

IN THE TENNESSEE REGULATORY AUTHORITY  
AT NASHVILLE, TENNESSEE

IN RE:

PETITION OF ATMOS ENERGY )  
CORPORATION FOR APPROVAL OF )  
ADJUSTMENT OF ITS RATES AND )  
REVISED TARIFF )

DOCKET NO. 08-00197

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CONSUMER ADVOCATE AND PROTECTION DIVISION'S UPDATED EXHIBITS

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Robert E. Cooper, Jr., Attorney General and Reporter for the State of Tennessee, by and through the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"), pursuant to paragraph 9 of the Stipulation as to Weather Normalized Margin, Operations and Maintenance Expense, Taxes Other Than Income Taxes, Depreciation Expense, Adjustments to Net Operating Income, and Certain Rate Base and Procedural Items, filed on February 19, 2009, respectfully submits the attached Updated Exhibits CAPD, Schedules 1 through 8, to reflect the financial impact of the parties' stipulation on the Consumer Advocate's testimony in this case.

RESPECTFULLY SUBMITTED,



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Dated: February 26, 2009

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

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This the 26<sup>th</sup> day of February, 2009.

  
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JOE SHIRLEY

Atmos Energy Corporation  
Index to Schedules  
For the Twelve Months Ended March 31, 2010

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Atmos Energy Corporation  
Revenue Deficiency (Surplus)  
For the Twelve Months Ended March 31, 2010

Line No.		CAPD		Company	E/	Difference
1	Rate Base	190,136,999	A/	190,136,999		-
2	Operating Income at Present Rates	13,656,721	B/	13,804,816		148,095
3	Earned Rate of Return (L 2 / L 1)	7.18%		7.26%		0.08%
4	Fair Rate of Return	6.5%	C/	9.04%		2.55%
5	Required Operating Income (L 1 x L 4)	12,338,370		17,188,385		4,850,015
6	Operating Income Deficiency (Surplus) (L 5 - L 2)	(1,318,351)		3,383,569		4,701,920
7	Gross Revenue Conversion Factor	1.639093	D/	1.639093		-
8	<b>Revenue Deficiency (Surplus)</b>	<b>(2,160,900)</b>		<b>5,545,985</b>		<b>7,706,885</b>
				<b>5,575,886</b>	E/	

A/ Schedule 2, Line 15.

B/ Schedule 3, Line 16.

C/ Schedule 8, Line 5.

D/ Schedule 7, Line 10.

E/ Atmos Updated Exhibits.

Atmos Energy Corporation  
Rate Base  
For the Twelve Months Ended March 31, 2010

Line No.		A/ CAPD	B/ Company	Difference
1	Utility Plant in Service	364,045,392	364,045,392	-
2	Construction Work in Progress	5,156,533	5,156,533	-
3	Materials and Supplies / Storage Gas	15,381,251	15,381,251	-
4	Working Capital/Deferred Rate Case	1,673,554	1,673,554	-
5	Net Elimination of Intercompany Leased Property	6,609,445	6,609,445	-
6	Unamortized Maryland Way Gain	-	-	-
7	Total Additions	<u>392,866,175</u>	<u>392,866,175</u>	<u>-</u>
	Deductions:			
8	Accumulated Depreciation	158,230,921	158,230,921	-
9	Customer Deposits	4,692,458	4,692,458	-
10	Contributions and Advances in Aid of Construction	55,261	55,261	-
11	Accumulated Deferred Tax-Accel. Depreciation	38,988,924	38,988,924	-
12	Accrued Interest on Customer Deposits	761,611	761,611	-
13	Total Deductions	<u>202,729,175</u>	<u>202,729,175</u>	<u>-</u>
14	Rate Base	<u>190,136,999</u>	<u>190,136,999</u>	<u>-</u>

A/ Per Stipulation Agreement

B/ Atmos Updated Exhibits

Atmos Energy Corporation  
Income Statement at Current Rates  
For the Twelve Months Ended March 31, 2010

Line No.		CAPD	A/	Company	A/	Difference
1	Revenues - Sales, forfeited discounts & other	170,989,205		170,989,205		-
2	Cost of Gas	119,465,225		119,465,225		-
3	Gross margin on sales and service	51,523,980		51,523,980		-
4	AFUDC	141,902		141,902		-
5	Operating Margin	51,665,882		51,665,882		-
6	Other Operation and Maintenance	16,976,607		16,976,607		-
7	Interest on Customer Deposits	211,336		211,336		-
8	Depreciation and Amortization Exp.	9,322,464		9,322,464		-
9	Taxes Other Than Income	6,447,527		6,447,527		-
10	State Excise Tax	846,308		821,768	B/	24,541
11	Federal Income Tax	4,204,919		4,081,365	B/	123,554
12	Total Operating Expense	38,009,161		37,861,066		148,095
13	Net Operating Income for Return	13,656,721		13,804,816		(148,095)
14	Plus amortization-Gain on Maryland Farms	-		-		-
15	Plus adjustments	-		-		-
16	Adjusted Net Operating Income	13,656,721		13,804,816		(148,095)

A/ Per Stipulation Agreement

B/ Per Atmos Schedule THP-3 as adjusted for volume changes.

Atmos Energy Corporation  
Operation & Maintenance Expenses  
For the Twelve Months Ended March 31, 2010

Line No.		CAPD A/	Company B/	Difference
1	Storage & Dist. - Oper. Expense	6,266,225	6,218,044	48,181
	LNG Maintenance	-	-	-
2	Storage & Dist. - Maint. Expense	-	520,926	(520,926)
	Distribution - CIE	-	-	-
	Distribution - Maintenance	-	-	-
3	Customer Acc. Exp.	2,064,492	2,321,146	(256,654)
4	Uncollectible Accounts Expense	117,230	-	117,230
	GTI Funding	-	-	-
	Customer Service	-	-	-
5	Sales Expense	294,786	266,299	28,487
	Sales Promotion Expense	-	-	-
	Pension Expense	1,000,000	421,431	578,569
	Injuries and Damages	-	-	-
	Employee Benefits - Insurance	-	-	-
	LTIP	-	-	-
	Other Employee Benefits	-	-	-
	Property Insurance	-	-	-
6	Other Administrative and General Exp.	7,241,870	8,773,976	(1,532,106)
	Reg. Comm. Expense	-	-	-
	Outside Services	-	-	-
	Misc. General	524,000	-	524,000
	Misc. Expense	-	-	-
	Rents	-	-	-
	Training	-	-	-
	Elimination of leased property	(531,996)	(531,996)	-
7	Total O&M Expense	<u>16,976,607</u>	<u>17,989,826</u>	<u>(1,013,219)</u>

A/ Per Stipulation Agreement

B/ Atmos Exhibits plus Pension Contribution

Atmos Energy Corporation  
Taxes Other Than Income Taxes  
For the Twelve Months Ended March 31, 2010

<u>Line No.</u>		<u>CAPD</u>	<u>Company</u>	<u>Difference</u>
1	Property Taxes	2,999,806	2,999,806	-
2	State Gross Receipts Tax	1,899,600	1,899,600	-
3	Payroll Taxes	268,299	268,299	-
4	State Franchise Tax	628,715	628,715	-
5	Other General Taxes	325,607	325,607	-
6	TRA Inspection Fee	<u>325,500</u>	<u>325,500</u>	<u>-</u>
7	Total Taxes Other Than Income Taxes	<u>6,447,527</u> A/	<u>6,447,527</u> A/	<u>-</u>

A/ Per Stipulation Agreement



Atmos Energy Corporation  
Excise and Income Taxes  
For the Twelve Months Ended March 31, 2010

Line No.		CAPD		Company
1	Operating Margin	51,523,980	A/	51,523,980
2	Other Operation and Maintenance	16,976,607	E/	16,976,607
3	Depreciation and Amortization Expense	9,322,464	A/	9,322,464
4	Taxes Other Than Income	6,447,527	A/	6,447,527
5	NOI Before Excise and Income Taxes	18,777,382		18,777,382
6	less Interest on Customer Deposits	211,336	A/	211,336
7	less Interest Expense	5,545,916	B/	5,923,468
8	Pre-tax Book Income	13,020,130		12,642,578
9	Schedule M Adjustments	-		-
10	Excise Taxable Income	13,020,130		12,642,578
11	Excise Tax Rate	6.50%		6.50%
12	Excise Tax	846,308		821,768 D/
13	Pre-tax Book Income	13,020,130		12,642,578
14	Excise Tax	846,308		821,768
15	Schedule M Adjustments	-		-
16	FIT Taxable Income	12,173,822		11,820,810
17	FIT Rate	35.00%		35.00%
18	Subtotal FIT	4,260,838		4,137,284 D/
19	Less: ITC Amortization	55,919	C/	55,919
20	Federal Income Tax Expense	4,204,919		4,081,365

A/ Schedule 3, Lines 5, 8, 9, 7.

B/ Rate Base \* Weighted Cost of Debt

(Schedule 2, Line 15 \* [Schedule 8 Line 1 + Line 2 + Line 3]).

C/ Atmos Schedule THP-8, Line 17.

D/ Atmos Updated Workpapers.

Atmos Energy Corporation  
Revenue Conversion Factor  
For the Twelve Months Ended March 31, 2010

Line No.		Amount	Balance
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.007117 A/	<u>0.007117</u>
3	Balance		1.007117
4	Uncollectible Ratio	0.003238 B/	<u>0.003261</u>
5	Balance		1.003856
6	State Excise Tax	0.065000 C/	<u>0.065251</u>
7	Balance		0.938605
8	Federal Income Tax	0.350000 C/	<u>0.328512</u>
9	Balance		<u>0.610093</u>
10	Revenue Conversion Factor (1 / Line 9)		<u><u>1.639093</u></u>

A/ Forfeited discounts on gross revenues = forfeited discounts / gross revenues (excluding forfeited discounts)

1,208,303 / 170,989,205 - 1,208,303 0.007117

B/ Uncollectible expenses on base revenues 166,828 / 51,523,980 (base revenues) = 0.003238

C/ Statutory rate

Atmos Energy Corporation  
Cost of Capital  
Based on Comparable Companies' Capital Structures

Line No.		Ratio	Cost	Weighted Cost
1	Short Term Debt	13.10%	2.50%	0.3%
2	Long Term Debt	41.10%	6.30%	2.6%
3	Preferred Stock	0.00%	0.00%	0.00%
4	Stockholder's Equity	<u>45.80%</u>	7.80%	<u>3.6%</u>
5	Total	<u>100.00%</u>		<u>6.5%</u>

Source: Direct Testimony, Dr. Stephen Brown