

**ATMOS ENERGY CORPORATION**  
(NAME OF UTILITY)

**Pipeline Replacement Program Rider**  
**PRP**

**1. Applicable**

Applicable to all customers receiving service under the Company's Rate Schedules G-1, G-2, T-3 and T-4.

**2. Calculation of Pipe Replacement Rider Revenue Requirement**

The PRP Revenue Requirement includes the following:

- a) PRP-related Plant In-Service not included in base gas rates minus the associated PRP-related accumulated depreciation and accumulated deferred income taxes;
- b) Retirement and removal of plant related PRP construction;
- c) The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
- d) Depreciation expense on the PRP related Plant In-Service less retirement and removals;
- e) Reduction for savings in Operating and Maintenance expenses; and,
- f) Adjustment for ad valorem taxes.

**3. Pipe Replacement Program Factors**

All customers receiving service under tariff Rate Schedules G-1, G-2, T-3 and T-4 shall be assessed an adjustment to their applicable rate schedule that will enable the Company to complete the pipe replacement program. The allocation to G-1 residential, G-1 non-residential, G-2, T-3 and T-4 will be in proportion to their relative base revenue share approved in the Company's most recently concluded base rate case.

The PRP Rider may be filed annually following the conclusion of the Company's fiscal year on September 30<sup>th</sup> and no later than January 1. The filing will reflect the impact on the Company's revenue requirements of net plant additions related to bare-steel pipe replacement as offset by operations and maintenance expense reductions during the most recently completed fiscal year ending each September as well as a balancing adjustment to reconcile collections with actual investment for the preceding program year. Such adjustment to the Rider will become effective with meter readings on and after the first billing cycle of March.

**CANCELLED**  
**MAY 08 2019**  
KENTUCKY PUBLIC  
SERVICE COMMISSION

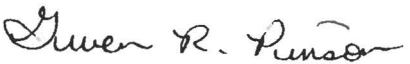
DATE OF ISSUE May 11, 2018  
Month/Date/Year

DATE EFFECTIVE May 3, 2018  
Month/Date/Year

Issued by Authority of an Order of the Public Service Commission in  
Case No. 2017-00349 dated May 3, 2018

ISSUED BY /s/ Mark A. Martin  
Signature of Officer

TITLE Vice President – Rates and Regulatory Affairs

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>Gwen R. Pinson</b> Executive Director

EFFECTIVE <b>5/3/2018</b>
PURSUANT TO 807 KAR 5 011 SECTION 9 (1)