	-	-	-
440	9080	Customer Assistance Expenses	99.0	-	0	-	-	-	-	-
441	9090	Informational and Instructional Advertising Expenses	99.0	-	0	-	-	-	-	-
442	9100	Miscellaneous Customer Service and Informational Expenses	99.0	-	0	-	-	-	-	-
443		Total Customer Service and Information			0	-	-	-	-	-
444										
445	Sales:									
446	9110	Supervision	99.0	-	0	-	-	-	-	-
447	9120	Demonstrating and Selling Expenses	99.0	-	0	-	-	-	-	-
448	9130	Advertising Expenses	99.0	-	0	-	-	-	-	-
449	9160	Miscellaneous Sales Expenses	99.0	-	0	-	-	-	-	-
450		Total Sales			0	-	-	-	-	-
451										
452	Administrative & General:									
453	Operation									
454	9200	Administrative and General Salaries	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	(2,191)	(664)	(450)	(22)	(497)	(558)
455	9210	Office Supplies and Expenses	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	46	14	9	0	10	12
456	9220	Administrative Expenses Transferred - Customer Support	99.0	-	0	-	-	-	-	-
457	9220	Administrative Expenses Transferred - General	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	38,074	11,533	7,815	386	8,639	9,700
458	9230	Outside Services Employed	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	892	270	183	9	202	227
459	9240	Property Insurance	9.6	Allocated Net Plant - Comm	37	14	9	0	7	7
460	9250	Injuries and Damages	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	194	59	40	2	44	50
461	9260	Employee Pensions and Benefits	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	2,844	861	584	29	645	725
462	9270	Franchise Requirements	99.0	-	0	-	-	-	-	-
463	9280	Regulatory Commission Expenses	99.0	-	0	-	-	-	-	-
464	930.1	General Advertising Expenses	99.0	-	0	-	-	-	-	-
465	930.2	Miscellaneous General Expense	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	(111)	(34)	(23)	(1)	(25)	(28)
466	9310	Rents	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	(22)	(7)	(4)	(0)	(5)	(6)
467	Maintenance									
468	9320	Maintenance of General Plant	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	31	9	6	0	7	8
469		Total A&G			39,793	12,057	8,169	404	9,028	10,136
470										
471		TOTAL O&M EXPENSE - COMMODITY			78,691,840	46,118,716	31,333,529	1,116,777	59,694	63,122

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
Total O&M Expenses									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
472			Production & Gathering:						
473			Operation						
474	7500		Op., Sup., & Eng.	0	0	0	0	0	0
475	7510		Production Maps & Records	0	0	0	0	0	0
476	7530		Field Lines Expenses	0	0	0	0	0	0
477	7540		Field Compressor Station Expense	0	0	0	0	0	0
478	7550		Field Compressor Sta. Fuel & Pwr.	0	0	0	0	0	0
479	7560		Field Meas. & Regul. Station Exp	0	0	0	0	0	0
480	7570		Purification Expense	0	0	0	0	0	0
481	7590		Other Expenses	0	0	0	0	0	0
482			Maintenance						
483	7610		Maint. Sup., & Eng.	0	0	0	0	0	0
484	7620		Structures and Improvements	0	0	0	0	0	0
485	7640		Field Line Maintenance	0	0	0	0	0	0
486	7650		Compressor Station Equip. Maint.	0	0	0	0	0	0
487	7660		Meas. & Regul. Station Equip Maint.	0	0	0	0	0	0
488	7670		Purification Equipment Maintenance	0	0	0	0	0	0
489	7680		Other Equipment Maintenance	0	0	0	0	0	0
490	7690		Gas Processed By Others	0	0	0	0	0	0
491			Total Production & Gathering	0	0	0	0	0	0
492									
493			Other Gas Supply Expenses:						
494			Operation						
495	8001		Intercompany Gas Well-head Purchases	0	0	0	0	0	0
496	8010		Natural gas field line purchases	61,240	35,945	24,426	870	0	0
497	8040		Natural gas city gate purchases	51,401,318	30,169,962	20,501,486	729,870	0	0
498	8050		Other purchases	(7,602)	(4,462)	(3,052)	(108)	0	0
499	8051		PGA for Residential	47,517,427	27,890,315	18,952,391	674,721	0	0
500	8052		PGA for Commercial	24,564,311	14,418,002	9,797,509	348,799	0	0
501	8053		PGA for Industrial	4,854,142	2,849,135	1,936,081	68,926	0	0
502	8054		PGA for Public Authorities	4,585,482	2,691,445	1,828,026	65,111	0	0
503	8058		Unbilled PGA Cost	(3,124,678)	(1,834,027)	(1,246,282)	(44,369)	0	0
504	8059		PGA Offset to Unrecovered Gas Cost	(71,826,171)	(42,158,313)	(28,647,966)	(1,019,892)	0	0
505	8060		Exchange gas	(2,147,338)	(1,280,379)	(856,469)	(30,491)	0	0
506	8081		Gas withdrawn from storage-Debit	12,436,037	7,299,322	4,960,130	176,585	0	0
507	8082		Gas delivered to storage-Credit	(12,626,734)	(7,411,252)	(5,036,190)	(179,293)	0	0
508	8120		Gas used for other utility operations-Credit	(14,329)	(8,410)	(5,715)	(203)	0	0
509	8580		Transmission and compression of gas by others	22,709,250	13,329,176	9,057,616	322,459	0	0
510			Maintenance						
511	8350		Maint. Of Purch. Gas Meas. Sta.	0	0	0	0	0	0
512			Total Other Gas Supply Expenses	78,382,354	46,006,460	31,262,909	1,112,986	0	0
513									
514			Underground Storage:						
515			Operation						
516	8140		Storage-Operation supervision and engineering	0	0	0	0	0	0
517	8160		Wells expenses	291,917	121,257	71,932	3,855	47,973	46,900
518	8170		Lines expenses	21,251	8,827	5,237	281	3,492	3,414
519	8180		Compressor station expenses	25,060	10,410	6,175	331	4,118	4,026
520	8190		Compressor station fuel and power	735	305	181	10	121	118
521	8200		Storage-Measuring and regulating station expenses	6,181	2,567	1,523	82	1,016	993
522	8210		Storage-Purification expenses	49,856	20,709	12,285	658	8,193	8,010
523	8240		Storage-Other expenses	0	0	0	0	0	0
524	8250		Storage well royalties	8,763	3,640	2,159	116	1,440	1,408
525	8260		Rents	0	0	0	0	0	0
526			Maintenance						
527	8300		Maint. Sup., & Eng.	0	0	0	0	0	0
528	8310		Structures and Improvements	12,736	5,290	3,138	168	2,093	2,046
529	8320		Reservoirs & Wells Maintenance	0	0	0	0	0	0
530	8330		Line Maintenance	0	0	0	0	0	0
531	8340		Compressor Station Equip Maint	3,331	1,384	821	44	547	535
532	8350		Meas. & Regul. Station Equip Maint	0	0	0	0	0	0
533	8360		Purification Equipment Maintenance	0	0	0	0	0	0
534	8410		Other storage expenses-Operation labor and expenses	69,083	28,696	17,023	912	11,353	11,099
535			Total Underground Storage Expense	488,914	203,086	120,475	6,456	80,347	78,550
536									
537			Transmission:						
538			Operation						
539	8500		Op., Sup., & Eng.	35	16	9	0	5	5
540	8510		System Control & Load Dispatching	0	0	0	0	0	0
541	8520		Communication Systems Expense	0	0	0	0	0	0
542	8530		Compressor Station Labor Expense	0	0	0	0	0	0
543	8540		Compressor Station Fuel Gas	0	0	0	0	0	0
544	8550		Compressor Station Fuel & Power	308	139	80	4	45	40
545	8560		Mains Expense	366,202	165,573	94,678	4,980	53,042	47,650
546	8570		Meas. & Regul. Station Expenses	27,278	12,333	7,052	371	3,951	3,570
547	8580		LDC Payment	0	0	0	0	0	0
548	8580		LDC Payment - A&G	0	0	0	0	0	0
549	8590		Other Expenses	0	0	0	0	0	0
550	8600		Rents	0	0	0	0	0	0
551			Maintenance						
552	8610		Maint. Sup., & Eng.	0	0	0	0	0	0
553	8620		Structures and Improvements	0	0	0	0	0	0
554	8630		Mains	16,280	7,361	4,209	221	2,358	2,131
555	8640		Compressor Station Equip Maint	0	0	0	0	0	0
556	8650		Meas. & Regul. Station Equip Maint	0	0	0	0	0	0
557	8660		Communication Equipment Maintenance	0	0	0	0	0	0
558	8670		Other Equipment Maintenance	0	0	0	0	0	0
559			Total Transmission Expense	410,103	185,422	106,028	5,577	59,401	53,076

Almos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF O&M EXPENSES							
560							
561	Distribution:						
562	Operation:						
563	8700 Supervision and Engineering	963,411	452,236	272,616	11,175	119,724	107,660
564	8710 Distribution Load Dispatching	863	201	136	7	150	160
565	8711 Odorization	19,956	6,043	4,095	202	4,529	5,086
565	8720 Compressor Station Labor & Expenses	0	0	0	0	0	0
566	8740 Mains & Services	4,320,719	1,963,546	1,117,076	58,755	625,827	565,515
567	8750 Measuring and Regulating Station Exp. - Gen	574,714	259,848	148,586	7,615	83,243	75,221
568	8760 Measuring and Regulating Station Exp. - Ind.	120,928	0	119,676	61	761	430
569	8770 Measuring and Regulating Sta. Exp. - City Gate	38,286	17,310	9,898	521	5,545	5,011
570	8780 Meters and House Regulator Expense	820,621	529,408	271,530	956	11,958	6,768
571	8790 Customer Installations Expense	2,246	2,000	243	0	2	1
572	8800 Other Expense	3,204	1,504	907	37	396	358
573	8810 Rents	369,768	173,573	104,633	4,289	45,951	41,321
574	Maintenance:						
575	8850 Maintenance Supervision and Engineering	1,588	745	449	18	197	177
576	8860 Maintenance of Structures and Improvements	98	44	25	1	14	13
577	8870 Maintenance of Mains	28,852	13,045	7,459	392	4,179	3,776
578	8890 Maintenance of compressor station equipment	0	0	0	0	0	0
579	8900 Maint. of Measuring and Regulating Station Equip. - General	65,572	29,647	16,953	892	9,496	8,582
580	8910 Maint. of Measuring and Regulating Station Equip. - Industrial	1,723	0	1,705	1	11	6
581	8920 Maint. of Measuring and Regulating Station Equip. - City Gate	795	360	206	11	115	104
582	8930 Maintenance of Services	6,533	5,817	708	0	4	3
583	8940 Maintenance of Meters and House Regulators	0	0	0	0	0	0
584	8950 Maintenance of Other Equipment	5,866	2,754	1,660	68	729	656
585	Total Distribution	7,345,541	3,448,082	2,078,562	85,203	912,837	820,658
586	Customer Accounts:						
587	9010 Supervision	0	0	0	0	0	0
589	9020 Meter Reading Expense	1,085,047	966,269	117,548	60	747	423
590	9030 Customer Records and Collection Expenses	1,220,802	1,087,164	132,255	67	840	476
591	9040 Uncollectible Accounts	341,050	208,226	129,276	3,493	29	25
592	9050 Miscellaneous Customer Accounts Expenses	0	0	0	0	0	0
593	Total Customer Accounts	2,646,900	2,261,659	379,081	3,620	1,616	924
594	Customer Service and Information:						
595	9070 Supervision	0	0	0	0	0	0
597	9080 Customer Assistance Expenses	0	0	0	0	0	0
598	9090 Informational and Instructional Advertising Expenses	128,272	114,230	13,896	7	88	50
599	9100 Miscellaneous Customer Service and Informational Expenses	0	0	0	0	0	0
600	Total Customer Service and Information	128,272	114,230	13,896	7	88	50
601	Sales:						
602	9110 Supervision	253,468	225,721	27,459	14	174	99
604	9120 Demonstrating and Selling Expenses	115,937	103,246	12,560	6	80	45
605	9130 Advertising Expenses	35,170	31,320	3,810	2	24	14
606	9160 Miscellaneous Sales Expenses	(196,207)	(174,809)	(21,266)	(11)	(135)	(76)
607	Total Sales	208,278	185,478	22,564	11	143	81
608	Administrative & General:						
609	9200 Operation:						
611	9200 Administrative and General Salaries	(834,543)	(474,840)	(201,690)	(7,402)	(79,325)	(71,287)
612	9210 Office Supplies and Expenses	17,616	10,023	4,257	156	1,674	1,505
613	9220 Administrative Expenses Transferred - Customer Support	0	0	0	0	0	0
614	9220 Administrative Expenses Transferred - General	14,498,764	8,249,534	3,504,016	128,601	1,378,131	1,238,482
615	9230 Outside Services Employed	339,697	193,281	82,097	3,013	32,289	29,017
616	9240 Property Insurance	3,718	2,141	873	33	353	318
617	9250 Injuries and Damages	74,010	42,111	17,887	656	7,035	6,322
618	9260 Employee Pensions and Benefits	1,082,941	616,174	261,722	9,605	102,935	92,505
619	9270 Franchise Requirements	646	576	70	47	587	332
620	9280 Regulatory Commission Expenses	852,920	759,553	92,401	47	587	332
621	930.1 General Advertising Expenses	0	0	0	0	0	0
622	930.2 Miscellaneous General Expense	(42,325)	(24,082)	(10,229)	(375)	(4,023)	(3,615)
623	9310 Rents	(8,275)	(4,708)	(2,000)	(73)	(787)	(707)
624	Maintenance:						
625	9320 Maintenance of General Plant	11,804	6,716	2,853	105	1,122	1,008
626	Total A&G	15,996,974	9,376,479	3,752,256	134,365	1,439,993	1,293,880
627							
628	TOTAL O&M EXPENSE	105,607,336	61,780,895	37,735,771	1,348,225	2,494,425	2,248,019

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF DEPRECIATION EXPENSE										
Customer										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1		Intangible Plant:								
2										
3	30100	Organization	99.0	-	0	-	-	-	-	-
4	30200	Franchises & Consents	99.0	-	0	-	-	-	-	-
5	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
6										
7		Total Intangible Plant:			0	-	-	-	-	-
8										
9		Production Plant:								
10			99.0	-	0	-	-	-	-	-
11	32520	Producing Leaseholds	99.0	-	0	-	-	-	-	-
12	32540	Rights of Ways	99.0	-	0	-	-	-	-	-
13	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
14	33201	Field Lines	99.0	-	0	-	-	-	-	-
15	33202	Tributary Lines	99.0	-	0	-	-	-	-	-
16	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-	-
17	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
18										
19		Total Production Plant			0	-	-	-	-	-
20										
21		Storage Plant:								
22										
23	35010	Land	99.0	-	0	-	-	-	-	-
24	35020	Rights of Way	99.0	-	0	-	-	-	-	-
25	35100	Structures and Improvements	99.0	-	0	-	-	-	-	-
26	35102	Compression Station Equipment	99.0	-	0	-	-	-	-	-
27	35103	Meas. & Reg. Sta. Structures	99.0	-	0	-	-	-	-	-
28	35104	Other Structures	99.0	-	0	-	-	-	-	-
29	35200	Wells \ Rights of Way	99.0	-	0	-	-	-	-	-
30	35201	Well Construction	99.0	-	0	-	-	-	-	-
31	35202	Well Equipment	99.0	-	0	-	-	-	-	-
32	35203	Cushion Gas	99.0	-	0	-	-	-	-	-
33	35210	Leaseholds	99.0	-	0	-	-	-	-	-
34	35211	Storage Rights	99.0	-	0	-	-	-	-	-
35	35301	Field Lines	99.0	-	0	-	-	-	-	-
36	35302	Tributary Lines	99.0	-	0	-	-	-	-	-
37	35400	Compressor Station Equipment	99.0	-	0	-	-	-	-	-
38	35500	Meas & Reg. Equipment	99.0	-	0	-	-	-	-	-
39	35600	Purification Equipment	99.0	-	0	-	-	-	-	-
40										
41		Total Storage Plant			0	-	-	-	-	-
42										
43		Transmission:								
44										
45	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
46	36520	Rights of Way	99.0	-	0	-	-	-	-	-
47	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
48	36603	Other Structures	99.0	-	0	-	-	-	-	-
49	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
50	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
51	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
52	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
53										
54		Total Transmission Plant			0	-	-	-	-	-
55										
56		Distribution:								
57										
58	37400	Land & Land Rights	2.0	Bills	0	-	-	-	-	-
59	37401	Land	2.0	Bills	0	-	-	-	-	-
60	37402	Land Rights	2.0	Bills	0	-	-	-	-	-
61	37403	Land Other	2.0	Bills	0	-	-	-	-	-
62	37500	Structures & Improvements	2.0	Bills	0	-	-	-	-	-
63	37501	Structures & Improvements T.B.	2.0	Bills	0	-	-	-	-	-
64	37502	Land Rights	2.0	Bills	0	-	-	-	-	-
65	37503	Improvements	2.0	Bills	0	-	-	-	-	-
66	37600	Mains Cathodic Protection	2.0	Bills	0	-	-	-	-	-
67	37601	Mains - Steel	2.0	Bills	0	-	-	-	-	-
68	37602	Mains - Plastic	2.0	Bills	0	-	-	-	-	-
69	37800	Meas & Reg. Sta. Equip - General	2.0	Bills	0	-	-	-	-	-
70	37900	Meas & Reg. Sta. Equip - City Gate	2.0	Bills	0	-	-	-	-	-
71	37905	Meas & Reg. Sta. Equipment T.b.	2.0	Bills	0	-	-	-	-	-
72	38000	Services	2.0	Bills	4,817,588	4,290,218	521,911	265	3,317	1,877
73	38100	Meters	4.0	Meter Investment	2,741,749	1,768,788	907,200	3,195	39,954	22,612
74	38200	Meter Installations	4.0	Meter Investment	2,232,937	1,440,537	738,843	2,602	32,539	18,416
75	38300	House Regulators	4.0	Meter Investment	514,355	331,827	170,192	599	7,495	4,242
76	38400	House Reg. Installations	4.0	Meter Investment	8,807	5,681	2,914	10	128	73
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2	Non-Residential Bills	112,194	-	111,033	56	706	399
78	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
79										
80		Total Distribution Plant			10,427,630	7,837,051	2,452,093	6,729	84,138	47,619

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
81									
82	General:								
83									
84	38900	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
85	39000	Structures Frame	6.2	P, S, T & D Plant - Customer	94,939	73,278	20,642	49	619
86	39001	Structures & Improvements	6.2	P, S, T & D Plant - Customer	2,161	1,668	470	1	14
87	39002	Improvements	6.2	P, S, T & D Plant - Customer	8,853	6,833	1,925	5	58
88	39003	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	283	219	62	0	2
89	39004	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
90	39009	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	36,228	27,963	7,877	19	236
91	39100	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
92	39102	Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
93	39103	Transportation Equipment	6.2	P, S, T & D Plant - Customer	2,013	1,553	438	1	13
94	39200	Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
95	39201	Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
96	39202	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
97	39300	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	45,302	34,967	9,850	24	295
98	39400	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
99	39600	Ditchers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
100	39603	Backhoes	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
101	39604	Welders	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
102	39605	Communication Equipment	6.2	P, S, T & D Plant - Customer	13,556	10,464	2,948	7	88
103	39700	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
104	39701	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
105	39702	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
106	39705	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	75,438	58,227	16,402	39	491
107	39800	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
108	39900	Other Tangible Property - Servers - H/W	6.2	P, S, T & D Plant - Customer	797	615	173	0	5
109	39901	Other Tangible Property - Servers - S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
110	39902	Other Tangible Property - Network - H/W	6.2	P, S, T & D Plant - Customer	5,218	4,028	1,135	3	34
111	39903	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
112	39904	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
113	39905	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	34,640	26,737	7,532	18	226
114	39906	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
115	39907	Other Tang. Property - Mainframe S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
116	39908	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	3,989	3,079	867	2	26
117	40600	Amortization of gas plant acquisition adjustments	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
118									
119									
120		Total General Plant			323,417	249,630	70,320	169	2,107
121									
122		TOTAL DIRECT DEPRECIATION EXPENSE			10,751,047	8,086,680	2,522,413	6,897	86,245
123									
124		Kentucky Mid-States General Office:							
125									
126		Intangible Plant:							
127									
128	30100	Organization	99.0	-	0	-	-	-	-
129	30200	Franchises & Consents	99.0	-	0	-	-	-	-
130	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
131									
132		Total Intangible Plant:			0	-	-	-	-
133									
134		General:							
135									
136	37400	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
137	39001	Structures Frame	6.2	P, S, T & D Plant - Customer	969	748	211	1	6
138	36602	Structures & Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
139	38900	Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
140	39004	Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	218	168	47	0	1
141	39009	Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
142	39100	Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
143	39102	Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
144	39103	Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
145	39200	Transportation Equipment	6.2	P, S, T & D Plant - Customer	155	120	34	0	1
146	39201	Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
147	39202	Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
148	39300	Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
149	39400	Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	785	606	171	0	5
150	39600	Power Operated Equipment	6.2	P, S, T & D Plant - Customer	5	4	1	0	0
151	39603	Ditchers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
152	39604	Backhoes	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
153	39605	Welders	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
154	39700	Communication Equipment	6.2	P, S, T & D Plant - Customer	640	494	139	0	4
155	39701	Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
156	39702	Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
157	39705	Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
158	39800	Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	4,745	3,663	1,032	2	31
159	39900	Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
160	39901	Other Tangible Property - Servers - H/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
161	39902	Other Tangible Property - Servers - S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
162	39903	Other Tangible Property - Network - H/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
163	39904	Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
164	39905	Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
165	39906	Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
166	39907	Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	4,321	3,335	939	2	28
167	39908	Other Tang. Property - Mainframe S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
168	39909	Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
169	39924	Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0	-	-	-	-
170									
171									
172		Total General Plant			11,838	9,137	2,574	6	77

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF DEPRECIATION EXPENSE										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
259		Intangible Plant:								
260										
261	30100	Organization	99.0	-	0	-	-	-	-	-
262	30200	Franchises & Consents	99.0	-	0	-	-	-	-	-
263	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
264										
265		Total Intangible Plant:			0	-	-	-	-	-
266										
267		Production Plant:								
268			3.0	Peak Day	0	-	-	-	-	-
269	32520	Producing Leaseholds	3.0	Peak Day	0	-	-	-	-	-
270	32540	Rights of Ways	3.0	Peak Day	0	-	-	-	-	-
271	33100	Production Gas Wells Equipment	3.0	Peak Day	0	-	-	-	-	-
272	33201	Field Lines	3.0	Peak Day	0	-	-	-	-	-
273	33202	Tributary Lines	3.0	Peak Day	0	-	-	-	-	-
274	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0	-	-	-	-	-
275	33600	Purification Equipment	3.0	Peak Day	0	-	-	-	-	-
276										
277		Total Production Plant			0	-	-	-	-	-
278										
279		Storage Plant:								
280										
281	35010	Land	3.0	Peak Day	0	-	-	-	-	-
282	35020	Rights of Way	3.0	Peak Day	11	5	3	0	2	1
283	35100	Structures and Improvements	3.0	Peak Day	149	67	38	2	22	19
284	35102	Compression Station Equipment	3.0	Peak Day	958	433	248	13	139	125
285	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	104	47	27	1	15	14
286	35104	Other Structures	3.0	Peak Day	887	401	229	12	128	116
287	35200	Wells \ Rights of Way	3.0	Peak Day	80,561	36,424	20,828	1,096	11,669	10,544
288	35201	Well Construction	3.0	Peak Day	12,920	5,842	3,340	176	1,871	1,691
289	35202	Well Equipment	3.0	Peak Day	0	-	-	-	-	-
290	35203	Cushion Gas	3.0	Peak Day	11,694	5,287	3,023	159	1,694	1,531
291	35210	Leaseholds	3.0	Peak Day	277	125	72	4	40	36
292	35211	Storage Rights	3.0	Peak Day	240	109	62	3	35	31
293	35301	Field Lines	3.0	Peak Day	798	361	206	11	116	104
294	35302	Tributary Lines	3.0	Peak Day	952	431	246	13	138	125
295	35400	Compressor Station Equipment	3.0	Peak Day	7,849	3,549	2,029	107	1,137	1,027
296	35500	Meas & Reg. Equipment	3.0	Peak Day	2,280	1,031	590	31	330	298
297	35600	Purification Equipment	3.0	Peak Day	4,105	1,856	1,061	56	595	537
298										
299		Total Storage Plant			123,785	55,968	32,003	1,683	17,929	16,202
300										
301		Transmission:								
302										
303	36510	Land & Land Rights	3.0	Peak Day	0	-	-	-	-	-
304	36520	Rights of Way	3.0	Peak Day	9,112	4,120	2,356	124	1,320	1,193
305	36602	Structures & Improvements	3.0	Peak Day	608	275	157	8	88	80
306	36603	Other Structures	3.0	Peak Day	754	341	195	10	109	99
307	36700	Mains Cathodic Protection	3.0	Peak Day	5,362	2,424	1,386	73	777	702
308	36701	Mains - Steel	3.0	Peak Day	381,167	172,339	98,547	5,183	55,209	49,889
309	36900	Meas. & Reg. Equipment	3.0	Peak Day	11,265	5,093	2,912	153	1,632	1,474
310	36901	Meas. & Reg. Equipment	3.0	Peak Day	34,951	15,803	9,036	475	5,062	4,575
311										
312		Total Transmission Plant			443,218	200,394	114,589	6,027	64,197	58,010
313										
314		Distribution:								
315										
316	37400	Land & Land Rights	3.0	Peak Day	0	-	-	-	-	-
317	37401	Land	3.0	Peak Day	0	-	-	-	-	-
318	37402	Land Rights	3.0	Peak Day	49,908	22,565	12,903	679	7,229	6,532
319	37403	Land Other	3.0	Peak Day	0	-	-	-	-	-
320	37500	Structures & Improvements	3.0	Peak Day	6,017	2,721	1,556	82	872	788
321	37501	Structures & Improvements T.B.	3.0	Peak Day	1,787	808	462	24	259	234
322	37502	Land Rights	3.0	Peak Day	828	374	214	11	120	108
323	37503	Improvements	3.0	Peak Day	72	32	19	1	10	9
324	37600	Mains Cathodic Protection	3.0	Peak Day	873,542	394,959	225,845	11,879	126,527	114,333
325	37601	Mains - Steel	3.0	Peak Day	4,454,842	2,014,188	1,151,752	60,579	645,254	583,069
326	37602	Mains - Plastic	3.0	Peak Day	3,376,201	1,526,497	872,881	45,911	489,020	441,892
327	37800	Meas & Reg. Sta. Equip - General	3.0	Peak Day	925,640	418,514	239,314	12,587	134,073	121,152
328	37900	Meas & Reg. Sta. Equip - City Gate	3.0	Peak Day	145,903	65,968	37,722	1,984	21,133	19,096
329	37905	Meas & Reg. Sta. Equipment T.b.	3.0	Peak Day	46,759	21,141	12,089	636	6,773	6,120
330	38000	Services	99.0	-	0	-	-	-	-	-
331	38100	Meters	99.0	-	0	-	-	-	-	-
332	38200	Meter Installations	99.0	-	0	-	-	-	-	-
333	38300	House Regulators	99.0	-	0	-	-	-	-	-
334	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
335	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
336	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
337										
338		Total Distribution Plant			9,881,500	4,467,767	2,554,757	134,374	1,431,268	1,293,334

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
339									
340	General:								
341									
342	38900	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
343	39000	Structures Frame	6.4	P, S, T & D Plant - Demand	147,253	66,578	38,071	2,002	21,329
344	39001	Structures & Improvements	6.4	P, S, T & D Plant - Demand	3,352	1,515	867	46	485
345	39002	Improvements	6.4	P, S, T & D Plant - Demand	13,732	6,209	3,550	187	1,989
346	39003	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	439	199	114	6	64
347	39004	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
348	39009	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	56,191	25,406	14,528	764	8,139
349	39100	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
350	39102	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
351	39103	Transportation Equipment	6.4	P, S, T & D Plant - Demand	3,122	1,411	807	42	452
352	39200	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
353	39201	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
354	39202	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
355	39300	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	70,265	31,769	18,166	956	10,177
356	39400	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
357	39600	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
358	39603	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
359	39604	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
360	39605	Communication Equipment	6.4	P, S, T & D Plant - Demand	21,026	9,507	5,436	286	3,046
361	39700	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
362	39701	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
363	39702	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
364	39705	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	117,007	52,903	30,251	1,591	16,948
365	39800	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
366	39900	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	1,236	559	320	17	179
367	39901	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
368	39902	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	8,094	3,659	2,092	110	1,172
369	39903	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
370	39904	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
371	39905	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	53,727	24,292	13,891	731	7,782
372	39906	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
373	39907	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
374	39908	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	6,187	2,797	1,600	84	896
375	40600	Amortization of gas plant acquisition adjustments	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
376									
377									
378		Total General Plant			501,630	226,804	129,691	6,821	72,658
379									
380		TOTAL DIRECT DEPRECIATION EXPENSE			10,950,133	4,950,933	2,831,041	148,906	1,586,052
381									
382		Kentucky Mid-States General Office:							
383									
384		Intangible Plant:							
385									
386	30100	Organization	99.0	-	0	-	-	-	-
387	30200	Franchises & Consents	99.0	-	0	-	-	-	-
388	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
389									
390		Total Intangible Plant:			0	-	-	-	-
391									
392		General:							
393									
394	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
395	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	1,503	680	389	20	218
396	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
397	38900	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
398	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	338	153	87	5	49
399	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
400	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
401	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
402	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
403	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	240	109	62	3	35
404	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
405	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
406	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
407	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	1,217	550	315	17	176
408	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	7	3	2	0	1
409	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
410	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
411	39605	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
412	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	993	449	257	14	144
413	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
414	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
415	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
416	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	7,360	3,328	1,903	100	1,066
417	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
418	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
419	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
420	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
421	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
422	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
423	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
424	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	6,702	3,030	1,733	91	971
425	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
426	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
427	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
428									
429									
430		Total General Plant			18,361	8,302	4,747	250	2,659

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
431									
432		Shared Services General Office:							
433									
434		General:							
435									
436	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
437	39000	Structures & Improvements	6.4	P, S, T & D Plant - Demand	4,289	1,939	1,109	58	621
438	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
439	37503	Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
440	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
441	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	21	10	5	0	3
442	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	6,488	2,934	1,678	88	940
443	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
444	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
445	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
446	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
447	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
448	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
449	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
450	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
451	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
452	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
453	39605	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
454	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	16	7	4	0	2
455	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
456	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
457	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
458	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	39	18	10	1	6
459	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
460	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	80,504	36,399	20,813	1,095	11,660
461	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	24,127	10,908	6,238	328	3,495
462	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
463	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
464	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
465	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	5,455	2,467	1,410	74	790
466	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
467	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
468	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	821	371	212	11	119
469	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
470									
471									
472		Total General Plant			121,761	55,052	31,480	1,656	17,636
473									
474		Shared Services Customer Support:							
475		General:							
476									
477									
478	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
479	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
480	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	18,099	8,183	4,679	246	2,622
481	37503	Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
482	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
483	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	3,110	1,406	804	42	450
484	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	3,692	1,669	954	50	535
485	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
486	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
487	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
488	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
489	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
490	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
491	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	716	324	185	10	104
492	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	33	15	9	0	5
493	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
494	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
495	39605	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
496	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	4,034	1,824	1,043	55	584
497	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
498	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
499	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
500	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	501	227	130	7	73
501	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	3,406	1,540	881	46	493
502	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	33,261	15,038	8,599	452	4,818
503	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	6,131	2,772	1,585	83	888
504	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	1,492	675	386	20	216
505	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
506	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
507	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	4,395	1,987	1,136	60	637
508	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	524	237	135	7	76
509	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
510	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	205,962	93,123	53,249	2,801	29,832
511	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	19	8	5	0	3
512									
513									
514		Total General Plant			285,374	129,027	73,780	3,881	41,334
515									
516		TOTAL DEPRECIATION EXPENSE - DEMAND			11,375,629	5,143,314	2,941,048	154,692	1,647,682

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF DEPRECIATION EXPENSE										
Commodity										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
517		Intangible Plant:								
518										
519	30100	Organization	99.0 -		0	-	-	-	-	-
520	30200	Franchises & Consents	99.0 -		0	-	-	-	-	-
521	30300	Misc Intangible Plant	99.0 -		0	-	-	-	-	-
522										
523		Total Intangible Plant:			0	-	-	-	-	-
524										
525		Production Plant:								
526										
527	32520	Producing Leaseholds	99.0 -		0	-	-	-	-	-
528	32540	Rights of Ways	99.0 -		0	-	-	-	-	-
529	33100	Production Gas Wells Equipment	99.0 -		0	-	-	-	-	-
530	33201	Field Lines	99.0 -		0	-	-	-	-	-
531	33202	Tributary Lines	99.0 -		0	-	-	-	-	-
532	33400	Field Meas. & Reg. Sta. Equip	99.0 -		0	-	-	-	-	-
533	33600	Purification Equipment	99.0 -		0	-	-	-	-	-
534										
535		Total Production Plant			0	-	-	-	-	-
536										
537		Storage Plant:								
538										
539	35010	Land	1.5 Winter Volumes		0	-	-	-	-	-
540	35020	Rights of Way	1.5 Winter Volumes		11	4	3	0	2	2
541	35100	Structures and Improvements	1.5 Winter Volumes		149	56	35	2	27	28
542	35102	Compression Station Equipment	1.5 Winter Volumes		958	363	224	12	176	182
543	35103	Meas. & Reg. Sta. Structures	1.5 Winter Volumes		104	39	24	1	19	20
544	35104	Other Structures	1.5 Winter Volumes		887	336	208	11	163	169
545	35200	Wells & Rights of Way	1.5 Winter Volumes		80,561	30,503	18,874	1,032	14,810	15,342
546	35201	Well Construction	1.5 Winter Volumes		12,920	4,892	3,027	166	2,375	2,461
547	35202	Well Equipment	1.5 Winter Volumes		0	-	-	-	-	-
548	35203	Cushion Gas	1.5 Winter Volumes		11,694	4,428	2,740	150	2,150	2,227
549	35210	Leaseholds	1.5 Winter Volumes		277	105	65	4	51	53
550	35211	Storage Rights	1.5 Winter Volumes		240	91	56	3	44	46
551	35301	Field Lines	1.5 Winter Volumes		798	302	187	10	147	152
552	35302	Tributary Lines	1.5 Winter Volumes		952	361	223	12	175	181
553	35400	Compressor Station Equipment	1.5 Winter Volumes		7,849	2,972	1,839	101	1,443	1,495
554	35500	Meas & Reg. Equipment	1.5 Winter Volumes		2,280	863	534	29	419	434
555	35600	Purification Equipment	1.5 Winter Volumes		4,105	1,554	962	53	755	782
556										
557		Total Storage Plant			123,785	46,869	29,001	1,586	22,756	23,574
558										
559		Transmission:								
560										
561	36510	Land & Land Rights	99.0 -		0	-	-	-	-	-
562	36520	Rights of Way	99.0 -		0	-	-	-	-	-
563	36602	Structures & Improvements	99.0 -		0	-	-	-	-	-
564	36603	Other Structures	99.0 -		0	-	-	-	-	-
565	36700	Mains Cathodic Protection	99.0 -		0	-	-	-	-	-
566	36701	Mains - Steel	99.0 -		0	-	-	-	-	-
567	36900	Meas. & Reg. Equipment	99.0 -		0	-	-	-	-	-
568	36901	Meas. & Reg. Equipment	99.0 -		0	-	-	-	-	-
569										
570		Total Transmission Plant			0	-	-	-	-	-
571										
572		Distribution:								
573										
574	37400	Land & Land Rights	99.0 -		0	-	-	-	-	-
575	37401	Land	99.0 -		0	-	-	-	-	-
576	37402	Land Rights	1.0 Mcf		0	-	-	-	-	-
577	37403	Land Other	99.0 -		0	-	-	-	-	-
578	37500	Structures & Improvements	1.0 Mcf		0	-	-	-	-	-
579	37501	Structures & Improvements T.B.	1.0 Mcf		0	-	-	-	-	-
580	37502	Land Rights	1.0 Mcf		0	-	-	-	-	-
581	37503	Improvements	1.0 Mcf		0	-	-	-	-	-
582	37600	Mains Cathodic Protection	1.0 Mcf		0	-	-	-	-	-
583	37601	Mains - Steel	1.0 Mcf		0	-	-	-	-	-
584	37602	Mains - Plastic	1.0 Mcf		0	-	-	-	-	-
585	37800	Meas & Reg. Sta. Equip - General	1.0 Mcf		0	-	-	-	-	-
586	37900	Meas & Reg. Sta. Equip - City Gate	1.0 Mcf		0	-	-	-	-	-
587	37905	Meas & Reg. Sta. Equipment T.b.	1.0 Mcf		0	-	-	-	-	-
588	38000	Services	99.0 -		0	-	-	-	-	-
589	38100	Meters	99.0 -		0	-	-	-	-	-
590	38200	Meter Installations	99.0 -		0	-	-	-	-	-
591	38300	House Regulators	99.0 -		0	-	-	-	-	-
592	38400	House Reg. Installations	99.0 -		0	-	-	-	-	-
593	38500	Ind. Meas. & Reg. Sta. Equipment	99.0 -		0	-	-	-	-	-
594	38600	Other Prop. On Cust. Prem	99.0 -		0	-	-	-	-	-
595										
596		Total Distribution Plant			0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
597									
598	General:								
599									
600	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
601	39000	Structures Frame	6.6	P, S, T & D Plant - Commodity	2,697	1,021	632	35	496
602	39001	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	61	23	14	1	11
603	39002	Improvements	6.6	P, S, T & D Plant - Commodity	252	95	59	3	46
604	39003	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	8	3	2	0	1
605	39004	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
606	39009	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	1,029	390	241	13	189
607	39100	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
608	39102	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
609	39103	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	57	22	13	1	11
610	39200	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
611	39201	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
612	39202	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
613	39300	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	1,287	487	302	16	237
614	39400	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
615	39600	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
616	39603	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
617	39604	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
618	39605	Communication Equipment	6.6	P, S, T & D Plant - Commodity	385	146	90	5	71
619	39700	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
620	39701	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
621	39702	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
622	39705	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	2,143	811	502	27	394
623	39800	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
624	39900	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	23	9	5	0	4
625	39901	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
626	39902	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	148	56	35	2	27
627	39903	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
628	39904	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
629	39905	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	984	373	231	13	181
630	39906	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
631	39907	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
632	39908	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	113	43	27	1	21
633	40600	Amortization of gas plant acquisition adjustments	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
634									
635									
636		Total General Plant			9,188	3,479	2,153	118	1,689
637									
638		TOTAL DIRECT DEPRECIATION EXPENSE			132,973	50,348	31,154	1,704	24,445
639									
640		Kentucky Mid-States General Office:							
641									
642		Intangible Plant:							
643									
644	30100	Organization	99.0	-	0	-	-	-	-
645	30200	Franchises & Consents	99.0	-	0	-	-	-	-
646	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
647									
648		Total Intangible Plant:			0	-	-	-	-
649									
650		General:							
651									
652	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
653	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	28	10	6	0	5
654	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
655	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
656	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	6	2	1	0	1
657	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
658	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
659	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
660	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
661	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	4	2	1	0	1
662	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
663	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
664	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
665	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	22	8	5	0	4
666	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
667	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
668	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
669	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
670	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	18	7	4	0	3
671	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
672	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
673	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
674	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	135	51	32	2	25
675	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
676	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
677	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
678	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
679	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
680	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
681	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
682	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	123	46	29	2	23
683	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
684	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
685	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
686									
687									
688		Total General Plant			336	127	79	4	62
689									
690		Shared Services General Office:							

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF DEPRECIATION EXPENSE										
691										
692	General:									
693										
694	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
695	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	79	30	18	1	14	15
696	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
697	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
698	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
699	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
700	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	119	45	28	2	22	23
701	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
702	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
703	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
704	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
705	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
706	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
707	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
708	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
709	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
710	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
711	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
712	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
713	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
714	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
715	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
716	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	1	0	0	0	0	0
717	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
718	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	1,475	558	345	19	271	281
719	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	442	167	104	6	81	84
720	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
721	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
722	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
723	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	100	38	23	1	18	19
724	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
725	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
726	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	15	6	4	0	3	3
727	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
728										
729										
730		Total General Plant			2,230	844	523	29	410	425
731										
732		Shared Services Customer Support:								
733										
734	General:									
735										
736	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
737	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
738	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	332	126	78	4	61	63
739	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
740	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
741	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	57	22	13	1	10	11
742	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	68	26	16	1	12	13
743	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
744	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
745	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
746	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
747	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
748	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
749	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	13	5	3	0	2	2
750	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	1	0	0	0	0	0
751	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
752	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
753	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
754	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	74	28	17	1	14	14
755	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
756	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
757	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
758	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	9	3	2	0	2	2
759	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	62	24	15	1	11	12
760	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	609	231	143	8	112	116
761	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	112	43	26	1	21	21
762	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	27	10	6	0	5	5
763	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
764	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
765	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	80	30	19	1	15	15
766	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	10	4	2	0	2	2
767	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
768	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	3,772	1,428	884	48	693	718
769	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0	0
770										
771										
772		Total General Plant			5,227	1,979	1,225	67	961	995
773										
774		TOTAL DEPRECIATION EXPENSE - COMMODITY			140,767	53,298	32,980	1,804	25,877	26,808

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand Only Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF DEPRECIATION EXPENSE										
Total Depreciation Expense										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
775		Intangible Plant:								
776										
777	30100	Organization			0	-	-	-	-	-
778	30200	Franchises & Consents			0	-	-	-	-	-
779	30300	Misc Intangible Plant			0	-	-	-	-	-
780										
781		Total Intangible Plant:			0	-	-	-	-	-
782										
783		Production Plant:								
784										
785	32520	Producing Leaseholds			0	-	-	-	-	-
786	32540	Rights of Ways			0	-	-	-	-	-
787	33100	Production Gas Wells Equipment			0	-	-	-	-	-
788	33201	Field Lines			0	-	-	-	-	-
789	33202	Tributary Lines			0	-	-	-	-	-
790	33400	Field Meas. & Reg. Sta. Equip			0	-	-	-	-	-
791	33600	Purification Equipment			0	-	-	-	-	-
792										
793		Total Production Plant			0	-	-	-	-	-
794										
795		Storage Plant:								
796										
797	35010	Land			0	-	-	-	-	-
798	35020	Rights of Way			22	9	5	0	4	4
799	35100	Structures and Improvements			297	124	73	4	49	48
800	35102	Compression Station Equipment			1,916	796	472	25	315	308
801	35103	Meas. & Reg. Sta. Structures			208	87	51	3	34	33
802	35104	Other Structures			1,773	736	437	23	291	285
803	35200	Wells \ Rights of Way			161,122	66,927	39,703	2,128	26,478	25,886
804	35201	Well Construction			25,840	10,733	6,367	341	4,246	4,152
805	35202	Well Equipment			0	-	-	-	-	-
806	35203	Cushion Gas			23,389	9,715	5,763	309	3,844	3,758
807	35210	Leaseholds			553	230	136	7	91	89
808	35211	Storage Rights			481	200	118	6	79	77
809	35301	Field Lines			1,596	663	393	21	262	256
810	35302	Tributary Lines			1,905	791	469	25	313	306
811	35400	Compressor Station Equipment			15,699	6,521	3,868	207	2,580	2,522
812	35500	Meas & Reg. Equipment			4,561	1,894	1,124	60	749	733
813	35600	Purification Equipment			8,210	3,410	2,023	108	1,349	1,319
814										
815		Total Storage Plant			247,571	102,836	61,005	3,269	40,685	39,775
816										
817		Transmission:								
818										
819	36510	Land & Land Rights			0	-	-	-	-	-
820	36520	Rights of Way			9,112	4,120	2,356	124	1,320	1,193
821	36602	Structures & Improvements			608	275	157	8	88	80
822	36603	Other Structures			754	341	195	10	109	99
823	36700	Mains Cathodic Protection			5,362	2,424	1,386	73	777	702
824	36701	Mains - Steel			381,167	172,339	98,547	5,183	55,209	49,889
825	36900	Meas. & Reg. Equipment			11,265	5,093	2,912	153	1,632	1,474
826	36901	Meas. & Reg. Equipment			34,951	15,803	9,036	475	5,062	4,575
827										
828		Total Transmission Plant			443,218	200,394	114,589	6,027	64,197	58,010
829										
830		Distribution:								
831										
832	37400	Land & Land Rights			0	-	-	-	-	-
833	37401	Land			0	-	-	-	-	-
834	37402	Land Rights			49,908	22,565	12,903	679	7,229	6,532
835	37403	Land Other			0	-	-	-	-	-
836	37500	Structures & Improvements			6,017	2,721	1,556	82	872	788
837	37501	Structures & Improvements T.B.			1,787	808	462	24	259	234
838	37502	Land Rights			828	374	214	11	120	108
839	37503	Improvements			72	32	19	1	10	9
840	37600	Mains Cathodic Protection			873,542	394,959	225,845	11,879	126,527	114,333
841	37601	Mains - Steel			4,454,842	2,014,188	1,151,752	60,579	645,254	583,069
842	37602	Mains - Plastic			3,376,201	1,526,497	872,881	45,911	489,020	441,892
843	37800	Meas & Reg. Sta. Equip - General			925,640	418,514	239,314	12,587	134,073	121,152
844	37900	Meas & Reg. Sta. Equip - City Gate			145,903	65,968	37,722	1,964	21,133	19,096
845	37905	Meas & Reg. Sta. Equipment T.b.			46,759	21,141	12,069	636	6,773	6,120
846	38000	Services			4,817,588	4,290,218	521,911	265	3,317	1,877
847	38100	Meters			2,741,749	1,768,788	907,200	3,195	39,954	22,612
848	38200	Meter Installations			2,232,937	1,440,537	738,843	2,602	32,539	18,416
849	38300	House Regulators			514,355	331,827	170,192	599	7,495	4,242
850	38400	House Reg. Installations			8,807	5,681	2,914	10	128	73
851	38500	Ind. Meas. & Reg. Sta. Equipment			112,194	-	111,033	56	706	399
852	38600	Other Prop. On Cust. Prem			0	-	-	-	-	-
853										
854		Total Distribution Plant			20,309,129	12,304,817	5,006,850	141,103	1,515,406	1,340,953

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF DEPRECIATION EXPENSE							
855							
856	General:						
857							
858	38900 Land & Land Rights	0	-	-	-	-	-
859	39000 Structures Frame	244,888	140,877	59,345	2,086	22,443	20,137
860	39001 Structures & Improvements	5,574	3,207	1,351	47	511	458
861	39002 Improvements	22,836	13,137	5,534	195	2,093	1,878
862	39003 Air Conditioning Equipment	731	420	177	6	67	60
863	39004 Improvement to leased Premises	0	-	-	-	-	-
864	39009 Office Furniture & Equipment	93,448	53,758	22,646	796	8,564	7,684
865	39100 Remittance Processing Equip	0	-	-	-	-	-
866	39102 Office Machines	0	-	-	-	-	-
867	39103 Transportation Equipment	5,191	2,986	1,258	44	476	427
868	39200 Trucks	0	-	-	-	-	-
869	39201 Trailers	0	-	-	-	-	-
870	39202 Stores Equipment	0	-	-	-	-	-
871	39300 Tools, Shop & Garage Equipment	116,855	67,223	28,318	996	10,709	9,609
872	39400 Power Operated Equipment	0	-	-	-	-	-
873	39600 Ditchers	0	-	-	-	-	-
874	39603 Backhoes	0	-	-	-	-	-
875	39604 Welders	0	-	-	-	-	-
876	39605 Communication Equipment	34,968	20,116	8,474	298	3,205	2,875
877	39700 Communication Equipment - Mobile Radios	0	-	-	-	-	-
878	39701 Communication Equipment - Fixed Radios	0	-	-	-	-	-
879	39702 Communication Equip. - Telemetering	0	-	-	-	-	-
880	39705 Miscellaneous Equipment	194,589	111,941	47,155	1,658	17,833	16,001
881	39800 Other Tangible Property	0	-	-	-	-	-
882	39900 Other Tangible Property - Servers - H/W	2,056	1,183	498	18	188	169
883	39901 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
884	39902 Other Tangible Property - Network - H/W	13,460	7,743	3,262	115	1,234	1,107
885	39903 Other Tang. Property - CPU	0	-	-	-	-	-
886	39904 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
887	39905 Other Tang. Property - PC Hardware	89,351	51,401	21,653	761	8,189	7,347
888	39906 Other Tang. Property - PC Software	0	-	-	-	-	-
889	39907 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
890	39908 Other Tang. Property - Application Software	10,289	5,919	2,493	88	943	846
891	40600 Amortization of gas plant acquisition adjustments	0	-	-	-	-	-
892							
893							
894	Total General Plant	834,236	479,913	202,163	7,108	76,454	68,598
895							
896	TOTAL DIRECT DEPRECIATION EXPENSE	21,834,154	13,087,961	5,384,607	157,507	1,696,742	1,507,337
897							
898	Kentucky Mid-States General Office:						
899							
900	Intangible Plant:						
901							
902	30100 Organization	0	-	-	-	-	-
903	30200 Franchises & Consents	0	-	-	-	-	-
904	30300 Misc Intangible Plant	0	-	-	-	-	-
905							
906	Total Intangible Plant:	0	-	-	-	-	-
907							
908	General:						
909							
910	37400 Land & Land Rights	0	-	-	-	-	-
911	39001 Structures Frame	2,500	1,438	606	21	229	206
912	36602 Structures & Improvements	0	-	-	-	-	-
913	38900 Land & Land Rights	0	-	-	-	-	-
914	39004 Air Conditioning Equipment	561	323	136	5	51	46
915	39009 Improvement to leased Premises	0	-	-	-	-	-
916	39100 Office Furniture & Equipment	0	-	-	-	-	-
917	39102 Remittance Processing Equip	0	-	-	-	-	-
918	39103 Office Machines	0	-	-	-	-	-
919	39200 Transportation Equipment	400	230	97	3	37	33
920	39201 Trucks	0	-	-	-	-	-
921	39202 Trailers	0	-	-	-	-	-
922	39300 Stores Equipment	0	-	-	-	-	-
923	39400 Tools, Shop & Garage Equipment	2,025	1,165	491	17	186	166
924	39600 Power Operated Equipment	12	7	3	0	1	1
925	39603 Ditchers	0	-	-	-	-	-
926	39604 Backhoes	0	-	-	-	-	-
927	39605 Welders	0	-	-	-	-	-
928	39700 Communication Equipment	1,652	950	400	14	151	136
929	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
930	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
931	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
932	39800 Miscellaneous Equipment	12,240	7,041	2,966	104	1,122	1,006
933	39900 Other Tangible Property	0	-	-	-	-	-
934	39901 Other Tangible Property - Servers - H/W	0	-	-	-	-	-
935	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
936	39903 Other Tangible Property - Network - H/W	0	-	-	-	-	-
937	39904 Other Tang. Property - CPU	0	-	-	-	-	-
938	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
939	39906 Other Tang. Property - PC Hardware	0	-	-	-	-	-
940	39907 Other Tang. Property - PC Software	11,145	6,412	2,701	95	1,021	916
941	39908 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
942	39909 Other Tang. Property - Application Software	0	-	-	-	-	-
943	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
944							
945							
946	Total General Plant	30,535	17,566	7,400	260	2,798	2,511
947							
948	Shared Services General Office:						

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand Only Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF DEPRECIATION EXPENSE							
949							
950	General:						
951							
952	37400 Land & Land Rights	0	-	-	-	-	-
953	39000 Structures & Improvements	7,132	4,103	1,728	61	654	586
954	36602 Structures & Improvements	0	-	-	-	-	-
955	37503 Improvements	0	-	-	-	-	-
956	39004 Air Conditioning Equipment	0	-	-	-	-	-
957	39009 Improvement to leased Premises	35	20	9	0	3	3
958	39100 Office Furniture & Equipment	10,791	6,207	2,615	92	989	887
959	39102 Remittance Processing Equip	0	-	-	-	-	-
960	39103 Office Machines	0	-	-	-	-	-
961	39200 Transportation Equipment	0	-	-	-	-	-
962	39201 Trucks	0	-	-	-	-	-
963	39202 Trailers	0	-	-	-	-	-
964	39300 Stores Equipment	0	-	-	-	-	-
965	39400 Tools, Shop & Garage Equipment	0	-	-	-	-	-
966	39600 Power Operated Equipment	0	-	-	-	-	-
967	39603 Ditchers	0	-	-	-	-	-
968	39604 Backhoes	0	-	-	-	-	-
969	39605 Welders	0	-	-	-	-	-
970	39700 Communication Equipment	27	15	6	0	2	2
971	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
972	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
973	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
974	39800 Miscellaneous Equipment	66	38	16	1	6	5
975	39900 Other Tangible Property	0	-	-	-	-	-
976	39901 Other Tangible Property - Servers - H/W	133,882	77,019	32,444	1,141	12,270	11,009
977	39902 Other Tangible Property - Servers - S/W	40,124	23,082	9,723	342	3,677	3,299
978	39903 Other Tangible Property - Network - H/W	0	-	-	-	-	-
979	39904 Other Tang. Property - CPU	0	-	-	-	-	-
980	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
981	39906 Other Tang. Property - PC Hardware	9,073	5,219	2,199	77	831	746
982	39907 Other Tang. Property - PC Software	0	-	-	-	-	-
983	39908 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
984	39909 Other Tang. Property - Application Software	1,366	786	331	12	125	112
985	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
986							
987							
988	Total General Plant	202,494	116,489	49,071	1,725	18,558	16,651
989							
990	Shared Services Customer Support:						
991							
992	General:						
993							
994	37400 Land & Land Rights	0	-	-	-	-	-
995	39001 Structures Frame	0	-	-	-	-	-
996	36602 Structures & Improvements	30,100	17,316	7,294	256	2,759	2,475
997	37503 Improvements	0	-	-	-	-	-
998	39004 Air Conditioning Equipment	0	-	-	-	-	-
999	39009 Improvement to leased Premises	5,171	2,975	1,253	44	474	425
1000	39100 Office Furniture & Equipment	6,139	3,532	1,488	52	563	505
1001	39102 Remittance Processing Equip	0	-	-	-	-	-
1002	39103 Office Machines	0	-	-	-	-	-
1003	39200 Transportation Equipment	0	-	-	-	-	-
1004	39201 Trucks	0	-	-	-	-	-
1005	39202 Trailers	0	-	-	-	-	-
1006	39300 Stores Equipment	0	-	-	-	-	-
1007	39400 Tools, Shop & Garage Equipment	1,191	685	289	10	109	98
1008	39600 Power Operated Equipment	55	32	13	0	5	5
1009	39603 Ditchers	0	-	-	-	-	-
1010	39604 Backhoes	0	-	-	-	-	-
1011	39605 Welders	0	-	-	-	-	-
1012	39700 Communication Equipment	6,709	3,859	1,626	57	615	552
1013	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
1014	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
1015	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
1016	39800 Miscellaneous Equipment	834	480	202	7	76	69
1017	39900 Other Tangible Property	5,664	3,258	1,373	48	519	466
1018	39901 Other Tangible Property - Servers - H/W	55,314	31,821	13,405	471	5,069	4,548
1019	39902 Other Tangible Property - Servers - S/W	10,196	5,865	2,471	87	934	838
1020	39903 Other Tangible Property - Network - H/W	2,481	1,427	601	21	227	204
1021	39904 Other Tang. Property - CPU	0	-	-	-	-	-
1022	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
1023	39906 Other Tang. Property - PC Hardware	7,309	4,205	1,771	62	670	601
1024	39907 Other Tang. Property - PC Software	871	501	211	7	80	72
1025	39908 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
1026	39909 Other Tang. Property - Application Software	342,525	197,045	83,005	2,918	31,391	28,165
1027	39924 Other Tang. Property - General Startup Costs	31	18	8	0	3	3
1028							
1029							
1030	Total General Plant	474,591	273,019	115,009	4,044	43,494	39,025
1031							
1032	TOTAL DEPRECIATION EXPENSE	22,541,774	13,495,035	5,556,088	163,535	1,761,592	1,565,524

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Customer									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Taxes Other Than Income								
2									
3	Non Revenue Related:								
4	Payroll Related	7.2	Allocated O&M Expenses - Cust	91,523	72,068	18,773	62	396	224
5	Property Related	6.2	P, S, T & D Plant - Customer	2,329,332	1,797,894	506,460	1,214	15,176	8,589
6	DOT transmission User Tax	7.2	Allocated O&M Expenses - Cust	13,520	10,646	2,773	9	58	33
7	Other	7.2	Allocated O&M Expenses - Cust	9,775	7,697	2,005	7	42	24
8	Total Non Revenue Related:			2,444,150	1,888,305	530,011	1,292	15,672	8,870
9									
10	Revenue Related:								
11	State Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
12	Local Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
13	Public Service Commission Assessment	99.0	-	0	-	-	-	-	-
14	Total Revenue Related:			0	-	-	-	-	-
15									
16	Total Taxes, Other Than Income			2,444,150	1,888,305	530,011	1,292	15,672	8,870
17									
18									
19	Interest Expense	19.2	Rate Base - Cust	3,452,156	2,753,770	668,015	1,458	18,464	10,450
20									
21	Amortization of Excess ADIT	20.2	Cost of Service - Cust	(333,567)	(260,837)	(69,475)	(192)	(1,952)	(1,110)

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Demand									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
20	Taxes Other Than Income								
21									
22	Non Revenue Related:								
23	Payroll Related	7.4	Allocated O&M Expenses - Demand	144,957	65,540	37,477	1,971	20,996	18,973
24	Property Related	6.4	P, S, T & D Plant - Demand	3,612,865	1,633,501	934,068	49,130	523,299	472,868
25	DOT transmission User Tax	7.4	Allocated O&M Expenses - Demand	21,413	9,681	5,536	291	3,101	2,803
26	Other	7.4	Allocated O&M Expenses - Demand	15,482	7,000	4,003	211	2,242	2,026
27	Total Non Revenue Related:			3,794,716	1,715,722	981,084	51,603	549,639	496,669
28									
29	Revenue Related:								
30	State Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
31	Local Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
32	Public Service Commission Assessment	99.0	-	0	-	-	-	-	-
33	Total Revenue Related:			0	-	-	-	-	-
34									
35	Total Taxes, Other Than Income			3,794,716	1,715,722	981,084	51,603	549,639	496,669
36									
37									
38	Interest Expense	19.4	Rate Base - Demand	6,075,532	2,746,958	1,570,764	82,618	879,999	795,193
39									
40	Amortization of Excess ADIT	20.4	Cost of Service - Demand	(505,288)	(228,449)	(130,615)	(6,887)	(73,192)	(66,146)

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Commodity									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
39	Taxes Other Than Income								
40									
41	Non Revenue Related:								
42	Payroll Related	7.6	Allocated O&M Expenses - Comm	691,389	405,201	275,297	9,812	524	555
43	Property Related	6.6	P, S, T & D Plant - Commodity	66,174	25,055	15,504	848	12,165	12,602
44	DOT transmission User Tax	7.6	Allocated O&M Expenses - Comm	102,130	59,855	40,666	1,449	77	82
45	Other	7.6	Allocated O&M Expenses - Comm	73,842	43,276	29,402	1,048	56	59
46	Total Non Revenue Related:			933,535	533,367	360,870	13,157	12,823	13,298
47									
48	Revenue Related:								
49	State Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
50	Local Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
51	Public Service Commission Assessment	1.0	Mcf	339,436	102,784	69,655	3,441	77,044	86,511
52	Total Revenue Related:			339,436	102,784	69,655	3,441	77,044	86,511
53									
54	Total Taxes, Other Than Income			1,272,971	636,172	430,525	16,598	89,866	99,809
55									
56									
57	Interest Expense	19.6	Rate Base - Comm	(159,953)	(161,485)	(112,028)	(3,085)	55,866	60,979
58									
59	Amortization of Excess ADIT	20.6	Cost of Service - Comm	(624,911)	(362,294)	(246,010)	(8,821)	(3,725)	(4,061)

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand Only Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Total Taxes Other									
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
58	Taxes Other Than Income								
59									
60	Non Revenue Related:								
61	Payroll Related		927,870	542,809	331,548	11,846	21,916	19,751	
62	Property Related		6,008,371	3,456,450	1,456,031	51,191	550,640	494,059	
63	DOT transmission User Tax		137,062	80,182	48,975	1,750	3,237	2,918	
64	Other		99,099	57,973	35,410	1,265	2,341	2,109	
65	Total Non Revenue Related:		7,172,401	4,137,414	1,871,964	66,052	578,134	518,837	
66									
67	Revenue Related:								
68	State Gross Receipts - Tax		0	-	-	-	-	-	
69	Local Gross Receipts - Tax		0	-	-	-	-	-	
70	Public Service Commission Assessment		339,436	102,784	69,655	3,441	77,044	86,511	
71	Total Revenue Related:		339,436	102,784	69,655	3,441	77,044	86,511	
72									
73	Total Taxes, Other Than Income		7,511,837	4,240,199	1,941,620	69,493	655,177	605,348	
74									
75									
76	Interest Expense		9,367,735	5,339,243	2,126,751	80,991	954,129	866,621	
77									
78	Amortization of Excess ADIT		(1,463,766)	(851,580)	(446,100)	(15,900)	(78,869)	(71,318)	

Atmos Energy Corporation, Kentucky/Mid-States Division						
Class Cost of Service - Demand Only Study						
Forecasted Test Period: Twelve Months Ended March 31, 2020						
CLASSIFICATION FACTORS						
			Total Company	Customer	Demand	Commodity
	Input	Values	1	1	0	0
1.0	Customer	%	100.0000%	100.0000%	0.0000%	0.0000%
	Input	Values	1	0	1	0
2.0	Demand	%	100.0000%	0.0000%	100.0000%	0.0000%
	Input	Values	1	0	0	1
3.0	Commodity	%	100.0000%	0.0000%	0.0000%	100.0000%
	Input	Values	100	0	50	50
3.5	Storage (50/50)	%	100.0000%	0.0000%	50.0000%	50.0000%
	Input	Values	100	-	100	0
4.0	Mains (All Demand)	%	100.0000%	0.0000%	100.0000%	0.0000%
	Internally Generated	Values	383,700,807	119,712,299	263,988,509	0
4.1	Mains & Services	%	100.0000%	31.1994%	68.8006%	0.0000%
	Internally Generated	Values	681,841,791	264,337,185	409,995,050	7,509,555
5.4	P, S, T & D Plant	%	100.0000%	38.7681%	60.1305%	1.1014%
	Internally Generated	Values	569,918,798	205,185,395	359,087,105	5,646,298
5.7	Net Plant	%	100.0000%	36.0026%	63.0067%	0.9907%
	Internally Generated	Values	105,607,336	10,416,928	16,498,567	78,691,840
9.1	Allocated O&M Expenses	%	100.0000%	9.8638%	15.6226%	74.5136%
	Internally Generated	Values	6,001,704	952,051	5,029,035	20,618
10.0	Composite of Accts. 871-879 & 886-893	%	100.0000%	15.8630%	83.7935%	0.3435%
	Internally Generated	Values	300,006,847	-	300,006,847	-
12.0	Composite of Accts. 374-379	%	100.0000%	0.0000%	100.0000%	0.0000%
	Internally Generated	Values	496,111,427	182,824,775	321,757,716	(8,471,064)
13.0	Rate Base	%	100.0000%	36.8516%	64.8559%	-1.7075%
	Internally Generated	Values	9,623,776	3,441,079	6,157,425	25,272
17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	%	100.0000%	35.7560%	63.9814%	0.2626%
	Internally Generated	Values	185,637,186	42,303,478	64,081,471	79,252,237
18.0	Total Cost of Service at Equalized ROR	%	100.0000%	22.7883%	34.5197%	42.6920%
	Input	Values	0	0	0	0
99.0	-	%	0.0000%	0.0000%	0.0000%	0.0000%

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand Only Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
ALLOCATION FACTORS								
			Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1.0	Input Mcf	Value %	33,298,463 100.0000%	10,083,093 30.2810%	6,833,161 20.5209%	337,587 1.0138%	7,557,945 22.6976%	8,486,677 25.4867%
1.2	Input Sales Mcf	Value %	17,253,841 100.0000%	10,083,093 58.4397%	6,833,161 39.6037%	337,587 1.9566%	- 0.0000%	- 0.0000%
1.5	Input Winter Volumes	Value %	20,546,467 100.0000%	7,779,490 37.8629%	4,813,775 23.4287%	263,242 1.2812%	3,777,063 18.3830%	3,912,897 19.0441%
2.0	Input Bills	Value %	2,125,194 100.0000%	1,892,554 89.0532%	230,232 10.8335%	117 0.0055%	1,463 0.0688%	828 0.0390%
2.2	Input Non-Residential Bills	Value %	232,640 100.0000%	0 0.0000%	230,232 98.9649%	117 0.0503%	1,463 0.6289%	828 0.3559%
3.0	Input Peak Day	Value %	288,074 100.0000%	130,248 45.2134%	74,478 25.8539%	3,917 1.3599%	41,726 14.4843%	37,704 13.0884%
4.0	Input Meter Investment	Value %	42,429,546 100.0000%	27,372,625 64.5131%	14,039,249 33.0884%	49,445 0.1165%	618,296 1.4572%	349,931 0.8247%
4.2	Input Direct to Residential	Value %	1 100.0000%	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%	- 0.0000%
4.4	Input Direct to Commercial	Value %	1 100.0000%	- 0.0000%	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%
4.6	Input Direct to Industrial	Value %	1 100.0000%	- 0.0000%	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%
4.8	Input Direct to Public Authority	Value %	1 100.0000%	- 0.0000%	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%
5.0	Input Direct to Transport	Value %	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%	1 100.0000%	- 0.0000%
6.0	Internally Generated P, S, T & D Plant	Value %	681,841,791 100.0000%	392,244,757 57.5272%	165,233,311 24.2334%	5,809,272 0.8520%	62,487,662 9.1645%	56,066,789 8.2228%
6.2	Internally Generated P, S, T & D Plant - Customer	Value %	264,337,185 100.0000%	204,028,524 77.1849%	57,474,048 21.7427%	137,724 0.0521%	1,722,195 0.6515%	974,694 0.3687%
6.4	Internally Generated P, S, T & D Plant - Demand	Value %	409,995,050 100.0000%	185,372,897 45.2134%	105,999,869 25.8539%	5,575,335 1.3599%	59,384,984 14.4843%	53,661,966 13.0884%
6.6	Internally Generated P, S, T & D Plant - Commodity	Value %	7,509,555 100.0000%	2,843,336 37.8629%	1,759,393 23.4287%	96,213 1.2812%	1,380,484 18.3830%	1,430,130 19.0441%
7.0	Internally Generated Allocated O&M Expenses	Value %	105,607,336 100.0000%	61,780,895 58.5006%	37,735,771 35.7321%	1,348,225 1.2766%	2,494,425 2.3620%	2,248,019 2.1287%
7.2	Internally Generated Allocated O&M Expenses - Cust	Value %	10,416,928 100.0000%	8,202,608 78.7431%	2,136,712 20.5119%	7,091 0.0681%	45,026 0.4322%	25,492 0.2447%
7.4	Internally Generated Allocated O&M Expenses - Demand	Value %	16,498,567 100.0000%	7,459,571 45.2134%	4,265,530 25.8539%	224,356 1.3599%	2,389,705 14.4843%	2,159,405 13.0884%
7.6	Internally Generated Allocated O&M Expenses - Comm	Value %	78,691,840 100.0000%	46,118,716 58.6067%	31,333,529 39.8180%	1,116,777 1.4192%	59,694 0.0759%	63,122 0.0802%
8.0	Input Customer Deposit Balances	Value %	26,564,782 100.0000%	16,218,920 61.0542%	10,069,596 37.9058%	272,066 1.0242%	2,238 0.0084%	1,962 0.0074%
9.0	Internally Generated Allocated Net Plant	Value %	569,918,798 100.0000%	328,211,705 57.5892%	133,833,787 23.4830%	5,042,587 0.8848%	54,139,499 9.4995%	48,691,220 8.5435%
9.2	Internally Generated Allocated Net Plant - Cust	Value %	205,185,395 100.0000%	163,718,193 79.7904%	39,672,771 19.3351%	87,185 0.0425%	1,090,223 0.5313%	617,023 0.3007%
9.4	Internally Generated Allocated Net Plant - Demand	Value %	359,087,105 100.0000%	162,355,659 45.2134%	92,838,160 25.8539%	4,883,061 1.3599%	52,011,315 14.4843%	46,998,909 13.0884%
9.6	Internally Generated Allocated Net Plant - Comm	Value %	5,646,298 100.0000%	2,137,853 37.8629%	1,322,856 23.4287%	72,340 1.2812%	1,037,961 18.3830%	1,075,289 19.0441%
10.0	Internally Generated Composite of Accts. 871-879 & 886-893	Value %	6,001,704 100.0000%	2,817,270 46.9412%	1,698,298 28.2969%	69,615 1.1599%	745,837 12.4271%	670,685 11.1749%
10.2	Internally Generated Composite of Accts. 871-879 & 886-893 - Cust	Value %	952,051 100.0000%	537,226 56.4283%	393,863 41.3699%	1,018 0.1070%	12,736 1.3377%	7,208 0.7571%
10.4	Internally Generated Composite of Accts. 871-879 & 886-893 - Demand	Value %	5,029,035 100.0000%	2,273,800 45.2134%	1,300,204 25.8539%	68,388 1.3599%	728,421 14.4843%	658,222 13.0884%
10.6	Internally Generated Composite of Accts. 871-879 & 886-893 - Comm	Value %	20,618 100.0000%	6,243 30.2810%	4,231 20.5209%	209 1.0138%	4,680 22.6976%	5,255 25.4867%
11.0	Internally Generated Composite of Accts. 376 & 380	Value %	383,700,807 100.0000%	225,965,977 58.912%	81,220,409 21.1676%	3,596,449 0.9373%	38,319,346 9.9868%	34,598,626 9.0171%
11.2	Internally Generated Composite of Accts. 376 & 380 - Cust	Value %	119,712,299 100.0000%	106,607,671 89.0532%	12,968,981 10.8335%	6,591 0.0055%	82,413 0.0688%	46,643 0.0390%
11.4	Internally Generated Composite of Accts. 376 & 380 - Demand	Value %	263,988,509 100.0000%	119,358,306 45.2134%	68,251,428 25.8539%	3,589,859 1.3599%	38,236,933 14.4843%	34,551,984 13.0884%

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
SUMMARY OF RESULTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1							
2							
3							
4							
5							
6							
7							
8	Operating Revenues	169,717,866	99,196,203	53,584,857	1,440,122	8,258,004	7,238,681
9							
10	Operating Expenses:						
11							
12	Operating & Maintenance	105,607,336	60,952,823	37,440,033	1,329,036	2,949,887	2,935,557
13	Depreciation & Amortization	22,541,774	12,934,694	5,355,967	150,551	2,069,795	2,030,768
14	Taxes Other Than Income	7,511,837	4,060,069	1,877,288	65,319	754,253	754,907
15							
16	Total Operating Expenses	135,660,946	77,947,585	44,673,289	1,544,905	5,773,935	5,721,232
17							
18	Income Before Taxes	34,056,920	21,248,618	8,911,568	(104,784)	2,484,069	1,517,448
19							
20	Interest Expense	9,367,735	5,040,300	2,019,987	74,063	1,118,555	1,114,829
21							
22	Income Taxes:						
23							
24	State Income Taxes	6.00%	1,481,351	972,499	413,495	(10,731)	81,931
25	Federal Income Taxes	21.00%	4,873,645	3,199,522	1,360,398	(35,304)	269,552
26	Total Deferred Income Taxes		0	0	0	0	0
27	Amortization of ITC		0	0	0	0	0
28	Total Income Taxes	6,354,996	4,172,021	1,773,893	(46,035)	351,483	103,634
29							
30	Net Income	27,701,923	17,076,597	7,137,675	(58,748)	2,132,586	1,413,814
31							
32	Total Rate Base	496,111,427	266,932,262	106,977,682	3,922,356	59,238,237	59,040,890
33							
34	Rate of Return	5.5838%	6.3974%	6.6721%	-1.4978%	3.6000%	2.3946%
35	Relative Rate of Return	1.00	1.15	1.19	(0.27)	0.64	0.43
36							
37	Equalized ROR:						
38							
39	Net Income Increase	11,738,935	4,144,518	1,367,051	370,576	2,576,854	3,279,937
40	Uncollectibles/PSC Fees Increase	0.7000%	111,435	39,343	12,977	3,518	24,462
41	Income Taxes	4,068,949	1,436,573	473,847	128,449	893,189	1,136,892
42	Gross Revenue After Increase	185,637,186	104,816,637	55,438,732	1,942,664	11,752,508	11,686,645
43	Revenue Deficiency	15,919,320	5,620,434	1,853,875	502,542	3,494,505	4,447,964
44	Rate of Return	7.9500%	7.9500%	7.9500%	7.9500%	7.9500%	7.9500%
45	Relative Rate of Return	1.00	1.00	1.00	1.00	1.00	1.00
46	Percent Increase	9.3799%	5.6660%	3.4597%	34.8958%	42.3166%	61.4472%
47							
48	Proposed Rate Levels:						
49							
50	Net Income Increase	11,738,923	6,811,446	2,849,024	46,439	1,173,770	858,244
51	Uncollectibles/PSC Fees Increase	111,435	64,660	27,045	441	11,142	8,147
52	Income Taxes	4,068,945	2,360,983	987,529	16,097	406,852	297,485
53	Gross Revenue After Increase	185,637,170	108,433,291	57,448,455	1,503,099	9,849,768	8,402,556
54	Revenue Deficiency	15,919,304	9,237,088	3,863,598	62,977	1,591,765	1,163,876
55	Rate of Return	7.9500%	8.9491%	9.3353%	-0.3138%	5.5815%	3.8483%
56	Relative Rate of Return	1.00	1.13	1.17	(0.04)	0.70	0.48
57	Percent Increase	9.3799%	9.3119%	7.2102%	4.3730%	19.2754%	16.0786%

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
SUMMARY OF CUSTOMER COSTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	182,824,775	145,838,565	35,377,785	77,198	977,822	553,406
2							
3	Return @ Realized ROR	10,208,589	8,943,619	2,404,470	(98,050)	(378,467)	(662,983)
4	O&M Expenses	10,416,928	8,202,608	2,136,712	7,091	45,026	25,492
5	Depreciation Expense	11,025,378	8,298,422	2,582,060	7,040	88,033	49,823
6	Taxes, Other	2,444,150	1,888,305	530,011	1,292	15,672	8,870
7							
8	Interest Expense	3,452,156	2,753,770	668,015	1,458	18,464	10,450
9							
10	Income Taxes:						
11							
12	State Income Taxes	545,901	500,122	140,301	(8,040)	(32,071)	(54,411)
13	Federal Income Taxes	1,796,014	1,645,403	461,590	(26,451)	(105,513)	(179,014)
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	2,341,915	2,145,525	601,890	(34,491)	(137,584)	(233,425)
18							
19	Total Customer-Related Costs @ Realized ROR	36,436,961	29,478,480	8,255,144	(117,119)	(367,320)	(812,224)
20	Total Customers	177,100	157,713	19,186	10	122	69
21	Customer Costs (\$/customer/month)		\$ 15.58	\$ 35.86	\$ (1,001.01)	\$ (251.07)	\$ (980.92)
22							
23							
24	Incremental Return @ Equalized ROR	4,325,980	2,650,546	408,063	104,187	456,204	706,979
25	Incremental Income Taxes	1,499,471	918,732	141,443	36,113	158,129	245,053
26	Incremental Uncollectibles/PSC Fees Increase	41,066	25,161	3,874	989	4,331	6,711
27							
28	Total Customer-Related Costs @ Equalized ROR	42,303,478	33,072,920	8,808,524	24,171	251,343	146,519
29	Customers	177,100	157,713	19,186	10	122	69
30	Dollars/Customer/Month	\$ 19.91	\$ 17.48	\$ 38.26	\$ 206.59	\$ 171.80	\$ 176.95
31							
32							
33	Incremental Return @ Proposed Rates	4,325,976	3,633,350	954,194	(15,262)	(60,854)	(185,452)
34	Incremental Income Taxes	1,499,470	1,259,392	330,743	(5,290)	(21,093)	(64,281)
35	Incremental Uncollectibles/PSC Fees Increase	41,066	34,491	9,058	(145)	(578)	(1,760)
36							
37	Total Customer-Related Costs @ Proposed Rates	42,303,472	34,405,711	9,549,138	(137,815)	(449,845)	(1,063,717)
38	Customers	177,100	157,713	19,186	10	122	69
39	Dollars/Customer/Month	\$ 19.91	\$ 18.18	\$ 41.48	\$ (1,177.91)	\$ (307.47)	\$ (1,284.65)

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
SUMMARY OF DEMAND COSTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	215,734,814	97,541,147	55,775,947	2,933,679	31,247,715	28,236,327
2							
3	Return @ Realized ROR	12,046,224	6,390,839	3,620,696	43,024	1,233,791	757,874
4	O&M Expenses	10,953,126	4,952,286	2,831,814	148,947	1,586,485	1,433,594
5	Depreciation Expense	7,623,132	3,446,681	1,970,880	103,663	1,104,159	997,749
6	Taxes, Other	2,588,423	1,170,315	669,209	35,199	374,915	338,784
7							
8	Interest Expense	4,073,574	1,841,803	1,053,179	55,395	590,029	533,167
9							
10	Income Taxes:						
11							
12	State Income Taxes	644,168	367,549	207,448	(999)	52,014	18,156
13	Federal Income Taxes	2,119,312	1,209,237	682,505	(3,288)	171,126	59,732
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	2,763,480	1,576,787	889,953	(4,288)	223,141	77,888
18							
19	Total Demand-Related Costs @ Realized ROR	35,974,385	17,536,907	9,982,553	326,545	4,522,491	3,605,888
20							
21							
22	Incremental Return @ Equalized ROR	5,104,694	1,363,683	813,491	190,203	1,250,402	1,486,914
23	Incremental Income Taxes	1,769,389	472,680	281,972	65,928	433,414	515,394
24	Incremental Uncollectibles/PSC Fees Increase	48,458	12,945	7,722	1,806	11,870	14,115
25							
26	Total Demand-Related Costs @ Equalized ROR	42,896,925	19,386,214	11,085,739	584,482	6,218,178	5,622,312
27							
28							
29	Incremental Return @ Proposed Rates	5,104,689	2,523,401	1,457,929	49,252	640,269	433,838
30	Incremental Income Taxes	1,769,387	874,661	505,347	17,072	221,930	150,377
31	Incremental Uncollectibles/PSC Fees Increase	48,458	23,954	13,840	468	6,078	4,118
32							
33	Total Demand-Related Costs @ Proposed Rates	42,896,918	20,958,923	11,959,670	393,337	5,390,768	4,194,221

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
SUMMARY OF COMMODITY COSTS							
		Total Company \$	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base	97,551,838	23,552,551	15,823,950	911,479	27,012,700	30,251,157
2							
3	Return @ Realized ROR	5,447,110	1,315,130	883,579	50,895	1,508,338	1,689,167
4	O&M Expenses	84,237,281	47,797,929	32,471,507	1,172,998	1,318,375	1,476,472
5	Depreciation Expense	3,893,264	1,189,590	803,028	39,847	877,603	983,195
6	Taxes, Other	2,479,264	1,001,449	678,068	28,828	363,666	407,253
7							
8	Interest Expense	1,842,005	444,727	298,793	17,211	510,062	571,212
9							
10	Income Taxes:						
11							
12	State Income Taxes	291,282	70,326	47,249	2,722	80,658	90,328
13	Federal Income Taxes	958,319	231,373	155,450	8,954	265,364	297,178
14	Deferred Income Taxes	0	0	0	0	0	0
15	Amortization of ITC	0	0	0	0	0	0
16							
17	Total Income Taxes	1,249,601	301,699	202,699	11,676	346,022	387,506
18							
19	Total Commodity-Related Costs	97,306,521	51,605,797	35,038,881	1,304,244	4,414,005	4,943,594
20	Total Throughput	33,298,463	10,083,093	6,833,161	337,587	7,557,945	8,486,677
21	Commodity Costs (\$/Mcf)		\$ 5.11805	\$ 5.12777	\$ 3.86343	\$ 0.58402	\$ 0.58
22							
23							
24	Incremental Return @ Equalized ROR	2,308,261	557,298	374,425	21,567	639,172	715,800
25	Incremental Income Taxes	800,089	193,171	129,783	7,476	221,550	248,110
26	Incremental Uncollectibles/PSC Fees Increase	21,912	5,290	3,554	205	6,068	6,795
27							
28	Total Commodity-Related Costs @ Equalized ROR	100,436,783	52,361,556	35,546,643	1,333,492	5,280,794	5,914,299
29	Total Throughput	33,298,463	10,083,093	6,833,161	337,587	7,557,945	8,486,677
30	Commodity Costs (\$/Mcf)	\$ 3.02	\$ 5.19	\$ 5.20	\$ 3.95	\$ 0.70	\$ 0.70
31							
32							
33	Incremental Return @ Proposed Rates	2,308,259	1,081,704	665,829	(42,169)	363,279	239,615
34	Incremental Income Taxes	800,089	374,940	230,790	(14,616)	125,920	83,055
35	Incremental Uncollectibles/PSC Fees Increase	21,912	10,268	6,321	(400)	3,449	2,275
36							
37	Total Commodity-Related Costs @ Proposed Rates	100,436,780	53,072,711	35,941,820	1,247,059	4,906,652	5,268,538
38	Total Throughput	33,298,463	10,083,093	6,833,161	337,587	7,557,945	8,486,677
39	Commodity Costs (\$/Mcf)	\$ 3.02	\$ 5.26	\$ 5.26	\$ 3.69	\$ 0.65	\$ 0.62

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
TOTAL COST OF SERVICE									
			Total	Residential	Non-Res Sales	Non-Res Sales	Transport	Transport	
			Company	Sales	Firm	Interruptible	Firm	Interruptible	
			\$						
1	Rate Base		496,111,427	266,932,262	106,977,682	3,922,356	59,238,237	59,040,890	
2									
3	Return @ Realized ROR		27,701,923	16,649,588	6,908,746	(4,131)	2,363,662	1,784,058	
4	O&M Expenses		105,607,336	60,952,823	37,440,033	1,329,036	2,949,887	2,935,557	
5	Depreciation Expense		22,541,774	12,934,694	5,355,967	150,551	2,069,795	2,030,768	
6	Taxes, Other		7,511,837	4,060,069	1,877,288	65,319	754,253	754,907	
7									
8	Interest Expense		9,367,735	5,040,300	2,019,987	74,063	1,118,555	1,114,829	
9									
10	Income Taxes:								
11									
12	State Income Taxes		1,481,351	937,998	394,998	(6,318)	100,601	54,072	
13	Federal Income Taxes		4,873,645	3,086,013	1,299,544	(20,786)	330,978	177,896	
14	Deferred Income Taxes		0	0	0	0	0	0	
15	Amortization of ITC		0	0	0	0	0	0	
16									
17	Total Income Taxes		6,354,996	4,024,011	1,694,542	(27,104)	431,579	231,968	
18									
19	Total Cost of Service @ Realized ROR		169,717,866	98,621,184	53,276,577	1,513,671	8,569,175	7,737,258	
20									
21									
22	Incremental Return @ Equalized ROR		11,738,935	4,571,527	1,595,979	315,958	2,345,778	2,909,693	
23	Incremental Income Taxes		4,068,949	1,584,583	553,198	109,517	813,093	1,008,558	
24	Incremental Uncollectibles/PSC Fees Increase		111,435	43,397	15,150	2,999	22,268	27,621	
25									
26	Total Cost of Service @ Equalized ROR		185,637,186	104,820,690	55,440,905	1,942,146	11,750,315	11,683,130	
27									
28									
29	Incremental Return @ Proposed Rates		11,738,923	7,238,455	3,077,953	(8,178)	942,694	488,001	
30	Incremental Income Taxes		4,068,945	2,508,993	1,066,880	(2,835)	326,757	169,151	
31	Incremental Uncollectibles/PSC Fees Increase		111,435	68,713	29,218	(78)	8,949	4,632	
32									
33	Total Cost of Service @ Proposed Rates		185,637,170	108,437,345	57,450,628	1,502,580	9,847,575	8,399,042	

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF GROSS PLANT IN SERVICE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
177		Shared Services General Office:						
178								
179		General:						
180								
181	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
182	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
183	36602	Structures & Improvements	236,424	5.4	P, S, T & D Plant	91,657	97,102	47,665
184	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
185	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
186	39009	Improvement to leased Premises	483,357	5.4	P, S, T & D Plant	187,389	198,519	97,449
187	39100	Office Furniture & Equipment	286,918	5.4	P, S, T & D Plant	111,233	117,840	57,845
188	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
189	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
190	39200	Transportation Equipment	369	5.4	P, S, T & D Plant	143	152	74
191	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
192	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
193	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
194	39400	Tools, Shop & Garage Equipment	3,938	5.4	P, S, T & D Plant	1,527	1,617	794
195	39500	Tools, Shop & Garage Equipment	-	5.4	P, S, T & D Plant	-	-	-
196	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
197	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
198	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
199	39700	Communication Equipment	54,370	5.4	P, S, T & D Plant	21,078	22,330	10,961
200	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
201	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
202	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
203	39800	Miscellaneous Equipment	7,537	5.4	P, S, T & D Plant	2,922	3,096	1,520
204	39900	Other Tangible Property	8,377	5.4	P, S, T & D Plant	3,248	3,441	1,689
205	39901	Other Tangible Property - Servers - H/W	2,321,928	5.4	P, S, T & D Plant	900,168	953,638	468,123
206	39902	Other Tangible Property - Servers - S/W	1,402,428	5.4	P, S, T & D Plant	543,695	575,990	282,743
207	39903	Other Tangible Property - Network - H/W	442,303	5.4	P, S, T & D Plant	171,472	181,658	89,172
208	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
209	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
210	39906	Other Tang. Property - PC Hardware	155,862	5.4	P, S, T & D Plant	60,425	64,014	31,423
211	39907	Other Tang. Property - PC Software	86,214	5.4	P, S, T & D Plant	33,424	35,409	17,382
212	39908	Other Tang. Property - Mainframe S/W	3,879,643	5.4	P, S, T & D Plant	1,504,064	1,593,406	782,172
213	39909	Other Tang. Property - Application Software	1,322,956	5.4	P, S, T & D Plant	512,885	543,351	266,720
214	39931	Other Tang. Property - ALGN	-	5.4	P, S, T & D Plant	-	-	-
215								
216		Total General Plant	10,692,624			4,145,328	4,391,562	2,155,733
217								
218		CWIP w/o AFUDC	748,344	5.4	P, S, T & D Plant	290,119	307,352	150,873
219								
220		Shared Services Customer Support:						
221								
222		General:						
223								
224	37400	Land & Land Rights	205,882	5.4	P, S, T & D Plant	79,816	84,557	41,508
225	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
226	36602	Structures & Improvements	1,000,011	5.4	P, S, T & D Plant	387,685	410,714	201,612
227	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
228	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
229	39009	Improvement to leased Premises	159,117	5.4	P, S, T & D Plant	61,687	65,351	32,079
230	39100	Office Furniture & Equipment	154,692	5.4	P, S, T & D Plant	59,971	63,533	31,187
231	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
232	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
233	39200	Transportation Equipment	2,233	5.4	P, S, T & D Plant	866	917	450
234	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
235	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
236	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
237	39400	Tools, Shop & Garage Equipment	14,093	5.4	P, S, T & D Plant	5,463	5,788	2,841
238	39510	Laboratory Equip	548	5.4	P, S, T & D Plant	212	225	110
239	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
240	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
241	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
242	39700	Communication Equipment	114,682	5.4	P, S, T & D Plant	44,460	47,101	23,121
243	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
244	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
245	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
246	39800	Miscellaneous Equipment	15,758	5.4	P, S, T & D Plant	6,109	6,472	3,177
247	39900	Other Tangible Property	43,368	5.4	P, S, T & D Plant	16,813	17,812	8,743
248	39901	Other Tangible Property - Servers - H/W	583,485	5.4	P, S, T & D Plant	226,206	239,643	117,636
249	39902	Other Tangible Property - Servers - S/W	114,175	5.4	P, S, T & D Plant	44,263	46,893	23,019
250	39903	Other Tangible Property - Network - H/W	35,496	5.4	P, S, T & D Plant	13,761	14,579	7,156
251	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
252	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
253	39906	Other Tang. Property - PC Hardware	69,473	5.4	P, S, T & D Plant	26,933	28,533	14,006
254	39907	Other Tang. Property - PC Software	13,141	5.4	P, S, T & D Plant	5,095	5,397	2,649
255	39908	Other Tang. Property - Mainframe S/W	5,248,748	5.4	P, S, T & D Plant	2,034,841	2,155,711	1,058,197
256	39909	Other Tang. Property - Application Software	477	5.4	P, S, T & D Plant	185	196	96
257	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
258								
259		Total General Plant	7,775,377			3,014,367	3,193,421	1,567,589
260								
261		CWIP w/o AFUDC	224,734	5.4	P, S, T & D Plant	87,125	92,301	45,309
262								
263		TOTAL PLANT IN SERVICE	724,669,367			280,940,628	297,628,594	146,100,145
264								
265		TOTAL CWIP W/O AFUDC	39,130,198			15,170,039	16,071,144	7,889,015

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF RESERVE FOR DEPRECIATION AND AMORTIZATION								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
175		Shared Services General Office:						
176								
177		General:						
178								
179	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
180	39000	Structures & Improvements	90,855	5.4	P, S, T & D Plant	35,223	37,315	18,317
181	36602	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
182	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
183	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
184	39009	Improvement to leased Premises	482,368	5.4	P, S, T & D Plant	187,005	198,113	97,250
185	39100	Office Furniture & Equipment	116,207	5.4	P, S, T & D Plant	45,051	47,728	23,429
186	39102	Remittance Processing Equip	0	5.4	P, S, T & D Plant	0	0	0
187	39103	Office Machines	0	5.4	P, S, T & D Plant	0	0	0
188	39200	Transportation Equipment	284	5.4	P, S, T & D Plant	110	117	57
189	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
190	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
191	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
192	39400	Tools, Shop & Garage Equipment	1,722	5.4	P, S, T & D Plant	668	707	347
193	39500	39500-Laboratory Equipment	-	5.4	P, S, T & D Plant	-	-	-
194	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
195	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
196	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
197	39700	Communication Equipment	28,314	5.4	P, S, T & D Plant	10,977	11,629	5,708
198	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
199	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
200	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
201	39800	Miscellaneous Equipment	2,855	5.4	P, S, T & D Plant	1,107	1,173	576
202	39900	Other Tangible Property	8,438	5.4	P, S, T & D Plant	3,271	3,466	1,701
203	39901	Other Tangible Property - Servers - H/W	1,335,526	5.4	P, S, T & D Plant	517,758	548,513	269,254
204	39902	Other Tangible Property - Servers - S/W	969,778	5.4	P, S, T & D Plant	375,965	398,297	195,516
205	39903	Other Tangible Property - Network - H/W	134,188	5.4	P, S, T & D Plant	52,022	55,112	27,053
206	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
207	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
208	39906	Other Tang. Property - PC Hardware	94,055	5.4	P, S, T & D Plant	36,463	38,629	18,962
209	39907	Other Tang. Property - PC Software	91,932	5.4	P, S, T & D Plant	35,640	37,757	18,534
210	39908	Other Tang. Property - Mainframe S/W	2,311	5.4	P, S, T & D Plant	896	949	466
211	39909	Other Tang. Property - Application Software	2,526,463	5.4	P, S, T & D Plant	979,462	1,037,642	509,359
212	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
213		Retirement Work in Progress	-	5.4	P, S, T & D Plant	-	-	-
214								
215		Total General Plant	5,885,295			2,281,618	2,417,147	1,186,531
216								
217		Shared Services Customer Support:						
218								
219		General:						
220								
221	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
222	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
223	36602	Structures & Improvements	204,679	5.4	P, S, T & D Plant	79,350	84,064	41,265
224	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
225	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
226	39009	Improvement to leased Premises	99,706	5.4	P, S, T & D Plant	38,654	40,950	20,102
227	39100	Office Furniture & Equipment	54,761	5.4	P, S, T & D Plant	21,230	22,491	11,040
228	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
229	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
230	39200	Transportation Equipment	2,235	5.4	P, S, T & D Plant	866	918	451
231	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
232	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
233	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
234	39400	Tools, Shop & Garage Equipment	3,654	5.4	P, S, T & D Plant	1,416	1,501	737
235	39500	Laboratory Equipment	426	5.4	P, S, T & D Plant	165	175	86
236	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
237	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
238	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
239	39700	Communication Equipment	70,180	5.4	P, S, T & D Plant	27,208	28,824	14,149
240	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
241	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
242	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
243	39800	Miscellaneous Equipment	4,862	5.4	P, S, T & D Plant	1,885	1,997	980
244	39900	Other Tangible Property	31,781	5.4	P, S, T & D Plant	12,321	13,053	6,407
245	39901	Other Tangible Property - Servers - H/W	338,151	5.4	P, S, T & D Plant	131,095	138,882	68,174
246	39902	Other Tangible Property - Servers - S/W	77,363	5.4	P, S, T & D Plant	29,992	31,774	15,597
247	39903	Other Tangible Property - Network - H/W	22,965	5.4	P, S, T & D Plant	8,903	9,432	4,630
248	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
249	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
250	39906	Other Tang. Property - PC Hardware	43,877	5.4	P, S, T & D Plant	17,010	18,021	8,846
251	39907	Other Tang. Property - PC Software	10,171	5.4	P, S, T & D Plant	3,943	4,177	2,050
252	39908	Other Tang. Property - Mainframe S/W	2,050,478	5.4	P, S, T & D Plant	794,932	842,151	413,396
253	39909	Other Tang. Property - Application Software	4,865	5.4	P, S, T & D Plant	1,886	1,998	981
254	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
255		Retirement Work in Progress	-	5.4	P, S, T & D Plant	-	-	-
256								
257		Total General Plant	3,020,151			1,170,856	1,240,405	608,891
258								
259		TOTAL RESERVE FOR DEPRECIATION	193,880,768			90,925,272	72,970,288	29,985,208

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
CLASSIFICATION OF OTHER RATE BASE							
	Test Year	Classif.	Classif.	Customer	Demand	Commodity	
	\$	Factor	Basis	\$	\$	\$	
1	Rate Base Additions:						
2							
3	Materials and Supplies - KY Direct	(402,124)	9.1	Allocated O&M Expenses	(39,665)	(41,706)	(320,752)
4	Materials and Supplies - KY Mid-States GO	519,990	9.1	Allocated O&M Expenses	51,291	53,931	414,768
5	Materials and Supplies - Shared Services GO	(0)	9.1	Allocated O&M Expenses	(0)	(0)	(0)
6	Materials and Supplies - Shared Services CS	0	9.1	Allocated O&M Expenses	-	-	-
7	Gas Storage Inventory	8,905,991	3.0	Commodity	-	-	8,905,991
8	Prepayments - KY Direct	0	9.1	Allocated O&M Expenses	-	-	-
9	Prepayments - KY Mid-States GO	0	9.1	Allocated O&M Expenses	-	-	-
10	Prepayments - Shared Services GO	0	9.1	Allocated O&M Expenses	-	-	-
11	Prepayments - Shared Services CS	0	9.1	Allocated O&M Expenses	-	-	-
12	Cash Working Capital	2,692,759	9.1	Allocated O&M Expenses	265,609	279,281	2,147,869
13	Regulatory Assets	(33,020,670)	9.1	Allocated O&M Expenses	(3,257,103)	(3,424,758)	(26,338,809)
14							
15	Total Rate Base Additions	(21,304,054)			(2,979,868)	(3,133,252)	(15,190,934)
16							
17							
18	Rate Base Deductions:						
19							
20	Customer Advances - KY Direct	(747,234)	1.0	Customer	(747,234)	-	-
21	Customer Advances - KY Mid-States GO	0	1.0	Customer	-	-	-
22	Customer Advances - Shared Services GO	0	1.0	Customer	-	-	-
23	Customer Advances - Shared Services CS	0	1.0	Customer	-	-	-
24	ADIT - KY Direct	(75,117,257)	5.7	Net Plant	(27,044,140)	(31,728,969)	(16,344,147)
25	ADIT - KY Mid-States GO	22,846,265	5.7	Net Plant	8,225,242	9,650,092	4,970,931
26	ADIT - Shared Services GO	(848,471)	5.7	Net Plant	(305,471)	(358,388)	(184,612)
27	ADIT - Shared Services CS	67,614	5.7	Net Plant	24,343	28,559	14,711
28	Change in Net Operating Loss Carryforward	1,295,767	5.7	Net Plant	466,510	547,322	281,935
29							
30	Total Rate Base Deductions	(52,503,316)			(19,380,752)	(21,861,383)	(11,261,181)
31							
32							
33	TOTAL OTHER RB	(73,807,370)			(22,360,620)	(24,994,636)	(26,452,115)
34							
35	Interest on Customer Deposits	0	1.0	Customer	-	-	-

Almos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF O&M EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
90		Distribution:						
91		Operation						
92	8700	Supervision and Engineering	963,411	10.0	Composite of Accts. 871-879 & 886-893	152,826	524,720	285,864
93	8710	Distribution Load Dispatching	663	3.0	Commodity	-	-	663
94	8711	Odorization	19,956	3.0	Commodity	-	-	19,956
94	8720	Compressor Station Labor & Expenses	0	3.0	Commodity	-	-	-
95	8740	Mains & Services	4,320,719	12.0	Composite of Accts. 374-379	-	2,808,423	1,512,296
96	8750	Measuring and Regulating Station Exp. - Gen	574,714	12.0	Composite of Accts. 374-379	-	373,558	201,156
97	8760	Measuring and Regulating Station Exp. - Ind.	120,928	1.0	Customer	120,928	-	-
98	8770	Measuring and Regulating Sta. Exp. - City Gate	38,286	12.0	Composite of Accts. 374-379	-	24,885	13,400
99	8780	Meters and House Regulator Expense	820,621	1.0	Customer	820,621	-	-
100	8790	Customer Installations Expense	2,246	1.0	Customer	2,246	-	-
101	8800	Other Expense	3,204	10.0	Composite of Accts. 871-879 & 886-893	508	1,745	951
102	8810	Rents	369,768	10.0	Composite of Accts. 871-879 & 886-893	58,656	201,394	109,718
103		Maintenance						
104	8850	Maintenance Supervision and Engineering	1,588	10.0	Composite of Accts. 871-879 & 886-893	252	865	471
105	8860	Maintenance of Structures and Improvements	98	12.0	Composite of Accts. 374-379	-	64	34
106	8870	Maintenance of Mains	28,852	12.0	Composite of Accts. 374-379	-	18,754	10,099
107	8890	Maintenance of compressor station equipment	0	3.0	Commodity	-	-	-
108	8900	Maint. of Measuring and Regulating Station Equip. - General	65,572	12.0	Composite of Accts. 374-379	-	42,621	22,951
109	8910	Maint. of Measuring and Regulating Station Equip. - Industrial	1,723	1.0	Customer	1,723	-	-
110	8920	Maint. of Measuring and Regulating Station Equip. - City Gate	795	12.0	Composite of Accts. 374-379	-	517	278
111	8930	Maintenance of Services	6,533	1.0	Customer	6,533	-	-
112	8940	Maintenance of Meters and House Regulators	0	1.0	Customer	-	-	-
113	8950	Maintenance of Other Equipment	5,866	10.0	Composite of Accts. 871-879 & 886-893	931	3,195	1,741
114		Total Distribution	7,345,541			1,165,224	4,000,740	2,179,577
115		Customer Accounts:						
116	9010	Supervision	0	1.0	Customer	-	-	-
117	9020	Meter Reading Expense	1,085,047	1.0	Customer	1,085,047	-	-
119	9030	Customer Records and Collection Expenses	1,220,802	1.0	Customer	1,220,802	-	-
120	9040	Uncollectible Accounts	341,050	1.0	Customer	341,050	-	-
121	9050	Miscellaneous Customer Accounts Expenses	0	1.0	Customer	-	-	-
122		Total Customer Accounts	2,646,900			2,646,900	0	0
123		Customer Service and Information:						
124	9070	Supervision	0	1.0	Customer	-	-	-
126	9080	Customer Assistance Expenses	0	1.0	Customer	-	-	-
127	9090	Informational and Instructional Advertising Expenses	128,272	1.0	Customer	128,272	-	-
128	9100	Miscellaneous Customer Service and Informational Expenses	0	1.0	Customer	-	-	-
129		Total Customer Service and Information	128,272			128,272	0	0
130		Sales:						
131								
132	9110	Supervision	253,468	1.0	Customer	253,468	-	-
133	9120	Demonstrating and Selling Expenses	115,937	1.0	Customer	115,937	-	-
134	9130	Advertising Expenses	35,170	1.0	Customer	35,170	-	-
135	9160	Miscellaneous Sales Expenses	(196,297)	1.0	Customer	(196,297)	-	-
136		Total Sales	208,278			208,278	0	0
137		Administrative & General:						
138		Operation						
140	9200	Administrative and General Salaries	(834,543)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(298,399)	(347,067)	(189,076)
141	9210	Office Supplies and Expenses	17,616	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	6,299	7,326	3,991
142	9220	Administrative Expenses Transferred - Customer Support	-	1.0	Customer	-	-	-
143	9220	Administrative Expenses Transferred - General	14,498,764	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	5,184,181	6,029,709	3,284,875
144	9230	Outside Services Employed	339,697	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	121,462	141,272	76,963
145	9240	Property Insurance	3,718	5.7	Net Plant	1,339	1,571	809
146	9250	Injuries and Damages	74,010	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	26,463	30,779	16,768
147	9260	Employee Pensions and Benefits	1,082,941	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	387,217	450,371	245,354
148	9270	Franchise Requirements	646	1.0	Customer	646	-	-
149	9280	Regulatory Commission Expenses	852,920	1.0	Customer	852,920	-	-
150	930.1	General Advertising Expenses	-	1.0	Customer	-	-	-
151	930.2	Miscellaneous General Expense	(42,325)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(15,134)	(17,602)	(9,589)
152	9310	Rents	(8,275)	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	(2,959)	(3,441)	(1,875)
153		Maintenance						
154	9320	Maintenance of General Plant	11,804	17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	4,221	4,909	2,674
155		Total A&G	15,996,974			6,268,256	6,297,825	3,430,893
156								
157		TOTAL O&M EXPENSE	105,607,336			10,416,928	10,953,126	84,237,281

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF DEPRECIATION EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
82		General:						
83								
84	38900	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
85	39000	Structures & Improvements	244,888	5.4	P, S, T & D Plant	94,939	100,578	49,372
86	39001	Structures - Brick	5,574	5.4	P, S, T & D Plant	2,161	2,289	1,124
87	39002	Improvements	22,836	5.4	P, S, T & D Plant	8,853	9,379	4,604
88	39003	Air Conditioning Equipment	731	5.4	P, S, T & D Plant	283	300	147
89	39004	Improvement to leased Premises	-	5.4	P, S, T & D Plant	-	-	-
90	39009	Office Furniture & Equipment	93,448	5.4	P, S, T & D Plant	36,228	38,380	18,840
91	39100	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
92	39102	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
93	39200	Transportation Equipment	5,191	5.4	P, S, T & D Plant	2,013	2,132	1,047
94	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
95	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
96	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
97	39400	Tools, Shop & Garage Equipment	116,855	5.4	P, S, T & D Plant	45,302	47,993	23,559
98	39600	Power Operated Equipment	-	5.4	P, S, T & D Plant	-	-	-
99	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
100	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
101	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
102	39700	Communication Equipment	34,968	5.4	P, S, T & D Plant	13,556	14,362	7,050
103	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
104	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
105	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
106	39800	Miscellaneous Equipment	194,589	5.4	P, S, T & D Plant	75,438	79,919	39,231
107	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
108	39901	Other Tangible Property - Servers - H/W	2,056	5.4	P, S, T & D Plant	797	845	415
109	39902	Other Tangible Property - Servers - S/W	-	5.4	P, S, T & D Plant	-	-	-
110	39903	Other Tangible Property - Network - H/W	13,460	5.4	P, S, T & D Plant	5,218	5,528	2,714
111	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
112	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
113	39906	Other Tang. Property - PC Hardware	89,351	5.4	P, S, T & D Plant	34,640	36,697	18,014
114	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant	-	-	-
115	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
116	39908	Other Tang. Property - Application Software	10,289	5.4	P, S, T & D Plant	3,989	4,226	2,074
117	40600	Amortization of gas plant acquisition adjustments	-	5.4	P, S, T & D Plant	-	-	-
118								
119								
120		Total General Plant	834,236			323,417	342,628	168,190
121								
122		TOTAL DIRECT DEPRECIATION EXPENSE	21,834,154			10,751,047	7,332,506	3,750,601
123								
124		Kentucky Mid-States General Office:						
125								
126		Intangible Plant:						
127								
128	30100	Organization	-	5.4	P, S, T & D Plant	-	-	-
129	30200	Franchises & Consents	-	5.4	P, S, T & D Plant	-	-	-
130	30300	Misc Intangible Plant	-	5.4	P, S, T & D Plant	-	-	-
131								
132		Total Intangible Plant:	0			0	0	0
133								
134		General:						
135								
136	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
137	39001	Structures Frame	2,500	5.4	P, S, T & D Plant	969	1,027	504
138	36602	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
139	38900	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
140	39004	Air Conditioning Equipment	561	5.4	P, S, T & D Plant	218	231	113
141	39009	Improvement to leased Premises	-	5.4	P, S, T & D Plant	-	-	-
142	39100	Office Furniture & Equipment	-	5.4	P, S, T & D Plant	-	-	-
143	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
144	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
145	39200	Transportation Equipment	400	5.4	P, S, T & D Plant	155	164	81
146	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
147	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
148	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
149	39400	Tools, Shop & Garage Equipment	2,025	5.4	P, S, T & D Plant	785	832	408
150	39600	Power Operated Equipment	12	5.4	P, S, T & D Plant	5	5	2
151	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
152	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
153	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
154	39700	Communication Equipment	1,652	5.4	P, S, T & D Plant	640	678	333
155	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
156	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
157	39705	Communication Equip. - Telemetering	-	5.4	P, S, T & D Plant	-	-	-
158	39800	Miscellaneous Equipment	12,240	5.4	P, S, T & D Plant	4,745	5,027	2,468
159	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
160	39901	Other Tangible Property - Servers - H/W	-	5.4	P, S, T & D Plant	-	-	-
161	39902	Other Tangible Property - Servers - S/W	-	5.4	P, S, T & D Plant	-	-	-
162	39903	Other Tangible Property - Network - H/W	-	5.4	P, S, T & D Plant	-	-	-
163	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
164	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
165	39906	Other Tang. Property - PC Hardware	-	5.4	P, S, T & D Plant	-	-	-
166	39907	Other Tang. Property - PC Software	11,145	5.4	P, S, T & D Plant	4,321	4,578	2,247
167	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
168	39909	Other Tang. Property - Application Software	-	5.4	P, S, T & D Plant	-	-	-
169	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
170								
171								
172		Total General Plant	30,535			11,838	12,541	6,156

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
CLASSIFICATION OF DEPRECIATION EXPENSE								
Line No.	Acct. No.		Test Year \$	Classif. Factor	Classif. Basis	Customer \$	Demand \$	Commodity \$
173								
174		Shared Services General Office:						
175								
176		General:						
177								
178	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
179	39000	Structures & Improvements	7,132	5.4	P, S, T & D Plant	2,765	2,929	1,438
180	36602	Structures & Improvements	-	5.4	P, S, T & D Plant	-	-	-
181	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
182	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
183	39009	Improvement to leased Premises	35	5.4	P, S, T & D Plant	14	14	7
184	39100	Office Furniture & Equipment	10,791	5.4	P, S, T & D Plant	4,183	4,432	2,175
185	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
186	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
187	39200	Transportation Equipment	-	5.4	P, S, T & D Plant	-	-	-
188	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
189	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
190	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
191	39400	Tools, Shop & Garage Equipment	-	5.4	P, S, T & D Plant	-	-	-
192	39500	Laboratory Equipment	-	5.4	P, S, T & D Plant	-	-	-
193	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
194	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
195	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
196	39700	Communication Equipment	27	5.4	P, S, T & D Plant	10	11	5
197	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
198	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
199	39705	Communication Equip. - Telemetry	-	5.4	P, S, T & D Plant	-	-	-
200	39800	Miscellaneous Equipment	66	5.4	P, S, T & D Plant	25	27	13
201	39900	Other Tangible Property	-	5.4	P, S, T & D Plant	-	-	-
202	39901	Other Tangible Property - Servers - H/W	133,882	5.4	P, S, T & D Plant	51,904	54,987	26,992
203	39902	Other Tangible Property - Servers - S/W	40,124	5.4	P, S, T & D Plant	15,555	16,479	8,089
204	39903	Other Tangible Property - Network - H/W	-	5.4	P, S, T & D Plant	-	-	-
205	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
206	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
207	39906	Other Tang. Property - PC Hardware	9,073	5.4	P, S, T & D Plant	3,517	3,726	1,829
208	39907	Other Tang. Property - PC Software	-	5.4	P, S, T & D Plant	-	-	-
209	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
210	39909	Other Tang. Property - Application Software	1,366	5.4	P, S, T & D Plant	529	561	275
211	39924	Other Tang. Property - General Startup Costs	-	5.4	P, S, T & D Plant	-	-	-
212								
213								
214		Total General Plant	202,494			78,503	83,166	40,825
215								
216		Shared Services Customer Support:						
217								
218		General:						
219								
220	37400	Land & Land Rights	-	5.4	P, S, T & D Plant	-	-	-
221	39001	Structures Frame	-	5.4	P, S, T & D Plant	-	-	-
222	36602	Structures & Improvements	30,100	5.4	P, S, T & D Plant	11,669	12,362	6,069
223	37503	Improvements	-	5.4	P, S, T & D Plant	-	-	-
224	39004	Air Conditioning Equipment	-	5.4	P, S, T & D Plant	-	-	-
225	39009	Improvement to leased Premises	5,171	5.4	P, S, T & D Plant	2,005	2,124	1,043
226	39100	Office Furniture & Equipment	6,139	5.4	P, S, T & D Plant	2,380	2,521	1,238
227	39102	Remittance Processing Equip	-	5.4	P, S, T & D Plant	-	-	-
228	39103	Office Machines	-	5.4	P, S, T & D Plant	-	-	-
229	39200	Transportation Equipment	-	5.4	P, S, T & D Plant	-	-	-
230	39201	Trucks	-	5.4	P, S, T & D Plant	-	-	-
231	39202	Trailers	-	5.4	P, S, T & D Plant	-	-	-
232	39300	Stores Equipment	-	5.4	P, S, T & D Plant	-	-	-
233	39500	Laboratory Equipment	1,191	5.4	P, S, T & D Plant	462	489	240
234	39600	Power Operated Equipment	55	5.4	P, S, T & D Plant	21	23	11
235	39603	Ditchers	-	5.4	P, S, T & D Plant	-	-	-
236	39604	Backhoes	-	5.4	P, S, T & D Plant	-	-	-
237	39605	Welders	-	5.4	P, S, T & D Plant	-	-	-
238	39700	Communication Equipment	6,709	5.4	P, S, T & D Plant	2,601	2,755	1,353
239	39701	Communication Equipment - Mobile Radios	-	5.4	P, S, T & D Plant	-	-	-
240	39702	Communication Equipment - Fixed Radios	-	5.4	P, S, T & D Plant	-	-	-
241	39705	Communication Equip. - Telemetry	-	5.4	P, S, T & D Plant	-	-	-
242	39800	Miscellaneous Equipment	834	5.4	P, S, T & D Plant	323	342	168
243	39900	Other Tangible Property	5,664	5.4	P, S, T & D Plant	2,196	2,326	1,142
244	39901	Other Tangible Property - Servers - H/W	55,314	5.4	P, S, T & D Plant	21,444	22,718	11,152
245	39902	Other Tangible Property - Servers - S/W	10,196	5.4	P, S, T & D Plant	3,953	4,188	2,056
246	39903	Other Tangible Property - Network - H/W	2,481	5.4	P, S, T & D Plant	962	1,019	500
247	39904	Other Tang. Property - CPU	-	5.4	P, S, T & D Plant	-	-	-
248	39905	Other Tangible Property - MF - Hardware	-	5.4	P, S, T & D Plant	-	-	-
249	39906	Other Tang. Property - PC Hardware	7,309	5.4	P, S, T & D Plant	2,834	3,002	1,474
250	39907	Other Tang. Property - PC Software	871	5.4	P, S, T & D Plant	338	358	176
251	39908	Other Tang. Property - Mainframe S/W	-	5.4	P, S, T & D Plant	-	-	-
252	39909	Other Tang. Property - Application Software	342,525	5.4	P, S, T & D Plant	132,791	140,878	69,056
253	39924	Other Tang. Property - General Startup Costs	31	5.4	P, S, T & D Plant	12	13	6
254								
255								
256		Total General Plant	474,591			183,990	194,919	95,682
257								
258		TOTAL DEPRECIATION EXPENSE	22,541,774			11,025,378	7,623,132	3,893,264

Almos Energy Corporation, Kentucky/Mid-States Division						
Class Cost of Service - Demand/Commodity Study						
Forecasted Test Period: Twelve Months Ended March 31, 2020						
CLASSIFICATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX						
	Test Year	Classif.	Classif.	Customer	Demand	Commodity
	\$	Factor	Basis	\$	\$	\$
1	Taxes Other Than Income					
2						
3	Non Revenue Related:					
4	927,870	9.1	Allocated O&M Expenses	91,523	96,235	740,112
5	6,008,371	5.4	P, S, T & D Plant	2,329,332	2,467,695	1,211,344
6	137,062	9.1	Allocated O&M Expenses	13,520	14,215	109,327
7	99,099	9.1	Allocated O&M Expenses	9,775	10,278	79,046
8	7,172,401			2,444,150	2,588,423	2,139,828
9						
10	Revenue Related:					
11	0	99.0	-	-	-	-
12	0	99.0	-	-	-	-
13	339,436	3.0	Commodity	-	-	339,436
14	339,436			0	0	339,436
15						
16	7,511,837			2,444,150	2,588,423	2,479,264
17						
18						
19	9,367,735	13.0	Rate Base	3,452,156	4,073,574	1,842,005
20						
21	(1,463,766)	18.0	Total Cost of Service at Equalized ROR	(333,567)	(338,246)	(791,953)

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
SUMMARY OF CLASSIFICATION							
		Test Year	Classif.	Classif.	Customer	Demand	Commodity
		\$	Factor	Basis	\$	\$	\$
1							
2							
3							
4							
5							
6							
7	Operating Revenues	169,717,866			36,436,961	35,974,385	97,306,521
8							
9	Operating Expenses:						
10							
11	Operating & Maintenance	105,607,336			10,416,928	10,953,126	84,237,281
12	Depreciation & Amortization	22,541,774			11,025,378	7,623,132	3,893,264
13	Taxes Other Than Income	7,511,837			2,444,150	2,588,423	2,479,264
14							
15	Total Operating Expenses	135,660,946			23,886,456	21,164,681	90,609,809
16							
17	Income Before Taxes	34,056,920			12,550,504	14,809,704	6,696,711
18							
19	Interest Expense	9,367,735			3,452,156	4,073,574	1,842,005
20							
21	Income Taxes:						
22							
23	State Income Taxes	1,481,351	6.00%		545,901	644,168	291,282
24	Federal Income Taxes	4,873,645	21.00%		1,796,014	2,119,312	958,319
25	Total Deferred Income Taxes	0			0	0	0
26	Amortization of ITC	0			0	0	0
27							
28	Total Income Taxes	6,354,996			2,341,915	2,763,480	1,249,601
29							
30	Net Income	27,701,923			10,208,589	12,046,224	5,447,110
31							
32	Total Rate Base	496,111,427			182,824,775	215,734,814	97,551,838
33							
34	Rate of Return	5.5838%			5.5838%	5.5838%	5.5838%

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
Customer										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1		Intangible Plant:								
2										
3	30100	Organization	6.2	P, S, T & D Plant - Customer	3,229	2,493	702	2	21	12
4	30200	Franchises & Consents	6.2	P, S, T & D Plant - Customer	46,465	35,864	10,103	24	303	171
5	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
6										
7		Total Intangible Plant:			49,694	38,356	10,805	26	324	183
8										
9		Production Plant:								
10										
11	32500	Producing Leaseholds	99.0	-	0	-	-	-	-	-
12	32540	Rights of Ways	99.0	-	0	-	-	-	-	-
13	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
14	33201	Field Lines	99.0	-	0	-	-	-	-	-
15	33202	Tributary Lines	99.0	-	0	-	-	-	-	-
16	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-	-
17	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
18										
19		Total Production Plant			0	0	0	0	0	0
20										
21		Storage Plant:								
22										
23	35010	Land	99.0	-	0	-	-	-	-	-
24	35020	Rights of Way	99.0	-	0	-	-	-	-	-
25	35100	Structures and Improvements	99.0	-	0	-	-	-	-	-
26	35102	Compression Station Equipment	99.0	-	0	-	-	-	-	-
27	35103	Meas. & Reg. Sta. Structures	99.0	-	0	-	-	-	-	-
28	35104	Other Structures	99.0	-	0	-	-	-	-	-
29	35200	Wells & Rights of Way	99.0	-	0	-	-	-	-	-
30	35201	Well Construction	99.0	-	0	-	-	-	-	-
31	35202	Well Equipment	99.0	-	0	-	-	-	-	-
32	35203	Cushion Gas	99.0	-	0	-	-	-	-	-
33	35210	Leaseholds	99.0	-	0	-	-	-	-	-
34	35211	Storage Rights	99.0	-	0	-	-	-	-	-
35	35301	Field Lines	99.0	-	0	-	-	-	-	-
36	35302	Tributary Lines	99.0	-	0	-	-	-	-	-
37	35400	Compressor Station Equipment	99.0	-	0	-	-	-	-	-
38	35500	Meas & Reg. Equipment	99.0	-	0	-	-	-	-	-
39	35600	Purification Equipment	99.0	-	0	-	-	-	-	-
40										
41		Total Storage Plant			0	0	0	0	0	0
42										
43		Transmission:								
44										
45	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
46	36520	Rights of Way	99.0	-	0	-	-	-	-	-
47	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
48	36603	Other Structures	99.0	-	0	-	-	-	-	-
49	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
50	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
51	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
52	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
53										
54		Total Transmission Plant			0	0	0	0	0	0
55										
56		Distribution:								
57										
58	37400	Land & Land Rights	2.0	Bills	0	-	-	-	-	-
59	37401	Land	2.0	Bills	0	-	-	-	-	-
60	37402	Land Rights	2.0	Bills	0	-	-	-	-	-
61	37403	Land Other	2.0	Bills	0	-	-	-	-	-
62	37500	Structures & Improvements	2.0	Bills	0	-	-	-	-	-
63	37501	Structures & Improvements T.B.	2.0	Bills	0	-	-	-	-	-
64	37502	Land Rights	2.0	Bills	0	-	-	-	-	-
65	37503	Improvements	2.0	Bills	0	-	-	-	-	-
66	37600	Mains Cathodic Protection	2.0	Bills	0	-	-	-	-	-
67	37601	Mains - Steel	2.0	Bills	0	-	-	-	-	-
68	37602	Mains - Plastic	2.0	Bills	0	-	-	-	-	-
69	37800	Meas & Reg. Sta. Equip - General	2.0	Bills	0	-	-	-	-	-
70	37900	Meas & Reg. Sta. Equip - City Gate	2.0	Bills	0	-	-	-	-	-
71	37905	Meas & Reg. Sta. Equipment T.b.	2.0	Bills	0	-	-	-	-	-
72	38000	Services	2.0	Bills	150,274,437	133,824,243	16,279,918	8,273	103,453	58,550
73	38100	Meters	4.0	Meter Investment	38,722,015	24,990,781	12,812,487	45,125	564,268	319,353
74	38200	Meter Installations	4.0	Meter Investment	57,067,155	36,815,804	18,882,597	66,503	831,599	470,652
75	38300	House Regulators	4.0	Meter Investment	12,779,948	8,244,744	4,228,678	14,893	186,233	105,401
76	38400	House Reg. Installations	4.0	Meter Investment	252,587	162,952	83,577	294	3,681	2,083
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2	Non-Residential Bills	5,241,043	-	5,186,793	2,636	32,960	18,654
78	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
79										
80		Total Distribution Plant			264,337,185	204,028,524	57,474,048	137,724	1,722,195	974,694

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
ALLOCATION OF PLANT IN SERVICE								
81								
82	General:							
83								
84	38900 Land & Land Rights	6.2 P, S, T & D Plant - Customer	469,752	362,578	102,137	245	3,061	1,732
85	39000 Structures & Improvements	6.2 P, S, T & D Plant - Customer	2,944,671	2,272,843	640,251	1,534	19,185	10,858
86	39001 Structures Frame	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
87	39002 Structures-Brick	6.2 P, S, T & D Plant - Customer	67,113	51,801	14,592	35	437	247
88	39003 Improvements	6.2 P, S, T & D Plant - Customer	274,943	212,215	59,780	143	1,791	1,014
89	39004 Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	5,022	3,876	1,092	3	33	19
90	39009 Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	483,126	372,901	105,045	252	3,148	1,781
91	39100 Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	723,428	558,377	157,293	377	4,713	2,668
92	39102 Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
93	39103 Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
94	39200 Transportation Equipment	6.2 P, S, T & D Plant - Customer	85,672	66,126	18,628	45	558	316
95	39201 Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
96	39202 Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
97	39300 Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
98	39400 Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	1,581,103	1,220,374	343,775	824	10,301	5,830
99	39600 Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
100	39603 Ditchers	6.2 P, S, T & D Plant - Customer	15,356	11,853	3,339	8	100	57
101	39604 Backhoes	6.2 P, S, T & D Plant - Customer	24,326	18,776	5,289	13	158	90
102	39605 Welders	6.2 P, S, T & D Plant - Customer	7,532	5,813	1,638	4	49	28
103	39700 Communication Equipment	6.2 P, S, T & D Plant - Customer	203,245	156,874	44,191	106	1,324	749
104	39701 Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
105	39702 Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
106	39705 Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
107	39800 Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	1,508,766	1,164,540	328,047	786	9,830	5,563
108	39900 Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
109	39901 Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	5,579	4,306	1,213	3	36	21
110	39902 Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
111	39903 Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	52,181	40,276	11,346	27	340	192
112	39904 Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
113	39905 Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
114	39906 Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	179,065	138,211	38,934	93	1,167	660
115	39907 Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
116	39908 Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	47,884	36,960	10,411	25	312	177
117	39909 Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
118	39924 Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
119								
120	Total General Plant		8,678,765	6,698,701	1,886,998	4,522	56,543	32,001
121								
122	TOTAL DIRECT PLANT		273,065,644	210,765,581	59,371,851	142,272	1,779,062	1,006,878
123								
124	CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	14,791,899	11,417,120	3,216,159	7,707	96,371	54,542
125								
126	Kentucky Mid-States General Office:							
127								
128	Intangible Plant:							
129								
130	30100 Organization	6.2 P, S, T & D Plant - Customer	35,762	27,603	7,776	19	233	132
131	30200 Franchises & Consents	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
132	30300 Misc Intangible Plant	6.2 P, S, T & D Plant - Customer	214,130	165,276	46,558	112	1,395	790
133								
134	Total Intangible Plant		249,892	192,879	54,333	130	1,628	921
135								
136	General:							
137								
138	37400 Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
139	39001 Structures Frame	6.2 P, S, T & D Plant - Customer	34,610	26,714	7,525	18	225	128
140	39602 Structures & Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
141	39900 Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
142	39004 Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	2,969	2,292	646	2	19	11
143	39009 Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	7,494	5,785	1,630	4	49	28
144	39100 Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	7,451	5,751	1,620	4	49	27
145	39102 Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
146	39103 Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
147	39200 Transportation Equipment	6.2 P, S, T & D Plant - Customer	5,266	4,064	1,145	3	34	19
148	39201 Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
149	39202 Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
150	39300 Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
151	39400 Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	33,940	26,197	7,380	18	221	125
152	39600 Power Operated Equipment	6.2 P, S, T & D Plant - Customer	3,959	3,056	861	2	26	15
153	39603 Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
154	39604 Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
155	39605 Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
156	39700 Communication Equipment	6.2 P, S, T & D Plant - Customer	7,245	5,592	1,575	4	47	27
157	39701 Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
158	39702 Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
159	39705 Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
160	39800 Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	157,124	121,276	34,163	82	1,024	579
161	39900 Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
162	39901 Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
163	39902 Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
164	39903 Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
165	39904 Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
166	39905 Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
167	39906 Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	13,543	10,453	2,945	7	88	50
168	39907 Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	31,902	24,623	6,936	17	208	118
169	39908 Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	159,892	123,413	34,765	83	1,042	590
170	39909 Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
171	39924 Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
172								
173	Total General Plant		465,396	359,216	101,190	242	3,032	1,716
174								
175	CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	896	691	195	0	6	3

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF PLANT IN SERVICE									
176									
177		Shared Services General Office:							
178									
179		General:							
180									
181	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
182	39001	Structures Frame	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
183	36602	Structures & Improvements	6.2 P, S, T & D Plant - Customer	91,657	70,745	19,929	48	597	338
184	37503	Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
185	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
186	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	187,389	144,636	40,743	98	1,221	691
187	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	111,233	85,855	24,185	58	725	410
188	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
189	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
190	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	143	110	31	0	1	1
191	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
192	39202	Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
193	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
194	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	1,527	1,178	332	1	10	6
195	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
196	39603	Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
197	39604	Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
198	39605	Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
199	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	21,078	16,269	4,583	11	137	78
200	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
201	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
202	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
203	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	2,922	2,255	635	2	19	11
204	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	3,248	2,507	706	2	21	12
205	39901	Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	900,168	694,794	195,721	469	5,865	3,319
206	39902	Other Tangible Property - Servers - SW	6.2 P, S, T & D Plant - Customer	543,695	419,651	118,214	283	3,542	2,005
207	39903	Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	171,472	132,351	37,283	89	1,117	632
208	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
209	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
210	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	60,425	46,639	13,138	31	394	223
211	39907	Other Tangible Property - PC Software	6.2 P, S, T & D Plant - Customer	33,424	25,798	7,267	17	218	123
212	39908	Other Tang. Property - Mainframe SW	6.2 P, S, T & D Plant - Customer	1,504,064	1,160,911	327,024	784	9,799	5,546
213	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	512,885	395,870	111,515	267	3,342	1,891
214	39931	Other Tang. Property - ALGN	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
215									
216		Total General Plant		4,145,328	3,199,570	901,306	2,160	27,007	15,285
217									
218		CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	290,119	223,928	63,080	151	1,890	1,070
219									
220		Shared Services Customer Support:							
221									
222		General:							
223									
224	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	79,816	61,606	17,354	42	520	294
225	39001	Structures Frame	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
226	36602	Structures & Improvements	6.2 P, S, T & D Plant - Customer	387,685	299,235	84,293	202	2,526	1,430
227	37503	Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
228	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
229	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	61,687	47,613	13,412	32	402	227
230	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	59,971	46,289	13,039	31	391	221
231	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
232	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
233	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	866	668	188	0	6	3
234	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
235	39202	Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
236	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
237	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	5,463	4,217	1,188	3	36	20
238	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	212	164	46	0	1	1
239	39603	Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
240	39604	Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
241	39605	Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
242	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	44,460	34,316	9,667	23	290	164
243	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
244	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
245	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
246	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	6,109	4,715	1,328	3	40	23
247	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	16,813	12,977	3,656	9	110	62
248	39901	Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	226,206	174,567	49,163	118	1,474	834
249	39902	Other Tangible Property - Servers - SW	6.2 P, S, T & D Plant - Customer	44,263	34,165	9,624	23	288	163
250	39903	Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	13,761	10,622	2,992	7	90	51
251	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
252	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
253	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	26,933	20,788	5,856	14	175	99
254	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	5,095	3,932	1,108	3	33	19
255	39908	Other Tang. Property - Mainframe SW	6.2 P, S, T & D Plant - Customer	2,034,841	1,570,591	442,429	1,060	13,257	7,503
256	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	185	143	40	0	1	1
257	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
258									
259		Total General Plant		3,014,367	2,326,638	655,405	1,571	19,639	11,115
260									
261		CWIP w/o AFUDC	6.2 P, S, T & D Plant - Customer	87,125	67,248	18,943	45	568	321
262									
263		TOTAL PLANT IN SERVICE - CUSTOMER		280,940,628	216,843,883	61,084,086	146,375	1,830,368	1,035,916
264									
265		TOTAL CWIP W/O AFUDC - CUSTOMER		15,170,039	11,708,987	3,298,376	7,904	98,835	55,937

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
266		Intangible Plant:								
267										
268	30100	Organization	6.4	P, S, T & D Plant - Demand	3,421	1,547	884	47	496	448
269	30200	Franchises & Consents	6.4	P, S, T & D Plant - Demand	49,225	22,296	12,727	669	7,130	6,443
270	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
271										
272		Total Intangible Plant:			52,646	23,803	13,611	716	7,625	6,891
273										
274		Production Plant:								
275										
276	32500	Producing Leaseholds	3.0	Peak Day	0	-	-	-	-	-
277	32540	Rights of Ways	3.0	Peak Day	2,341	1,058	605	32	339	306
278	33100	Production Gas Wells Equipment	3.0	Peak Day	0	-	-	-	-	-
279	33201	Field Lines	3.0	Peak Day	0	-	-	-	-	-
280	33202	Tributary Lines	3.0	Peak Day	0	-	-	-	-	-
281	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0	-	-	-	-	-
282	33600	Purification Equipment	3.0	Peak Day	0	-	-	-	-	-
283										
284		Total Production Plant			0	0	0	0	0	0
285										
286		Storage Plant:								
287										
288	35010	Land	3.0	Peak Day	130,563	59,032	33,756	1,775	18,911	17,089
289	35020	Rights of Way	3.0	Peak Day	2,341	1,058	605	32	339	306
290	35100	Structures and Improvements	3.0	Peak Day	8,958	4,050	2,316	122	1,298	1,172
291	35102	Compression Station Equipment	3.0	Peak Day	76,631	34,647	19,812	1,042	11,099	10,030
292	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	11,569	5,231	2,991	157	1,676	1,514
293	35104	Other Structures	3.0	Peak Day	68,721	31,071	17,767	935	9,954	8,995
294	35200	Wells & Rights of Way	3.0	Peak Day	4,174,198	1,887,299	1,079,195	56,763	604,604	546,337
295	35201	Well Construction	3.0	Peak Day	849,999	384,314	219,758	11,559	123,117	111,252
296	35202	Well Equipment	3.0	Peak Day	224,655	101,574	58,082	3,055	32,540	29,404
297	35203	Cushion Gas	3.0	Peak Day	847,416	383,146	219,091	11,524	122,742	110,914
298	35210	Leaseholds	3.0	Peak Day	89,265	40,360	23,079	1,214	12,929	11,683
299	35211	Storage Rights	3.0	Peak Day	27,307	12,346	7,060	371	3,955	3,574
300	35301	Field Lines	3.0	Peak Day	87,675	39,641	22,667	1,192	12,699	11,475
301	35302	Tributary Lines	3.0	Peak Day	104,659	47,320	27,059	1,423	15,159	13,698
302	35400	Compressor Station Equipment	3.0	Peak Day	461,723	208,761	119,374	6,279	66,877	60,432
303	35500	Meas. & Reg. Equipment	3.0	Peak Day	136,542	61,735	35,302	1,857	19,777	17,871
304	35600	Purification Equipment	3.0	Peak Day	207,332	93,742	53,603	2,819	30,031	27,136
305										
306		Total Storage Plant			7,509,555	3,395,329	1,941,516	102,119	1,087,708	982,884
307										
308		Transmission:								
309										
310	36510	Land & Land Rights	3.0	Peak Day	26,970	12,194	6,973	367	3,906	3,530
311	36520	Rights of Way	3.0	Peak Day	867,772	392,350	224,353	11,800	125,691	113,578
312	36602	Structures & Improvements	3.0	Peak Day	49,002	22,155	12,669	666	7,098	6,414
313	36603	Other Structures	3.0	Peak Day	60,626	27,502	15,726	827	8,810	7,961
314	36700	Mains Cathodic Protection	3.0	Peak Day	139,638	63,135	36,102	1,899	20,226	18,276
315	36701	Mains - Steel	3.0	Peak Day	27,047,831	12,229,257	6,992,930	367,811	3,917,694	3,540,140
316	36900	Meas. & Reg. Equipment	3.0	Peak Day	731,467	330,721	189,113	9,947	105,948	95,738
317	36901	Meas. & Reg. Equipment	3.0	Peak Day	2,269,556	1,026,144	586,770	30,863	328,730	297,050
318										
319		Total Transmission Plant			31,193,061	14,103,458	8,064,635	424,180	4,518,102	4,082,686
320										
321		Distribution:								
322										
323	37400	Land & Land Rights	3.0	Peak Day	345,253	156,101	89,261	4,695	50,008	45,188
324	37401	Land	3.0	Peak Day	24,262	10,970	6,273	330	3,514	3,175
325	37402	Land Rights	3.0	Peak Day	2,369,699	1,071,423	612,661	32,224	343,235	310,157
326	37403	Land Other	3.0	Peak Day	1,810	818	468	25	262	237
327	37500	Structures & Improvements	3.0	Peak Day	218,505	98,794	56,492	2,971	31,649	28,599
328	37501	Structures & Improvements T.B.	3.0	Peak Day	64,881	29,335	16,774	882	9,398	8,492
329	37502	Land Rights	3.0	Peak Day	30,071	13,596	7,775	409	4,356	3,936
330	37503	Improvements	3.0	Peak Day	2,603	1,177	673	35	377	341
331	37600	Mains Cathodic Protection	3.0	Peak Day	13,397,291	6,057,377	3,463,727	182,184	1,940,506	1,753,497
332	37601	Mains - Steel	3.0	Peak Day	114,414,774	51,730,864	29,580,726	1,555,874	16,572,199	14,975,112
333	37602	Mains - Plastic	3.0	Peak Day	86,818,879	39,163,381	22,394,392	1,177,890	12,548,153	11,337,062
334	37800	Meas. & Reg. Sta. Equip - General	3.0	Peak Day	19,442,438	8,790,596	5,026,636	264,389	2,816,104	2,544,712
335	37900	Meas. & Reg. Sta. Equip - City Gate	3.0	Peak Day	3,331,868	1,506,453	861,419	45,309	482,598	436,090
336	37905	Meas. & Reg. Sta. Equipment T.b.	3.0	Peak Day	1,073,951	485,570	277,659	14,604	155,554	140,563
337	38000	Services	99.0	-	0	-	-	-	-	-
338	38100	Meters	99.0	-	0	-	-	-	-	-
339	38200	Meter Installations	99.0	-	0	-	-	-	-	-
340	38300	House Regulators	99.0	-	0	-	-	-	-	-
341	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
342	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
343	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
344										
345		Total Distribution Plant			241,336,285	109,116,454	62,394,935	3,281,821	34,955,913	31,587,160

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF PLANT IN SERVICE									
346									
347	General:								
348									
349	38900 Land & Land Rights	6.4	P, S, T & D Plant - Demand	497,656	225,007	128,664	6,767	72,082	65,135
350	39000 Structures & Improvements	6.4	P, S, T & D Plant - Demand	3,119,585	1,410,472	806,536	42,422	451,851	408,305
351	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
352	39002 Structures-Brick	6.4	P, S, T & D Plant - Demand	71,100	32,147	18,382	967	10,298	9,306
353	39003 Improvements	6.4	P, S, T & D Plant - Demand	291,275	131,695	75,306	3,961	42,189	38,123
354	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	5,321	2,406	1,376	72	771	696
355	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	511,824	231,413	132,327	6,960	74,134	66,990
356	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	766,400	346,516	198,144	10,422	111,008	100,310
357	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
358	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
359	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	90,761	41,036	23,465	1,234	13,146	11,879
360	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
361	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
362	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
363	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	1,675,022	757,335	433,059	22,778	242,615	219,234
364	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
365	39603 Ditchers	6.4	P, S, T & D Plant - Demand	16,268	7,355	4,206	221	2,356	2,129
366	39604 Backhoes	6.4	P, S, T & D Plant - Demand	25,771	11,652	6,663	350	3,733	3,373
367	39605 Welders	6.4	P, S, T & D Plant - Demand	7,979	3,608	2,063	109	1,156	1,044
368	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	215,317	97,352	55,668	2,928	31,187	28,182
369	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
370	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
371	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
372	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	1,598,387	722,686	413,246	21,736	231,515	209,204
373	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
374	39901 Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	5,910	2,672	1,528	80	856	774
375	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
376	39903 Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	55,281	24,994	14,292	752	8,007	7,235
377	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
378	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
379	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	189,702	85,771	49,045	2,580	27,477	24,829
380	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
381	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	50,729	22,936	13,115	690	7,348	6,640
382	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
383	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
384									
385	Total General Plant			9,194,287	4,157,054	2,377,085	125,029	1,331,730	1,203,389
386									
387	TOTAL DIRECT PLANT			289,285,834	130,796,098	74,791,782	3,933,865	41,901,078	37,863,010
388									
389	CWIP w/o AFUDC	6.4	P, S, T & D Plant - Demand	15,670,542	7,085,192	4,051,452	213,097	2,269,771	2,051,030
390									
391	Kentucky Mid-States General Office:								
392									
393	Intangible Plant:								
394									
395	30100 Organization	6.4	P, S, T & D Plant - Demand	37,887	17,130	9,795	515	5,488	4,959
396	30200 Franchises & Consents	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
397	30300 Misc Intangible Plant	6.4	P, S, T & D Plant - Demand	226,849	102,566	58,649	3,085	32,858	29,691
398									
399	Total Intangible Plant:			264,736	119,696	68,445	3,600	38,345	34,650
400									
401	General:								
402									
403	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
404	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	36,666	16,578	9,480	499	5,311	4,799
405	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
406	38900 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
407	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	3,145	1,422	813	43	456	412
408	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	7,940	3,590	2,053	108	1,150	1,039
409	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	7,894	3,569	2,041	107	1,143	1,033
410	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
411	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
412	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	5,578	2,522	1,442	76	808	730
413	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
414	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
415	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
416	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	35,956	16,257	9,296	489	5,208	4,706
417	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	4,194	1,896	1,084	57	608	549
418	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
419	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
420	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
421	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	7,675	3,470	1,984	104	1,112	1,005
422	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
423	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
424	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
425	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	166,457	75,261	43,036	2,264	24,110	21,787
426	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
427	39901 Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
428	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
429	39903 Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
430	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
431	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
432	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	14,348	6,487	3,709	195	2,078	1,878
433	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	33,797	15,281	8,738	460	4,895	4,423
434	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	169,390	76,587	43,794	2,303	24,535	22,170
435	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
436	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
437									
438	Total General Plant			493,041	222,921	127,470	6,705	71,414	64,531
439									
440	CWIP w/o AFUDC	6.4	P, S, T & D Plant - Demand	949	429	245	13	137	124

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF PLANT IN SERVICE									
441									
442	Shared Services General Office:								
443									
444	General:								
445									
446	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
447	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
448	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	97,102	43,903	25,105	1,320	14,064	12,709
449	37503 Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
450	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
451	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	198,519	89,757	51,325	2,700	28,754	25,983
452	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	117,840	53,279	30,466	1,602	17,068	15,423
453	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
454	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
455	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	152	69	39	2	22	20
456	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
457	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
458	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
459	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	1,617	731	418	22	234	212
460	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
461	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
462	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
463	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
464	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	22,330	10,096	5,773	304	3,234	2,923
465	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
466	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
467	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
468	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	3,096	1,400	800	42	448	405
469	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	3,441	1,556	890	47	498	450
470	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	953,638	431,173	246,553	12,968	136,128	124,816
471	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	575,990	260,425	148,916	7,833	83,428	75,388
472	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	181,658	82,134	46,966	2,470	26,312	23,776
473	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
474	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
475	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	64,014	28,943	16,550	870	9,272	8,378
476	39907 Other Tangible Property - PC Software	6.4	P, S, T & D Plant - Demand	35,409	16,010	9,155	482	5,129	4,654
477	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	1,593,406	720,434	411,958	21,668	230,794	208,552
478	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	543,351	245,668	140,478	7,389	78,701	71,116
479	39931 Other Tang. Property - ALGN	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
480									
481	Total General Plant			4,391,562	1,985,577	1,135,392	59,719	636,088	574,787
482									
483	CWIP w/o AFUDC	6.4	P, S, T & D Plant - Demand	307,352	138,965	79,463	4,180	44,518	40,228
484									
485	Shared Services Customer Support:								
486									
487	General:								
488									
489	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	84,557	38,231	21,861	1,150	12,248	11,067
490	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
491	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	410,714	185,698	106,186	5,585	59,489	53,756
492	37503 Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
493	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
494	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	65,351	29,547	16,896	889	9,466	8,553
495	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	63,533	28,726	16,426	864	9,202	8,316
496	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
497	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
498	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	917	415	237	12	133	120
499	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
500	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
501	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
502	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	5,788	2,617	1,496	79	838	758
503	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	225	102	58	3	33	29
504	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
505	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
506	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
507	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	47,101	21,296	12,177	641	6,822	6,165
508	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
509	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
510	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
511	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	6,472	2,926	1,673	88	937	847
512	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	17,812	8,053	4,605	242	2,580	2,331
513	39901 Other Tangible Property - Servers - HW	6.4	P, S, T & D Plant - Demand	239,643	108,351	61,957	3,259	34,711	31,366
514	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	46,893	21,202	12,124	638	6,792	6,138
515	39903 Other Tangible Property - Network - HW	6.4	P, S, T & D Plant - Demand	14,579	6,591	3,769	198	2,112	1,908
516	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
517	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
518	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	28,533	12,901	7,377	388	4,133	3,735
519	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	5,397	2,440	1,395	73	782	706
520	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	2,155,711	974,671	557,336	29,315	312,240	282,149
521	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	196	89	51	3	28	26
522	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-
523									
524	Total General Plant			3,193,421	1,443,856	825,625	43,426	462,545	417,969
525									
526	CWIP w/o AFUDC	6.4	P, S, T & D Plant - Demand	92,301	41,732	23,863	1,255	13,369	12,081
527									
528	TOTAL PLANT IN SERVICE - DEMAND			297,628,594	134,568,148	76,948,715	4,047,315	43,109,470	38,954,947
529									
530	TOTAL CWIP W/O AFUDC - DEMAND			16,071,144	7,266,318	4,155,024	218,544	2,327,796	2,103,462

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
Commodity										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
531		Intangible Plant:								
532										
533	30100	Organization	6.6	P, S, T & D Plant - Commodity	1,679	515	347	17	377	422
534	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	24,163	7,417	4,997	249	5,428	6,073
535	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
536										
537		Total Intangible Plant:			25,843	7,932	5,344	266	5,805	6,496
538										
539		Production Plant:								
540										
541	32520	Producing Leaseholds	99.0	-	0	-	-	-	-	-
542	32540	Rights of Ways	99.0	-	0	-	-	-	-	-
543	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
544	33201	Field Lines	99.0	-	0	-	-	-	-	-
545	33202	Tributary Lines	99.0	-	0	-	-	-	-	-
546	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-	-
547	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
548										
549		Total Production Plant			0	0	0	0	0	0
550										
551		Storage Plant:								
552										
553	35010	Land	1.5	Winter Volumes	130,563	49,435	30,589	1,673	24,001	24,865
554	35020	Rights of Way	1.5	Winter Volumes	2,341	886	548	30	430	446
555	35100	Structures and Improvements	1.5	Winter Volumes	8,958	3,392	2,099	115	1,647	1,706
556	35102	Compression Station Equipment	1.5	Winter Volumes	76,631	29,015	17,954	982	14,087	14,594
557	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	11,569	4,380	2,711	148	2,127	2,203
558	35104	Other Structures	1.5	Winter Volumes	68,721	26,020	16,101	880	12,633	13,087
559	35200	Wells & Rights of Way	1.5	Winter Volumes	4,174,198	1,580,473	977,961	53,480	767,344	794,940
560	35201	Well Construction	1.5	Winter Volumes	849,999	321,834	199,144	10,890	156,256	161,875
561	35202	Well Equipment	1.5	Winter Volumes	224,655	85,061	52,634	2,878	41,298	42,784
562	35203	Cushion Gas	1.5	Winter Volumes	847,416	320,857	198,539	10,857	155,781	161,383
563	35210	Leaseholds	1.5	Winter Volumes	89,265	33,798	20,914	1,144	16,410	17,000
564	35211	Storage Rights	1.5	Winter Volumes	27,307	10,339	6,398	350	5,020	5,200
565	35301	Field Lines	1.5	Winter Volumes	87,675	33,196	20,541	1,123	16,117	16,697
566	35302	Tributary Lines	1.5	Winter Volumes	104,659	39,627	24,520	1,341	19,240	19,931
567	35400	Compressor Station Equipment	1.5	Winter Volumes	461,723	174,822	108,176	5,916	84,879	87,931
568	35500	Meas. & Reg. Equipment	1.5	Winter Volumes	136,542	51,699	31,990	1,749	25,101	26,003
569	35600	Purification Equipment	1.5	Winter Volumes	207,332	78,502	48,575	2,656	38,114	39,485
570										
571		Total Storage Plant			7,509,555	2,843,336	1,759,393	96,213	1,380,484	1,430,130
572										
573		Transmission:								
574										
575	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
576	36520	Rights of Way	99.0	-	0	-	-	-	-	-
577	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
578	36603	Other Structures	99.0	-	0	-	-	-	-	-
579	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
580	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
581	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
582	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
583										
584		Total Transmission Plant			0	0	0	0	0	0
585										
586		Distribution:								
587										
588	37400	Land & Land Rights	1.0	Mcf	185,914	56,296	38,151	1,885	42,198	47,383
589	37401	Land	1.0	Mcf	13,065	3,956	2,681	132	2,965	3,330
590	37402	Land Rights	1.0	Mcf	1,276,049	386,400	261,857	12,937	289,632	325,223
591	37403	Land Other	1.0	Mcf	974	295	200	10	221	248
592	37500	Structures & Improvements	1.0	Mcf	117,662	35,629	24,145	1,193	26,706	29,988
593	37501	Structures & Improvements T.B.	1.0	Mcf	34,937	10,579	7,169	354	7,930	8,904
594	37502	Land Rights	1.0	Mcf	16,193	4,903	3,323	164	3,675	4,127
595	37503	Improvements	1.0	Mcf	1,402	424	288	14	318	357
596	37600	Mains Cathodic Protection	1.0	Mcf	7,214,250	2,184,544	1,480,433	73,140	1,637,460	1,838,674
597	37601	Mains - Steel	1.0	Mcf	61,610,725	18,656,317	12,643,106	624,623	13,984,143	15,702,537
598	37602	Mains - Plastic	1.0	Mcf	46,843,031	14,123,956	9,571,593	472,877	10,586,839	11,887,767
599	37800	Meas. & Reg. Sta. Equip - General	1.0	Mcf	10,469,475	3,170,257	2,148,436	106,142	2,376,317	2,668,323
600	37900	Meas. & Reg. Sta. Equip - City Gate	1.0	Mcf	1,794,164	543,290	368,179	18,190	407,232	457,273
601	37905	Meas. & Reg. Sta. Equipment T.b.	1.0	Mcf	578,307	175,117	118,674	5,863	131,262	147,391
602	38000	Services	99.0	-	0	-	-	-	-	-
603	38100	Meters	99.0	-	0	-	-	-	-	-
604	38200	Meter Installations	99.0	-	0	-	-	-	-	-
605	38300	House Regulators	99.0	-	0	-	-	-	-	-
606	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
607	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
608	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
609										
610		Total Distribution Plant			129,956,149	39,351,965	26,668,236	1,317,523	29,498,899	33,121,526

Atmos Energy Corporation, Kentucky/Mid-States Division											
Class Cost of Service - Demand/Commodity Study											
Forecasted Test Period: Twelve Months Ended March 31, 2020											
ALLOCATION OF PLANT IN SERVICE											
611											
612	General:										
613											
614	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	244,290	74,985	50,519	2,512	54,872	61,402	
615	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	1,531,344	470,048	316,679	15,749	343,969	384,899	
616	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
617	39002	Structures-Brick	6.6	P, S, T & D Plant - Commodity	34,902	10,713	7,218	359	7,840	8,772	
618	39003	Improvements	6.6	P, S, T & D Plant - Commodity	142,981	43,888	29,568	1,470	32,116	35,938	
619	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	2,612	802	540	27	587	656	
620	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	251,244	77,120	51,957	2,584	56,434	63,150	
621	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	376,211	115,478	77,800	3,869	84,504	94,560	
622	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
623	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
624	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	44,553	13,676	9,213	458	10,007	11,198	
625	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
626	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
627	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
628	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	822,236	252,386	170,037	8,456	184,690	206,667	
629	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
630	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	7,986	2,451	1,651	82	1,794	2,007	
631	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	12,650	3,883	2,616	130	2,842	3,180	
632	39605	Welders	6.6	P, S, T & D Plant - Commodity	3,917	1,202	810	40	880	984	
633	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	105,695	32,443	21,858	1,087	23,741	26,566	
634	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
635	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
636	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
637	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	784,618	240,840	162,257	8,069	176,240	197,212	
638	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
639	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	2,901	891	600	30	652	729	
640	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
641	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	27,136	8,330	5,612	279	6,095	6,821	
642	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
643	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
644	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	93,121	28,584	19,257	958	20,917	23,406	
645	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
646	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	24,902	7,644	5,150	256	5,593	6,259	
647	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
648	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
649											
650	Total General Plant				4,513,298	1,385,364	933,341	46,416	1,013,772	1,134,406	
651											
652	TOTAL DIRECT PLANT				142,004,845	43,588,597	29,366,314	1,460,417	31,896,960	35,692,558	
653											
654	CWIP w/o AFUDC				6.6	P, S, T & D Plant - Commodity	7,692,367	2,361,184	1,590,766	79,110	1,727,850
655											
656	Kentucky Mid-States General Office:										
657											
658	Intangible Plant:										
659											
660	30100	Organization	6.6	P, S, T & D Plant - Commodity	18,598	5,709	3,846	191	4,177	4,675	
661	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
662	30300	Misc Intangible Plant	6.6	P, S, T & D Plant - Commodity	111,356	34,181	23,028	1,145	25,013	27,989	
663											
664	Total Intangible Plant:				129,954	39,889	26,874	1,336	29,190	32,664	
665											
666	General:										
667											
668	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
669	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	17,999	5,525	3,722	185	4,043	4,524	
670	39602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
671	39900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
672	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	1,544	474	319	16	347	388	
673	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	3,897	1,196	806	40	875	980	
674	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	3,875	1,189	801	40	870	974	
675	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
676	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
677	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	2,738	841	566	28	615	688	
678	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
679	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
680	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
681	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	17,650	5,418	3,650	182	3,965	4,436	
682	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	2,059	632	426	21	462	518	
683	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
684	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
685	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
686	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	3,768	1,156	779	39	846	947	
687	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
688	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
689	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
690	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	81,711	25,081	16,898	840	18,354	20,538	
691	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
692	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
693	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
694	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
695	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
696	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
697	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	7,043	2,162	1,457	72	1,582	1,770	
698	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	16,590	5,092	3,431	171	3,726	4,170	
699	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	83,150	25,523	17,195	855	18,677	20,900	
700	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
701	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-	
702											
703	Total General Plant				242,024	74,290	50,050	2,489	54,363	60,832	
704											
705	CWIP w/o AFUDC				6.6	P, S, T & D Plant - Commodity	466	143	96	5	105

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF PLANT IN SERVICE									
706									
707	Shared Services General Office:								
708									
709	General:								
710									
711	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
712	39001 Structures Frame	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
713	36602 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	47,665	14,631	9,857	490	10,707	11,981
714	37503 Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
715	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
716	39009 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	97,449	29,912	20,152	1,002	21,889	24,494
717	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	57,845	17,756	11,962	595	12,993	14,539
718	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
719	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
720	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	74	23	15	1	17	19
721	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
722	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
723	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
724	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	794	244	164	8	178	200
725	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
726	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
727	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
728	39605 Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
729	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	10,961	3,365	2,267	113	2,462	2,755
730	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
731	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
732	39705 Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
733	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	1,520	466	314	16	341	382
734	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	1,689	518	349	17	379	425
735	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	468,123	143,691	96,807	4,814	105,149	117,661
736	39902 Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	282,743	86,788	58,471	2,908	63,509	71,067
737	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	89,172	27,372	18,441	917	20,030	22,413
738	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
739	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
740	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	31,423	9,645	6,498	323	7,058	7,898
741	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	17,362	5,335	3,594	179	3,904	4,369
742	39908 Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	782,172	240,089	161,752	8,044	175,691	196,597
743	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	266,720	81,870	55,157	2,743	59,910	67,039
744	39931 Other Tang. Property - ALGN	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
745									
746	Total General Plant			2,155,733	661,706	445,801	22,170	484,218	541,838
747									
748	CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	150,873	46,311	31,200	1,552	33,889	37,922
749									
750	Shared Services Customer Support:								
751									
752	General:								
753									
754	37400 Land & Land Rights	6.6	P, S, T & D Plant - Commodity	41,508	12,741	8,584	427	9,323	10,433
755	39001 Structures Frame	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
756	36602 Structures & Improvements	6.6	P, S, T & D Plant - Commodity	201,612	61,885	41,693	2,073	45,286	50,675
757	37503 Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
758	39004 Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
759	39009 Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	32,079	9,847	6,634	330	7,206	8,063
760	39100 Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	31,167	9,573	6,449	321	7,005	7,839
761	39102 Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
762	39103 Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
763	39200 Transportation Equipment	6.6	P, S, T & D Plant - Commodity	450	138	93	5	101	113
764	39201 Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
765	39202 Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
766	39300 Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
767	39400 Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	2,841	872	588	29	638	714
768	39600 Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	110	34	23	1	25	28
769	39603 Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
770	39604 Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
771	39605 Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
772	39700 Communication Equipment	6.6	P, S, T & D Plant - Commodity	23,121	7,097	4,781	238	5,193	5,811
773	39701 Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
774	39702 Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
775	39705 Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
776	39800 Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	3,177	975	657	33	714	799
777	39900 Other Tangible Property	6.6	P, S, T & D Plant - Commodity	8,743	2,684	1,808	90	1,964	2,198
778	39901 Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	117,636	36,109	24,327	1,210	26,423	29,568
779	39902 Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	23,019	7,066	4,760	237	5,170	5,786
780	39903 Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	7,156	2,197	1,480	74	1,607	1,799
781	39904 Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
782	39905 Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
783	39906 Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	14,006	4,299	2,896	144	3,146	3,520
784	39907 Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	2,649	813	548	27	595	666
785	39908 Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	1,058,197	324,815	218,833	10,883	237,691	265,975
786	39909 Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	96	30	20	1	22	24
787	39924 Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
788									
789	Total General Plant			1,567,589	481,174	324,174	16,122	352,110	394,010
790									
791	CWIP w/o AFUDC	6.6	P, S, T & D Plant - Commodity	45,309	13,908	9,370	466	10,177	11,388
792									
793	TOTAL PLANT IN SERVICE - COMMODITY			146,100,145	44,845,655	30,213,213	1,502,535	32,816,841	36,721,901
794									
795	TOTAL CWIP W/O AFUDC - COMMODITY			7,889,015	2,421,545	1,631,432	81,133	1,772,021	1,982,884

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF PLANT IN SERVICE										
Total Plant in Service										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
796		Intangible Plant:								
797										
798	30100	Organization			8,330	4,555	1,934	65	894	882
799	30200	Franchises & Consents			119,853	65,537	27,826	942	12,860	12,687
800	30300	Misc Intangible Plant			0	-	-	-	-	-
801										
802		Total Intangible Plant:			128,182	70,092	29,760	1,008	13,754	13,569
803		Production Plant:								
804										
805										
806	32500	Producing Leaseholds			0	-	-	-	-	-
807	32540	Rights of Ways			4,682	1,945	1,154	62	769	752
808	33100	Production Gas Wells Equipment			0	-	-	-	-	-
809	33201	Field Lines			0	-	-	-	-	-
810	33202	Tributary Lines			0	-	-	-	-	-
811	33400	Field Meas. & Reg. Sta. Equip			0	-	-	-	-	-
812	33600	Purification Equipment			0	-	-	-	-	-
813										
814		Total Production Plant			0	0	0	0	0	0
815		Storage Plant:								
816										
817										
818	35010	Land			261,127	108,467	64,345	3,448	42,913	41,953
819	35020	Rights of Way			4,682	1,945	1,154	62	769	752
820	35100	Structures and Improvements			17,916	7,442	4,415	237	2,944	2,878
821	35102	Compression Station Equipment			153,261	63,662	37,766	2,024	25,186	24,623
822	35103	Meas. & Reg. Sta. Structures			23,138	9,611	5,702	306	3,802	3,717
823	35104	Other Structures			137,443	57,091	33,868	1,815	22,587	22,082
824	35200	Wells \ Rights of Way			8,348,396	3,467,772	2,057,156	110,243	1,371,948	1,341,277
825	35201	Well Construction			1,699,989	706,148	418,902	22,449	278,372	273,127
826	35202	Well Equipment			449,309	186,635	110,716	5,933	73,838	72,187
827	35203	Cushion Gas			1,694,833	704,003	417,629	22,381	278,523	272,297
828	35210	Leaseholds			178,530	74,158	43,992	2,358	29,339	28,683
829	35211	Storage Rights			54,614	22,686	13,458	721	8,975	8,774
830	35301	Field Lines			175,350	72,837	43,209	2,316	28,817	28,172
831	35302	Tributary Lines			209,319	86,947	51,579	2,764	34,369	33,630
832	35400	Compressor Station Equipment			923,446	383,583	227,549	12,194	151,756	148,364
833	35500	Meas. & Reg. Equipment			273,084	113,434	67,292	3,606	44,878	43,875
834	35600	Purification Equipment			414,663	172,244	102,179	5,476	68,144	66,621
835										
836		Total Storage Plant			15,019,110	6,238,665	3,700,909	198,331	2,468,192	2,413,014
837		Transmission:								
838										
839										
840	36510	Land & Land Rights			26,970	12,194	6,973	367	3,906	3,530
841	36520	Rights of Way			867,772	392,350	224,353	11,800	125,691	113,578
842	36602	Structures & Improvements			49,002	22,155	12,669	666	7,098	6,414
843	36603	Other Structures			60,626	27,502	15,726	827	8,810	7,961
844	36700	Mains Cathodic Protection			139,638	63,135	36,102	1,899	20,226	18,276
845	36701	Mains - Steel			27,047,831	12,229,257	6,992,930	367,811	3,917,694	3,540,140
846	36900	Meas. & Reg. Equipment			731,467	330,721	189,113	9,947	105,948	95,738
847	36901	Meas. & Reg. Equipment			2,269,556	1,026,144	586,770	30,863	328,730	297,050
848										
849		Total Transmission Plant			31,193,061	14,103,458	8,064,635	424,180	4,518,102	4,082,686
850		Distribution:								
851										
852										
853	37400	Land & Land Rights			531,167	212,397	127,413	6,580	92,205	92,572
854	37401	Land			37,326	14,926	8,954	462	6,480	6,505
855	37402	Land Rights			3,645,749	1,457,823	874,518	45,161	632,867	635,380
856	37403	Land Other			2,784	1,113	668	34	483	485
857	37500	Structures & Improvements			336,168	134,423	80,638	4,164	58,355	58,587
858	37501	Structures & Improvements T.B.			99,818	39,914	23,944	1,236	17,327	17,396
859	37502	Land Rights			46,264	18,500	11,098	573	8,031	8,063
860	37503	Improvements			4,005	1,602	961	50	695	698
861	37600	Mains Cathodic Protection			20,811,541	8,241,921	4,944,160	255,323	3,577,966	3,592,171
862	37601	Mains - Steel			176,025,498	70,387,180	42,223,831	2,180,497	30,556,342	30,677,649
863	37602	Mains - Plastic			133,261,910	53,287,337	31,965,985	1,650,767	23,132,992	23,224,829
864	37800	Meas. & Reg. Sta. Equip - General			29,911,913	11,960,854	7,175,072	370,531	5,192,422	5,213,035
865	37900	Meas. & Reg. Sta. Equip - City Gate			5,126,032	2,049,742	1,229,599	63,498	889,830	893,363
866	37905	Meas. & Reg. Sta. Equipment T.b.			1,652,259	660,687	396,333	20,467	286,816	287,955
867	38000	Services			150,274,437	133,824,243	16,279,918	8,273	103,453	58,550
868	38100	Meters			38,722,015	24,990,781	12,812,487	45,125	564,268	319,353
869	38200	Meter Installations			57,067,155	36,815,804	18,882,597	66,503	831,599	470,652
870	38300	House Regulators			12,779,948	8,244,744	4,228,678	14,893	186,233	105,401
871	38400	House Reg. Installations			252,587	162,952	83,577	294	3,681	2,083
872	38500	Ind. Meas. & Reg. Sta. Equipment			5,241,043	-	5,186,793	2,636	32,960	18,654
873	38600	Other Prop. On Cust. Prem			0	-	-	-	-	-
874										
875		Total Distribution Plant			635,629,619	352,496,943	146,537,219	4,737,069	66,175,007	65,683,380

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF PLANT IN SERVICE							
876							
877	General:						
878							
879	38900 Land & Land Rights	1,211,697	662,570	281,319	9,524	130,015	128,269
880	39000 Structures & Improvements	7,595,600	4,153,363	1,763,465	59,705	815,004	804,062
881	39001 Structures Frame	0	-	-	-	-	-
882	39002 Structures-Brick	173,115	94,661	40,192	1,361	18,575	18,326
883	39003 Improvements	709,199	387,798	164,654	5,575	76,097	75,075
884	39004 Air Conditioning Equipment	12,955	7,084	3,008	102	1,390	1,371
885	39009 Improvement to leased Premises	1,246,194	681,434	289,328	9,796	133,716	131,921
886	39100 Office Furniture & Equipment	1,866,038	1,020,371	433,237	14,668	200,225	197,537
887	39102 Remittance Processing Equip	0	-	-	-	-	-
888	39103 Office Machines	0	-	-	-	-	-
889	39200 Transportation Equipment	220,987	120,838	51,306	1,737	23,712	23,393
890	39201 Trucks	0	-	-	-	-	-
891	39202 Trailers	0	-	-	-	-	-
892	39300 Stores Equipment	0	-	-	-	-	-
893	39400 Tools, Shop & Garage Equipment	4,078,361	2,230,095	946,870	32,058	437,606	431,731
894	39600 Power Operated Equipment	0	-	-	-	-	-
895	39603 Ditchers	39,610	21,659	9,196	311	4,250	4,193
896	39604 Backhoes	62,747	34,311	14,568	493	6,733	6,642
897	39605 Welders	19,427	10,623	4,510	153	2,085	2,057
898	39700 Communication Equipment	524,257	286,670	121,716	4,121	56,253	55,497
899	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
900	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
901	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
902	39800 Miscellaneous Equipment	3,891,771	2,128,066	903,550	30,591	417,585	411,979
903	39900 Other Tangible Property	0	-	-	-	-	-
904	39901 Other Tangible Property - Servers - H/W	14,390	7,868	3,341	113	1,544	1,523
905	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
906	39903 Other Tangible Property - Network - H/W	134,599	73,600	31,250	1,058	14,442	14,248
907	39904 Other Tang. Property - CPU	0	-	-	-	-	-
908	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
909	39906 Other Tang. Property - PC Hardware	461,888	252,566	107,236	3,631	49,560	48,895
910	39907 Other Tang. Property - PC Software	0	-	-	-	-	-
911	39908 Other Tang. Property - Mainframe S/W	123,515	67,539	28,676	971	13,253	13,075
912	39909 Other Tang. Property - Application Software	0	-	-	-	-	-
913	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
914							
915	Total General Plant	22,386,350	12,241,118	5,197,424	175,967	2,402,045	2,369,796
916							
917	TOTAL DIRECT PLANT	704,356,323	385,150,276	163,529,947	5,536,555	75,577,099	74,562,445
918							
919	CWIP w/o AFUDC	38,154,809	20,863,496	8,858,377	299,914	4,093,993	4,039,029
920							
921	Kentucky Mid-States General Office:						
922							
923	Intangible Plant:						
924							
925	30100 Organization	92,247	50,442	21,417	725	9,898	9,765
926	30200 Franchises & Consents	0	-	-	-	-	-
927	30300 Misc Intangible Plant	552,335	302,023	128,235	4,342	59,265	58,470
928							
929	Total Intangible Plant:	644,582	352,465	149,652	5,067	69,163	68,235
930							
931	General:						
932							
933	37400 Land & Land Rights	0	-	-	-	-	-
934	39001 Structures Frame	89,275	48,816	20,727	702	9,579	9,451
935	36602 Structures & Improvements	0	-	-	-	-	-
936	38900 Land & Land Rights	0	-	-	-	-	-
937	39004 Air Conditioning Equipment	7,658	4,188	1,778	60	822	811
938	39009 Improvement to leased Premises	19,332	10,571	4,488	152	2,074	2,046
939	39100 Office Furniture & Equipment	19,220	10,510	4,462	151	2,062	2,035
940	39102 Remittance Processing Equip	0	-	-	-	-	-
941	39103 Office Machines	0	-	-	-	-	-
942	39200 Transportation Equipment	13,582	7,427	3,153	107	1,457	1,438
943	39201 Trucks	0	-	-	-	-	-
944	39202 Trailers	0	-	-	-	-	-
945	39300 Stores Equipment	0	-	-	-	-	-
946	39400 Tools, Shop & Garage Equipment	87,547	47,872	20,326	688	9,394	9,268
947	39600 Power Operated Equipment	10,213	5,584	2,371	80	1,096	1,081
948	39603 Ditchers	0	-	-	-	-	-
949	39604 Backhoes	0	-	-	-	-	-
950	39605 Welders	0	-	-	-	-	-
951	39700 Communication Equipment	18,688	10,219	4,339	147	2,005	1,978
952	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
953	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
954	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
955	39800 Miscellaneous Equipment	405,292	221,619	94,096	3,186	43,488	42,904
956	39900 Other Tangible Property	0	-	-	-	-	-
957	39901 Other Tangible Property - Servers - H/W	0	-	-	-	-	-
958	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
959	39903 Other Tangible Property - Network - H/W	0	-	-	-	-	-
960	39904 Other Tang. Property - CPU	0	-	-	-	-	-
961	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
962	39906 Other Tang. Property - PC Hardware	34,934	19,103	8,111	275	3,748	3,698
963	39907 Other Tang. Property - PC Software	82,288	44,996	19,105	647	8,829	8,711
964	39908 Other Tang. Property - Mainframe S/W	412,432	225,523	95,754	3,242	44,254	43,660
965	39909 Other Tang. Property - Application Software	0	-	-	-	-	-
966	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
967							
968	Total General Plant	1,200,461	656,426	278,710	9,436	128,809	127,080
969							
970	CWIP w/o AFUDC	2,311	1,263	536	18	248	245

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF PLANT IN SERVICE							
971							
972		Shared Services General Office:					
973							
974		General:					
975							
976	37400	Land & Land Rights	0	-	-	-	-
977	39001	Structures Frame	0	-	-	-	-
978	36602	Structures & Improvements	236,424	129,279	54,890	1,858	25,368
979	37503	Improvements	0	-	-	-	-
980	39004	Air Conditioning Equipment	0	-	-	-	-
981	39009	Improvement to leased Premises	483,357	264,305	112,221	3,799	51,864
982	39100	Office Furniture & Equipment	286,918	156,890	66,614	2,255	30,786
983	39102	Remittance Processing Equip	0	-	-	-	-
984	39103	Office Machines	0	-	-	-	-
985	39200	Transportation Equipment	369	202	86	3	40
986	39201	Trucks	0	-	-	-	-
987	39202	Trailers	0	-	-	-	-
988	39300	Stores Equipment	0	-	-	-	-
989	39400	Tools, Shop & Garage Equipment	3,938	2,154	914	31	423
990	39600	Power Operated Equipment	0	-	-	-	-
991	39603	Ditchers	0	-	-	-	-
992	39604	Backhoes	0	-	-	-	-
993	39605	Welders	0	-	-	-	-
994	39700	Communication Equipment	54,370	29,730	12,623	427	5,834
995	39701	Communication Equipment - Mobile Radios	0	-	-	-	-
996	39702	Communication Equipment - Fixed Radios	0	-	-	-	-
997	39705	Communication Equip. - Telemetering	0	-	-	-	-
998	39800	Miscellaneous Equipment	7,537	4,121	1,750	59	809
999	39900	Other Tangible Property	8,377	4,581	1,945	66	899
1000	39901	Other Tangible Property - Servers - HW	2,321,928	1,269,657	539,081	18,251	249,142
1001	39902	Other Tangible Property - Servers - S/W	1,402,428	766,864	325,601	11,024	150,480
1002	39903	Other Tangible Property - Network - HW	442,303	241,856	102,689	3,477	47,459
1003	39904	Other Tang. Property - CPU	0	-	-	-	-
1004	39905	Other Tangible Property - MF - Hardware	0	-	-	-	-
1005	39906	Other Tang. Property - PC Hardware	155,862	85,227	36,186	1,225	16,724
1006	39907	Other Tang. Property - PC Software	86,214	47,143	20,016	678	9,251
1007	39908	Other Tang. Property - Mainframe S/W	3,879,643	2,121,434	900,734	30,496	416,284
1008	39909	Other Tang. Property - Application Software	1,322,956	723,408	307,150	10,399	141,953
1009	39931	Other Tang. Property - ALGN	0	-	-	-	-
1010							
1011		Total General Plant	10,692,624	5,846,852	2,482,500	84,049	1,147,313
1012							
1013		CWIP w/o AFUDC	748,344	409,204	173,743	5,882	80,297
1014							
1015		Shared Services Customer Support:					
1016							
1017		General:					
1018							
1019	37400	Land & Land Rights	205,882	112,578	47,799	1,618	22,091
1020	39001	Structures Frame	0	-	-	-	-
1021	36602	Structures & Improvements	1,000,011	546,818	232,172	7,861	107,301
1022	37503	Improvements	0	-	-	-	-
1023	39004	Air Conditioning Equipment	0	-	-	-	-
1024	39009	Improvement to leased Premises	159,117	87,007	36,942	1,251	17,073
1025	39100	Office Furniture & Equipment	154,692	84,567	35,915	1,216	16,598
1026	39102	Remittance Processing Equip	0	-	-	-	-
1027	39103	Office Machines	0	-	-	-	-
1028	39200	Transportation Equipment	2,233	1,221	518	18	240
1029	39201	Trucks	0	-	-	-	-
1030	39202	Trailers	0	-	-	-	-
1031	39300	Stores Equipment	0	-	-	-	-
1032	39400	Tools, Shop & Garage Equipment	14,093	7,706	3,272	111	1,512
1033	39600	Power Operated Equipment	548	300	127	4	59
1034	39603	Ditchers	0	-	-	-	-
1035	39604	Backhoes	0	-	-	-	-
1036	39605	Welders	0	-	-	-	-
1037	39700	Communication Equipment	114,682	62,709	26,626	901	12,305
1038	39701	Communication Equipment - Mobile Radios	0	-	-	-	-
1039	39702	Communication Equipment - Fixed Radios	0	-	-	-	-
1040	39705	Communication Equip. - Telemetering	0	-	-	-	-
1041	39800	Miscellaneous Equipment	15,758	8,617	3,659	124	1,691
1042	39900	Other Tangible Property	43,368	23,714	10,069	341	4,653
1043	39901	Other Tangible Property - Servers - HW	583,485	319,057	135,467	4,586	62,608
1044	39902	Other Tangible Property - Servers - S/W	114,175	62,432	26,508	897	12,251
1045	39903	Other Tangible Property - Network - HW	35,496	19,410	8,241	279	3,809
1046	39904	Other Tang. Property - CPU	0	-	-	-	-
1047	39905	Other Tangible Property - MF - Hardware	0	-	-	-	-
1048	39906	Other Tang. Property - PC Hardware	69,473	37,988	16,129	546	7,454
1049	39907	Other Tang. Property - PC Software	13,141	7,186	3,051	103	1,410
1050	39908	Other Tang. Property - Mainframe S/W	5,248,748	2,870,077	1,218,599	41,258	563,188
1051	39909	Other Tang. Property - Application Software	477	261	111	4	51
1052	39924	Other Tang. Property - General Startup Costs	0	-	-	-	-
1053							
1054		Total General Plant	7,775,377	4,251,667	1,805,204	61,118	834,294
1055							
1056		CWIP w/o AFUDC	224,734	122,887	52,176	1,767	24,114
1057							
1058		TOTAL PLANT IN SERVICE	724,669,367	396,257,686	168,246,014	5,696,224	77,756,679
1059							
1060		TOTAL CWIP W/O AFUDC	39,130,198	21,396,850	9,084,833	307,581	4,148,652

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF RESERVE FOR DEPRECIATION										
Customer										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1		Intangible Plant:								
2										
3	30100	Organization	6.2	P, S, T & D Plant - Customer	3,229	2,493	702	2	21	12
4	30200	Franchises & Consents	6.2	P, S, T & D Plant - Customer	46,465	35,864	10,103	24	303	171
5	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
6										
7		Total Intangible Plant:			49,694	38,356	10,805	26	324	183
8										
9		Production Plant:								
10										
11	32520	Producing Leaseholds	99.0	-	0	-	-	-	-	-
12	32540	Rights of Way	99.0	-	0	-	-	-	-	-
13	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
14	33201	Field Lines	99.0	-	0	-	-	-	-	-
15	33202	Tributary Lines	99.0	-	0	-	-	-	-	-
16	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-	-
17	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
18										
19		Total Production Plant			0	0	0	0	0	0
20										
21		Storage Plant:								
22										
23	35010	Land	99.0	-	0	-	-	-	-	-
24	35020	Rights of Way	99.0	-	0	-	-	-	-	-
25	35100	Structures and Improvements	99.0	-	0	-	-	-	-	-
26	35102	Compression Station Equipment	99.0	-	0	-	-	-	-	-
27	35103	Meas. & Reg. Sta. Structures	99.0	-	0	-	-	-	-	-
28	35104	Other Structures	99.0	-	0	-	-	-	-	-
29	35200	Wells \ Rights of Way	99.0	-	0	-	-	-	-	-
30	35201	Well Construction	99.0	-	0	-	-	-	-	-
31	35202	Well Equipment	99.0	-	0	-	-	-	-	-
32	35203	Cushion Gas	99.0	-	0	-	-	-	-	-
33	35210	Leaseholds	99.0	-	0	-	-	-	-	-
34	35211	Storage Rights	99.0	-	0	-	-	-	-	-
35	35301	Field Lines	99.0	-	0	-	-	-	-	-
36	35302	Tributary Lines	99.0	-	0	-	-	-	-	-
37	35400	Compressor Station Equipment	99.0	-	0	-	-	-	-	-
38	35500	Meas & Reg. Equipment	99.0	-	0	-	-	-	-	-
39	35600	Purification Equipment	99.0	-	0	-	-	-	-	-
40										
41		Total Storage Plant			0	-	-	-	-	-
42										
43		Transmission:								
44										
45	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
46	36520	Rights of Way	99.0	-	0	-	-	-	-	-
47	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
48	36603	Other Structures	99.0	-	0	-	-	-	-	-
49	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
50	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
51	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
52	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
53										
54		Total Transmission Plant			0	-	-	-	-	-
55										
56		Distribution:								
57										
58	37400	Land & Land Rights	2.0	Bills	0	-	-	-	-	-
59	37401	Land	2.0	Bills	0	-	-	-	-	-
60	37402	Land Rights	2.0	Bills	0	-	-	-	-	-
61	37403	Land Other	2.0	Bills	0	-	-	-	-	-
62	37500	Structures & Improvements	2.0	Bills	0	-	-	-	-	-
63	37501	Structures & Improvements T.B.	2.0	Bills	0	-	-	-	-	-
64	37502	Land Rights	2.0	Bills	0	-	-	-	-	-
65	37503	Improvements	2.0	Bills	0	-	-	-	-	-
66	37600	Mains Cathodic Protection	2.0	Bills	0	-	-	-	-	-
67	37601	Mains - Steel	2.0	Bills	0	-	-	-	-	-
68	37602	Mains - Plastic	2.0	Bills	0	-	-	-	-	-
69	37800	Meas & Reg. Sta. Equip - General	2.0	Bills	0	-	-	-	-	-
70	37900	Meas & Reg. Sta. Equip - City Gate	2.0	Bills	0	-	-	-	-	-
71	37905	Meas & Reg. Sta. Equipment T.b.	2.0	Bills	0	-	-	-	-	-
72	38000	Services	2.0	Bills	30,562,139	27,216,572	3,310,936	1,683	21,040	11,908
73	38100	Meters	4.0	Meter Investment	21,386,354	13,797,005	7,076,398	24,923	311,648	176,380
74	38200	Meter Installations	4.0	Meter Investment	26,987,899	17,410,737	8,929,858	31,450	393,275	222,578
75	38300	House Regulators	4.0	Meter Investment	4,321,265	2,787,783	1,429,636	5,036	62,971	35,639
76	38400	House Reg. Installations	4.0	Meter Investment	94,403	60,903	31,237	110	1,376	779
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2	Non-Residential Bills	2,958,741	-	2,928,115	1,488	18,607	10,531
78	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
79										
80		Total Distribution Plant			86,310,801	61,272,999	23,706,380	64,689	808,917	457,815

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
81									
82	General:								
83									
84	38900 Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	-
85	39000 Structures & Improvements	6.2 P, S, T & D Plant - Customer	485,951	375,081	105,659	253	3,166	1,792	
86	39002 Structures - Brick	6.2 P, S, T & D Plant - Customer	41,708	32,192	9,068	22	272	154	
87	39003 Improvements	6.2 P, S, T & D Plant - Customer	113,486	87,594	24,675	59	739	418	
88	39003 Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	1,958	1,511	426	1	13	7	
89	39004 Improvement to Leased Premises	6.2 P, S, T & D Plant - Customer	483,869	373,474	105,206	252	3,152	1,784	
90	39009 Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	443,743	342,503	96,482	231	2,891	1,636	
91	39100 Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
92	39102 Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
93	39103 Transportation Equipment	6.2 P, S, T & D Plant - Customer	44,113	34,049	9,591	23	287	163	
94	39200 Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
95	39201 Trailers	6.2 P, S, T & D Plant - Customer	(981)	(757)	(213)	(1)	(6)	(4)	
96	39202 Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
97	39400 Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	504,316	389,256	109,652	263	3,286	1,860	
98	39600 Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
99	39603 Ditchers	6.2 P, S, T & D Plant - Customer	15,373	11,866	3,343	8	100	57	
100	39604 Backhoes	6.2 P, S, T & D Plant - Customer	24,353	18,797	5,295	13	159	90	
101	39605 Welders	6.2 P, S, T & D Plant - Customer	7,543	5,822	1,640	4	49	28	
102	39700 Communication Equipment	6.2 P, S, T & D Plant - Customer	104,290	80,496	22,676	54	679	385	
103	39701 Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
104	39702 Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
105	39705 Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
106	39800 Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	803,618	620,272	174,728	419	5,236	2,963	
107	39900 Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
108	39901 Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	2,586	1,996	562	1	17	10	
109	39902 Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
110	39903 Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	25,061	19,344	5,449	13	163	92	
111	39904 Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
112	39905 Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
113	39906 Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	43,508	33,582	9,460	23	283	160	
114	39907 Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
115	39908 Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
116	39909 Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	45,714	35,284	9,939	24	298	169	
117	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
118	Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	(2,471,354)	(1,907,514)	(537,339)	(1,288)	(16,101)	(9,113)	
119	AR 15 general plant amortization	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
120									
121	Total General Plant		718,855	554,848	156,299	375	4,683	2,651	
122									
123	TOTAL DIRECT RESERVE FOR DEPRECIATION		87,079,350	61,866,203	23,873,484	65,090	813,924	460,649	
124									
125	Kentucky Mid-States General Office:								
126									
127	Intangible Plant:								
128									
129	30100 Organization	99.0 -	0	-	-	-	-	-	
130	30200 Franchises & Consents	99.0 -	0	-	-	-	-	-	
131	30300 Misc Intangible Plant	99.0 -	0	-	-	-	-	-	
132									
133	Total Intangible Plant:								
134									
135	General:								
136									
137	37400 Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
138	39001 Structures Frame	6.2 P, S, T & D Plant - Customer	20,434	15,772	4,443	11	133	75	
139	36602 Structures & Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
140	38900 Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
141	39004 Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	1,973	1,523	429	1	13	7	
142	39009 Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	7,494	5,785	1,630	4	49	28	
143	39100 Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	7,451	5,751	1,620	4	49	27	
144	39102 Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
145	39103 Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
146	39200 Transportation Equipment	6.2 P, S, T & D Plant - Customer	3,449	2,662	750	2	22	13	
147	39201 Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
148	39202 Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
149	39300 Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
150	39400 Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	27,762	21,428	6,036	14	181	102	
151	39600 Power Operated Equipment	6.2 P, S, T & D Plant - Customer	1,696	1,309	369	1	11	6	
152	39603 Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
153	39604 Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
154	39605 Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
155	39700 Communication Equipment	6.2 P, S, T & D Plant - Customer	(1,160)	(895)	(252)	(1)	(8)	(4)	
156	39701 Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
157	39702 Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
158	39705 Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
159	39800 Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	139,310	107,526	30,290	73	908	514	
160	39900 Other Tangible Property	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
161	39901 Other Tangible Property - Servers - H/W	6.2 P, S, T & D Plant - Customer	(6,709)	(5,179)	(1,459)	(3)	(44)	(25)	
162	39902 Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
163	39903 Other Tangible Property - Network - H/W	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
164	39904 Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
165	39905 Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
166	39906 Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	13,547	10,456	2,945	7	88	50	
167	39907 Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	8,175	6,310	1,777	4	53	30	
168	39908 Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	159,892	123,413	34,765	83	1,042	590	
169	39909 Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
170	39924 Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-	
171	Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	10,135	7,823	2,204	5	66	37	
172									
173	Total General Plant		393,449	303,683	85,546	205	2,563	1,451	

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
174									
175		Shared Services General Office:							
176		General:							
177									
178									
179	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
180	39000	Structures & Improvements	6.2 P, S, T & D Plant - Customer	35,223	27,187	7,658	18	229	130
181	36602	Structures & Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
182	37503	Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
183	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
184	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	187,005	144,340	40,660	97	1,218	690
185	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	45,051	34,773	9,795	23	294	166
186	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	0	0	0	0	0
187	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	0	0	0	0	0
188	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	110	85	24	0	1	0
189	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
190	39202	Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
191	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
192	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	668	515	145	0	4	2
193	39600	Power Operated Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
194	39603	Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
195	39604	Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
196	39605	Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
197	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	10,977	8,472	2,387	6	72	40
198	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
199	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
200	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
201	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	1,107	854	241	1	7	4
202	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	3,271	2,525	711	2	21	12
203	39901	Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	517,758	399,631	112,575	270	3,373	1,909
204	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	375,965	290,188	81,745	196	2,449	1,386
205	39903	Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	52,022	40,153	11,311	27	339	192
206	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
207	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
208	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	36,463	28,144	7,928	19	238	134
209	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	35,640	27,509	7,749	19	232	131
210	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	896	691	195	0	6	3
211	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	979,462	755,997	212,962	510	6,381	3,612
212	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
213		Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
214		Total General Plant		2,281,618	1,761,066	496,085	1,189	14,865	8,413
215				643,103	496,378	139,828	335	4,190	2,371
216									
217		Shared Services Customer Support:							
218		General:							
219									
220									
221	37400	Land & Land Rights	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
222	39001	Structures & Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
223	36602	Structures & Improvements	6.2 P, S, T & D Plant - Customer	79,350	61,246	17,253	41	517	293
224	37503	Improvements	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
225	39004	Air Conditioning Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
226	39009	Improvement to leased Premises	6.2 P, S, T & D Plant - Customer	38,654	29,835	8,404	20	252	143
227	39100	Office Furniture & Equipment	6.2 P, S, T & D Plant - Customer	21,230	16,386	4,616	11	138	78
228	39102	Remittance Processing Equip	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
229	39103	Office Machines	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
230	39200	Transportation Equipment	6.2 P, S, T & D Plant - Customer	866	669	188	0	6	3
231	39201	Trucks	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
232	39202	Trailers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
233	39300	Stores Equipment	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
234	39400	Tools, Shop & Garage Equipment	6.2 P, S, T & D Plant - Customer	1,416	1,093	308	1	9	5
235	39500	Laboratory Equipment	6.2 P, S, T & D Plant - Customer	165	127	36	0	1	1
236	39603	Ditchers	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
237	39604	Backhoes	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
238	39605	Welders	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
239	39700	Communication Equipment	6.2 P, S, T & D Plant - Customer	27,208	21,000	5,916	14	177	100
240	39701	Communication Equipment - Mobile Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
241	39702	Communication Equipment - Fixed Radios	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
242	39705	Communication Equip. - Telemetering	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
243	39800	Miscellaneous Equipment	6.2 P, S, T & D Plant - Customer	1,885	1,455	410	1	12	7
244	39900	Other Tangible Property	6.2 P, S, T & D Plant - Customer	12,321	9,510	2,679	6	80	45
245	39901	Other Tangible Property - Servers - HW	6.2 P, S, T & D Plant - Customer	131,095	101,185	28,504	68	854	483
246	39902	Other Tangible Property - Servers - S/W	6.2 P, S, T & D Plant - Customer	29,992	23,149	6,521	16	195	111
247	39903	Other Tangible Property - Network - HW	6.2 P, S, T & D Plant - Customer	8,903	6,872	1,936	5	58	33
248	39904	Other Tang. Property - CPU	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
249	39905	Other Tangible Property - MF - Hardware	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
250	39906	Other Tang. Property - PC Hardware	6.2 P, S, T & D Plant - Customer	17,010	13,129	3,699	9	111	63
251	39907	Other Tang. Property - PC Software	6.2 P, S, T & D Plant - Customer	3,943	3,043	857	2	26	15
252	39908	Other Tang. Property - Mainframe S/W	6.2 P, S, T & D Plant - Customer	794,932	613,568	172,840	414	5,179	2,931
253	39909	Other Tang. Property - Application Software	6.2 P, S, T & D Plant - Customer	1,886	1,456	410	1	12	7
254	39924	Other Tang. Property - General Startup Costs	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
255		Retirement Work in Progress	6.2 P, S, T & D Plant - Customer	0	-	-	-	-	-
256									
257		Total General Plant		1,170,856	903,724	254,576	610	7,628	4,317
258									
259		TOTAL RESERVE FOR DEPRECIATION - CUSTOMER		90,925,272	64,834,677	24,709,691	67,094	838,981	474,830

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF RESERVE FOR DEPRECIATION										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
260		Intangible Plant:								
261										
262	30100	Organization	6.4	P, S, T & D Plant - Demand	3,421	1,547	884	47	496	448
263	30200	Franchises & Consents	6.4	P, S, T & D Plant - Demand	49,225	22,256	12,727	669	7,130	6,443
264	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
265										
266		Total Intangible Plant:			52,646	23,803	13,611	716	7,625	6,891
267										
268		Production Plant:								
269										
270	32520	Producing Leaseholds	3.0	Peak Day	0	-	-	-	-	-
271	32540	Rights of Ways	3.0	Peak Day	0	-	-	-	-	-
272	33100	Production Gas Wells Equipment	3.0	Peak Day	0	-	-	-	-	-
273	33201	Field Lines	3.0	Peak Day	0	-	-	-	-	-
274	33202	Tributary Lines	3.0	Peak Day	0	-	-	-	-	-
275	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0	-	-	-	-	-
276	33600	Purification Equipment	3.0	Peak Day	0	-	-	-	-	-
277										
278		Total Production Plant			0	0	0	0	0	0
279										
280		Storage Plant:								
281										
282	35010	Land	3.0	Peak Day	0	-	-	-	-	-
283	35020	Rights of Way	3.0	Peak Day	2,227	1,007	576	30	323	291
284	35100	Structures and Improvements	3.0	Peak Day	3,144	1,422	813	43	455	412
285	35102	Compression Station Equipment	3.0	Peak Day	56,872	25,714	14,704	773	8,238	7,444
286	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	10,242	4,631	2,648	139	1,483	1,340
287	35104	Other Structures	3.0	Peak Day	50,072	22,639	12,946	681	7,253	6,554
288	35200	Wells \ Rights of Way	3.0	Peak Day	595,415	269,208	153,938	8,097	86,242	77,931
289	35201	Well Construction	3.0	Peak Day	709,755	320,905	183,500	9,652	102,803	92,896
290	35202	Well Equipment	3.0	Peak Day	225,298	101,865	58,248	3,064	32,633	29,488
291	35203	Cushion Gas	3.0	Peak Day	379,297	171,493	98,063	5,158	54,939	49,644
292	35210	Leaseholds	3.0	Peak Day	84,031	37,993	21,725	1,143	12,171	10,998
293	35211	Storage Rights	3.0	Peak Day	21,978	9,937	5,682	299	3,183	2,877
294	35301	Field Lines	3.0	Peak Day	(44,198)	(19,983)	(11,427)	(601)	(6,402)	(5,785)
295	35302	Tributary Lines	3.0	Peak Day	94,588	42,767	24,455	1,286	13,700	12,380
296	35400	Compressor Station Equipment	3.0	Peak Day	248,926	112,548	64,357	3,385	36,655	32,581
297	35500	Meas & Reg. Equipment	3.0	Peak Day	101,272	45,788	26,183	1,377	14,669	13,255
298	35600	Purification Equipment	3.0	Peak Day	95,899	43,359	24,794	1,304	13,890	12,552
299										
300		Total Storage Plant			2,634,817	1,191,292	681,204	35,830	381,635	344,857
301										
302		Transmission:								
303										
304	36510	Land & Land Rights	3.0	Peak Day	0	-	-	-	-	-
305	36520	Rights of Way	3.0	Peak Day	428,096	193,557	110,680	5,821	62,007	56,031
306	36602	Structures & Improvements	3.0	Peak Day	16,837	7,613	4,353	229	2,439	2,204
307	36603	Other Structures	3.0	Peak Day	53,066	23,993	13,720	722	7,686	6,946
308	36700	Mains Cathodic Protection	3.0	Peak Day	98,316	44,452	25,419	1,337	14,240	12,868
309	36701	Mains - Steel	3.0	Peak Day	16,387,961	7,409,562	4,236,933	222,852	2,373,684	2,144,929
310	36900	Meas. & Reg. Equipment	3.0	Peak Day	353,469	159,816	91,386	4,807	51,198	46,264
311	36901	Meas. & Reg. Equipment	3.0	Peak Day	1,774,251	802,200	458,714	24,127	256,988	232,222
312										
313		Total Transmission Plant			19,111,996	8,641,192	4,941,204	259,895	2,768,242	2,501,463
314										
315		Distribution:								
316										
317	37400	Land & Land Rights	3.0	Peak Day	0	-	-	-	-	-
318	37401	Land	3.0	Peak Day	0	-	-	-	-	-
319	37402	Land Rights	3.0	Peak Day	152,984	69,169	39,552	2,080	22,159	20,023
320	37403	Land Other	3.0	Peak Day	0	-	-	-	-	-
321	37500	Structures & Improvements	3.0	Peak Day	73,901	33,413	19,106	1,005	10,704	9,672
322	37501	Structures & Improvements T.B.	3.0	Peak Day	46,441	20,998	12,007	632	6,727	6,078
323	37502	Land Rights	3.0	Peak Day	23,009	10,403	5,949	313	3,333	3,012
324	37503	Improvements	3.0	Peak Day	1,248	564	323	17	181	163
325	37600	Mains Cathodic Protection	3.0	Peak Day	8,586,793	3,882,385	2,220,024	116,768	1,243,738	1,123,877
326	37601	Mains - Steel	3.0	Peak Day	21,885,878	9,895,360	5,658,362	297,616	3,170,020	2,864,521
327	37602	Mains - Plastic	3.0	Peak Day	12,368,442	5,592,199	3,197,729	168,193	1,791,484	1,618,938
328	37800	Meas & Reg. Sta. Equip - General	3.0	Peak Day	1,881,590	850,732	486,465	25,587	272,535	246,271
329	37900	Meas & Reg. Sta. Equip - City Gate	3.0	Peak Day	639,856	289,301	165,428	8,701	92,679	83,747
330	37905	Meas & Reg. Sta. Equipment T.b.	3.0	Peak Day	674,762	305,083	174,452	9,176	97,735	88,316
331	38000	Services	99.0	-	0	-	-	-	-	-
332	38100	Meters	99.0	-	0	-	-	-	-	-
333	38200	Meter Installations	99.0	-	0	-	-	-	-	-
334	38300	House Regulators	99.0	-	0	-	-	-	-	-
335	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
336	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
337	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
338										
339		Total Distribution Plant			46,334,902	20,949,607	11,979,397	630,087	6,711,294	6,064,517

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF RESERVE FOR DEPRECIATION										
340										
341	General:									
342										
343	38900 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	-
344	39000 Structures & Improvements	6.4	P, S, T & D Plant - Demand	514,817	232,767	133,100	7,001	74,568	67,382	
345	39002 Structures - Brick	6.4	P, S, T & D Plant - Demand	44,185	19,978	11,424	601	6,400	5,783	
346	39003 Improvements	6.4	P, S, T & D Plant - Demand	120,227	54,359	31,083	1,635	17,414	15,736	
347	39003 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	2,074	938	536	28	300	271	
348	39004 Improvement to Leased Premises	6.4	P, S, T & D Plant - Demand	512,611	231,769	132,530	6,971	74,248	67,093	
349	39009 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	470,102	212,549	121,540	6,393	68,091	61,529	
350	39100 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
351	39102 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
352	39103 Transportation Equipment	6.4	P, S, T & D Plant - Demand	46,734	21,130	12,082	636	6,769	6,117	
353	39200 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
354	39201 Trailers	6.4	P, S, T & D Plant - Demand	(1,039)	(470)	(269)	(14)	(150)	(136)	
355	39202 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
356	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	534,272	241,563	138,130	7,265	77,386	69,928	
357	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
358	39603 Ditchers	6.4	P, S, T & D Plant - Demand	16,287	7,364	4,211	221	2,359	2,132	
359	39604 Backhoes	6.4	P, S, T & D Plant - Demand	25,800	11,665	6,670	351	3,737	3,377	
360	39605 Welders	6.4	P, S, T & D Plant - Demand	7,991	3,613	2,066	109	1,157	1,046	
361	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	110,485	49,954	28,565	1,502	16,003	14,461	
362	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
363	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
364	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
365	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	851,353	384,926	220,108	11,577	123,313	111,429	
366	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
367	39901 Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	2,740	1,239	708	37	397	359	
368	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
369	39903 Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	26,550	12,004	6,864	361	3,846	3,475	
370	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
371	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
372	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	46,092	20,840	11,917	627	6,676	6,033	
373	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
374	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
375	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	48,429	21,897	12,521	659	7,015	6,339	
376	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
377	Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	(2,618,154)	(1,183,758)	(676,896)	(35,603)	(379,222)	(342,676)	
378	AR 15 general plant amortization	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
379										
380	Total General Plant			761,555	344,325	196,892	10,356	110,306	99,676	
381										
382	TOTAL DIRECT RESERVE FOR DEPRECIATION			68,895,917	31,150,219	17,812,308	936,884	9,979,103	9,017,402	
383										
384	Kentucky Mid-States General Office:									
385										
386	Intangible Plant:									
387										
388	30100 Organization	99.0	-	0	-	-	-	-	-	
389	30200 Franchises & Consents	99.0	-	0	-	-	-	-	-	
390	30300 Misc Intangible Plant	99.0	-	0	-	-	-	-	-	
391										
392	Total Intangible Plant:									
393										
394	General:									
395										
396	37400 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
397	39001 Structures Frame	6.4	P, S, T & D Plant - Demand	21,648	9,788	5,597	294	3,135	2,833	
398	36602 Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
399	38900 Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
400	39004 Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	2,090	945	540	28	303	274	
401	39009 Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	7,940	3,590	2,053	108	1,150	1,039	
402	39100 Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	7,894	3,569	2,041	107	1,143	1,033	
403	39102 Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
404	39103 Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
405	39200 Transportation Equipment	6.4	P, S, T & D Plant - Demand	3,653	1,652	945	50	529	478	
406	39201 Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
407	39202 Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
408	39300 Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
409	39400 Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	29,411	13,298	7,604	400	4,260	3,849	
410	39600 Power Operated Equipment	6.4	P, S, T & D Plant - Demand	1,797	812	465	24	260	235	
411	39603 Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
412	39604 Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
413	39605 Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
414	39700 Communication Equipment	6.4	P, S, T & D Plant - Demand	(1,229)	(556)	(318)	(17)	(178)	(161)	
415	39701 Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
416	39702 Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
417	39705 Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
418	39800 Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	147,585	66,728	38,156	2,007	21,377	19,317	
419	39900 Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
420	39901 Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	(7,108)	(3,214)	(1,838)	(97)	(1,030)	(930)	
421	39902 Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
422	39903 Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
423	39904 Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
424	39905 Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
425	39906 Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	14,352	6,489	3,710	195	2,079	1,878	
426	39907 Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	8,660	3,916	2,239	118	1,254	1,133	
427	39908 Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	169,390	76,587	43,794	2,303	24,535	22,170	
428	39909 Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
429	39924 Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-	-	
430	Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	10,737	4,855	2,776	146	1,555	1,405	
431										
432	Total General Plant			416,820	188,459	107,764	5,668	60,374	54,555	

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
433									
434		Shared Services General Office:							
435									
436		General:							
437									
438	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
439	39000	Structures & Improvements	6.4	P, S, T & D Plant - Demand	37,315	16,871	9,647	507	5,405
440	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
441	37503	Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
442	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
443	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	198,113	89,574	51,220	2,694	28,695
444	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	47,728	21,579	12,339	649	6,913
445	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	0	0	0	0
446	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	0	0	0	0
447	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	117	53	30	2	17
448	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
449	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
450	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
451	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	707	320	183	10	102
452	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
453	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
454	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
455	39605	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
456	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	11,629	5,258	3,007	158	1,684
457	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
458	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
459	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
460	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	1,173	530	303	16	170
461	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	3,466	1,567	896	47	502
462	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	548,513	248,002	141,812	7,459	79,448
463	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	398,297	180,084	102,975	5,416	57,691
464	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	55,112	24,918	14,249	749	7,983
465	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
466	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
467	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	38,629	17,466	9,967	525	5,595
468	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	37,757	17,071	9,762	513	5,469
469	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	949	429	245	13	137
470	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	1,037,642	469,154	268,271	14,110	150,295
471	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
472		Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
473									
474		Total General Plant			2,417,147	1,092,875	624,928	32,870	350,107
475									
476		Shared Services Customer Support:							
477									
478		General:							
479									
480	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
481	39001	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
482	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	84,064	38,008	21,734	1,143	12,176
483	37503	Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
484	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
485	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	40,950	18,515	10,587	557	5,931
486	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	22,491	10,169	5,815	306	3,258
487	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
488	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
489	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	918	415	237	12	133
490	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
491	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
492	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
493	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	1,501	678	388	20	217
494	39500	Laboratory Equipment	6.4	P, S, T & D Plant - Demand	175	79	45	2	25
495	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
496	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
497	39605	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
498	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	28,824	13,032	7,452	392	4,175
499	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
500	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
501	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
502	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	1,997	903	516	27	289
503	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	13,053	5,902	3,375	177	1,891
504	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	138,882	62,793	35,906	1,889	20,116
505	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	31,774	14,366	8,215	432	4,602
506	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	9,432	4,264	2,439	128	1,366
507	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
508	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
509	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	18,021	8,148	4,659	245	2,610
510	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	4,177	1,889	1,080	57	605
511	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	842,151	380,765	217,729	11,452	121,980
512	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	1,996	903	517	27	289
513	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
514		Retirement Work in Progress	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
515									
516		Total General Plant			1,240,405	560,830	320,694	16,868	179,664
517									
518		TOTAL RESERVE FOR DEPRECIATION - DEMAND			72,970,288	32,992,383	18,865,694	992,289	10,569,248

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF RESERVE FOR DEPRECIATION										
Commodity										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
519		Intangible Plant:								
520										
521	30100	Organization	6.6	P, S, T & D Plant - Commodity	1,679	515	347	17	377	422
522	30200	Franchises & Consents	6.6	P, S, T & D Plant - Commodity	24,163	7,417	4,997	249	5,428	6,073
523	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
524										
525		Total Intangible Plant:			25,843	7,932	5,344	266	5,805	6,496
526		Production Plant:								
527										
528	32520	Producing Leaseholds	99.0	-	0	-	-	-	-	-
529	32540	Rights of Ways	99.0	-	0	-	-	-	-	-
530	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
531	33201	Field Lines	99.0	-	0	-	-	-	-	-
532	33202	Tributary Lines	1.2	Sales Mcf	0	-	-	-	-	-
533	33400	Field Meas. & Reg. Sta. Equip	1.2	Sales Mcf	0	-	-	-	-	-
534	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
535										
536										
537		Total Production Plant			0	0	0	0	0	0
538		Storage Plant:								
539										
540										
541	35010	Land	1.5	Winter Volumes	0	-	-	-	-	-
542	35020	Rights of Way	1.5	Winter Volumes	2,227	843	522	29	409	424
543	35100	Structures and Improvements	1.5	Winter Volumes	3,144	1,191	737	40	578	599
544	35102	Compression Station Equipment	1.5	Winter Volumes	56,872	21,533	13,324	729	10,455	10,831
545	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	10,242	3,878	2,399	131	1,883	1,950
546	35104	Other Structures	1.5	Winter Volumes	50,072	18,959	11,731	642	9,205	9,536
547	35200	Wells \ Rights of Way	1.5	Winter Volumes	595,415	225,442	139,498	7,628	109,455	113,392
548	35201	Well Construction	1.5	Winter Volumes	709,755	268,734	166,287	9,093	130,475	135,167
549	35202	Well Equipment	1.5	Winter Volumes	225,298	85,304	52,784	2,887	41,417	42,906
550	35203	Cushion Gas	1.5	Winter Volumes	379,297	143,613	88,864	4,860	69,726	72,234
551	35210	Leaseholds	1.5	Winter Volumes	84,031	31,817	19,687	1,077	15,447	16,003
552	35211	Storage Rights	1.5	Winter Volumes	21,978	8,321	5,149	282	4,040	4,185
553	35301	Field Lines	1.5	Winter Volumes	(44,198)	(16,735)	(10,355)	(566)	(8,125)	(8,417)
554	35302	Tributary Lines	1.5	Winter Volumes	94,588	35,814	22,161	1,212	17,388	18,014
555	35400	Compressor Station Equipment	1.5	Winter Volumes	248,926	94,251	58,320	3,189	45,760	47,408
556	35500	Meas & Reg. Equipment	1.5	Winter Volumes	101,272	38,344	23,727	1,297	18,617	19,286
557	35600	Purification Equipment	1.5	Winter Volumes	95,899	36,310	22,468	1,229	17,629	18,263
558										
559		Total Storage Plant			2,634,817	997,619	617,304	33,757	484,359	501,778
560		Transmission:								
561										
562										
563	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
564	36520	Rights of Way	99.0	-	0	-	-	-	-	-
565	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
566	36603	Other Structures	99.0	-	0	-	-	-	-	-
567	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
568	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
569	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
570	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
571										
572		Total Transmission Plant			0	-	-	-	-	-
573		Distribution:								
574										
575										
576	37400	Land & Land Rights	99.0	-	0	-	-	-	-	-
577	37401	Land	99.0	-	0	-	-	-	-	-
578	37402	Land Rights	1.0	Mcf	82,380	24,945	16,905	835	18,698	20,996
579	37403	Land Other	99.0	-	0	-	-	-	-	-
580	37500	Structures & Improvements	1.0	Mcf	39,794	12,050	8,166	403	9,032	10,142
581	37501	Structures & Improvements T.B.	1.0	Mcf	25,008	7,573	5,132	254	5,676	6,374
582	37502	Land Rights	1.0	Mcf	12,390	3,752	2,543	126	2,812	3,158
583	37503	Improvements	1.0	Mcf	672	204	138	7	153	171
584	37600	Mains Cathodic Protection	1.0	Mcf	4,623,865	1,400,151	948,861	46,878	1,049,506	1,178,470
585	37601	Mains - Steel	1.0	Mcf	11,785,233	3,568,681	2,418,442	119,481	2,674,963	3,003,666
586	37602	Mains - Plastic	1.0	Mcf	6,660,230	2,016,781	1,366,742	67,523	1,511,711	1,697,472
587	37800	Meas & Reg. Sta. Equip - General	1.0	Mcf	1,013,209	306,809	207,820	10,272	229,974	258,234
588	37900	Meas & Reg. Sta. Equip - City Gate	1.0	Mcf	344,553	104,334	70,706	3,493	78,205	87,815
589	37905	Meas & Reg. Sta. Equipment T.b.	1.0	Mcf	363,349	110,026	74,563	3,684	82,472	92,606
590	38000	Services	99.0	-	0	-	-	-	-	-
591	38100	Meters	99.0	-	0	-	-	-	-	-
592	38200	Meter Installations	99.0	-	0	-	-	-	-	-
593	38300	House Regulators	99.0	-	0	-	-	-	-	-
594	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
595	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
596	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
597										
598		Total Distribution Plant			24,950,684	7,555,306	5,120,117	252,955	5,663,201	6,359,105

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF RESERVE FOR DEPRECIATION										
599										
600	General:									
601										
602	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
603	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	252,714	77,571	52,261	2,599	56,764	63,519
604	39002	Structures - Brick	6.6	P, S, T & D Plant - Commodity	21,690	6,658	4,485	223	4,872	5,452
605	39003	Improvements	6.6	P, S, T & D Plant - Commodity	59,017	18,115	12,205	607	13,256	14,834
606	39003	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	1,018	312	211	10	229	256
607	39004	Improvement to Leased Premises	6.6	P, S, T & D Plant - Commodity	251,631	77,238	52,037	2,588	56,521	63,247
608	39009	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	230,764	70,833	47,722	2,373	51,834	58,002
609	39100	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
610	39102	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
611	39103	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	22,941	7,042	4,744	236	5,153	5,766
612	39200	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
613	39201	Trailers	6.6	P, S, T & D Plant - Commodity	(510)	(157)	(105)	(5)	(115)	(128)
614	39202	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
615	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	262,264	80,502	54,236	2,697	58,909	65,919
616	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
617	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	7,995	2,454	1,653	82	1,796	2,009
618	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	12,665	3,887	2,619	130	2,845	3,183
619	39605	Welders	6.6	P, S, T & D Plant - Commodity	3,923	1,204	811	40	881	986
620	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	54,235	16,648	11,216	558	12,182	13,632
621	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
622	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
623	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
624	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	417,913	128,279	86,423	4,298	93,871	105,041
625	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
626	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	1,345	413	278	14	302	338
627	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
628	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	13,033	4,000	2,695	134	2,927	3,276
629	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
630	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
631	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	22,626	6,945	4,679	233	5,082	5,687
632	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
633	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
634	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	23,773	7,297	4,916	244	5,340	5,975
635		Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
636		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	(1,285,201)	(394,494)	(265,777)	(13,217)	(288,680)	(323,032)
637		AR 15 general plant amortization	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
638										
639		Total General Plant			373,833	114,749	77,308	3,845	83,970	93,962
640										
641		TOTAL DIRECT RESERVE FOR DEPRECIATION			27,985,177	8,675,605	5,820,073	290,823	6,237,335	6,961,340
642										
643		Kentucky Mid-States General Office:								
644										
645		Intangible Plant:								
646										
647	30100	Organization	99.0	-	0	-	-	-	-	-
648	30200	Franchises & Consents	99.0	-	0	-	-	-	-	-
649	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
650										
651		Total Intangible Plant:								
652										
653	General:									
654										
655	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
656	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	10,626	3,262	2,198	109	2,387	2,671
657	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
658	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
659	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	1,026	315	212	11	230	258
660	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	3,897	1,196	806	40	875	980
661	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	3,875	1,189	801	40	870	974
662	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
663	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
664	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	1,793	550	371	18	403	451
665	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
666	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
667	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
668	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	14,437	4,432	2,986	148	3,243	3,629
669	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	882	271	182	9	198	222
670	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
671	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
672	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
673	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	(603)	(185)	(125)	(6)	(135)	(152)
674	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
675	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
676	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
677	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	72,447	22,238	14,982	745	16,273	18,209
678	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
679	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	(3,489)	(1,071)	(722)	(36)	(784)	(877)
680	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
681	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
682	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
683	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
684	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	7,045	2,162	1,457	72	1,582	1,771
685	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	4,251	1,305	879	44	955	1,069
686	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	83,150	25,523	17,195	855	18,877	20,900
687	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
688	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-	-
689		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	5,271	1,618	1,090	54	1,184	1,325
690										
691		Total General Plant			204,609	62,805	42,313	2,104	45,959	51,428

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
692									
693		Shared Services General Office:							
694									
695		General:							
696									
697	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
698	39000	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	18,317	5,622	3,788	188	4,114
699	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
700	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
701	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
702	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	97,250	29,851	20,111	1,000	21,844
703	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	23,429	7,191	4,845	241	5,262
704	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
705	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	0	0	0	0
706	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	57	18	12	1	13
707	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
708	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
709	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
710	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	347	107	72	4	78
711	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
712	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
713	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
714	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
715	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	5,708	1,752	1,180	59	1,282
716	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
717	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
718	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
719	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	576	177	119	6	129
720	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	1,701	522	352	17	382
721	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	269,254	82,648	55,681	2,769	60,480
722	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	195,516	60,014	40,432	2,011	43,917
723	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	27,053	8,304	5,995	278	6,077
724	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
725	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
726	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	18,962	5,821	3,921	195	4,259
727	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	18,534	5,689	3,833	191	4,163
728	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	466	143	96	5	105
729	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	509,359	156,348	105,334	5,238	114,412
730	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
731		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
732									
733		Total General Plant			1,186,531	364,207	245,372	12,203	266,517
734					334,439	102,656	69,161	3,439	75,121
735		Shared Services Customer Support:							
736									
737		General:							
738									
739	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
740	39001	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
741	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	41,265	12,666	8,534	424	9,269
742	37503	Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
743	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
744	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	20,102	6,170	4,157	207	4,515
745	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	11,040	3,389	2,283	114	2,480
746	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
747	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
748	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	451	138	93	5	101
749	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
750	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
751	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
752	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	737	226	152	8	165
753	39500	Laboratory Equipment	6.6	P, S, T & D Plant - Commodity	86	26	18	1	19
754	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
755	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
756	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
757	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	14,149	4,343	2,926	146	3,178
758	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
759	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
760	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
761	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	980	301	203	10	220
762	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	6,407	1,967	1,325	66	1,439
763	39901	Other Tangible Property - Servers - HW	6.6	P, S, T & D Plant - Commodity	68,174	20,926	14,098	701	15,313
764	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	15,597	4,788	3,225	160	3,503
765	39903	Other Tangible Property - Network - HW	6.6	P, S, T & D Plant - Commodity	4,630	1,421	957	48	1,040
766	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
767	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
768	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	8,846	2,715	1,829	91	1,987
769	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	2,050	629	424	21	461
770	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	413,396	126,892	85,489	4,251	92,856
771	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	981	301	203	10	220
772	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
773		Retirement Work in Progress	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
774									
775		Total General Plant			608,891	186,900	125,917	6,262	136,768
776									
777		TOTAL RESERVE FOR DEPRECIATION - COMMODITY			29,985,208	9,289,518	6,233,676	311,392	6,686,580

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF RESERVE FOR DEPRECIATION									
Total Reserve for Depreciation									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
778			Intangible Plant:						
779									
780	30100		Organization	8,330	4,555	1,934	65	894	882
781	30200		Franchises & Consents	119,853	65,537	27,826	942	12,860	12,687
782	30300		Misc Intangible Plant	0	-	-	-	-	-
783									
784			Total Intangible Plant:	128,182	70,092	29,760	1,008	13,754	13,569
785									
786			Production Plant:						
787									
788	32520		Producing Leaseholds	0	-	-	-	-	-
789	32540		Rights of Ways	0	-	-	-	-	-
790	33100		Production Gas Wells Equipment	0	-	-	-	-	-
791	33201		Field Lines	0	-	-	-	-	-
792	33202		Tributary Lines	0	-	-	-	-	-
793	33400		Field Meas. & Reg. Sta. Equip	0	-	-	-	-	-
794	33600		Purification Equipment	0	-	-	-	-	-
795									
796			Total Production Plant	0	0	0	0	0	0
797									
798			Storage Plant:						
799									
800	35010		Land	0	-	-	-	-	-
801	35020		Rights of Way	4,453	1,850	1,097	59	732	715
802	35100		Structures and Improvements	6,289	2,612	1,550	83	1,033	1,010
803	35102		Compression Station Equipment	113,744	47,247	28,028	1,502	18,692	18,275
804	35103		Meas. & Reg. Sta. Structures	20,483	8,508	5,047	270	3,366	3,291
805	35104		Other Structures	100,144	41,598	24,677	1,322	16,457	16,089
806	35200		Wells \ Rights of Way	1,190,830	494,649	293,436	15,725	195,597	191,322
807	35201		Well Construction	1,419,511	589,639	349,786	18,745	233,278	228,063
808	35202		Well Equipment	450,595	187,169	111,033	5,950	74,049	72,394
809	35203		Cushion Gas	758,594	315,106	186,928	10,017	124,665	121,878
810	35210		Leaseholds	168,062	69,810	41,413	2,219	27,619	27,001
811	35211		Storage Rights	43,956	18,258	10,831	580	7,224	7,062
812	35301		Field Lines	(88,396)	(36,718)	(21,782)	(1,167)	(14,527)	(14,202)
813	35302		Tributary Lines	189,177	78,561	46,616	2,498	31,069	30,594
814	35400		Compressor Station Equipment	497,853	206,799	122,676	6,574	81,815	79,986
815	35500		Meas & Reg. Equipment	202,544	84,133	49,909	2,675	33,285	32,541
816	35600		Purification Equipment	191,797	79,669	47,261	2,533	31,519	30,815
817									
818			Total Storage Plant	5,269,635	2,188,910	1,298,508	69,587	865,995	846,635
819									
820			Transmission:						
821									
822	36510		Land & Land Rights	0	-	-	-	-	-
823	36520		Rights of Way	428,096	193,557	110,680	5,821	62,007	56,031
824	36602		Structures & Improvements	16,837	7,613	4,353	229	2,439	2,204
825	36603		Other Structures	53,066	23,993	13,720	722	7,686	6,946
826	36700		Mains Cathodic Protection	98,316	44,452	25,419	1,337	14,240	12,868
827	36701		Mains - Steel	16,387,961	7,409,562	4,236,933	222,852	2,373,684	2,144,929
828	36900		Meas. & Reg. Equipment	353,469	159,816	91,386	4,807	51,198	46,264
829	36901		Meas. & Reg. Equipment	1,774,251	802,200	458,714	24,127	256,988	232,222
830									
831			Total Transmission Plant	19,111,996	8,641,192	4,941,204	259,895	2,768,242	2,501,463
832									
833			Distribution:						
834									
835	37400		Land & Land Rights	0	-	-	-	-	-
836	37401		Land	0	-	-	-	-	-
837	37402		Land Rights	235,363	94,115	56,457	2,916	40,857	41,019
838	37403		Land Other	0	-	-	-	-	-
839	37500		Structures & Improvements	113,695	45,463	27,272	1,408	19,736	19,815
840	37501		Structures & Improvements T.B.	71,449	28,570	17,139	885	12,403	12,452
841	37502		Land Rights	35,399	14,155	8,491	439	6,145	6,169
842	37503		Improvements	1,920	768	461	24	333	335
843	37600		Mains Cathodic Protection	13,210,658	5,282,536	3,168,885	163,646	2,293,244	2,302,348
844	37601		Mains - Steel	33,671,112	13,464,041	8,076,803	417,097	5,844,363	5,868,167
845	37602		Mains - Plastic	19,028,671	7,808,980	4,564,472	235,716	3,303,195	3,316,309
846	37800		Meas & Reg. Sta. Equip - General	2,894,799	1,157,541	694,385	35,859	502,509	504,504
847	37900		Meas & Reg. Sta. Equip - City Gate	984,409	393,635	236,133	12,194	170,884	171,562
848	37905		Meas & Reg. Sta. Equipment T.B.	1,038,111	415,109	249,015	12,859	180,206	180,922
849	38000		Services	30,562,139	27,216,572	3,310,936	1,683	21,040	11,908
850	38100		Meters	21,386,354	13,797,005	7,076,398	24,923	311,648	176,380
851	38200		Meter Installations	26,987,899	17,410,737	8,929,858	31,450	393,275	222,578
852	38300		House Regulators	4,321,265	2,787,783	1,429,636	5,036	62,971	35,639
853	38400		House Reg. Installations	94,403	60,903	31,237	110	1,376	779
854	38500		Ind. Meas. & Reg. Sta. Equipment	2,958,741	-	2,928,115	1,488	18,607	10,531
855	38600		Other Prop. On Cust. Prem	0	-	-	-	-	-
856									
857			Total Distribution Plant	157,596,387	89,777,912	40,805,895	947,732	13,183,412	12,881,436

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF RESERVE FOR DEPRECIATION							
858							
859	General:						
860							
861	38900 Land & Land Rights	0	-	-	-	-	-
862	39000 Structures & Improvements	1,253,482	685,419	291,020	9,853	134,498	132,692
863	39002 Structures - Brick	107,583	58,827	24,977	846	11,544	11,389
864	39003 Improvements	292,730	160,068	67,963	2,301	31,410	30,988
865	39003 Air Conditioning Equipment	5,049	2,761	1,172	40	542	535
866	39004 Improvement to Leased Premises	1,248,110	682,481	289,773	9,811	133,922	132,124
867	39009 Office Furniture & Equipment	1,144,609	625,886	265,743	8,997	122,816	121,167
868	39100 Remittance Processing Equip	0	-	-	-	-	-
869	39102 Office Machines	0	-	-	-	-	-
870	39103 Transportation Equipment	113,788	62,220	26,418	894	12,209	12,045
871	39200 Trucks	0	-	-	-	-	-
872	39201 Trailers	(2,529)	(1,383)	(587)	(20)	(271)	(268)
873	39202 Stores Equipment	0	-	-	-	-	-
874	39400 Tools, Shop & Garage Equipment	1,300,851	711,321	302,018	10,225	139,581	137,707
875	39600 Power Operated Equipment	0	-	-	-	-	-
876	39603 Ditchers	39,655	21,684	9,207	312	4,255	4,198
877	39604 Backhoes	62,818	34,350	14,584	494	6,740	6,650
878	39605 Welders	19,456	10,639	4,517	153	2,088	2,060
879	39700 Communication Equipment	269,010	147,098	62,456	2,115	28,865	28,477
880	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
881	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
882	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
883	39800 Miscellaneous Equipment	2,072,883	1,133,477	481,260	16,294	222,419	219,433
884	39900 Other Tangible Property	0	-	-	-	-	-
885	39901 Other Tangible Property - Servers - H/W	6,670	3,647	1,549	52	716	706
886	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
887	39903 Other Tangible Property - Network - H/W	64,644	35,348	15,008	508	6,936	6,843
888	39904 Other Tang. Property - CPU	0	-	-	-	-	-
889	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
890	39906 Other Tang. Property - PC Hardware	112,226	61,366	26,055	882	12,042	11,880
891	39907 Other Tang. Property - PC Software	0	-	-	-	-	-
892	39908 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
893	39909 Other Tang. Property - Application Software	117,916	64,478	27,377	927	12,652	12,482
894	Other Tang. Property - General Startup Costs	0	-	-	-	-	-
895	Retirement Work in Progress	(6,374,709)	(3,485,766)	(1,480,012)	(50,108)	(684,003)	(674,820)
896	AR 15 general plant amortization	0	-	-	-	-	-
897							
898	Total General Plant	1,854,243	1,013,922	430,498	14,575	198,959	196,288
899							
900	TOTAL DIRECT RESERVE FOR DEPRECIATION	183,960,444	101,692,028	47,505,865	1,292,797	17,030,362	16,439,391
901							
902	Kentucky Mid-States General Office:						
903							
904	Intangible Plant:						
905							
906	30100 Organization	0	-	-	-	-	-
907	30200 Franchises & Consents	0	-	-	-	-	-
908	30300 Misc Intangible Plant	0	-	-	-	-	-
909							
910	Total Intangible Plant:						
911							
912	General:						
913							
914	37400 Land & Land Rights	0	-	-	-	-	-
915	39001 Structures Frame	52,708	28,821	12,237	414	5,656	5,580
916	36602 Structures & Improvements	0	-	-	-	-	-
917	38900 Land & Land Rights	0	-	-	-	-	-
918	39004 Air Conditioning Equipment	5,090	2,783	1,182	40	546	539
919	39009 Improvement to leased Premises	19,332	10,571	4,488	152	2,074	2,046
920	39100 Office Furniture & Equipment	19,220	10,510	4,462	151	2,062	2,035
921	39102 Remittance Processing Equip	0	-	-	-	-	-
922	39103 Office Machines	0	-	-	-	-	-
923	39200 Transportation Equipment	8,895	4,864	2,065	70	954	942
924	39201 Trucks	0	-	-	-	-	-
925	39202 Trailers	0	-	-	-	-	-
926	39300 Stores Equipment	0	-	-	-	-	-
927	39400 Tools, Shop & Garage Equipment	71,611	39,157	16,626	563	7,684	7,581
928	39600 Power Operated Equipment	4,375	2,392	1,016	34	469	463
929	39603 Ditchers	0	-	-	-	-	-
930	39604 Backhoes	0	-	-	-	-	-
931	39605 Welders	0	-	-	-	-	-
932	39700 Communication Equipment	(2,991)	(1,636)	(695)	(24)	(321)	(317)
933	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
934	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
935	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
936	39800 Miscellaneous Equipment	359,341	196,492	83,428	2,825	38,557	38,039
937	39900 Other Tangible Property	0	-	-	-	-	-
938	39901 Other Tangible Property - Servers - H/W	(17,306)	(9,463)	(4,018)	(136)	(1,857)	(1,832)
939	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
940	39903 Other Tangible Property - Network - H/W	0	-	-	-	-	-
941	39904 Other Tang. Property - CPU	0	-	-	-	-	-
942	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
943	39906 Other Tang. Property - PC Hardware	34,944	19,108	8,113	275	3,740	3,699
944	39907 Other Tang. Property - PC Software	21,086	11,530	4,896	166	2,263	2,232
945	39908 Other Tang. Property - Mainframe S/W	412,432	225,523	95,754	3,242	44,254	43,660
946	39909 Other Tang. Property - Application Software	0	-	-	-	-	-
947	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
948	Retirement Work in Progress	26,143	14,295	6,070	205	2,805	2,767
949							
950	Total General Plant	1,014,877	554,947	235,623	7,977	108,896	107,434

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF RESERVE FOR DEPRECIATION							
951							
952	Shared Services General Office:						
953							
954	General:						
955							
956	37400 Land & Land Rights	0	-	-	-	-	-
957	39000 Structures & Improvements	90,855	49,680	21,094	714	9,749	9,618
958	36602 Structures & Improvements	0	-	-	-	-	-
959	37503 Improvements	0	-	-	-	-	-
960	39004 Air Conditioning Equipment	0	-	-	-	-	-
961	39009 Improvement to leased Premises	482,368	263,764	111,991	3,792	51,758	51,063
962	39100 Office Furniture & Equipment	116,207	63,544	26,980	913	12,469	12,302
963	39102 Remittance Processing Equip	0	0	0	0	0	0
964	39103 Office Machines	0	0	0	0	0	0
965	39200 Transportation Equipment	284	156	66	2	31	30
966	39201 Trucks	0	-	-	-	-	-
967	39202 Trailers	0	-	-	-	-	-
968	39300 Stores Equipment	0	-	-	-	-	-
969	39400 Tools, Shop & Garage Equipment	1,722	942	400	14	185	182
970	39600 Power Operated Equipment	0	-	-	-	-	-
971	39603 Ditchers	0	-	-	-	-	-
972	39604 Backhoes	0	-	-	-	-	-
973	39605 Welders	0	-	-	-	-	-
974	39700 Communication Equipment	28,314	15,482	6,574	223	3,038	2,997
975	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
976	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
977	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
978	39800 Miscellaneous Equipment	2,855	1,561	663	22	306	302
979	39900 Other Tangible Property	8,438	4,614	1,959	66	905	893
980	39901 Other Tangible Property - Servers - H/W	1,335,526	730,281	310,068	10,498	143,301	141,377
981	39902 Other Tangible Property - Servers - S/W	969,778	530,286	225,153	7,623	104,057	102,660
982	39903 Other Tangible Property - Network - H/W	134,188	73,375	31,154	1,055	14,398	14,205
983	39904 Other Tang. Property - CPU	0	-	-	-	-	-
984	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
985	39906 Other Tang. Property - PC Hardware	94,055	51,430	21,837	739	10,092	9,957
986	39907 Other Tang. Property - PC Software	91,932	50,259	21,344	723	9,864	9,732
987	39908 Other Tang. Property - Mainframe S/W	2,311	1,263	536	18	248	245
988	39909 Other Tang. Property - Application Software	2,526,463	1,381,500	586,567	19,859	271,088	267,449
989	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
990	Retirement Work in Progress	0	-	-	-	-	-
991							
992	Total General Plant	5,885,295	3,218,148	1,366,385	46,261	631,489	623,011
993							
994	Shared Services Customer Support:						
995							
996	General:						
997							
998	37400 Land & Land Rights	0	-	-	-	-	-
999	39001 Structures Frame	0	-	-	-	-	-
1000	36602 Structures & Improvements	204,679	111,921	47,520	1,609	21,962	21,667
1001	37503 Improvements	0	-	-	-	-	-
1002	39004 Air Conditioning Equipment	0	-	-	-	-	-
1003	39009 Improvement to leased Premises	99,706	54,520	23,149	784	10,698	10,555
1004	39100 Office Furniture & Equipment	54,761	29,944	12,714	430	5,876	5,797
1005	39102 Remittance Processing Equip	0	-	-	-	-	-
1006	39103 Office Machines	0	-	-	-	-	-
1007	39200 Transportation Equipment	2,235	1,222	519	18	240	237
1008	39201 Trucks	0	-	-	-	-	-
1009	39202 Trailers	0	-	-	-	-	-
1010	39300 Stores Equipment	0	-	-	-	-	-
1011	39400 Tools, Shop & Garage Equipment	3,654	1,998	848	29	392	387
1012	39500 Laboratory Equipment	426	233	99	3	46	45
1013	39603 Ditchers	0	-	-	-	-	-
1014	39604 Backhoes	0	-	-	-	-	-
1015	39605 Welders	0	-	-	-	-	-
1016	39700 Communication Equipment	70,180	38,375	16,294	552	7,530	7,429
1017	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
1018	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
1019	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
1020	39800 Miscellaneous Equipment	4,862	2,658	1,129	38	522	515
1021	39900 Other Tangible Property	31,781	17,378	7,378	250	3,410	3,364
1022	39901 Other Tangible Property - Servers - H/W	338,151	184,905	78,508	2,658	36,283	35,796
1023	39902 Other Tangible Property - Servers - S/W	77,363	42,303	17,961	608	8,301	8,190
1024	39903 Other Tangible Property - Network - H/W	22,965	12,557	5,332	181	2,464	2,431
1025	39904 Other Tang. Property - CPU	0	-	-	-	-	-
1026	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
1027	39906 Other Tang. Property - PC Hardware	43,877	23,993	10,187	345	4,708	4,645
1028	39907 Other Tang. Property - PC Software	10,171	5,561	2,361	80	1,091	1,077
1029	39908 Other Tang. Property - Mainframe S/W	2,050,478	1,121,225	476,058	16,118	220,015	217,062
1030	39909 Other Tang. Property - Application Software	4,865	2,660	1,129	38	522	515
1031	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
1032	Retirement Work in Progress	0	-	-	-	-	-
1033							
1034	Total General Plant	3,020,151	1,651,454	701,187	23,740	324,061	319,710
1035							
1036	TOTAL RESERVE FOR DEPRECIATION	193,880,768	107,116,577	49,809,060	1,370,775	18,094,809	17,489,547

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF OTHER RATE BASE									
Customer									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Rate Base Additions:								
2									
3	Materials and Supplies - KY Direct	7.2	Allocated O&M Expenses - Cust	(39,665)	(31,233)	(8,136)	(27)	(171)	(97)
4	Materials and Supplies - KY Mid-States GO	7.2	Allocated O&M Expenses - Cust	51,291	40,388	10,521	35	222	126
5	Materials and Supplies - Shared Services GO	7.2	Allocated O&M Expenses - Cust	(0)	(0)	(0)	(0)	(0)	(0)
6	Materials and Supplies - Shared Services CS	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
7	Gas Storage Inventory	99.0	-	0	-	-	-	-	-
8	Prepayments - KY Direct	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
9	Prepayments - KY Mid-States GO	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
10	Prepayments - Shared Services GO	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
11	Prepayments - Shared Services CS	7.2	Allocated O&M Expenses - Cust	0	-	-	-	-	-
12	Cash Working Capital	7.2	Allocated O&M Expenses - Cust	265,609	209,149	54,482	181	1,148	650
13	Regulatory Assets	7.2	Allocated O&M Expenses - Cust	(3,257,103)	(2,564,742)	(668,094)	(2,217)	(14,078)	(7,971)
14									
15	Total Rate Base Additions			(2,979,868)	(2,346,439)	(611,228)	(2,029)	(12,880)	(7,292)
16									
17	Rate Base Deductions:								
18									
19	Customer Advances - KY Direct	2.0	Bills	(747,234)	(665,436)	(80,951)	(41)	(514)	(291)
20	Customer Advances - KY Mid-States GO	2.0	Bills	0	-	-	-	-	-
21	Customer Advances - Shared Services GO	2.0	Bills	0	-	-	-	-	-
22	Customer Advances - Shared Services CS	2.0	Bills	0	-	-	-	-	-
23	ADIT - KY Direct	9.2	Allocated Net Plant - Cust	(27,044,140)	(21,578,621)	(5,229,008)	(11,491)	(143,695)	(81,326)
24	ADIT - KY Mid-States GO	9.2	Allocated Net Plant - Cust	8,225,242	6,562,951	1,590,357	3,495	43,704	24,735
25	ADIT - Shared Services GO	9.2	Allocated Net Plant - Cust	(305,471)	(243,737)	(59,063)	(130)	(1,623)	(919)
26	ADIT - Shared Services CS	9.2	Allocated Net Plant - Cust	24,343	19,423	4,707	10	129	73
27	Change in Net Operating Loss Carryforward	9.2	Allocated Net Plant - Cust	466,510	372,230	90,200	198	2,479	1,403
28									
29									
30	Total Rate Base Deductions			(19,380,752)	(15,533,190)	(3,683,758)	(7,959)	(99,521)	(56,325)
31									
32	TOTAL OTHER RB - CUSTOMER			(22,360,620)	(17,879,629)	(4,294,986)	(9,987)	(112,401)	(63,617)
33									
34									
35	Interest on Customer Deposits	2.0	Bills	0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF OTHER RATE BASE									
Demand									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
35	Rate Base Additions:								
36									
37	Materials and Supplies - KY Direct	7.4	Allocated O&M Expenses - Demand	(41,706)	(18,857)	(10,783)	(567)	(6,041)	(5,459)
38	Materials and Supplies - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	53,931	24,384	13,943	733	7,812	7,059
39	Materials and Supplies - Shared Services GO	7.4	Allocated O&M Expenses - Demand	(0)	(0)	(0)	(0)	(0)	(0)
40	Materials and Supplies - Shared Services CS	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
41	Gas Storage Inventory	99.0	-	0	-	-	-	-	-
42	Prepayments - KY Direct	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
43	Prepayments - KY Mid-States GO	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
44	Prepayments - Shared Services GO	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
45	Prepayments - Shared Services CS	7.4	Allocated O&M Expenses - Demand	0	-	-	-	-	-
46	Cash Working Capital	7.4	Allocated O&M Expenses - Demand	279,281	126,273	72,205	3,798	40,452	36,554
47	Regulatory Assets	7.4	Allocated O&M Expenses - Demand	(3,424,758)	(1,548,451)	(885,435)	(46,572)	(496,053)	(448,247)
48									
49	Total Rate Base Additions			(3,133,252)	(1,416,651)	(810,069)	(42,608)	(453,830)	(410,094)
50									
51	Rate Base Deductions:								
52									
53									
54	Customer Advances - KY Direct	99.0	-	0	-	-	-	-	-
55	Customer Advances - KY Mid-States GO	99.0	-	0	-	-	-	-	-
56	Customer Advances - Shared Services GO	99.0	-	0	-	-	-	-	-
57	Customer Advances - Shared Services CS	99.0	-	0	-	-	-	-	-
58	ADIT - KY Direct	9.4	Allocated Net Plant - Demand	(31,728,969)	(14,345,761)	(8,203,188)	(431,468)	(4,595,725)	(4,152,828)
59	ADIT - KY Mid-States GO	9.4	Allocated Net Plant - Demand	9,650,092	4,363,139	2,494,929	131,227	1,397,750	1,263,047
60	ADIT - Shared Services GO	9.4	Allocated Net Plant - Demand	(358,388)	(162,040)	(92,657)	(4,874)	(51,910)	(46,907)
61	ADIT - Shared Services CS	9.4	Allocated Net Plant - Demand	28,559	12,913	7,384	388	4,137	3,738
62	Change in Net Operating Loss Carryforward	9.4	Allocated Net Plant - Demand	547,322	247,463	141,504	7,443	79,276	71,636
63									
64	Total Rate Base Deductions			(21,861,383)	(9,884,285)	(5,652,029)	(297,283)	(3,166,472)	(2,861,315)
65									
66									
67	TOTAL OTHER RB - DEMAND			(24,994,636)	(11,300,936)	(6,462,098)	(339,891)	(3,620,302)	(3,271,408)
68									
69	Interest on Customer Deposits	3.0	Peak Day	0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF OTHER RATE BASE									
Commodity									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
69	Rate Base Additions:								
70									
71	Materials and Supplies - KY Direct	7.6	Allocated O&M Expenses - Comm	(320,752)	(182,001)	(123,643)	(4,466)	(5,020)	(5,622)
72	Materials and Supplies - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	414,768	235,348	159,883	5,776	6,491	7,270
73	Materials and Supplies - Shared Services GO	7.6	Allocated O&M Expenses - Comm	(0)	(0)	(0)	(0)	(0)	(0)
74	Materials and Supplies - Shared Services CS	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
75	Gas Storage Inventory	1.0	Mcf	8,905,991	2,696,819	1,827,594	90,291	2,021,444	2,269,843
76	Prepayments - KY Direct	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
77	Prepayments - KY Mid-States GO	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
78	Prepayments - Shared Services GO	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
79	Prepayments - Shared Services CS	7.6	Allocated O&M Expenses - Comm	0	-	-	-	-	-
80	Cash Working Capital	7.6	Allocated O&M Expenses - Comm	2,147,869	1,218,744	827,953	29,909	33,616	37,647
81	Regulatory Assets	7.6	Allocated O&M Expenses - Comm	(26,338,809)	(14,945,171)	(10,152,996)	(366,766)	(412,222)	(461,654)
82									
83	Total Rate Base Additions			(15,190,934)	(10,976,261)	(7,461,209)	(245,257)	1,644,310	1,847,483
84									
85									
86	Rate Base Deductions:								
87									
88	Customer Advances - KY Direct	99.0	-	0	-	-	-	-	-
89	Customer Advances - KY Mid-States GO	99.0	-	0	-	-	-	-	-
90	Customer Advances - Shared Services GO	99.0	-	0	-	-	-	-	-
91	Customer Advances - Shared Services CS	99.0	-	0	-	-	-	-	-
92	ADIT - KY Direct	9.6	Allocated Net Plant - Comm	(16,344,147)	(5,005,589)	(3,375,614)	(167,690)	(3,677,617)	(4,117,637)
93	ADIT - KY Mid-States GO	9.6	Allocated Net Plant - Comm	4,970,931	1,522,407	1,026,664	51,002	1,118,515	1,252,344
94	ADIT - Shared Services GO	9.6	Allocated Net Plant - Comm	(184,612)	(56,540)	(38,129)	(1,894)	(41,540)	(46,510)
95	ADIT - Shared Services CS	9.6	Allocated Net Plant - Comm	14,711	4,506	3,038	151	3,310	3,706
96	Change in Net Operating Loss Carryforward	9.6	Allocated Net Plant - Comm	281,935	86,346	58,229	2,893	63,439	71,029
97									
98	Total Rate Base Deductions			(11,261,181)	(3,448,870)	(2,325,811)	(115,539)	(2,533,892)	(2,837,068)
99									
100									
101	TOTAL OTHER RB - COMMODITY			(26,452,115)	(14,425,132)	(9,787,020)	(360,796)	(889,582)	(989,585)
102									
103	Interest on Customer Deposits	1.0	Mcf	0	-	-	-	-	-

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
ALLOCATION OF OTHER RATE BASE								
Total Other Rate Base								
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
103	Rate Base Additions:							
104								
105	Materials and Supplies - KY Direct		(402,124)	(232,092)	(142,561)	(5,061)	(11,232)	(11,178)
106	Materials and Supplies - KY Mid-States GO		519,990	300,120	184,347	6,544	14,525	14,454
107	Materials and Supplies - Shared Services GO		(0)	(0)	(0)	(0)	(0)	(0)
108	Materials and Supplies - Shared Services CS		0	-	-	-	-	-
109	Gas Storage Inventory		8,905,991	2,696,819	1,827,594	90,291	2,021,444	2,269,843
110	Prepayments - KY Direct		0	-	-	-	-	-
111	Prepayments - KY Mid-States GO		0	-	-	-	-	-
112	Prepayments - Shared Services GO		0	-	-	-	-	-
113	Prepayments - Shared Services CS		0	-	-	-	-	-
114	Cash Working Capital		2,692,759	1,554,165	954,640	33,888	75,216	74,850
115	Regulatory Assets		(33,020,670)	(19,058,364)	(11,706,526)	(415,555)	(922,353)	(917,872)
116								
117	Total Rate Base Additions		(21,304,054)	(14,739,351)	(8,882,506)	(289,893)	1,177,600	1,430,097
118								
119								
120	Rate Base Deductions:							
121								
122	Customer Advances - KY Direct		(747,234)	(665,436)	(80,951)	(41)	(514)	(291)
123	Customer Advances - KY Mid-States GO		0	-	-	-	-	-
124	Customer Advances - Shared Services GO		0	-	-	-	-	-
125	Customer Advances - Shared Services CS		0	-	-	-	-	-
126	ADIT - KY Direct		(75,117,257)	(40,929,970)	(16,807,810)	(610,649)	(8,417,036)	(8,351,791)
127	ADIT - KY Mid-States GO		22,846,265	12,448,497	5,111,950	185,724	2,559,969	2,540,125
128	ADIT - Shared Services GO		(848,471)	(462,316)	(189,849)	(6,897)	(95,073)	(94,336)
129	ADIT - Shared Services CS		67,614	36,841	15,129	550	7,576	7,518
130	Change in Net Operating Loss Carryforward		1,295,767	706,039	289,934	10,534	145,193	144,068
131								
132	Total Rate Base Deductions		(52,503,316)	(28,866,345)	(11,661,598)	(420,781)	(5,799,885)	(5,754,707)
133								
134								
135	TOTAL OTHER RB		(73,807,370)	(43,605,697)	(20,544,103)	(710,674)	(4,622,286)	(4,324,610)
136								
137	Interest on Customer Deposits		0	-	-	-	-	-

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
Customer									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1			Production & Gathering:						
2			Operation						
3	7500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
4	7510	99.0 -	Production Maps & Records	0	-	-	-	-	-
5	7530	99.0 -	Field Lines Expenses	0	-	-	-	-	-
6	7540	99.0 -	Field Compressor Station Expense	0	-	-	-	-	-
7	7550	99.0 -	Field Compressor Sta. Fuel & Pwr.	0	-	-	-	-	-
8	7560	99.0 -	Field Meas. & Regul. Station Exp	0	-	-	-	-	-
9	7570	99.0 -	Purification Equipment	0	-	-	-	-	-
10	7590	99.0 -	Other Expenses	0	-	-	-	-	-
11			Maintenance						
12	7610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
13	7620	99.0 -	Structures and Improvements	0	-	-	-	-	-
14	7640	99.0 -	Field Line Maintenance	0	-	-	-	-	-
15	7650	99.0 -	Compressor Station Equip. Maint.	0	-	-	-	-	-
16	7660	99.0 -	Meas. & Regul. Station Equip Maint.	0	-	-	-	-	-
17	7670	99.0 -	Purification Equipment Maintenance	0	-	-	-	-	-
18	7680	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
19	7690	99.0 -	Gas Processed By Others	0	-	-	-	-	-
20			Total Production & Gathering	0	0	0	0	0	0
21									
22			Other Gas Supply Expenses:						
23			Operation						
24	8001	99.0 -	Intercompany Gas Well-head Purchases	0	-	-	-	-	-
25	8010	99.0 -	Natural gas field line purchases	0	-	-	-	-	-
26	8040	99.0 -	Natural gas city gate purchases	0	-	-	-	-	-
27	8050	99.0 -	Other purchases	0	-	-	-	-	-
28	8051	99.0 -	PGA for Residential	0	-	-	-	-	-
29	8052	99.0 -	PGA for Commercial	0	-	-	-	-	-
30	8053	99.0 -	PGA for Industrial	0	-	-	-	-	-
31	8054	99.0 -	PGA for Public Authorities	0	-	-	-	-	-
32	8058	99.0 -	Unbilled PGA Cost	0	-	-	-	-	-
33	8059	99.0 -	PGA Offset to Unrecovered Gas Cost	0	-	-	-	-	-
34	8060	99.0 -	Exchange gas	0	-	-	-	-	-
35	8081	99.0 -	Gas withdrawn from storage-Debit	0	-	-	-	-	-
36	8082	99.0 -	Gas delivered to storage-Credit	0	-	-	-	-	-
37	8120	99.0 -	Gas used for other utility operations-Credit	0	-	-	-	-	-
38	8580	99.0 -	Transmission and compression of gas by others	0	-	-	-	-	-
39			Maintenance						
40	8350	99.0 -	Maint. Of Purch. Gas Meas. Sta.	0	-	-	-	-	-
41			Total Other Gas Supply Expenses	0	0	0	0	0	0
42									
43			Underground Storage:						
44			Operation						
45	8140	99.0 -	Storage-Operation supervision and engineering	0	-	-	-	-	-
46	8160	99.0 -	Wells expenses	0	-	-	-	-	-
47	8170	99.0 -	Lines expenses	0	-	-	-	-	-
48	8180	99.0 -	Compressor station expenses	0	-	-	-	-	-
49	8190	99.0 -	Compressor station fuel and power	0	-	-	-	-	-
50	8200	99.0 -	Storage-Measuring and regulating station expenses	0	-	-	-	-	-
51	8210	99.0 -	Storage-Purification expenses	0	-	-	-	-	-
52	8240	99.0 -	Storage-Other expenses	0	-	-	-	-	-
53	8250	99.0 -	Storage well royalties	0	-	-	-	-	-
54	8260	99.0 -	Rents	0	-	-	-	-	-
55			Maintenance						
56	8300	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
57	8310	99.0 -	Structures and Improvements	0	-	-	-	-	-
58	8320	99.0 -	Reservoirs & Wells Maintenance	0	-	-	-	-	-
59	8330	99.0 -	Line Maintenance	0	-	-	-	-	-
60	8340	99.0 -	Compressor Station Equip Maint	0	-	-	-	-	-
61	8350	99.0 -	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
62	8360	99.0 -	Purification Equipment Maintenance	0	-	-	-	-	-
63	8410	99.0 -	Other storage expenses-Operation labor and expenses	0	-	-	-	-	-
64			Total Underground Storage Expense	0	0	0	0	0	0
65									
66			Transmission:						
67			Operation						
68	8500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
69	8510	99.0 -	System Control & Load Dispatching	0	-	-	-	-	-
70	8520	99.0 -	Communication Systems Expense	0	-	-	-	-	-
71	8530	99.0 -	Compressor Station Labor Expense	0	-	-	-	-	-
72	8540	99.0 -	Compressor Station Fuel Gas	0	-	-	-	-	-
73	8550	99.0 -	Compressor Station Fuel & Power	0	-	-	-	-	-
74	8560	99.0 -	Mains Expense	0	-	-	-	-	-
75	8570	99.0 -	Meas. & Regul. Station Expenses	0	-	-	-	-	-
76	8580	99.0 -	LDC Payment	0	-	-	-	-	-
77	8580	99.0 -	LDC Payment - A&G	0	-	-	-	-	-
78	8590	99.0 -	Other Expenses	0	-	-	-	-	-
79	8600	99.0 -	Rents	0	-	-	-	-	-
80			Maintenance						
81	8610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
82	8620	99.0 -	Structures and Improvements	0	-	-	-	-	-
83	8630	99.0 -	Mains	0	-	-	-	-	-
84	8640	99.0 -	Compressor Station Equip Maint	0	-	-	-	-	-
85	8650	99.0 -	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
86	8660	99.0 -	Communication Equipment Maintenance	0	-	-	-	-	-
87	8670	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
88			Total Transmission Expense	0	0	0	0	0	0

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
89									
90	Distribution:								
91	Operation								
92	8700 Supervision and Engineering	10.2 Composite of Accts. 871-879 & 886-893 - Cust	152,826	86,237	63,224	163	2,044	1,157	
93	8710 Distribution Load Dispatching	99.0 -	0	-	-	-	-	-	
94	8711 Odorization	99.0 -	0	-	-	-	-	-	
94	8720 Compressor Station Labor & Expenses	11.2 Composite of Accts. 376 & 380 - Cust	0	-	-	-	-	-	
95	8740 Mains & Services	12.2 Composite of Accts. 374-379 - Cust	0	-	-	-	-	-	
96	8750 Measuring and Regulating Station Exp. - Gen	11.2 Composite of Accts. 376 & 380 - Cust	0	-	-	-	-	-	
97	8760 Measuring and Regulating Station Exp. - Ind.	2.2 Non-Residential Bills	120,928	-	119,676	61	761	430	
98	8770 Measuring and Regulating Sta. Exp. - City Gate	11.2 Composite of Accts. 376 & 380 - Cust	0	-	-	-	-	-	
99	8780 Meters and House Regulator Expense	13.2 Composite of Accts. 381-383 - Cust	820,621	529,408	271,530	956	11,958	6,768	
100	8790 Customer Installations Expense	2.0 Bills	2,246	2,000	243	0	2	1	
101	8800 Other Expense	10.2 Composite of Accts. 871-879 & 886-893 - Cust	508	287	210	1	7	4	
102	8810 Rents	10.2 Composite of Accts. 871-879 & 886-893 - Cust	58,056	33,099	24,266	63	785	444	
103	Maintenance								
104	8850 Maintenance Supervision and Engineering	10.2 Composite of Accts. 871-879 & 886-893 - Cust	252	142	104	0	3	2	
105	8860 Maintenance of Structures and Improvements	12.2 Composite of Accts. 374-379 - Cust	0	-	-	-	-	-	
106	8870 Maintenance of Mains	12.2 Composite of Accts. 374-379 - Cust	0	-	-	-	-	-	
107	8890 Maintenance of compressor station equipment	99.0 -	0	-	-	-	-	-	
108	8900 Maint. of Measuring and Regulating Station Equip. - General	12.2 Composite of Accts. 374-379 - Cust	0	-	-	-	-	-	
109	8910 Maint. of Measuring and Regulating Station Equip. - Industrial	2.2 Non-Residential Bills	1,723	-	1,705	1	11	6	
110	8920 Maint. of Measuring and Regulating Station Equip. - City Gate	12.2 Composite of Accts. 374-379 - Cust	0	-	-	-	-	-	
111	8930 Maintenance of Services	14.2 Account 380 - Cust	6,533	5,817	708	0	4	3	
112	8940 Maintenance of Meters and House Regulators	13.2 Composite of Accts. 381-383 - Cust	0	-	-	-	-	-	
113	8950 Maintenance of Other Equipment	10.2 Composite of Accts. 871-879 & 886-893 - Cust	931	525	385	1	12	7	
114	Total Distribution		1,165,224	657,516	482,052	1,247	15,587	8,822	
115	Customer Accounts:								
116	9010 Supervision	2.0 Bills	0	-	-	-	-	-	
118	9020 Meter Reading Expense	2.0 Bills	1,085,047	966,269	117,548	60	747	423	
119	9030 Customer Records and Collection Expenses	2.0 Bills	1,220,802	1,087,164	132,255	67	840	476	
120	9040 Uncollectible Accounts	8.0 Customer Deposit Balances	341,050	208,226	129,278	3,493	29	25	
121	9050 Miscellaneous Customer Accounts Expenses	2.0 Bills	0	-	-	-	-	-	
122	Total Customer Accounts		2,646,900	2,261,659	379,081	3,620	1,616	924	
123	Customer Service and Information:								
124	9070 Supervision	2.0 Bills	0	-	-	-	-	-	
126	9080 Customer Assistance Expenses	2.0 Bills	0	-	-	-	-	-	
127	9090 Informational and Instructional Advertising Expenses	2.0 Bills	128,272	114,230	13,896	7	88	50	
128	9100 Miscellaneous Customer Service and Informational Expenses	2.0 Bills	0	-	-	-	-	-	
129	Total Customer Service and Information		128,272	114,230	13,896	7	88	50	
130	Sales:								
131	9110 Supervision	2.0 Bills	253,468	225,721	27,459	14	174	99	
133	9120 Demonstrating and Selling Expenses	2.0 Bills	115,937	103,246	12,560	6	80	45	
134	9130 Advertising Expenses	2.0 Bills	35,170	31,320	3,810	2	24	14	
135	9160 Miscellaneous Sales Expenses	2.0 Bills	(196,207)	(174,809)	(21,266)	(11)	(135)	(76)	
136	Total Sales		208,278	185,478	22,564	11	143	81	
137	Administrative & General:								
138	Operation								
140	9200 Administrative and General Salaries	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	(298,399)	(232,758)	(63,192)	(119)	(1,488)	(842)	
141	9210 Office Supplies and Expenses	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	6,299	4,913	1,334	3	31	18	
142	9220 Administrative Expenses Transferred - Customer Support	2.0 Bills	0	-	-	-	-	-	
143	9220 Administrative Expenses Transferred - General	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	5,184,181	4,043,771	1,097,858	2,067	25,853	14,632	
144	9230 Outside Services Employed	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	121,462	94,743	25,722	48	606	343	
145	9240 Property Insurance	9.2 Allocated Net Plant - Cust	1,339	1,068	259	1	7	4	
146	9250 Injuries and Damages	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	26,463	20,642	5,604	11	132	75	
147	9260 Employee Pensions and Benefits	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	387,217	302,037	82,001	154	1,931	1,093	
148	9270 Franchise Requirements	2.0 Bills	646	576	70	0	0	0	
149	9280 Regulatory Commission Expenses	2.0 Bills	852,920	759,553	92,401	47	587	332	
150	930.1 General Advertising Expenses	2.0 Bills	0	-	-	-	-	-	
151	930.2 Miscellaneous General Expense	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	(15,134)	(11,805)	(3,205)	(6)	(75)	(43)	
152	9310 Rents	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	(2,959)	(2,308)	(627)	(1)	(15)	(8)	
153	Maintenance								
154	9320 Maintenance of General Plant	17.2 Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Cust	4,221	3,292	894	2	21	12	
155	Total A&G		6,268,256	4,983,725	1,239,119	2,206	27,591	15,615	
156	TOTAL O&M EXPENSE - CUSTOMER		10,416,928	8,202,608	2,136,712	7,091	45,026	25,492	

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
Demand									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
158			Production & Gathering:						
159			Operation						
160	7500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
161	7510	99.0 -	Production Maps & Records	0	-	-	-	-	-
162	7530	99.0 -	Field Lines Expenses	0	-	-	-	-	-
163	7540	99.0 -	Field Compressor Station Expense	0	-	-	-	-	-
164	7550	99.0 -	Field Compressor Sta. Fuel & Pwr.	0	-	-	-	-	-
165	7560	99.0 -	Field Meas. & Regul. Station Exp	0	-	-	-	-	-
166	7570	99.0 -	Purification Expense	0	-	-	-	-	-
167	7590	99.0 -	Other Expenses	0	-	-	-	-	-
168			Maintenance						
169	7610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
170	7620	99.0 -	Structures and Improvements	0	-	-	-	-	-
171	7640	99.0 -	Field Line Maintenance	0	-	-	-	-	-
172	7650	99.0 -	Compressor Station Equip. Maint.	0	-	-	-	-	-
173	7660	99.0 -	Meas. & Regul. Station Equip Maint.	0	-	-	-	-	-
174	7670	99.0 -	Purification Equipment Maintenance	0	-	-	-	-	-
175	7680	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
176	7690	99.0 -	Gas Processed By Others	0	-	-	-	-	-
177			Total Production & Gathering	0	0	0	0	0	0
178									
179			Other Gas Supply Expenses:						
180			Operation						
181	8001	99.0 -	Intercompany Gas Well-head Purchases	0	-	-	-	-	-
182	8010	99.0 -	Natural gas field line purchases	0	-	-	-	-	-
183	8040	99.0 -	Natural gas city gate purchases	0	-	-	-	-	-
184	8050	99.0 -	Other purchases	0	-	-	-	-	-
185	8051	99.0 -	PGA for Residential	0	-	-	-	-	-
186	8052	99.0 -	PGA for Commercial	0	-	-	-	-	-
187	8053	99.0 -	PGA for Industrial	0	-	-	-	-	-
188	8054	99.0 -	PGA for Public Authorities	0	-	-	-	-	-
189	8058	99.0 -	Unbilled PGA Cost	0	-	-	-	-	-
190	8059	99.0 -	PGA Offset to Unrecovered Gas Cost	0	-	-	-	-	-
191	8060	99.0 -	Exchange gas	0	-	-	-	-	-
192	8081	99.0 -	Gas withdrawn from storage-Debit	0	-	-	-	-	-
193	8082	99.0 -	Gas delivered to storage-Credit	0	-	-	-	-	-
194	8120	99.0 -	Gas used for other utility operations-Credit	0	-	-	-	-	-
195	8580	99.0 -	Transmission and compression of gas by others	0	-	-	-	-	-
196			Maintenance						
197	8350	99.0 -	Maint. Of Purch. Gas Meas. Sta.	0	-	-	-	-	-
198			Total Other Gas Supply Expenses	0	0	0	0	0	0
199									
200			Underground Storage:						
201			Operation						
202	8140	3.0 Peak Day	Storage-Operation supervision and engineering	0	-	-	-	-	-
203	8160	3.0 Peak Day	Wells expenses	145,959	65,993	37,736	1,985	21,141	19,104
204	8170	3.0 Peak Day	Lines expenses	10,626	4,804	2,747	144	1,539	1,391
205	8180	3.0 Peak Day	Compressor station expenses	12,530	5,665	3,240	170	1,815	1,640
206	8190	3.0 Peak Day	Compressor station fuel and power	368	166	95	5	53	48
207	8200	3.0 Peak Day	Storage-Measuring and regulating station expenses	3,090	1,397	799	42	448	404
208	8210	3.0 Peak Day	Storage-Purification expenses	24,928	11,271	6,445	339	3,611	3,263
209	8240	3.0 Peak Day	Storage-Other expenses	0	-	-	-	-	-
210	8250	3.0 Peak Day	Storage well royalties	4,382	1,981	1,133	60	635	573
211	8260	3.0 Peak Day	Rents	0	-	-	-	-	-
212			Maintenance						
213	8300	3.0 Peak Day	Maint. Sup., & Eng.	0	-	-	-	-	-
214	8310	3.0 Peak Day	Structures and Improvements	6,368	2,879	1,646	87	922	833
215	8320	3.0 Peak Day	Reservoirs & Wells Maintenance	0	-	-	-	-	-
216	8330	3.0 Peak Day	Line Maintenance	0	-	-	-	-	-
217	8340	3.0 Peak Day	Compressor Station Equip Maint	1,665	753	431	23	241	218
218	8350	3.0 Peak Day	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
219	8360	3.0 Peak Day	Purification Equipment Maintenance	0	-	-	-	-	-
220	8410	3.0 Peak Day	Other storage expenses-Operation labor and expenses	34,542	15,617	8,930	470	5,003	4,521
221			Total Underground Storage Expense	244,457	110,527	63,202	3,324	35,408	31,996
222									
223			Transmission:						
224			Operation						
225	8500	3.0 Peak Day	Op., Sup., & Eng.	35	16	9	0	5	5
226	8510	3.0 Peak Day	System Control & Load Dispatching	0	-	-	-	-	-
227	8520	3.0 Peak Day	Communication Systems Expense	0	-	-	-	-	-
228	8530	3.0 Peak Day	Compressor Station Labor Expense	0	-	-	-	-	-
229	8540	3.0 Peak Day	Compressor Station Fuel Gas	0	-	-	-	-	-
230	8550	3.0 Peak Day	Compressor Station Fuel & Power	308	139	80	4	45	40
231	8560	3.0 Peak Day	Mains Expense	366,202	165,573	94,678	4,960	53,042	47,930
232	8570	3.0 Peak Day	Meas. & Regul. Station Expenses	27,278	12,333	7,052	371	3,951	3,570
233	8580	3.0 Peak Day	LDC Payment	0	-	-	-	-	-
234	8580	3.0 Peak Day	LDC Payment - A&G	0	-	-	-	-	-
235	8590	3.0 Peak Day	Other Expenses	0	-	-	-	-	-
236	8600	3.0 Peak Day	Rents	0	-	-	-	-	-
237			Maintenance						
238	8610	3.0 Peak Day	Maint. Sup., & Eng.	0	-	-	-	-	-
239	8620	3.0 Peak Day	Structures and Improvements	0	-	-	-	-	-
240	8630	3.0 Peak Day	Mains	16,280	7,361	4,209	221	2,358	2,131
241	8640	3.0 Peak Day	Compressor Station Equip Maint	0	-	-	-	-	-
242	8650	3.0 Peak Day	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
243	8660	3.0 Peak Day	Communication Equipment Maintenance	0	-	-	-	-	-
244	8670	3.0 Peak Day	Other Equipment Maintenance	0	-	-	-	-	-
245			Total Transmission Expense	410,103	185,422	106,028	5,677	59,401	53,676

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
246									
247	Distribution:								
248	Operation								
249	8700 Supervision and Engineering	10.4	Composite of Accts. 871-879 & 886-893 - Demand	524,720	237,244	135,661	7,135	76,002	68,678
250	8710 Distribution Load Dispatching	99.0	-	0	-	-	-	-	-
251	8711 Odorization	99.0	-	0	-	-	-	-	-
251	8720 Compressor Station Labor & Expenses	11.4	Composite of Accts. 376 & 380 - Demand	0	-	-	-	-	-
252	8740 Mains & Services	12.4	Composite of Accts. 374-379 - Demand	2,808,423	1,269,785	726,088	38,190	406,781	367,579
253	8750 Measuring and Regulating Station Exp. - Gen	12.4	Composite of Accts. 374-379 - Demand	373,558	168,898	96,579	5,080	54,107	48,893
254	8760 Measuring and Regulating Station Exp. - Ind.	99.0	-	0	-	-	-	-	-
255	8770 Measuring and Regulating Sta. Exp. - City Gate	12.4	Composite of Accts. 374-379 - Demand	24,885	11,252	6,434	338	3,604	3,257
256	8780 Meters and House Regulator Expense	13.4	Composite of Accts. 381-383 - Demand	0	-	-	-	-	-
257	8790 Customer Installations Expense	99.0	-	0	-	-	-	-	-
258	8800 Other Expense	10.4	Composite of Accts. 871-879 & 886-893 - Demand	1,745	789	451	24	253	228
259	8810 Rents	10.4	Composite of Accts. 871-879 & 886-893 - Demand	201,394	91,057	52,068	2,739	29,171	26,359
260	Maintenance								
261	8850 Maintenance Supervision and Engineering	10.4	Composite of Accts. 871-879 & 886-893 - Demand	865	391	224	12	125	113
262	8860 Maintenance of Structures and Improvements	12.4	Composite of Accts. 374-379 - Demand	64	29	16	1	9	8
263	8870 Maintenance of Mains	12.4	Composite of Accts. 374-379 - Demand	18,754	8,479	4,849	255	2,716	2,455
264	8890 Maintenance of compressor station equipment	99.0	-	0	-	-	-	-	-
265	8900 Maint. of Measuring and Regulating Station Equip. - General	12.4	Composite of Accts. 374-379 - Demand	42,621	19,270	11,019	580	6,173	5,578
266	8910 Maint. of Measuring and Regulating Station Equip. - Industrial	99.0	-	0	-	-	-	-	-
267	8920 Maint. of Measuring and Regulating Station Equip. - City Gate	12.4	Composite of Accts. 374-379 - Demand	517	234	134	7	75	68
268	8930 Maintenance of Services	14.4	Account 380 - Demand	0	-	-	-	-	-
269	8940 Maintenance of Meters and House Regulators	13.4	Composite of Accts. 381-383 - Demand	0	-	-	-	-	-
270	8950 Maintenance of Other Equipment	10.4	Composite of Accts. 871-879 & 886-893 - Demand	3,195	1,445	826	43	463	419
271	Total Distribution			4,000,740	1,808,873	1,034,349	54,404	579,480	523,635
272	Customer Accounts:								
273	9010 Supervision	99.0	-	0	-	-	-	-	-
275	9020 Meter Reading Expense	99.0	-	0	-	-	-	-	-
276	9030 Customer Records and Collection Expenses	99.0	-	0	-	-	-	-	-
277	9040 Uncollectible Accounts	99.0	-	0	-	-	-	-	-
278	9050 Miscellaneous Customer Accounts Expenses	99.0	-	0	-	-	-	-	-
279	Total Customer Accounts			0	-	-	-	-	-
280	Customer Service and Information:								
281	9070 Supervision	99.0	-	0	-	-	-	-	-
283	9080 Customer Assistance Expenses	99.0	-	0	-	-	-	-	-
284	9090 Informational and Instructional Advertising Expenses	99.0	-	0	-	-	-	-	-
285	9100 Miscellaneous Customer Service and Informational Expenses	99.0	-	0	-	-	-	-	-
286	Total Customer Service and Information			0	-	-	-	-	-
287	Sales:								
288	9110 Supervision	99.0	-	0	-	-	-	-	-
290	9120 Demonstrating and Selling Expenses	99.0	-	0	-	-	-	-	-
291	9130 Advertising Expenses	99.0	-	0	-	-	-	-	-
292	9160 Miscellaneous Sales Expenses	99.0	-	0	-	-	-	-	-
293	Total Sales			0	-	-	-	-	-
294	Administrative & General:								
295	Operation								
297	9200 Administrative and General Salaries	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(347,067)	(156,921)	(89,731)	(4,720)	(50,270)	(45,426)
298	9210 Office Supplies and Expenses	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	7,326	3,312	1,894	100	1,061	959
299	9220 Administrative Expenses Transferred - Customer Support	99.0	-	0	-	-	-	-	-
300	9220 Administrative Expenses Transferred - General	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	6,029,709	2,726,239	1,558,917	81,995	873,362	789,195
301	9230 Outside Services Employed	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	141,272	63,874	36,524	1,921	20,462	18,490
302	9240 Property Insurance	9.4	Allocated Net Plant - Demand	1,571	710	406	21	227	206
303	9250 Injuries and Damages	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	30,779	13,916	7,958	419	4,458	4,029
304	9260 Employee Pensions and Benefits	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	450,371	203,628	116,439	6,124	65,233	58,947
305	9270 Franchise Requirements	99.0	-	0	-	-	-	-	-
306	9280 Regulatory Commission Expenses	99.0	-	0	-	-	-	-	-
307	930.1 General Advertising Expenses	99.0	-	0	-	-	-	-	-
308	930.2 Miscellaneous General Expense	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(17,602)	(7,959)	(4,551)	(239)	(2,550)	(2,304)
309	9310 Rents	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	(3,441)	(1,556)	(890)	(47)	(498)	(450)
310	Maintenance								
311	9320 Maintenance of General Plant	17.4	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Demand	4,909	2,219	1,269	67	711	643
312	Total A&G			6,297,825	2,847,464	1,628,236	85,641	912,197	824,287
313									
314	TOTAL O&M EXPENSE - DEMAND			10,953,126	4,952,286	2,831,814	148,947	1,586,485	1,433,594

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
Commodity									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
315			Production & Gathering:						
316			Operation						
317	7500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
318	7510	99.0 -	Production Maps & Records	0	-	-	-	-	-
319	7530	99.0 -	Field Lines Expenses	0	-	-	-	-	-
320	7540	99.0 -	Field Compressor Station Expense	0	-	-	-	-	-
321	7550	99.0 -	Field Compressor Sta. Fuel & Pwr.	0	-	-	-	-	-
322	7560	18.4 Gas Costs	Field Meas. & Regul. Station Exp	0	-	-	-	-	-
323	7570	99.0 -	Purification Equipment	0	-	-	-	-	-
324	7590	99.0 -	Other Expenses	0	-	-	-	-	-
325			Maintenance						
326	7610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
327	7620	99.0 -	Structures and Improvements	0	-	-	-	-	-
328	7640	99.0 -	Field Line Maintenance	0	-	-	-	-	-
329	7650	99.0 -	Compressor Station Equip. Maint.	0	-	-	-	-	-
330	7660	99.0 -	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
331	7670	99.0 -	Purification Equipment Maintenance	0	-	-	-	-	-
332	7680	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
333	7690	99.0 -	Gas Processed By Others	0	-	-	-	-	-
334			Total Production & Gathering	0	0	0	0	0	0
335									
336			Other Gas Supply Expenses:						
337			Operation						
338	8001	18.4 Gas Costs	Intercompany Gas Well-head Purchases	0	-	-	-	-	-
339	8010	18.4 Gas Costs	Natural gas field line purchases	61,240	35,945	24,426	870	-	-
340	8040	18.4 Gas Costs	Natural gas city gate purchases	51,401,318	30,169,962	20,501,486	729,870	-	-
341	8050	18.4 Gas Costs	Other purchases	(7,602)	(4,462)	(3,052)	(108)	-	-
342	8051	18.4 Gas Costs	PGA for Residential	47,517,427	27,890,315	18,952,391	674,721	-	-
343	8052	18.4 Gas Costs	PGA for Commercial	24,564,311	14,418,002	9,797,509	348,799	-	-
344	8053	18.4 Gas Costs	PGA for Industrial	4,854,142	2,849,135	1,936,081	68,926	-	-
345	8054	18.4 Gas Costs	PGA for Public Authorities	4,585,482	2,691,445	1,828,026	65,111	-	-
346	8058	18.4 Gas Costs	Unbilled PGA Cost	(3,124,678)	(1,834,027)	(1,246,282)	(44,369)	-	-
347	8059	18.4 Gas Costs	PGA Offset to Unrecovered Gas Cost	(71,826,171)	(42,158,313)	(28,647,966)	(1,019,892)	-	-
348	8060	18.4 Gas Costs	Exchange gas	(2,147,338)	(1,280,379)	(855,469)	(30,491)	-	-
349	8081	18.4 Gas Costs	Gas withdrawn from storage-Debit	12,436,037	7,299,322	4,960,130	176,585	-	-
350	8082	18.4 Gas Costs	Gas delivered to storage-Credit	(12,626,734)	(7,411,252)	(5,036,190)	(179,293)	-	-
351	8120	18.4 Gas Costs	Gas used for other utility operations-Credit	(14,329)	(8,410)	(5,715)	(203)	-	-
352	8580	18.4 Gas Costs	Transmission and compression of gas by others	22,709,250	13,329,176	9,057,616	322,459	-	-
353			Maintenance						
354	8350	18.4 Gas Costs	Maint. Of Purch. Gas Meas. Sta.	0	-	-	-	-	-
355			Total Other Gas Supply Expenses	78,382,354	46,006,460	31,262,909	1,112,986	0	0
356									
357			Underground Storage:						
358			Operation						
359	8140	1.5 Winter Volumes	Storage-Operation supervision and engineering	0	-	-	-	-	-
360	8160	1.5 Winter Volumes	Wells expenses	145,959	55,264	34,196	1,870	26,832	27,797
361	8170	1.5 Winter Volumes	Lines expenses	10,626	4,023	2,489	136	1,953	2,024
362	8180	1.5 Winter Volumes	Compressor station expenses	12,530	4,744	2,936	161	2,303	2,386
363	8190	1.5 Winter Volumes	Compressor station fuel and power	368	139	86	5	66	70
364	8200	1.5 Winter Volumes	Storage-Measuring and regulating station expenses	3,090	1,170	724	40	568	589
365	8210	1.5 Winter Volumes	Storage-Purification expenses	24,928	9,438	5,840	319	4,582	4,747
366	8240	1.5 Winter Volumes	Storage-Other expenses	0	-	-	-	-	-
367	8250	1.5 Winter Volumes	Storage well royalties	4,382	1,659	1,027	56	805	834
368	8260	1.5 Winter Volumes	Rents	0	-	-	-	-	-
369			Maintenance						
370	8300	1.5 Winter Volumes	Maint. Sup., & Eng.	0	-	-	-	-	-
371	8310	1.5 Winter Volumes	Structures and Improvements	6,368	2,411	1,492	82	1,171	1,213
372	8320	1.5 Winter Volumes	Reservoirs & Wells Maintenance	0	-	-	-	-	-
373	8330	1.5 Winter Volumes	Line Maintenance	0	-	-	-	-	-
374	8340	1.5 Winter Volumes	Compressor Station Equip Maint	1,665	631	390	21	306	317
375	8350	1.5 Winter Volumes	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
376	8360	1.5 Winter Volumes	Purification Equipment Maintenance	0	-	-	-	-	-
377	8410	1.5 Winter Volumes	Other storage expenses-Operation labor and expenses	34,542	13,078	8,093	443	6,350	6,578
378			Total Underground Storage Expense	244,457	92,559	57,273	3,132	44,939	46,555
379									
380			Transmission:						
381			Operation						
382	8500	99.0 -	Op., Sup., & Eng.	0	-	-	-	-	-
383	8510	99.0 -	System Control & Load Dispatching	0	-	-	-	-	-
384	8520	99.0 -	Communication Systems Expense	0	-	-	-	-	-
385	8530	99.0 -	Compressor Station Labor Expense	0	-	-	-	-	-
386	8540	99.0 -	Compressor Station Fuel Gas	0	-	-	-	-	-
387	8550	99.0 -	Compressor Station Fuel & Power	0	-	-	-	-	-
388	8560	99.0 -	Mains Expense	0	-	-	-	-	-
389	8570	99.0 -	Meas. & Regul. Station Expenses	0	-	-	-	-	-
390	8580	99.0 -	LDC Payment	0	-	-	-	-	-
391	8580	99.0 -	LDC Payment - A&G	0	-	-	-	-	-
392	8590	99.0 -	Other Expenses	0	-	-	-	-	-
393	8600	99.0 -	Rents	0	-	-	-	-	-
394			Maintenance						
395	8610	99.0 -	Maint. Sup., & Eng.	0	-	-	-	-	-
396	8620	99.0 -	Structures and Improvements	0	-	-	-	-	-
397	8630	99.0 -	Mains	0	-	-	-	-	-
398	8640	99.0 -	Compressor Station Equip Maint	0	-	-	-	-	-
399	8650	99.0 -	Meas. & Regul. Station Equip Maint	0	-	-	-	-	-
400	8660	99.0 -	Communication Equipment Maintenance	0	-	-	-	-	-
401	8670	99.0 -	Other Equipment Maintenance	0	-	-	-	-	-
402			Total Transmission Expense	0	0	0	0	0	0

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
403									
404	Distribution:								
405	Operation								
406	8700 Supervision and Engineering	10.6	Composite of Accts. 871-879 & 886-893 - Comm	285,864	86,562	58,662	2,898	64,884	72,857
407	8710 Distribution Load Dispatching	1.0	Mcf	863	201	136	7	150	169
408	8711 Odorization	1.0	Mcf	19,956	6,043	4,095	202	4,529	5,086
408	8720 Compressor Station Labor & Expenses	99.0	-	0	-	-	-	-	-
409	8740 Mains & Services	12.6	Composite of Accts. 374-379 - Comm	1,512,296	457,938	310,337	15,332	343,255	385,434
410	8750 Measuring and Regulating Station Exp. - Gen	12.6	Composite of Accts. 374-379 - Comm	201,156	60,912	41,279	2,039	45,657	51,268
411	8760 Measuring and Regulating Station Exp. - Ind.	99.0	-	0	-	-	-	-	-
412	8770 Measuring and Regulating Sta. Exp. - City Gate	12.6	Composite of Accts. 374-379 - Comm	13,400	4,058	2,750	136	3,042	3,415
413	8780 Meters and House Regulator Expense	99.0	-	0	-	-	-	-	-
414	8790 Customer Installations Expense	99.0	-	0	-	-	-	-	-
415	8800 Other Expense	10.6	Composite of Accts. 871-879 & 886-893 - Comm	951	288	195	10	216	242
416	8810 Rents	10.6	Composite of Accts. 871-879 & 886-893 - Comm	109,718	33,224	22,515	1,112	24,903	27,963
417	Maintenance								
418	8850 Maintenance Supervision and Engineering	10.6	Composite of Accts. 871-879 & 886-893 - Comm	471	143	97	5	107	120
419	8860 Maintenance of Structures and Improvements	12.6	Composite of Accts. 374-379 - Comm	34	10	7	0	8	9
420	8870 Maintenance of Mains	12.6	Composite of Accts. 374-379 - Comm	10,099	3,058	2,072	102	2,292	2,574
421	8890 Maintenance of compressor station equipment	1.0	Mcf	0	-	-	-	-	-
422	8900 Maint. of Measuring and Regulating Station Equip. - General	12.6	Composite of Accts. 374-379 - Comm	22,951	6,950	4,710	233	5,209	5,849
423	8910 Maint. of Measuring and Regulating Station Equip. - Industrial	5.0	Direct to Transport	0	-	-	-	-	-
424	8920 Maint. of Measuring and Regulating Station Equip. - City Gate	12.6	Composite of Accts. 374-379 - Comm	278	84	57	3	63	71
425	8930 Maintenance of Services	14.6	Account 380 - Comm	0	-	-	-	-	-
426	8940 Maintenance of Meters and House Regulators	13.6	Composite of Accts. 381-383 - Comm	0	-	-	-	-	-
427	8950 Maintenance of Other Equipment	10.6	Composite of Accts. 871-879 & 886-893 - Comm	1,741	527	357	19	395	444
428	Total Distribution			2,179,577	659,997	447,270	22,097	494,711	555,502
429									
430	Customer Accounts:								
431	9010 Supervision	99.0	-	0	-	-	-	-	-
432	9020 Meter Reading Expense	99.0	-	0	-	-	-	-	-
433	9030 Customer Records and Collection Expenses	99.0	-	0	-	-	-	-	-
434	9040 Uncollectible Accounts	99.0	-	0	-	-	-	-	-
435	9050 Miscellaneous Customer Accounts Expenses	99.0	-	0	-	-	-	-	-
436	Total Customer Accounts			0	-	-	-	-	-
437									
438	Customer Service and Information:								
439	9070 Supervision	99.0	-	0	-	-	-	-	-
440	9080 Customer Assistance Expenses	99.0	-	0	-	-	-	-	-
441	9090 Informational and Instructional Advertising Expenses	99.0	-	0	-	-	-	-	-
442	9100 Miscellaneous Customer Service and Informational Expenses	99.0	-	0	-	-	-	-	-
443	Total Customer Service and Information			0	-	-	-	-	-
444									
445	Sales:								
446	9110 Supervision	99.0	-	0	-	-	-	-	-
447	9120 Demonstrating and Selling Expenses	99.0	-	0	-	-	-	-	-
448	9130 Advertising Expenses	99.0	-	0	-	-	-	-	-
449	9160 Miscellaneous Sales Expenses	99.0	-	0	-	-	-	-	-
450	Total Sales			0	-	-	-	-	-
451									
452	Administrative & General:								
453	Operation								
454	9200 Administrative and General Salaries	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	(189,076)	(57,254)	(38,800)	(1,917)	(42,916)	(48,189)
455	9210 Office Supplies and Expenses	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	3,991	1,209	819	40	906	1,017
456	9220 Administrative Expenses Transferred - Customer Support	99.0	-	0	-	-	-	-	-
457	9220 Administrative Expenses Transferred - General	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	3,284,875	994,696	674,089	33,303	745,585	837,202
458	9230 Outside Services Employed	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	76,963	23,305	15,793	780	17,469	19,615
459	9240 Property Insurance	9.6	Allocated Net Plant - Comm	809	248	167	8	182	204
460	9250 Injuries and Damages	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	16,768	5,078	3,441	170	3,806	4,274
461	9260 Employee Pensions and Benefits	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	245,354	74,296	50,349	2,487	55,689	62,532
462	9270 Franchise Requirements	99.0	-	0	-	-	-	-	-
463	9280 Regulatory Commission Expenses	99.0	-	0	-	-	-	-	-
464	930.1 General Advertising Expenses	99.0	-	0	-	-	-	-	-
465	930.2 Miscellaneous General Expense	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	(9,589)	(2,904)	(1,968)	(97)	(2,177)	(2,444)
466	9310 Rents	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	(1,875)	(568)	(365)	(19)	(426)	(478)
467	Maintenance								
468	9320 Maintenance of General Plant	17.6	Composite of Accts. 870-902, 905-916, 924 & 928-930.1 - Comm	2,674	810	549	27	607	682
469	Total A&G			3,430,893	1,038,914	704,055	34,783	778,726	874,415
470									
471	TOTAL O&M EXPENSE - COMMODITY			84,237,281	47,797,929	32,471,507	1,172,998	1,318,375	1,476,472

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF O&M EXPENSES									
Total O&M Expenses									
Line No.	Acct. No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
472			Production & Gathering:						
473			Operation						
474	7500		Op., Sup., & Eng.	0	0	0	0	0	0
475	7510		Production Maps & Records	0	0	0	0	0	0
476	7530		Field Lines Expenses	0	0	0	0	0	0
477	7540		Field Compressor Station Expense	0	0	0	0	0	0
478	7550		Field Compressor Sta. Fuel & Pwr.	0	0	0	0	0	0
479	7560		Field Meas. & Regul. Station Exp	0	0	0	0	0	0
480	7570		Purification Expense	0	0	0	0	0	0
481	7590		Other Expenses	0	0	0	0	0	0
482			Maintenance						
483	7610		Maint. Sup., & Eng.	0	0	0	0	0	0
484	7620		Structures and Improvements	0	0	0	0	0	0
485	7640		Field Line Maintenance	0	0	0	0	0	0
486	7650		Compressor Station Equip. Maint.	0	0	0	0	0	0
487	7660		Meas. & Regul. Station Equip Maint	0	0	0	0	0	0
488	7670		Purification Equipment Maintenance	0	0	0	0	0	0
489	7680		Other Equipment Maintenance	0	0	0	0	0	0
490	7690		Gas Processed By Others	0	0	0	0	0	0
491			Total Production & Gathering	0	0	0	0	0	0
492			Other Gas Supply Expenses:						
493			Operation						
494	8001		Intercompany Gas Well-head Purchases	0	0	0	0	0	0
496	8010		Natural gas field line purchases	61,240	35,945	24,426	870	0	0
497	8040		Natural gas city gate purchases	51,401,318	30,169,962	20,501,486	729,870	0	0
498	8050		Other purchases	(7,602)	(4,462)	(3,052)	(108)	0	0
499	8051		PGA for Residential	47,517,427	27,890,315	18,952,391	674,721	0	0
500	8052		PGA for Commercial	24,564,311	14,418,002	9,797,509	348,799	0	0
501	8053		PGA for Industrial	4,854,142	2,849,135	1,936,081	68,926	0	0
502	8054		PGA for Public Authorities	4,585,482	2,691,445	1,828,026	65,111	0	0
503	8058		Unbilled PGA Cost	(3,124,678)	(1,834,027)	(1,246,282)	(44,369)	0	0
504	8059		PGA Offset to Unrecovered Gas Cost	(71,826,171)	(42,158,313)	(28,647,966)	(1,019,892)	0	0
505	8060		Exchange gas	(2,147,338)	(1,280,379)	(856,469)	(30,491)	0	0
506	8081		Gas withdrawn from storage-Debit	12,436,037	7,299,322	4,960,130	176,585	0	0
507	8082		Gas delivered to storage-Credit	(12,626,734)	(7,411,252)	(5,036,190)	(179,293)	0	0
508	8120		Gas used for other utility operations-Credit	(14,329)	(8,410)	(5,715)	(203)	0	0
509	8580		Transmission and compression of gas by others	22,709,250	13,329,176	9,057,616	322,459	0	0
510			Maintenance						
511	8350		Maint. Of Purch. Gas Meas. Sta.	0	0	0	0	0	0
512			Total Other Gas Supply Expenses	78,382,354	46,006,460	31,262,909	1,112,986	0	0
513			Underground Storage:						
514			Operation						
516	8140		Storage-Operation supervision and engineering	0	0	0	0	0	0
517	8160		Wells expenses	291,917	121,257	71,932	3,855	47,973	46,900
518	8170		Lines expenses	21,251	8,827	5,237	281	3,492	3,414
519	8180		Compressor station expenses	25,060	10,410	6,175	331	4,118	4,026
520	8190		Compressor station fuel and power	735	305	181	10	121	118
521	8200		Storage-Measuring and regulating station expenses	6,181	2,567	1,523	82	1,016	993
522	8210		Storage-Purification expenses	49,856	20,709	12,285	658	8,193	8,010
523	8240		Storage-Other expenses	0	0	0	0	0	0
524	8250		Storage well royalties	8,763	3,640	2,159	116	1,440	1,408
525	8260		Rents	0	0	0	0	0	0
526			Maintenance						
527	8300		Maint. Sup., & Eng.	0	0	0	0	0	0
528	8310		Structures and Improvements	12,736	5,290	3,138	168	2,093	2,046
529	8320		Reservoirs & Wells Maintenance	0	0	0	0	0	0
530	8330		Line Maintenance	0	0	0	0	0	0
531	8340		Compressor Station Equip Maint	3,331	1,384	821	44	547	535
532	8350		Meas. & Regul. Station Equip Maint	0	0	0	0	0	0
533	8360		Purification Equipment Maintenance	0	0	0	0	0	0
534	8410		Other storage expenses-Operation labor and expenses	69,083	28,696	17,023	912	11,353	11,099
535			Total Underground Storage Expense	488,914	203,086	120,475	6,456	80,347	78,550
536			Transmission:						
537			Operation						
538			Op., Sup., & Eng.						
539	8500		System Control & Load Dispatching	35	16	9	0	5	5
540	8510		Communication Systems Expense	0	0	0	0	0	0
541	8520		Compressor Station Labor Expense	0	0	0	0	0	0
542	8530		Compressor Station Fuel Gas	0	0	0	0	0	0
543	8540		Compressor Station Fuel & Power	0	0	0	0	0	0
544	8550		Mains Expense	308	139	80	4	45	40
545	8560		Meas. & Regul. Station Expenses	366,202	165,573	94,678	4,980	53,042	47,650
546	8570		LDC Payment	27,278	12,333	7,052	371	3,951	3,570
547	8580		LDC Payment - A&G	0	0	0	0	0	0
548	8590		Other Expenses	0	0	0	0	0	0
549	8590		Rents	0	0	0	0	0	0
550	8600		Maintenance						
551			Maint. Sup., & Eng.						
552	8610		Structures and Improvements	0	0	0	0	0	0
553	8620		Mains	16,280	7,361	4,209	221	2,358	2,131
554	8630		Compressor Station Equip Maint	0	0	0	0	0	0
555	8640		Meas. & Regul. Station Equip Maint	0	0	0	0	0	0
556	8650		Communication Equipment Maintenance	0	0	0	0	0	0
557	8660		Other Equipment Maintenance	0	0	0	0	0	0
558	8670		Total Transmission Expense	410,103	185,422	106,028	5,577	59,401	53,076

Almos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
ALLOCATION OF O&M EXPENSES								
560								
561	Distribution:							
562	Operation							
563	8700 Supervision and Engineering	963,411	410,044	257,547	10,197	142,931	142,692	
564	8710 Distribution Load Dispatching	863	201	136	7	150	160	
565	8711 Odorization	19,956	6,043	4,095	202	4,529	5,086	
565	8720 Compressor Station Labor & Expenses	0	0	0	0	0	0	
566	8740 Mains & Services	4,320,719	1,727,722	1,036,425	53,522	750,035	753,013	
567	8750 Measuring and Regulating Station Exp. - Gen	574,714	229,810	137,858	7,119	99,765	100,161	
568	8760 Measuring and Regulating Station Exp. - Ind.	120,928	0	119,676	61	761	430	
569	8770 Measuring and Regulating Sta. Exp. - City Gate	38,286	15,309	9,184	474	6,646	6,672	
570	8780 Meters and House Regulator Expense	820,621	529,408	271,530	956	11,958	6,768	
571	8790 Customer Installations Expense	2,246	2,000	243	0	2	1	
572	8800 Other Expense	3,204	1,363	856	34	475	474	
573	8810 Rents	369,768	157,379	98,849	3,914	54,858	54,767	
574	Maintenance							
575	8850 Maintenance Supervision and Engineering	1,588	676	425	17	236	235	
576	8860 Maintenance of Structures and Improvements	98	39	24	1	17	17	
577	8870 Maintenance of Mains	28,852	11,537	6,921	357	5,008	5,028	
578	8890 Maintenance of compressor station equipment	0	0	0	0	0	0	
579	8900 Maint. of Measuring and Regulating Station Equip. - General	65,572	26,220	15,729	812	11,383	11,428	
580	8910 Maint. of Measuring and Regulating Station Equip. - Industrial	1,723	0	1,705	1	11	6	
581	8920 Maint. of Measuring and Regulating Station Equip. - City Gate	795	318	191	10	138	139	
582	8930 Maintenance of Services	6,533	5,817	708	0	4	3	
583	8940 Maintenance of Meters and House Regulators	0	0	0	0	0	0	
584	8950 Maintenance of Other Equipment	5,866	2,497	1,568	62	970	869	
585	Total Distribution	7,345,541	3,126,385	1,963,671	77,748	1,089,778	1,087,958	
586	Customer Accounts:							
587	9010 Supervision	0	0	0	0	0	0	
589	9020 Meter Reading Expense	1,085,047	966,269	117,548	60	747	423	
590	9030 Customer Records and Collection Expenses	1,220,802	1,087,164	132,255	67	840	476	
591	9040 Uncollectible Accounts	341,050	208,226	129,278	3,493	29	25	
592	9050 Miscellaneous Customer Accounts Expenses	0	0	0	0	0	0	
593	Total Customer Accounts	2,646,900	2,261,659	379,081	3,620	1,616	924	
594	Customer Service and Information:							
595	9070 Supervision	0	0	0	0	0	0	
597	9080 Customer Assistance Expenses	0	0	0	0	0	0	
598	9090 Informational and Instructional Advertising Expenses	128,272	114,230	13,896	7	88	50	
599	9100 Miscellaneous Customer Service and Informational Expenses	0	0	0	0	0	0	
600	Total Customer Service and Information	128,272	114,230	13,896	7	88	50	
601	Sales:							
602	9110 Supervision	253,468	225,721	27,459	14	174	99	
604	9120 Demonstrating and Selling Expenses	115,937	103,246	12,560	6	80	45	
605	9130 Advertising Expenses	35,170	31,320	3,810	2	24	14	
606	9160 Miscellaneous Sales Expenses	(196,207)	(174,809)	(21,266)	(11)	(135)	(76)	
607	Total Sales	208,278	185,478	22,564	11	143	81	
608	Administrative & General:							
609	9200 Operation							
611	9200 Administrative and General Salaries	(834,543)	(446,933)	(191,723)	(6,756)	(94,674)	(94,457)	
612	9210 Office Supplies and Expenses	17,616	9,434	4,047	143	1,998	1,994	
613	9220 Administrative Expenses Transferred - Customer Support	0	0	0	0	0	0	
614	9220 Administrative Expenses Transferred - General	14,498,764	7,764,706	3,330,864	117,366	1,644,800	1,641,029	
615	9230 Outside Services Employed	339,697	181,922	78,040	2,750	38,537	38,448	
616	9240 Property Insurance	3,718	2,026	832	30	417	413	
617	9250 Injuries and Damages	74,010	39,636	17,003	599	8,396	8,377	
618	9260 Employee Pensions and Benefits	1,082,941	579,961	248,789	8,766	122,853	122,572	
619	9270 Franchise Requirements	646	576	70	0	0	0	
620	9280 Regulatory Commission Expenses	852,920	759,553	92,401	47	587	332	
621	930.1 General Advertising Expenses	0	0	0	0	0	0	
622	930.2 Miscellaneous General Expense	(42,325)	(22,667)	(9,724)	(343)	(4,802)	(4,791)	
623	9310 Rents	(8,275)	(4,432)	(1,901)	(67)	(939)	(937)	
624	Maintenance							
625	9320 Maintenance of General Plant	11,804	6,321	2,712	96	1,339	1,336	
626	Total A&G	15,996,974	8,870,103	3,571,409	122,631	1,718,513	1,714,318	
627								
628	TOTAL O&M EXPENSE	105,607,336	60,952,823	37,440,033	1,329,036	2,949,887	2,935,557	

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF DEPRECIATION EXPENSE										
Customer										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1		Intangible Plant:								
2										
3	30100	Organization	99.0	-	0	-	-	-	-	-
4	30200	Franchises & Consents	99.0	-	0	-	-	-	-	-
5	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
6										
7		Total Intangible Plant:			0	-	-	-	-	-
8										
9		Production Plant:								
10			99.0	-	0	-	-	-	-	-
11	32520	Producing Leaseholds	99.0	-	0	-	-	-	-	-
12	32540	Rights of Ways	99.0	-	0	-	-	-	-	-
13	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
14	33201	Field Lines	99.0	-	0	-	-	-	-	-
15	33202	Tributary Lines	99.0	-	0	-	-	-	-	-
16	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-	-
17	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
18										
19		Total Production Plant			0	-	-	-	-	-
20										
21		Storage Plant:								
22										
23	35010	Land	99.0	-	0	-	-	-	-	-
24	35020	Rights of Way	99.0	-	0	-	-	-	-	-
25	35100	Structures and Improvements	99.0	-	0	-	-	-	-	-
26	35102	Compression Station Equipment	99.0	-	0	-	-	-	-	-
27	35103	Meas. & Reg. Sta. Structures	99.0	-	0	-	-	-	-	-
28	35104	Other Structures	99.0	-	0	-	-	-	-	-
29	35200	Wells \ Rights of Way	99.0	-	0	-	-	-	-	-
30	35201	Well Construction	99.0	-	0	-	-	-	-	-
31	35202	Well Equipment	99.0	-	0	-	-	-	-	-
32	35203	Cushion Gas	99.0	-	0	-	-	-	-	-
33	35210	Leaseholds	99.0	-	0	-	-	-	-	-
34	35211	Storage Rights	99.0	-	0	-	-	-	-	-
35	35301	Field Lines	99.0	-	0	-	-	-	-	-
36	35302	Tributary Lines	99.0	-	0	-	-	-	-	-
37	35400	Compressor Station Equipment	99.0	-	0	-	-	-	-	-
38	35500	Meas & Reg. Equipment	99.0	-	0	-	-	-	-	-
39	35600	Purification Equipment	99.0	-	0	-	-	-	-	-
40										
41		Total Storage Plant			0	-	-	-	-	-
42										
43		Transmission:								
44										
45	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
46	36520	Rights of Way	99.0	-	0	-	-	-	-	-
47	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
48	36603	Other Structures	99.0	-	0	-	-	-	-	-
49	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
50	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
51	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
52	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
53										
54		Total Transmission Plant			0	-	-	-	-	-
55										
56		Distribution:								
57										
58	37400	Land & Land Rights	2.0	Bills	0	-	-	-	-	-
59	37401	Land	2.0	Bills	0	-	-	-	-	-
60	37402	Land Rights	2.0	Bills	0	-	-	-	-	-
61	37403	Land Other	2.0	Bills	0	-	-	-	-	-
62	37500	Structures & Improvements	2.0	Bills	0	-	-	-	-	-
63	37501	Structures & Improvements T.B.	2.0	Bills	0	-	-	-	-	-
64	37502	Land Rights	2.0	Bills	0	-	-	-	-	-
65	37503	Improvements	2.0	Bills	0	-	-	-	-	-
66	37600	Mains Cathodic Protection	2.0	Bills	0	-	-	-	-	-
67	37601	Mains - Steel	2.0	Bills	0	-	-	-	-	-
68	37602	Mains - Plastic	2.0	Bills	0	-	-	-	-	-
69	37800	Meas & Reg. Sta. Equip - General	2.0	Bills	0	-	-	-	-	-
70	37900	Meas & Reg. Sta. Equip - City Gate	2.0	Bills	0	-	-	-	-	-
71	37905	Meas & Reg. Sta. Equipment T.b.	2.0	Bills	0	-	-	-	-	-
72	38000	Services	2.0	Bills	4,817,588	4,290,218	521,911	265	3,317	1,877
73	38100	Meters	4.0	Meter Investment	2,741,749	1,768,788	907,200	3,195	39,954	22,612
74	38200	Meter Installations	4.0	Meter Investment	2,232,937	1,440,537	738,843	2,602	32,539	18,416
75	38300	House Regulators	4.0	Meter Investment	514,355	331,827	170,192	599	7,495	4,242
76	38400	House Reg. Installations	4.0	Meter Investment	8,807	5,681	2,914	10	128	73
77	38500	Ind. Meas. & Reg. Sta. Equipment	2.2	Non-Residential Bills	112,194	-	111,033	56	706	399
78	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
79										
80		Total Distribution Plant			10,427,630	7,837,051	2,452,093	6,729	84,138	47,619

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
81									
82	General:								
83									
84	38900 Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
85	39000 Structures Frame	6.2	P, S, T & D Plant - Customer	94,939	73,278	20,642	49	619	350
86	39001 Structures & Improvements	6.2	P, S, T & D Plant - Customer	2,161	1,668	470	1	14	8
87	39002 Improvements	6.2	P, S, T & D Plant - Customer	8,853	6,833	1,925	5	58	33
88	39003 Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	283	219	62	0	2	1
89	39004 Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
90	39009 Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	36,228	27,963	7,877	19	236	134
91	39100 Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
92	39102 Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
93	39103 Transportation Equipment	6.2	P, S, T & D Plant - Customer	2,013	1,553	438	1	13	7
94	39200 Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
95	39201 Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
96	39202 Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
97	39300 Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	45,302	34,967	9,850	24	295	167
98	39400 Power Operated Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
99	39600 Ditchers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
100	39603 Backhoes	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
101	39604 Welders	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
102	39605 Communication Equipment	6.2	P, S, T & D Plant - Customer	13,556	10,464	2,948	7	88	50
103	39700 Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
104	39701 Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
105	39702 Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
106	39705 Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	75,438	58,227	16,402	39	491	278
107	39800 Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
108	39900 Other Tangible Property - Servers - H/W	6.2	P, S, T & D Plant - Customer	797	615	173	0	5	3
109	39901 Other Tangible Property - Servers - S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
110	39902 Other Tangible Property - Network - H/W	6.2	P, S, T & D Plant - Customer	5,218	4,028	1,135	3	34	19
111	39903 Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
112	39904 Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
113	39905 Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	34,640	26,737	7,532	18	226	128
114	39906 Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
115	39907 Other Tang. Property - Mainframe S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
116	39908 Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	3,989	3,079	867	2	26	15
117	40600 Amortization of gas plant acquisition adjustments	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
118									
119									
120	Total General Plant			323,417	249,630	70,320	169	2,107	1,193
121									
122	TOTAL DIRECT DEPRECIATION EXPENSE			10,751,047	8,086,680	2,522,413	6,897	86,245	48,812
123									
124	Kentucky Mid-States General Office:								
125									
126	Intangible Plant:								
127									
128	30100 Organization	99.0	-	0	-	-	-	-	-
129	30200 Franchises & Consents	99.0	-	0	-	-	-	-	-
130	30300 Misc Intangible Plant	99.0	-	0	-	-	-	-	-
131									
132	Total Intangible Plant:			0	-	-	-	-	-
133									
134	General:								
135									
136	37400 Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
137	39001 Structures Frame	6.2	P, S, T & D Plant - Customer	969	748	211	1	6	4
138	36602 Structures & Improvements	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
139	38900 Land & Land Rights	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
140	39004 Air Conditioning Equipment	6.2	P, S, T & D Plant - Customer	218	168	47	0	1	1
141	39009 Improvement to leased Premises	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
142	39100 Office Furniture & Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
143	39102 Remittance Processing Equip	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
144	39103 Office Machines	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
145	39200 Transportation Equipment	6.2	P, S, T & D Plant - Customer	155	120	34	0	1	1
146	39201 Trucks	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
147	39202 Trailers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
148	39300 Stores Equipment	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
149	39400 Tools, Shop & Garage Equipment	6.2	P, S, T & D Plant - Customer	785	606	171	0	5	3
150	39600 Power Operated Equipment	6.2	P, S, T & D Plant - Customer	5	4	1	0	0	0
151	39603 Ditchers	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
152	39604 Backhoes	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
153	39605 Welders	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
154	39700 Communication Equipment	6.2	P, S, T & D Plant - Customer	640	494	139	0	4	2
155	39701 Communication Equipment - Mobile Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
156	39702 Communication Equipment - Fixed Radios	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
157	39705 Communication Equip. - Telemetering	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
158	39800 Miscellaneous Equipment	6.2	P, S, T & D Plant - Customer	4,745	3,663	1,032	2	31	17
159	39900 Other Tangible Property	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
160	39901 Other Tangible Property - Servers - H/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
161	39902 Other Tangible Property - Servers - S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
162	39903 Other Tangible Property - Network - H/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
163	39904 Other Tang. Property - CPU	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
164	39905 Other Tangible Property - MF - Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
165	39906 Other Tang. Property - PC Hardware	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
166	39907 Other Tang. Property - PC Software	6.2	P, S, T & D Plant - Customer	4,321	3,335	939	2	28	16
167	39908 Other Tang. Property - Mainframe S/W	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
168	39909 Other Tang. Property - Application Software	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
169	39924 Other Tang. Property - General Startup Costs	6.2	P, S, T & D Plant - Customer	0	-	-	-	-	-
170									
171									
172	Total General Plant			11,838	9,137	2,574	6	77	44

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF DEPRECIATION EXPENSE										
Demand										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
259		Intangible Plant:								
260										
261	30100	Organization	99.0	-	0	-	-	-	-	-
262	30200	Franchises & Consents	99.0	-	0	-	-	-	-	-
263	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
264										
265		Total Intangible Plant:			0	-	-	-	-	-
266										
267		Production Plant:								
268			3.0	Peak Day	0	-	-	-	-	-
269	32520	Producing Leaseholds	3.0	Peak Day	0	-	-	-	-	-
270	32540	Rights of Ways	3.0	Peak Day	0	-	-	-	-	-
271	33100	Production Gas Wells Equipment	3.0	Peak Day	0	-	-	-	-	-
272	33201	Field Lines	3.0	Peak Day	0	-	-	-	-	-
273	33202	Tributary Lines	3.0	Peak Day	0	-	-	-	-	-
274	33400	Field Meas. & Reg. Sta. Equip	3.0	Peak Day	0	-	-	-	-	-
275	33600	Purification Equipment	3.0	Peak Day	0	-	-	-	-	-
276										
277		Total Production Plant			0	-	-	-	-	-
278										
279		Storage Plant:								
280										
281	35010	Land	3.0	Peak Day	0	-	-	-	-	-
282	35020	Rights of Way	3.0	Peak Day	11	5	3	0	2	1
283	35100	Structures and Improvements	3.0	Peak Day	149	67	38	2	22	19
284	35102	Compression Station Equipment	3.0	Peak Day	958	433	248	13	139	125
285	35103	Meas. & Reg. Sta. Structures	3.0	Peak Day	104	47	27	1	15	14
286	35104	Other Structures	3.0	Peak Day	887	401	229	12	128	116
287	35200	Wells \ Rights of Way	3.0	Peak Day	80,561	36,424	20,828	1,096	11,669	10,544
288	35201	Well Construction	3.0	Peak Day	12,920	5,842	3,340	176	1,871	1,691
289	35202	Well Equipment	3.0	Peak Day	0	-	-	-	-	-
290	35203	Cushion Gas	3.0	Peak Day	11,694	5,287	3,023	159	1,694	1,531
291	35210	Leaseholds	3.0	Peak Day	277	125	72	4	40	36
292	35211	Storage Rights	3.0	Peak Day	240	109	62	3	35	31
293	35301	Field Lines	3.0	Peak Day	798	361	206	11	116	104
294	35302	Tributary Lines	3.0	Peak Day	952	431	246	13	138	125
295	35400	Compressor Station Equipment	3.0	Peak Day	7,849	3,549	2,029	107	1,137	1,027
296	35500	Meas & Reg. Equipment	3.0	Peak Day	2,280	1,031	590	31	330	298
297	35600	Purification Equipment	3.0	Peak Day	4,105	1,856	1,061	56	595	537
298										
299		Total Storage Plant			123,785	55,968	32,003	1,683	17,929	16,202
300										
301		Transmission:								
302										
303	36510	Land & Land Rights	3.0	Peak Day	0	-	-	-	-	-
304	36520	Rights of Way	3.0	Peak Day	9,112	4,120	2,356	124	1,320	1,193
305	36602	Structures & Improvements	3.0	Peak Day	608	275	157	8	88	80
306	36603	Other Structures	3.0	Peak Day	754	341	195	10	109	99
307	36700	Mains Cathodic Protection	3.0	Peak Day	5,362	2,424	1,386	73	777	702
308	36701	Mains - Steel	3.0	Peak Day	381,167	172,339	98,547	5,183	55,209	49,889
309	36900	Meas. & Reg. Equipment	3.0	Peak Day	11,265	5,093	2,912	153	1,632	1,474
310	36901	Meas. & Reg. Equipment	3.0	Peak Day	34,951	15,803	9,036	475	5,062	4,575
311										
312		Total Transmission Plant			443,218	200,394	114,589	6,027	64,197	58,010
313										
314		Distribution:								
315										
316	37400	Land & Land Rights	3.0	Peak Day	0	-	-	-	-	-
317	37401	Land	3.0	Peak Day	0	-	-	-	-	-
318	37402	Land Rights	3.0	Peak Day	32,440	14,667	8,387	441	4,699	4,246
319	37403	Land Other	3.0	Peak Day	0	-	-	-	-	-
320	37500	Structures & Improvements	3.0	Peak Day	3,911	1,768	1,011	53	567	512
321	37501	Structures & Improvements T.B.	3.0	Peak Day	1,161	525	300	16	168	152
322	37502	Land Rights	3.0	Peak Day	538	243	139	7	78	70
323	37503	Improvements	3.0	Peak Day	47	21	12	1	7	6
324	37600	Mains Cathodic Protection	3.0	Peak Day	567,793	256,719	146,797	7,721	82,241	74,315
325	37601	Mains - Steel	3.0	Peak Day	2,895,602	1,309,202	748,627	39,376	419,408	378,989
326	37602	Mains - Plastic	3.0	Peak Day	2,194,496	992,207	567,364	29,842	317,858	287,225
327	37800	Meas & Reg. Sta. Equip - General	3.0	Peak Day	601,657	272,030	155,552	8,182	87,146	78,747
328	37900	Meas & Reg. Sta. Equip - City Gate	3.0	Peak Day	94,836	42,879	24,519	1,290	13,736	12,413
329	37905	Meas & Reg. Sta. Equipment T.b.	3.0	Peak Day	30,393	13,742	7,658	413	4,402	3,978
330	38000	Services	99.0	-	0	-	-	-	-	-
331	38100	Meters	99.0	-	0	-	-	-	-	-
332	38200	Meter Installations	99.0	-	0	-	-	-	-	-
333	38300	House Regulators	99.0	-	0	-	-	-	-	-
334	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
335	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
336	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
337										
338		Total Distribution Plant			6,422,874	2,904,003	1,660,566	87,342	930,309	840,654

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
339									
340	General:								
341									
342	38900	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
343	39000	Structures Frame	6.4	P, S, T & D Plant - Demand	100,578	45,475	26,003	1,368	14,568
344	39001	Structures & Improvements	6.4	P, S, T & D Plant - Demand	2,289	1,035	592	31	332
345	39002	Improvements	6.4	P, S, T & D Plant - Demand	9,379	4,241	2,425	128	1,358
346	39003	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	300	136	78	4	43
347	39004	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
348	39009	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	38,380	17,353	9,923	522	5,559
349	39100	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
350	39102	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
351	39103	Transportation Equipment	6.4	P, S, T & D Plant - Demand	2,132	964	551	29	309
352	39200	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
353	39201	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
354	39202	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
355	39300	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	47,993	21,699	12,408	653	6,952
356	39400	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
357	39600	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
358	39603	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
359	39604	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
360	39605	Communication Equipment	6.4	P, S, T & D Plant - Demand	14,362	6,493	3,713	195	2,080
361	39700	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
362	39701	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
363	39702	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
364	39705	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	79,919	36,134	20,662	1,087	11,576
365	39800	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
366	39900	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	845	382	218	11	122
367	39901	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
368	39902	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	5,528	2,499	1,429	75	801
369	39903	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
370	39904	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
371	39905	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	36,697	16,592	9,488	499	5,315
372	39906	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
373	39907	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
374	39908	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	4,226	1,911	1,093	57	612
375	40600	Amortization of gas plant acquisition adjustments	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
376									
377									
378		Total General Plant			342,628	154,914	88,583	4,659	49,627
379									
380		TOTAL DIRECT DEPRECIATION EXPENSE			7,332,506	3,315,279	1,895,742	99,711	1,062,063
381									
382		Kentucky Mid-States General Office:							
383									
384		Intangible Plant:							
385									
386	30100	Organization	99.0	-	0	-	-	-	-
387	30200	Franchises & Consents	99.0	-	0	-	-	-	-
388	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
389									
390		Total Intangible Plant:			0	-	-	-	-
391									
392		General:							
393									
394	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
395	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	1,027	464	265	14	149
396	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
397	38900	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
398	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	231	104	60	3	33
399	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
400	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
401	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
402	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
403	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	164	74	42	2	24
404	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
405	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
406	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
407	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	832	376	215	11	120
408	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	5	2	1	0	1
409	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
410	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
411	39605	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
412	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	678	307	175	9	98
413	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
414	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
415	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
416	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	5,027	2,273	1,300	68	728
417	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
418	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
419	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
420	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
421	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
422	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
423	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
424	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	4,578	2,070	1,183	62	663
425	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
426	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
427	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
428									
429									
430		Total General Plant			12,541	5,670	3,242	171	1,816

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
431									
432		Shared Services General Office:							
433									
434		General:							
435									
436	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
437	39000	Structures & Improvements	6.4	P, S, T & D Plant - Demand	2,929	1,324	757	40	424
438	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
439	37503	Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
440	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
441	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	14	7	4	0	2
442	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	4,432	2,004	1,146	60	642
443	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
444	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
445	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
446	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
447	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
448	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
449	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
450	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
451	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
452	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
453	39605	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
454	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	11	5	3	0	2
455	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
456	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
457	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
458	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	27	12	7	0	4
459	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
460	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	54,987	24,861	14,216	748	7,964
461	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	16,479	7,451	4,261	224	2,387
462	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
463	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
464	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
465	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	3,726	1,685	963	51	540
466	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
467	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
468	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	561	254	145	8	81
469	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
470									
471									
472		Total General Plant			83,166	37,602	21,502	1,131	12,046
473									
474		Shared Services Customer Support:							
475		General:							
476									
477									
478	37400	Land & Land Rights	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
479	39001	Structures Frame	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
480	36602	Structures & Improvements	6.4	P, S, T & D Plant - Demand	12,362	5,590	3,196	168	1,791
481	37503	Improvements	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
482	39004	Air Conditioning Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
483	39009	Improvement to leased Premises	6.4	P, S, T & D Plant - Demand	2,124	960	549	29	308
484	39100	Office Furniture & Equipment	6.4	P, S, T & D Plant - Demand	2,521	1,140	652	34	365
485	39102	Remittance Processing Equip	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
486	39103	Office Machines	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
487	39200	Transportation Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
488	39201	Trucks	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
489	39202	Trailers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
490	39300	Stores Equipment	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
491	39400	Tools, Shop & Garage Equipment	6.4	P, S, T & D Plant - Demand	489	221	126	7	71
492	39600	Power Operated Equipment	6.4	P, S, T & D Plant - Demand	23	10	6	0	3
493	39603	Ditchers	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
494	39604	Backhoes	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
495	39605	Welders	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
496	39700	Communication Equipment	6.4	P, S, T & D Plant - Demand	2,755	1,246	712	37	399
497	39701	Communication Equipment - Mobile Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
498	39702	Communication Equipment - Fixed Radios	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
499	39705	Communication Equip. - Telemetering	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
500	39800	Miscellaneous Equipment	6.4	P, S, T & D Plant - Demand	342	155	89	5	50
501	39900	Other Tangible Property	6.4	P, S, T & D Plant - Demand	2,326	1,052	601	32	337
502	39901	Other Tangible Property - Servers - H/W	6.4	P, S, T & D Plant - Demand	22,718	10,272	5,874	309	3,291
503	39902	Other Tangible Property - Servers - S/W	6.4	P, S, T & D Plant - Demand	4,188	1,893	1,083	57	607
504	39903	Other Tangible Property - Network - H/W	6.4	P, S, T & D Plant - Demand	1,019	461	263	14	148
505	39904	Other Tang. Property - CPU	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
506	39905	Other Tangible Property - MF - Hardware	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
507	39906	Other Tang. Property - PC Hardware	6.4	P, S, T & D Plant - Demand	3,002	1,357	776	41	435
508	39907	Other Tang. Property - PC Software	6.4	P, S, T & D Plant - Demand	358	162	93	5	52
509	39908	Other Tang. Property - Mainframe S/W	6.4	P, S, T & D Plant - Demand	0	-	-	-	-
510	39909	Other Tang. Property - Application Software	6.4	P, S, T & D Plant - Demand	140,678	63,606	36,371	1,913	20,376
511	39924	Other Tang. Property - General Startup Costs	6.4	P, S, T & D Plant - Demand	13	6	3	0	2
512									
513									
514		Total General Plant			194,919	88,130	50,394	2,651	28,233
515									
516		TOTAL DEPRECIATION EXPENSE - DEMAND			7,623,132	3,446,681	1,970,880	103,663	1,104,159

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF DEPRECIATION EXPENSE										
Commodity										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
517		Intangible Plant:								
518										
519	30100	Organization	99.0	-	0	-	-	-	-	-
520	30200	Franchises & Consents	99.0	-	0	-	-	-	-	-
521	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-	-
522										
523		Total Intangible Plant:			0	-	-	-	-	-
524										
525		Production Plant:								
526			99.0	-	0	-	-	-	-	-
527	32520	Producing Leaseholds	99.0	-	0	-	-	-	-	-
528	32540	Rights of Ways	99.0	-	0	-	-	-	-	-
529	33100	Production Gas Wells Equipment	99.0	-	0	-	-	-	-	-
530	33201	Field Lines	99.0	-	0	-	-	-	-	-
531	33202	Tributary Lines	99.0	-	0	-	-	-	-	-
532	33400	Field Meas. & Reg. Sta. Equip	99.0	-	0	-	-	-	-	-
533	33600	Purification Equipment	99.0	-	0	-	-	-	-	-
534										
535		Total Production Plant			0	-	-	-	-	-
536										
537		Storage Plant:								
538										
539	35010	Land	1.5	Winter Volumes	0	-	-	-	-	-
540	35020	Rights of Way	1.5	Winter Volumes	11	4	3	0	2	2
541	35100	Structures and Improvements	1.5	Winter Volumes	149	56	35	2	27	28
542	35102	Compression Station Equipment	1.5	Winter Volumes	958	363	224	12	176	182
543	35103	Meas. & Reg. Sta. Structures	1.5	Winter Volumes	104	39	24	1	19	20
544	35104	Other Structures	1.5	Winter Volumes	887	336	208	11	163	169
545	35200	Wells \ Rights of Way	1.5	Winter Volumes	80,561	30,503	18,874	1,032	14,810	15,342
546	35201	Well Construction	1.5	Winter Volumes	12,920	4,892	3,027	166	2,375	2,461
547	35202	Well Equipment	1.5	Winter Volumes	0	-	-	-	-	-
548	35203	Cushion Gas	1.5	Winter Volumes	11,694	4,428	2,740	150	2,150	2,227
549	35210	Leaseholds	1.5	Winter Volumes	277	105	65	4	51	53
550	35211	Storage Rights	1.5	Winter Volumes	240	91	56	3	44	46
551	35301	Field Lines	1.5	Winter Volumes	798	302	187	10	147	152
552	35302	Tributary Lines	1.5	Winter Volumes	952	361	223	12	175	181
553	35400	Compressor Station Equipment	1.5	Winter Volumes	7,849	2,972	1,839	101	1,443	1,495
554	35500	Meas & Reg. Equipment	1.5	Winter Volumes	2,280	863	534	29	419	434
555	35600	Purification Equipment	1.5	Winter Volumes	4,105	1,554	962	53	755	782
556										
557		Total Storage Plant			123,785	46,869	29,001	1,586	22,756	23,574
558										
559		Transmission:								
560										
561	36510	Land & Land Rights	99.0	-	0	-	-	-	-	-
562	36520	Rights of Way	99.0	-	0	-	-	-	-	-
563	36602	Structures & Improvements	99.0	-	0	-	-	-	-	-
564	36603	Other Structures	99.0	-	0	-	-	-	-	-
565	36700	Mains Cathodic Protection	99.0	-	0	-	-	-	-	-
566	36701	Mains - Steel	99.0	-	0	-	-	-	-	-
567	36900	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
568	36901	Meas. & Reg. Equipment	99.0	-	0	-	-	-	-	-
569										
570		Total Transmission Plant			0	-	-	-	-	-
571										
572		Distribution:								
573										
574	37400	Land & Land Rights	99.0	-	0	-	-	-	-	-
575	37401	Land	99.0	-	0	-	-	-	-	-
576	37402	Land Rights	1.0	Mcf	17,488	5,290	3,585	177	3,965	4,452
577	37403	Land Other	99.0	-	0	-	-	-	-	-
578	37500	Structures & Improvements	1.0	Mcf	2,106	638	432	21	478	537
579	37501	Structures & Improvements T.B.	1.0	Mcf	625	189	128	6	142	159
580	37502	Land Rights	1.0	Mcf	290	88	59	3	66	74
581	37503	Improvements	1.0	Mcf	25	8	5	0	6	6
582	37600	Mains Cathodic Protection	1.0	Mcf	305,749	92,584	62,743	3,100	69,398	77,925
583	37601	Mains - Steel	1.0	Mcf	1,559,240	472,153	319,971	15,808	353,910	397,399
584	37602	Mains - Plastic	1.0	Mcf	1,181,705	357,831	242,497	11,980	268,218	301,177
585	37800	Meas & Reg. Sta. Equip - General	1.0	Mcf	323,984	98,105	66,485	3,285	73,536	82,573
586	37900	Meas & Reg. Sta. Equip - City Gate	1.0	Mcf	51,068	15,464	10,480	518	11,591	13,015
587	37905	Meas & Reg. Sta. Equipment T.b.	1.0	Mcf	16,366	4,956	3,358	166	3,715	4,171
588	38000	Services	99.0	-	0	-	-	-	-	-
589	38100	Meters	99.0	-	0	-	-	-	-	-
590	38200	Meter Installaitons	99.0	-	0	-	-	-	-	-
591	38300	House Regulators	99.0	-	0	-	-	-	-	-
592	38400	House Reg. Installations	99.0	-	0	-	-	-	-	-
593	38500	Ind. Meas. & Reg. Sta. Equipment	99.0	-	0	-	-	-	-	-
594	38600	Other Prop. On Cust. Prem	99.0	-	0	-	-	-	-	-
595										
596		Total Distribution Plant			3,458,626	1,047,305	709,743	35,064	785,024	881,489

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF DEPRECIATION EXPENSE									
597									
598	General:								
599									
600	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
601	39000	Structures Frame	6.6	P, S, T & D Plant - Commodity	49,372	15,155	10,210	508	11,090
602	39001	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	1,124	345	232	12	252
603	39002	Improvements	6.6	P, S, T & D Plant - Commodity	4,604	1,413	952	47	1,034
604	39003	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	147	45	30	2	33
605	39004	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
606	39009	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	18,840	5,783	3,896	194	4,232
607	39100	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
608	39102	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
609	39103	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	1,047	321	216	11	235
610	39200	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
611	39201	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
612	39202	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
613	39300	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	23,559	7,231	4,872	242	5,292
614	39400	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
615	39600	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
616	39603	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
617	39604	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
618	39605	Communication Equipment	6.6	P, S, T & D Plant - Commodity	7,050	2,164	1,458	73	1,584
619	39700	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
620	39701	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
621	39702	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
622	39705	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	39,231	12,042	8,113	403	8,812
623	39800	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
624	39900	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	415	127	86	4	93
625	39901	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
626	39902	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	2,714	833	561	28	610
627	39903	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
628	39904	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
629	39905	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	18,014	5,529	3,725	185	4,046
630	39906	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
631	39907	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
632	39908	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	2,074	637	429	21	466
633	40600	Amortization of gas plant acquisition adjustments	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
634									
635									
636		Total General Plant			168,190	51,626	34,781	1,730	37,779
637									
638		TOTAL DIRECT DEPRECIATION EXPENSE			3,750,601	1,145,800	773,526	38,380	845,558
639									
640		Kentucky Mid-States General Office:							
641									
642		Intangible Plant:							
643									
644	30100	Organization	99.0	-	0	-	-	-	-
645	30200	Franchises & Consents	99.0	-	0	-	-	-	-
646	30300	Misc Intangible Plant	99.0	-	0	-	-	-	-
647									
648		Total Intangible Plant:			0	-	-	-	-
649									
650		General:							
651									
652	37400	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
653	39001	Structures Frame	6.6	P, S, T & D Plant - Commodity	504	155	104	5	113
654	36602	Structures & Improvements	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
655	38900	Land & Land Rights	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
656	39004	Air Conditioning Equipment	6.6	P, S, T & D Plant - Commodity	113	35	23	1	25
657	39009	Improvement to leased Premises	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
658	39100	Office Furniture & Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
659	39102	Remittance Processing Equip	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
660	39103	Office Machines	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
661	39200	Transportation Equipment	6.6	P, S, T & D Plant - Commodity	81	25	17	1	18
662	39201	Trucks	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
663	39202	Trailers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
664	39300	Stores Equipment	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
665	39400	Tools, Shop & Garage Equipment	6.6	P, S, T & D Plant - Commodity	408	125	84	4	92
666	39600	Power Operated Equipment	6.6	P, S, T & D Plant - Commodity	2	1	1	0	1
667	39603	Ditchers	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
668	39604	Backhoes	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
669	39605	Welders	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
670	39700	Communication Equipment	6.6	P, S, T & D Plant - Commodity	333	102	69	3	75
671	39701	Communication Equipment - Mobile Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
672	39702	Communication Equipment - Fixed Radios	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
673	39705	Communication Equip. - Telemetering	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
674	39800	Miscellaneous Equipment	6.6	P, S, T & D Plant - Commodity	2,488	757	510	25	554
675	39900	Other Tangible Property	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
676	39901	Other Tangible Property - Servers - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
677	39902	Other Tangible Property - Servers - S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
678	39903	Other Tangible Property - Network - H/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
679	39904	Other Tang. Property - CPU	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
680	39905	Other Tangible Property - MF - Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
681	39906	Other Tang. Property - PC Hardware	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
682	39907	Other Tang. Property - PC Software	6.6	P, S, T & D Plant - Commodity	2,247	690	465	23	505
683	39908	Other Tang. Property - Mainframe S/W	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
684	39909	Other Tang. Property - Application Software	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
685	39924	Other Tang. Property - General Startup Costs	6.6	P, S, T & D Plant - Commodity	0	-	-	-	-
686									
687									
688		Total General Plant			6,156	1,890	1,273	63	1,383
689									
690		Shared Services General Office:							

Atmos Energy Corporation, Kentucky/Mid-States Division										
Class Cost of Service - Demand/Commodity Study										
Forecasted Test Period: Twelve Months Ended March 31, 2020										
ALLOCATION OF DEPRECIATION EXPENSE										
Total Depreciation Expense										
Line No.	Acct. No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
775		Intangible Plant:								
776										
777	30100	Organization			0	-	-	-	-	-
778	30200	Franchises & Consents			0	-	-	-	-	-
779	30300	Misc Intangible Plant			0	-	-	-	-	-
780										
781		Total Intangible Plant:			0	-	-	-	-	-
782										
783		Production Plant:								
784										
785	32520	Producing Leaseholds			0	-	-	-	-	-
786	32540	Rights of Ways			0	-	-	-	-	-
787	33100	Production Gas Wells Equipment			0	-	-	-	-	-
788	33201	Field Lines			0	-	-	-	-	-
789	33202	Tributary Lines			0	-	-	-	-	-
790	33400	Field Meas. & Reg. Sta. Equip			0	-	-	-	-	-
791	33600	Purification Equipment			0	-	-	-	-	-
792										
793		Total Production Plant			0	-	-	-	-	-
794										
795		Storage Plant:								
796										
797	35010	Land			0	-	-	-	-	-
798	35020	Rights of Way			22	9	5	0	4	4
799	35100	Structures and Improvements			297	124	73	4	49	48
800	35102	Compression Station Equipment			1,916	796	472	25	315	308
801	35103	Meas. & Reg. Sta. Structures			208	87	51	3	34	33
802	35104	Other Structures			1,773	736	437	23	291	285
803	35200	Wells \ Rights of Way			161,122	66,927	39,703	2,128	26,478	25,886
804	35201	Well Construction			25,840	10,733	6,367	341	4,246	4,152
805	35202	Well Equipment			0	-	-	-	-	-
806	35203	Cushion Gas			23,389	9,715	5,763	309	3,844	3,758
807	35210	Leaseholds			553	230	136	7	91	89
808	35211	Storage Rights			481	200	118	6	79	77
809	35301	Field Lines			1,596	663	393	21	262	256
810	35302	Tributary Lines			1,905	791	469	25	313	306
811	35400	Compressor Station Equipment			15,699	6,521	3,868	207	2,580	2,522
812	35500	Meas & Reg. Equipment			4,561	1,894	1,124	60	749	733
813	35600	Purification Equipment			8,210	3,410	2,023	108	1,349	1,319
814										
815		Total Storage Plant			247,571	102,836	61,005	3,269	40,685	39,775
816										
817		Transmission:								
818										
819	36510	Land & Land Rights			0	-	-	-	-	-
820	36520	Rights of Way			9,112	4,120	2,356	124	1,320	1,193
821	36602	Structures & Improvements			608	275	157	8	88	80
822	36603	Other Structures			754	341	195	10	109	99
823	36700	Mains Cathodic Protection			5,362	2,424	1,386	73	777	702
824	36701	Mains - Steel			381,167	172,339	98,547	5,183	55,209	49,889
825	36900	Meas. & Reg. Equipment			11,265	5,093	2,912	153	1,632	1,474
826	36901	Meas. & Reg. Equipment			34,951	15,803	9,036	475	5,062	4,575
827										
828		Total Transmission Plant			443,218	200,394	114,589	6,027	64,197	58,010
829										
830		Distribution:								
831										
832	37400	Land & Land Rights			0	-	-	-	-	-
833	37401	Land			0	-	-	-	-	-
834	37402	Land Rights			49,908	19,957	11,972	618	8,664	8,698
835	37403	Land Other			0	-	-	-	-	-
836	37500	Structures & Improvements			6,017	2,406	1,443	75	1,045	1,049
837	37501	Structures & Improvements T.B.			1,787	714	429	22	310	311
838	37502	Land Rights			828	331	199	10	144	144
839	37503	Improvements			72	29	17	1	12	12
840	37600	Mains Cathodic Protection			873,542	349,303	209,540	10,821	151,639	152,241
841	37601	Mains - Steel			4,454,842	1,781,354	1,068,598	55,184	773,318	776,388
842	37602	Mains - Plastic			3,376,201	1,350,039	809,861	41,822	586,076	588,403
843	37800	Meas & Reg. Sta. Equip - General			925,640	370,135	222,036	11,466	160,682	161,320
844	37900	Meas & Reg. Sta. Equip - City Gate			145,903	58,342	34,998	1,807	25,327	25,428
845	37905	Meas & Reg. Sta. Equipment T.B.			46,759	18,697	11,216	579	8,117	8,149
846	38000	Services			4,817,588	4,290,218	521,911	265	3,317	1,877
847	38100	Meters			2,741,749	1,768,788	907,200	3,195	39,954	22,612
848	38200	Meter Installations			2,232,937	1,440,537	738,843	2,602	32,539	18,416
849	38300	House Regulators			514,355	331,827	170,192	599	7,495	4,242
850	38400	House Reg. Installations			8,807	5,681	2,914	10	128	73
851	38500	Ind. Meas. & Reg. Sta. Equipment			112,194	-	111,033	56	706	399
852	38600	Other Prop. On Cust. Prem			0	-	-	-	-	-
853										
854		Total Distribution Plant			20,309,129	11,788,358	4,822,402	129,135	1,799,472	1,769,763

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF DEPRECIATION EXPENSE							
855							
856	General:						
857							
858	38900 Land & Land Rights	0	-	-	-	-	-
859	39000 Structures Frame	244,888	133,908	56,856	1,925	26,276	25,924
860	39001 Structures & Improvements	5,574	3,048	1,294	44	598	590
861	39002 Improvements	22,836	12,487	5,302	180	2,450	2,417
862	39003 Air Conditioning Equipment	731	400	170	6	78	77
863	39004 Improvement to leased Premises	0	-	-	-	-	-
864	39009 Office Furniture & Equipment	93,448	51,098	21,696	735	10,027	9,892
865	39100 Remittance Processing Equip	0	-	-	-	-	-
866	39102 Office Machines	0	-	-	-	-	-
867	39103 Transportation Equipment	5,191	2,839	1,205	41	557	550
868	39200 Trucks	0	-	-	-	-	-
869	39201 Trailers	0	-	-	-	-	-
870	39202 Stores Equipment	0	-	-	-	-	-
871	39300 Tools, Shop & Garage Equipment	116,855	63,898	27,130	919	12,538	12,370
872	39400 Power Operated Equipment	0	-	-	-	-	-
873	39600 Ditchers	0	-	-	-	-	-
874	39603 Backhoes	0	-	-	-	-	-
875	39604 Welders	0	-	-	-	-	-
876	39605 Communication Equipment	34,968	19,121	8,118	275	3,752	3,702
877	39700 Communication Equipment - Mobile Radios	0	-	-	-	-	-
878	39701 Communication Equipment - Fixed Radios	0	-	-	-	-	-
879	39702 Communication Equip. - Telemetering	0	-	-	-	-	-
880	39705 Miscellaneous Equipment	194,589	106,403	45,177	1,530	20,879	20,599
881	39800 Other Tangible Property	0	-	-	-	-	-
882	39900 Other Tangible Property - Servers - H/W	2,056	1,124	477	16	221	218
883	39901 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
884	39902 Other Tangible Property - Network - H/W	13,460	7,360	3,125	106	1,444	1,425
885	39903 Other Tang. Property - CPU	0	-	-	-	-	-
886	39904 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
887	39905 Other Tang. Property - PC Hardware	89,351	48,858	20,744	702	9,587	9,459
888	39906 Other Tang. Property - PC Software	0	-	-	-	-	-
889	39907 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
890	39908 Other Tang. Property - Application Software	10,289	5,626	2,389	81	1,104	1,089
891	40600 Amortization of gas plant acquisition adjustments	0	-	-	-	-	-
892							
893							
894	Total General Plant	834,236	456,170	193,684	6,557	89,513	88,311
895							
896	TOTAL DIRECT DEPRECIATION EXPENSE	21,834,154	12,547,759	5,191,680	144,988	1,993,867	1,955,860
897							
898	Kentucky Mid-States General Office:						
899							
900	Intangible Plant:						
901							
902	30100 Organization	0	-	-	-	-	-
903	30200 Franchises & Consents	0	-	-	-	-	-
904	30300 Misc Intangible Plant	0	-	-	-	-	-
905							
906	Total Intangible Plant:	0	-	-	-	-	-
907							
908	General:						
909							
910	37400 Land & Land Rights	0	-	-	-	-	-
911	39001 Structures Frame	2,500	1,367	580	20	268	265
912	36602 Structures & Improvements	0	-	-	-	-	-
913	38900 Land & Land Rights	0	-	-	-	-	-
914	39004 Air Conditioning Equipment	561	307	130	4	60	59
915	39009 Improvement to leased Premises	0	-	-	-	-	-
916	39100 Office Furniture & Equipment	0	-	-	-	-	-
917	39102 Remittance Processing Equip	0	-	-	-	-	-
918	39103 Office Machines	0	-	-	-	-	-
919	39200 Transportation Equipment	400	219	93	3	43	42
920	39201 Trucks	0	-	-	-	-	-
921	39202 Trailers	0	-	-	-	-	-
922	39300 Stores Equipment	0	-	-	-	-	-
923	39400 Tools, Shop & Garage Equipment	2,025	1,107	470	16	217	214
924	39600 Power Operated Equipment	12	7	3	0	1	1
925	39603 Ditchers	0	-	-	-	-	-
926	39604 Backhoes	0	-	-	-	-	-
927	39605 Welders	0	-	-	-	-	-
928	39700 Communication Equipment	1,652	903	384	13	177	175
929	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
930	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
931	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
932	39800 Miscellaneous Equipment	12,240	6,693	2,842	96	1,313	1,296
933	39900 Other Tangible Property	0	-	-	-	-	-
934	39901 Other Tangible Property - Servers - H/W	0	-	-	-	-	-
935	39902 Other Tangible Property - Servers - S/W	0	-	-	-	-	-
936	39903 Other Tangible Property - Network - H/W	0	-	-	-	-	-
937	39904 Other Tang. Property - CPU	0	-	-	-	-	-
938	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
939	39906 Other Tang. Property - PC Hardware	0	-	-	-	-	-
940	39907 Other Tang. Property - PC Software	11,145	6,094	2,588	88	1,196	1,180
941	39908 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
942	39909 Other Tang. Property - Application Software	0	-	-	-	-	-
943	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
944							
945							
946	Total General Plant	30,535	16,697	7,089	240	3,276	3,232
947							
948	Shared Services General Office:						

Atmos Energy Corporation, Kentucky/Mid-States Division							
Class Cost of Service - Demand/Commodity Study							
Forecasted Test Period: Twelve Months Ended March 31, 2020							
ALLOCATION OF DEPRECIATION EXPENSE							
949							
950	General:						
951							
952	37400 Land & Land Rights	0	-	-	-	-	-
953	39000 Structures & Improvements	7,132	3,900	1,656	56	765	755
954	36602 Structures & Improvements	0	-	-	-	-	-
955	37503 Improvements	0	-	-	-	-	-
956	39004 Air Conditioning Equipment	0	-	-	-	-	-
957	39009 Improvement to leased Premises	35	19	8	0	4	4
958	39100 Office Furniture & Equipment	10,791	5,900	2,505	85	1,158	1,142
959	39102 Remittance Processing Equip	0	-	-	-	-	-
960	39103 Office Machines	0	-	-	-	-	-
961	39200 Transportation Equipment	0	-	-	-	-	-
962	39201 Trucks	0	-	-	-	-	-
963	39202 Trailers	0	-	-	-	-	-
964	39300 Stores Equipment	0	-	-	-	-	-
965	39400 Tools, Shop & Garage Equipment	0	-	-	-	-	-
966	39600 Power Operated Equipment	0	-	-	-	-	-
967	39603 Ditchers	0	-	-	-	-	-
968	39604 Backhoes	0	-	-	-	-	-
969	39605 Welders	0	-	-	-	-	-
970	39700 Communication Equipment	27	15	6	0	3	3
971	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
972	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
973	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
974	39800 Miscellaneous Equipment	66	36	15	1	7	7
975	39900 Other Tangible Property	0	-	-	-	-	-
976	39901 Other Tangible Property - Servers - H/W	133,882	73,208	31,083	1,052	14,366	14,173
977	39902 Other Tangible Property - Servers - S/W	40,124	21,940	9,315	315	4,305	4,247
978	39903 Other Tangible Property - Network - H/W	0	-	-	-	-	-
979	39904 Other Tang. Property - CPU	0	-	-	-	-	-
980	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
981	39906 Other Tang. Property - PC Hardware	9,073	4,961	2,106	71	973	960
982	39907 Other Tang. Property - PC Software	0	-	-	-	-	-
983	39908 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
984	39909 Other Tang. Property - Application Software	1,366	747	317	11	147	145
985	39924 Other Tang. Property - General Startup Costs	0	-	-	-	-	-
986							
987							
988	Total General Plant	202,494	110,726	47,013	1,592	21,728	21,436
989							
990	Shared Services Customer Support:						
991							
992	General:						
993							
994	37400 Land & Land Rights	0	-	-	-	-	-
995	39001 Structures Frame	0	-	-	-	-	-
996	36602 Structures & Improvements	30,100	16,459	6,988	237	3,230	3,186
997	37503 Improvements	0	-	-	-	-	-
998	39004 Air Conditioning Equipment	0	-	-	-	-	-
999	39009 Improvement to leased Premises	5,171	2,828	1,201	41	555	547
1000	39100 Office Furniture & Equipment	6,139	3,357	1,425	48	659	650
1001	39102 Remittance Processing Equip	0	-	-	-	-	-
1002	39103 Office Machines	0	-	-	-	-	-
1003	39200 Transportation Equipment	0	-	-	-	-	-
1004	39201 Trucks	0	-	-	-	-	-
1005	39202 Trailers	0	-	-	-	-	-
1006	39300 Stores Equipment	0	-	-	-	-	-
1007	39400 Tools, Shop & Garage Equipment	1,191	651	277	9	128	126
1008	39600 Power Operated Equipment	55	30	13	0	6	6
1009	39603 Ditchers	0	-	-	-	-	-
1010	39604 Backhoes	0	-	-	-	-	-
1011	39605 Welders	0	-	-	-	-	-
1012	39700 Communication Equipment	6,709	3,668	1,558	53	720	710
1013	39701 Communication Equipment - Mobile Radios	0	-	-	-	-	-
1014	39702 Communication Equipment - Fixed Radios	0	-	-	-	-	-
1015	39705 Communication Equip. - Telemetering	0	-	-	-	-	-
1016	39800 Miscellaneous Equipment	834	456	194	7	89	88
1017	39900 Other Tangible Property	5,664	3,097	1,315	45	608	600
1018	39901 Other Tangible Property - Servers - H/W	55,314	30,247	12,842	435	5,935	5,856
1019	39902 Other Tangible Property - Servers - S/W	10,196	5,575	2,367	80	1,094	1,079
1020	39903 Other Tangible Property - Network - H/W	2,481	1,357	576	20	266	263
1021	39904 Other Tang. Property - CPU	0	-	-	-	-	-
1022	39905 Other Tangible Property - MF - Hardware	0	-	-	-	-	-
1023	39906 Other Tang. Property - PC Hardware	7,309	3,997	1,697	57	784	774
1024	39907 Other Tang. Property - PC Software	871	476	202	7	93	92
1025	39908 Other Tang. Property - Mainframe S/W	0	-	-	-	-	-
1026	39909 Other Tang. Property - Application Software	342,525	187,297	79,524	2,692	36,753	36,259
1027	39924 Other Tang. Property - General Startup Costs	31	17	7	0	3	3
1028							
1029							
1030	Total General Plant	474,591	259,512	110,186	3,730	50,923	50,240
1031							
1032	TOTAL DEPRECIATION EXPENSE	22,541,774	12,934,694	5,355,967	150,551	2,069,795	2,030,768

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Customer									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1	Taxes Other Than Income								
2									
3	Non Revenue Related:								
4	Payroll Related	7.2	Allocated O&M Expenses - Cust	91,523	72,068	18,773	62	396	224
5	Property Related	6.2	P, S, T & D Plant - Customer	2,329,332	1,797,894	506,460	1,214	15,176	8,589
6	DOT transmission User Tax	7.2	Allocated O&M Expenses - Cust	13,520	10,646	2,773	9	58	33
7	Other	7.2	Allocated O&M Expenses - Cust	9,775	7,697	2,005	7	42	24
8	Total Non Revenue Related:			2,444,150	1,888,305	530,011	1,292	15,672	8,870
9									
10	Revenue Related:								
11	State Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
12	Local Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
13	Public Service Commission Assessment	99.0	-	0	-	-	-	-	-
14	Total Revenue Related:			0	-	-	-	-	-
15									
16	Total Taxes, Other Than Income			2,444,150	1,888,305	530,011	1,292	15,672	8,870
17									
18									
19	Interest Expense	19.2	Rate Base - Cust	3,452,156	2,753,770	668,015	1,458	18,464	10,450
20									
21	Amortization of Excess ADIT	20.2	Cost of Service - Cust	(333,567)	(260,783)	(69,456)	(191)	(1,982)	(1,155)

Atmos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Demand									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
20	Taxes Other Than Income								
21									
22	Non Revenue Related:								
23	Payroll Related	7.4	Allocated O&M Expenses - Demand	96,235	43,511	24,880	1,309	13,939	12,596
24	Property Related	6.4	P, S, T & D Plant - Demand	2,467,695	1,115,730	637,996	33,557	357,429	322,963
25	DOT transmission User Tax	7.4	Allocated O&M Expenses - Demand	14,215	6,427	3,675	193	2,059	1,861
26	Other	7.4	Allocated O&M Expenses - Demand	10,278	4,647	2,657	140	1,489	1,345
27	Total Non Revenue Related:			2,588,423	1,170,315	669,209	35,199	374,915	338,784
28									
29	Revenue Related:								
30	State Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
31	Local Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
32	Public Service Commission Assessment	99.0	-	0	-	-	-	-	-
33	Total Revenue Related:			0	-	-	-	-	-
34									
35	Total Taxes, Other Than Income			2,588,423	1,170,315	669,209	35,199	374,915	338,784
36									
37									
38	Interest Expense	19.4	Rate Base - Demand	4,073,574	1,841,803	1,053,179	55,395	590,029	533,167
39									
40	Amortization of Excess ADIT	20.4	Cost of Service - Demand	(338,246)	(152,862)	(87,412)	(4,609)	(49,031)	(44,332)

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Commodity									
Line No.		Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
39	Taxes Other Than Income								
40									
41	Non Revenue Related:								
42	Payroll Related	7.6	Allocated O&M Expenses - Comm	740,112	419,954	285,296	10,306	11,583	12,972
43	Property Related	6.6	P, S, T & D Plant - Commodity	1,211,344	371,824	250,503	12,458	272,091	304,468
44	DOT transmission User Tax	7.6	Allocated O&M Expenses - Comm	109,327	62,034	42,143	1,522	1,711	1,916
45	Other	7.6	Allocated O&M Expenses - Comm	79,046	44,852	30,470	1,101	1,237	1,385
46	Total Non Revenue Related:			2,139,828	898,664	608,412	25,387	286,622	320,742
47									
48	Revenue Related:								
49	State Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
50	Local Gross Receipts - Tax	99.0	-	0	-	-	-	-	-
51	Public Service Commission Assessment	1.0	Mcf	339,436	102,784	69,655	3,441	77,044	86,511
52	Total Revenue Related:			339,436	102,784	69,655	3,441	77,044	86,511
53									
54	Total Taxes, Other Than Income			2,479,264	1,001,449	678,068	28,828	363,666	407,253
55									
56									
57	Interest Expense	19.6	Rate Base - Comm	1,842,005	444,727	298,793	17,211	510,062	571,212
58									
59	Amortization of Excess ADIT	20.6	Cost of Service - Comm	(791,953)	(412,876)	(280,289)	(10,515)	(41,640)	(46,635)

Almos Energy Corporation, Kentucky/Mid-States Division									
Class Cost of Service - Demand/Commodity Study									
Forecasted Test Period: Twelve Months Ended March 31, 2020									
ALLOCATION OF TAXES, OTHER THAN INCOME & NET DEDUCTIONS FOR INCOME TAX									
Total Taxes Other									
Line No.	Allocation Factor	Allocation Basis	Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible	
58	Taxes Other Than Income								
59									
60	Non Revenue Related:								
61	Payroll Related		927,870	535,534	328,949	11,677	25,918	25,792	
62	Property Related		6,008,371	3,285,448	1,394,960	47,228	644,695	636,040	
63	DOT transmission User Tax		137,062	79,107	48,591	1,725	3,828	3,810	
64	Other		99,099	57,196	35,133	1,247	2,768	2,755	
65	Total Non Revenue Related:		7,172,401	3,957,285	1,807,633	61,877	677,210	668,397	
66									
67	Revenue Related:								
68	State Gross Receipts - Tax		0	-	-	-	-	-	
69	Local Gross Receipts - Tax		0	-	-	-	-	-	
70	Public Service Commission Assessment		339,436	102,784	69,655	3,441	77,044	86,511	
71	Total Revenue Related:		339,436	102,784	69,655	3,441	77,044	86,511	
72									
73	Total Taxes, Other Than Income		7,511,837	4,060,069	1,877,288	65,319	754,253	754,907	
74									
75									
76	Interest Expense		9,367,735	5,040,300	2,019,987	74,063	1,118,555	1,114,829	
77									
78	Amortization of Excess ADIT		(1,463,766)	(826,521)	(437,157)	(15,314)	(92,652)	(92,123)	

Atmos Energy Corporation, Kentucky/Mid-States Division						
Class Cost of Service - Demand/Commodity Study						
Forecasted Test Period: Twelve Months Ended March 31, 2020						
CLASSIFICATION FACTORS						
			Total Company	Customer	Demand	Commodity
	Input	Values	1	1	0	0
1.0	Customer	%	100.0000%	100.0000%	0.0000%	0.0000%
	Input	Values	1	0	1	0
2.0	Demand	%	100.0000%	0.0000%	100.0000%	0.0000%
	Input	Values	1	0	0	1
3.0	Commodity	%	100.0000%	0.0000%	0.0000%	100.0000%
	Input	Values	100	0	50	50
3.5	Storage (50/50)	%	100.0000%	0.0000%	50.0000%	50.0000%
	Input	Values	1.00	0.00	0.65	0.35
4.0	Mains (Peak and Average)	%	100.0000%	0.0000%	64.9990%	35.0010%
	Internally Generated	Values	383,700,807	119,712,299	171,589,831	92,398,678
4.1	Mains & Services	%	100.0000%	31.1994%	44.7197%	24.0809%
	Internally Generated	Values	681,841,791	264,337,185	280,038,901	137,465,704
5.4	P, S, T & D Plant	%	100.0000%	38.7681%	41.0710%	20.1609%
	Internally Generated	Values	569,918,798	205,185,395	240,729,450	124,003,953
5.7	Net Plant	%	100.0000%	36.0026%	42.2393%	21.7582%
	Internally Generated	Values	105,607,336	10,416,928	10,953,126	84,237,281
9.1	Allocated O&M Expenses	%	100.0000%	9.8638%	10.3716%	79.7646%
	Internally Generated	Values	6,001,704	952,051	3,268,822	1,780,832
10.0	Composite of Accts. 871-879 & 886-893	%	100.0000%	15.8630%	54.4649%	29.6721%
	Internally Generated	Values	300,006,847	-	195,001,383	105,005,465
12.0	Composite of Accts. 374-379	%	100.0000%	0.0000%	64.9990%	35.0010%
	Internally Generated	Values	496,111,427	182,824,775	215,734,814	97,551,838
13.0	Rate Base	%	100.0000%	36.8516%	43.4852%	19.6633%
	Internally Generated	Values	9,623,776	3,441,079	4,002,311	2,180,386
17.0	Composite of Accts. 870-902, 905-916, 924 & 928-930.1	%	100.0000%	35.7560%	41.5877%	22.6562%
	Internally Generated	Values	185,637,186	42,303,478	42,896,925	100,436,783
18.0	Total Cost of Service at Equalized ROR	%	100.0000%	22.7883%	23.1079%	54.1038%
		Values	0	0	0	0
99.0	-	%	0.0000%	0.0000%	0.0000%	0.0000%

Atmos Energy Corporation, Kentucky/Mid-States Division								
Class Cost of Service - Demand/Commodity Study								
Forecasted Test Period: Twelve Months Ended March 31, 2020								
ALLOCATION FACTORS								
			Total Company	Residential Sales	Non-Res Sales Firm	Non-Res Sales Interruptible	Transport Firm	Transport Interruptible
1.0	Input Mcf	Value %	33,298,463 100.0000%	10,083,093 30.2810%	6,833,161 20.5209%	337,587 1.0138%	7,557,945 22.6976%	8,486,677 25.4867%
1.2	Input Sales Mcf	Value %	17,253,841 100.0000%	10,083,093 58.4397%	6,833,161 39.6037%	337,587 1.9566%	- 0.0000%	- 0.0000%
1.5	Input Winter Volumes	Value %	20,546,467 100.0000%	7,779,490 37.8629%	4,813,775 23.4287%	263,242 1.2812%	3,777,063 18.3830%	3,912,897 19.0441%
2.0	Input Bills	Value %	2,125,194 100.0000%	1,892,554 89.0532%	230,232 10.8335%	117 0.0055%	1,463 0.0688%	828 0.0390%
2.2	Input Non-Residential Bills	Value %	232,640 100.0000%	0 0.0000%	230,232 98.9649%	117 0.0503%	1,463 0.6289%	828 0.3559%
3.0	Input Peak Day	Value %	288,074 100.0000%	130,248 45.2134%	74,478 25.8539%	3,917 1.3599%	41,726 14.4843%	37,704 13.0884%
4.0	Input Meter Investment	Value %	42,429,546 100.0000%	27,372,625 64.5131%	14,039,249 33.0884%	49,445 0.1165%	618,296 1.4572%	349,931 0.8247%
4.2	Input Direct to Residential	Value %	1 100.0000%	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%	- 0.0000%
4.4	Input Direct to Commercial	Value %	1 100.0000%	- 0.0000%	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%
4.6	Input Direct to Industrial	Value %	1 100.0000%	- 0.0000%	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%
4.8	Input Direct to Public Authority	Value %	1 100.0000%	- 0.0000%	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%
5.0	Input Direct to Transport	Value %	1 100.0000%	- 0.0000%	- 0.0000%	- 0.0000%	1 100.0000%	- 0.0000%
6.0	Internally Generated P, S, T & D Plant	Value %	681,841,791 100.0000%	372,839,066 54.6812%	158,302,763 23.2169%	5,359,581 0.7860%	73,161,301 10.7300%	72,179,080 10.5859%
6.2	Internally Generated P, S, T & D Plant - Customer	Value %	264,337,185 100.0000%	204,028,524 77.1849%	57,474,048 21.7427%	137,724 0.0521%	1,722,195 0.6515%	974,694 0.3687%
6.4	Internally Generated P, S, T & D Plant - Demand	Value %	280,038,901 100.0000%	126,615,242 45.2134%	72,401,086 25.8539%	3,808,121 1.3599%	40,561,723 14.4843%	36,652,730 13.0884%
6.6	Internally Generated P, S, T & D Plant - Commodity	Value %	137,465,704 100.0000%	42,195,301 30.6951%	28,427,628 20.6798%	1,413,736 1.0284%	30,877,383 22.4619%	34,551,656 25.1347%
7.0	Internally Generated Allocated O&M Expenses	Value %	105,607,336 100.0000%	60,952,823 57.7165%	37,440,033 35.4521%	1,329,036 1.2585%	2,949,887 2.7933%	2,935,557 2.7797%
7.2	Internally Generated Allocated O&M Expenses - Cust	Value %	10,416,928 100.0000%	8,202,608 78.7431%	2,136,712 20.5119%	7,091 0.0681%	45,026 0.4322%	25,492 0.2447%
7.4	Internally Generated Allocated O&M Expenses - Demand	Value %	10,953,126 100.0000%	4,952,286 45.2134%	2,831,814 25.8539%	148,947 1.3599%	1,586,485 14.4843%	1,433,594 13.0884%
7.6	Internally Generated Allocated O&M Expenses - Comm	Value %	84,237,281 100.0000%	47,797,929 56.7420%	32,471,507 38.5477%	1,172,998 1.3925%	1,318,375 1.5651%	1,476,472 1.7528%
8.0	Input Customer Deposit Balances	Value %	26,564,782 100.0000%	16,218,920 61.0542%	10,069,596 37.9058%	272,066 1.0242%	2,238 0.0084%	1,962 0.0074%
9.0	Internally Generated Allocated Net Plant	Value %	569,918,798 100.0000%	310,537,959 54.4881%	127,521,786 22.3754%	4,633,030 0.8129%	63,860,523 11.2052%	63,365,500 11.1184%
9.2	Internally Generated Allocated Net Plant - Cust	Value %	205,185,395 100.0000%	163,718,193 79.7904%	39,672,771 19.3351%	87,185 0.0425%	1,090,223 0.5313%	617,023 0.3007%
9.4	Internally Generated Allocated Net Plant - Demand	Value %	240,729,450 100.0000%	108,842,083 45.2134%	62,238,045 25.8539%	3,273,569 1.3599%	34,868,017 14.4843%	31,507,735 13.0884%
9.6	Internally Generated Allocated Net Plant - Comm	Value %	124,003,953 100.0000%	37,977,683 30.6262%	25,610,970 20.6533%	1,272,275 1.0260%	27,902,283 22.5011%	31,240,742 25.1933%
10.0	Internally Generated Composite of Accts. 871-879 & 886-893	Value %	6,001,704 100.0000%	2,554,426 42.5617%	1,604,426 26.7328%	63,524 1.0584%	890,408 14.8359%	888,921 14.8111%
10.2	Internally Generated Composite of Accts. 871-879 & 886-893 - Cust	Value %	952,051 100.0000%	537,226 56.4283%	393,863 41.3699%	1,018 0.1070%	12,736 1.3377%	7,208 0.7571%
10.4	Internally Generated Composite of Accts. 871-879 & 886-893 - Demand	Value %	3,268,822 100.0000%	1,477,947 45.2134%	845,119 25.8539%	44,451 1.3599%	473,466 14.4843%	427,838 13.0884%
10.6	Internally Generated Composite of Accts. 871-879 & 886-893 - Comm	Value %	1,780,832 100.0000%	539,253 30.2810%	365,444 20.5209%	18,054 1.0138%	404,206 22.6976%	453,875 25.4867%
11.0	Internally Generated Composite of Accts. 376 & 380	Value %	383,700,807 100.0000%	212,168,552 55.2953%	76,292,797 19.8834%	3,276,719 0.8540%	45,908,292 11.9646%	46,054,447 12.0027%
11.2	Internally Generated Composite of Accts. 376 & 380 - Cust	Value %	119,712,299 100.0000%	106,607,671 89.0532%	12,968,981 10.8335%	6,591 0.0055%	82,413 0.0688%	46,643 0.0390%
11.4	Internally Generated Composite of Accts. 376 & 380 - Demand	Value %	171,589,831 100.0000%	77,581,678 45.2134%	44,362,730 25.8539%	2,333,371 1.3599%	24,853,615 14.4843%	22,458,436 13.0884%

SUMMARY OF ALTERNATIVE CLASS COST OF SERVICE STUDIES

Line No.		Return at Present Rates	Relative Return at Present Rates	Customer/Demand Study			Customer-Related Costs
				Revenue Deficiency at Equalized Proposed Return	Allocation of Amortization of Excess ADIT	Revenue Increase at Equalized Proposed Return	
1	Total Company	5.58%	1.00	\$ 15,919,320	\$ (1,463,766)	\$ 14,455,554	\$ 29.43
2	Residential Sales	3.95%	0.71	\$ 17,729,653	\$ (921,978)	\$ 16,807,675	\$ 27.02
3	Non-Residential Firm Sales	8.00%	1.43	\$ (68,299)	\$ (421,980)	\$ (490,279)	\$ 47.75
4	Non-Residential Interruptible Sales	0.35%	0.06	\$ 300,495	\$ (13,725)	\$ 286,770	\$ 214.90
5	Firm Transport	10.39%	1.86	\$ (1,191,165)	\$ (55,720)	\$ (1,246,885)	\$ 172.09
6	Interruptible Transport	9.87%	1.77	\$ (851,364)	\$ (50,363)	\$ (901,727)	\$ 169.32
Demand-Only Study							
Line No.		Return at Present Rates	Relative Return at Present Rates	Demand-Only Study			Customer-Related Costs
				Revenue Deficiency at Equalized Proposed Return	Allocation of Amortization of Excess ADIT	Revenue Increase at Equalized Proposed Return	
7	Total Company	5.58%	1.00	\$ 15,919,320	\$ (1,463,766)	\$ 14,455,554	\$ 19.91
8	Residential Sales	5.65%	1.01	\$ 8,802,533	\$ (851,580)	\$ 7,950,953	\$ 17.48
9	Non-Residential Firm Sales	5.99%	1.07	\$ 2,990,330	\$ (446,100)	\$ 2,544,230	\$ 38.27
10	Non-Residential Interruptible Sales	-1.96%	(0.35)	\$ 576,282	\$ (15,900)	\$ 560,382	\$ 207.96
11	Firm Transport	5.40%	0.97	\$ 1,744,267	\$ (78,869)	\$ 1,665,398	\$ 169.20
12	Interruptible Transport	5.05%	0.90	\$ 1,805,909	\$ (71,318)	\$ 1,734,591	\$ 170.03
Demand/Commodity Study							
Line No.		Return at Present Rates	Relative Return at Present Rates	Demand/Commodity Study			Customer-Related Costs
				Revenue Deficiency at Equalized Proposed Return	Allocation of Amortization of Excess ADIT	Revenue Increase at Equalized Proposed Return	
13	Total Company	5.58%	1.00	\$ 15,919,320	\$ (1,463,766)	\$ 14,455,554	\$ 19.91
14	Residential Sales	6.40%	1.15	\$ 5,620,434	\$ (826,521)	\$ 4,793,913	\$ 17.48
15	Non-Residential Firm Sales	6.67%	1.19	\$ 1,853,875	\$ (437,157)	\$ 1,416,718	\$ 38.26
16	Non-Residential Interruptible Sales	-1.50%	(0.27)	\$ 502,542	\$ (15,314)	\$ 487,228	\$ 206.59
17	Firm Transport	3.60%	0.64	\$ 3,494,505	\$ (92,652)	\$ 3,401,852	\$ 171.80
18	Interruptible Transport	2.39%	0.43	\$ 4,447,964	\$ (92,123)	\$ 4,355,841	\$ 176.95

SUMMARY OF ALTERNATIVE CLASS COST OF SERVICE STUDIES

Revenue Deficiency at Equalized Proposed Return

Line No.		Minimum Revenue Increase Indicated	Maximum Revenue Increase Indicated	Average Revenue Increase Indicated	Proposed Revenue Increase
1	Total Company	\$ 14,455,554	\$ 14,455,554	\$ 14,455,554	\$ 14,455,538
2	Residential Sales	\$ 4,793,913	\$ 16,807,675	\$ 9,850,847	\$ 8,410,568
3	Non-Residential Firm Sales	\$ (490,279)	\$ 2,544,230	\$ 1,156,890	\$ 3,426,441
4	Non-Residential Interruptible Sales	\$ 286,770	\$ 560,382	\$ 444,793	\$ 47,663
5	Firm Transport	\$ (1,246,885)	\$ 3,401,852	\$ 1,273,455	\$ 1,499,112
6	Interruptible Transport	\$ (901,727)	\$ 4,355,841	\$ 1,729,568	\$ 1,071,753

Customer-Related Costs at Equalized Proposed Return

	Minimum Customer-Related Cost Indicated	Maximum Customer-Related Cost Indicated	Average Customer-Related Cost Indicated	Proposed Customer-Related Cost
7 Total Company	\$ 19.91	\$ 29.43	\$ 23.08	
8 Residential Sales	\$ 17.48	\$ 27.02	\$ 20.66	\$ 20.50
9 Non-Residential Firm Sales	\$ 38.26	\$ 47.75	\$ 41.43	\$ 51.75
10 Non-Residential Interruptible Sales	\$ 206.59	\$ 214.90	\$ 209.82	\$ 435.00
11 Firm Transport	\$ 169.20	\$ 172.09	\$ 171.03	\$ 435.00
12 Interruptible Transport	\$ 169.32	\$ 176.95	\$ 172.10	\$ 435.00

Case No. 2018-00281
Atmos Energy Corporation, Kentucky Division
Forecasted Test Period Filing Requirements
MFR FR 16(7)(a)
Page 1 of 1

REQUEST:

Section 16. Applications for General Adjustments of Existing Rates.

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

RESPONSE:

Please see the Direct Testimony of witnesses Joe Christian, Josh Densman, Laura Gillham, Mark Martin, Paul Raab, Greg Smith, Jennifer Story, James Vander Weide, Greg Waller and Dane Watson.

Respondents: Joe Christian, Josh Densman, Laura Gillham, Mark Martin, Paul Raab, Greg Smith, Jennifer Story, James Vander Weide, Greg Waller and Dane Watson