

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**IN RE:** )  
 )  
**PETITION OF ATMOS ENERGY** )  
**CORPORATION FOR APPROVAL OF** ) **Docket No. 12-00064**  
**ADJUSTMENT OF ITS RATES AND** )  
**REVISED TARIFF** )

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**STIPULATION AND SETTLEMENT AGREEMENT**

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For the sole purpose of settling this case, Tennessee Regulatory Authority ("TRA" or "Authority") Docket No. 12-00064, Robert E. Cooper, Jr., the Tennessee Attorney General and Reporter, through the Consumer Advocate and Protection Division ("Consumer Advocate") and Atmos Energy Corporation ("Atmos" or "the Company") respectfully submit this Stipulation and Settlement Agreement. Subject to Authority approval, the Consumer Advocate and Atmos (collectively, the "Parties") agree to the following:

**BACKGROUND**

1. Atmos is incorporated under the laws of the State of Texas and the Commonwealth of Virginia and is engaged in the business of transporting, distributing and selling natural gas in Bedford, Blount, Carter, Greene, Hamblen, Maury, Moore, Obion, Rutherford, Sullivan and Williamson Counties within the State of Tennessee, with its principal Tennessee office and place of business located at 810 Crescent Centre Drive, Suite 600, Franklin, Tennessee 37067-6226.

2. The Tennessee public utility operations of Atmos are subject to the jurisdiction of the TRA, pursuant to Chapter 4 of Title 65 of the Tennessee Code Annotated.

3. On June 22, 2012, Atmos filed a petition for adjustment of its rates and approval of a revised tariff. In that filing Atmos claimed a revenue deficiency and sought an increase in its annual revenues of approximately \$10.8 million. Atmos last filed for a rate increase in 2008.

4. On July 11, 2012, the Consumer Advocate filed a petition to intervene. By order dated August 27, 2012, intervention was granted.

5. The Parties to this Settlement Agreement have engaged in substantial discovery. The Company also has provided information informally in response to questions from the Consumer Advocate and its witnesses, and has responded to additional discovery requests from TRA Staff. The Consumer Advocate filed direct testimony on October 5, 2012, challenging several aspects of the Company's proposed rate increase. The Parties have undertaken extensive discussions and "give and take" negotiations to resolve all known disputed issues in this case. As a result of the information obtained during discovery and the discussions between the Parties, and for the purpose of avoiding further litigation and resolving this matter upon acceptable terms, the Parties have reached this Settlement Agreement. In furtherance of this Settlement Agreement, the Parties have agreed to the settlement terms set forth below.

#### **SETTLEMENT**

6. Based upon the exchange of information and discussions described above, and in order to resolve this case through settlement and avoid the need for further litigation and expenses for all Parties and without waiving any positions asserted in this docket, the Parties have agreed to certain adjustments to the Company's Petition, which are discussed herein.

7. **Attrition Period:** The Parties agree that the appropriate attrition period for use in this proceeding is the 12 months ended November 30, 2013.

8. **Revenue Deficiency:** The adjustments to the Company's filed case collectively reduce the Company's attrition period revenue deficiency from \$10.8 million (a proposed increase of 8.97%) to \$7.1 million (an increase of 5.9%). Subject to Authority approval, the Parties agree that this revenue deficiency is reasonable and appropriate for the limited purpose of resolving this docket.

9. **Revenue Requirement:** The Parties agree that the Company's attrition period cost of service should include the components set forth on Attachment A hereto, which the Parties agree are fair and reasonable to the Company and its customers for limited purpose of settling this docket, and which include the following:

- a. Required Operating Income of \$16,677,604;
- b. A rate base of \$201,359,443;
- c. An overall rate of return of 8.28% on rate base;
- d. A return on common equity of 10.1%;
- e. A capital structure consisting of 1.26% short-term debt, 47.42% long-term debt, and 51.32% equity;
- f. A cost of short-term debt of 1.34%;
- g. A cost of long term debt of 6.5%;
- h. An attrition period revenue deficiency of \$7,100,000;

10. **Rates:** The Parties agree that the rates reflected on Attachment B are fair and reasonable and appropriate for limited purpose of resolving this proceeding.

11. The Parties further stipulate and agree:

- a. That the Company shall file quarterly updates on its bare steel pipe replacement spending, which shall be filed publicly in this docket and served electronically to the Consumer Advocate;
- b. That for the purpose of this proceeding, the estimated annual ERISA pension funding for the Company allocable to Tennessee is \$2,086,819. At the end of each of the Company's fiscal quarters, beginning with the quarter ended 12/31/2012, the Company will compare: 1) the actual cash contributions made to its pension plan and allocable to Tennessee using the pension allocation methodology filed by the Company in this proceeding, and 2) \$521,705, which is \$2,086,819 divided by 4. The Company shall establish a regulated asset or liability as appropriate for the difference between the two amounts. The net regulated asset or liability that has been accumulated by such treatment between 12/31/2012 and the end of the historic period of the Company's next petition shall be included in the rate base of the Company in that petition and amortized over a time period to be determined in that petition. The Company shall continue to apply this regulated asset / liability treatment to its pension funding contributions until such time in which an order from the Authority mandates alternative treatment.
- c. That the depreciation rates supported by the testimony of Company witness Thomas Petersen are for the limited purpose of settlement of this docket are appropriate for use in this proceeding and should be approved by the Authority to be effective December 1, 2012.

- d. That rate case expenses will be amortized over a period of three years, and \$20,000 shall be paid to the Consumer Advocate from the Company's budgeted rate case expenses as a partial offset to expert accounting witness fees actually incurred by the Consumer Advocate in this proceeding.
- e. That the normal heating degree days and WNA Factors set forth on Attachments C and E hereto are fair and reasonable and appropriate for use in this proceeding and should be approved by the Authority to be effective December 1, 2012.
- f. That the period to which the WNA adjustment should apply going forward consists of the months of October through April of each year.
- g. That the revised rate schedules and service regulations attached hereto as Attachment D and E are fair and reasonable for the limited purpose of settlement of this proceeding and should be approved by the Authority for bills rendered on or after December 1, 2012.

12. In light of the settlement terms as a whole and for the sole purposes of settlement, the Parties agree that the revised rates, tariffs, rate schedules, and service regulations agreed to herein, both individually and in the aggregate, are fair and reasonable to all customer classes and will provide Atmos with a reasonable opportunity to recover the agreed upon operating revenue requirement and a reasonable rate of turn on investment.

13. All pre-filed testimony and exhibits of the Parties are introduced into evidence without objection, and the Parties waive their right to cross-examine all witnesses with respect to all such pre-filed testimony. If, however, questions should be asked by any person, including a

Director, who is not a party to this stipulation, the Parties may present testimony and exhibits to respond to such questions and may cross-examine any witnesses with respect to such testimony and exhibits.

14. The Parties agree to support this Stipulation and Settlement Agreement before the Authority and in any hearing, proposed order, or brief conducted or filed in this proceeding; provided, however, that the settlement of any issue provided for herein shall not be cited as precedent by any of the Parties hereto in any unrelated or separate proceeding or docket before the Authority. The provisions of this Settlement Agreement are agreements reached in compromise and solely for the purpose of settlement of this matter. They do not necessarily reflect the positions asserted by any party, and no party to this Settlement Agreement waives the right to assert any position in any future proceeding, in this or any other jurisdiction. None of the signatories to this Settlement Agreement shall be deemed to have acquiesced in any ratemaking or accounting methodology or procedural principle, including without limitation, any cost of service determination or cost allocation or revenue-related methodology.

15. This Settlement Agreement shall not have any precedential effect in any future proceeding or be binding on any of the Parties in this or any other jurisdiction except to the limited extent necessary to implement the provisions hereof.

16. The Parties agree and request the Authority to order that the settlement of any issue pursuant to this Stipulation and Settlement Agreement shall not be cited by the Parties or any other entity as binding precedent in any other proceeding before the Authority or any court, state or federal.

17. The terms of the Settlement Agreement have resulted from extensive negotiations between the signatories and the terms hereof are interdependent. The Parties jointly recommend

that the Authority issue an order adopting this Stipulation and Settlement Agreement in its entirety without modification.

18. If the Authority does not accept the settlement in whole, the Parties are not bound by any position or term set forth in this Settlement Agreement. In the event that the Authority does not approve this Settlement Agreement in its entirety, each of the signatories to this Settlement Agreement will retain the right to terminate this Settlement Agreement. In the event of such action by the Authority, within twenty (20) business days, any of the signatories to this Settlement Agreement would be entitled to give notice of exercising its right to terminate this Settlement Agreement; provided, however, that the signatories to this Settlement Agreement could, by unanimous consent, elect to modify this Settlement Agreement to address any modification required by, or issues raised by, the Authority. Should this Settlement Agreement terminate, it would be considered void and have no binding precedential effect, and the signatories to this Settlement Agreement would reserve their rights to fully participate in all relevant proceedings notwithstanding their agreement to the terms of this Settlement Agreement.

19. In order to facilitate the execution of this Settlement Agreement and to achieve one of the purposes of this Agreement of avoiding the need for further litigation and expense, Atmos will not file rebuttal testimony that might have otherwise been filed, and the Consumer Advocate will not respond to the Company's outstanding discovery requests. However, in the event that any party and/or the Authority requires that hearings go forward, then the Parties agree that the Parties will move the Authority for the establishment of a procedural schedule that would permit the Parties to obtain responses to the outstanding discovery and to submit evidence and testimony that has not been submitted as a result of reaching this Agreement.

20. By agreeing to this Stipulation and Settlement Agreement, no Party waives any right to continue litigating this matter should the Stipulation and Settlement Agreement be rejected by the Authority in whole or in part.

21. No provision of this Stipulation and Settlement Agreement shall be deemed an admission of any Party. No provision of this Stipulation and Settlement Agreement shall be deemed a waiver of any position asserted by a party in this docket.

22. Approval by the Authority of the provisions of this Stipulation and Settlement Agreement shall not be construed as a waiver of the Authority's decisions in any rate case or policy decision or constitute an endorsement of any ratemaking methodology by the Authority.

23. This Stipulation and Settlement Agreement shall be governed by and construed under the law of the State of Tennessee and any applicable federal law, Tennessee choice of law rules notwithstanding.

The foregoing is agreed and stipulated to this 30<sup>th</sup> day of October, 2012.

**ATMOS ENERGY CORPORATION**

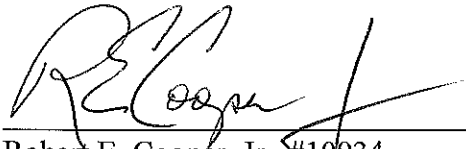
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**Docket 12-00064**

**ATMOS ENERGY CORPORATION  
SETTLEMENT AGREEMENT ATTACHMENTS**

	<b><u>Attachment</u></b>
<b>Cost of Service Components</b>	<b>A</b>
<b>Rate Comparison</b>	<b>B</b>
<b>Smoothed Normal Heating Degree Days</b>	<b>C</b>
<b>Revised Rate Schedules</b>	<b>D</b>
<b>Tariffs</b>	<b>E</b>

**Docket 12-00064**

**ATMOS ENERGY CORPORATION**

**SETTLEMENT AGREEMENT**

**ATTACHMENT A**

**ATMOS ENERGY CORPORATION**  
**INDEX TO SCHEDULES**  
For the 12 Months Ending November 30, 2013

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**ATMOS ENERGY CORPORATION**  
Results of Operations  
For the 12 Months Ending November 30, 2013

<u>Line No.</u>		<u>CAPD</u> A/	<u>Company</u> B/	<u>Settlement</u> C/
1	Rate Base	\$ 183,493,088	\$ 208,661,037	\$ 201,359,443
2	Operating Income At Current Rates	12,142,547	11,649,748	12,291,438 D/
3	Earned Rate Of Return	6.62%	5.58%	6.10%
4	Fair Rate Of Return	7.72%	8.75%	8.28% E/
5	Required Operating Income	14,161,967	18,257,841	16,677,604
6	Operating Income Deficiency	2,019,420	6,608,093	4,386,166
7	Gross Revenue Conversion Factor	<u>1.618726</u>	<u>1.634495</u>	<u>1.618726 F/</u>
8	Revenue Deficiency	\$ <u>3,268,888</u>	\$ <u>10,800,897</u>	\$ <u>7,100,000</u>

A/ Settlement Exhibit, Schedule 2.  
B/ Company Exhibit, Schedules THP-1 and Schedule THP-10.  
C/ Settlement Exhibit, Schedule 2.  
D/ Settlement Exhibit, Schedule 6.  
E/ Settlement Exhibit, Schedule 12.  
F/ Settlement Exhibit, Schedule 13.

**ATMOS ENERGY CORPORATION**  
Average Rate Base  
For the 12 Months Ending November 30, 2013

Line No.		Test Period	A/	Adjustments	Settlement Amount
	<b>Additions:</b>				
1	Utility Plant in Service	\$ 394,722,350		\$ 32,418,480	\$ 427,140,830
2	Construction Work in Progress	6,111,881		-1,062,613	5,049,268
3	Gas Inventory	6,709,810		-868,752	5,841,058
4	Materials & Supplies	7,861		1,106	8,967
5	Deferred Rate Case Expense	0		383,333	383,333
6	Intercompany Leased Property	5,919,136		-90,626	5,828,510
7	Working Capital	607,429		-673,989	-66,560 B/
8	<b>Total Additions</b>	<b>\$ 414,078,467</b>		<b>\$ 30,106,939</b>	<b>\$ 444,185,406</b>
	<b>Deductions:</b>				
9	Accumulated Depreciation	\$ 171,525,585		\$ 10,641,767	\$ 182,167,352
10	Accumulated Deferred Income Taxes	41,869,830		8,089,325	49,959,155
11	Customer Advances for Construction	66,196		727	66,923
12	Customer Deposits	3,809,495		182,739	3,992,234
13	Accumulated Interest on Customer Deposits	81,314		-23,077	58,237
14	Misc. Rate Base Adjustment - Settlement	0		0	6,582,062
15	<b>Total Deductions</b>	<b>\$ 217,352,420</b>		<b>\$ 18,891,481</b>	<b>\$ 242,825,963</b>
16	<b>Rate Base</b>	<b>\$ 196,726,047</b>		<b>\$ 11,215,458</b>	<b>\$ 201,359,443</b>

A/ Company Exhibit, Schedule THP-7.  
B/ Settlement Exhibit, Schedule 4.

**ATMOS ENERGY CORPORATION**  
Comparative Rate Base  
For the 12 Months Ending November 30, 2013

Line No.		CAPD A/	Company B/	Settlement Amount
<b>Additions:</b>				
1	Utility Plant in Service	\$ 422,567,115	\$ 427,140,830	\$ 427,140,830
2	Construction Work in Progress	4,590,230	5,049,268	5,049,268
3	Gas Inventory	5,841,058	5,841,058	5,841,058
4	Materials & Supplies	8,967	8,967	8,967
5	Deferred Rate Case Expense	383,333	383,333	383,333
6	Intercompany Leased Property	5,523,686	5,828,510	5,828,510
7	Working Capital	<u>82,840</u>	<u>652,972</u>	<u>-66,560</u>
8	<b>Total Additions</b>	<b>\$ <u>438,997,229</u></b>	<b>\$ <u>444,904,938</u></b>	<b>\$ <u>444,185,406</u></b>
<b>Deductions:</b>				
9	Accumulated Depreciation	\$ 186,503,024	\$ 182,167,352	\$ 182,167,352
10	Accumulated Deferred Income Taxes	64,322,474	49,959,155	49,959,155
11	Operating Reserves	561,249	0	0
12	Customer Advances for Construction	66,923	66,923	66,923
13	Customer Deposits	3,992,234	3,992,234	3,992,234
14	Accumulated Interest on Customer Deposits	58,237	58,237	58,237
15	Misc. Rate Base Adjustment - Settlement	<u>0</u>	<u>0</u>	<u>6,582,062</u>
16	<b>Total Deductions</b>	<b>\$ <u>255,504,141</u></b>	<b>\$ <u>236,243,901</u></b>	<b>\$ <u>242,825,963</u></b>
17	<b>Rate Base</b>	<b>\$ <u>183,493,088</u></b>	<b>\$ <u>208,661,037</u></b>	<b>\$ <u>201,359,443</u></b>

A/ CAPD Rate Base Workpaper RB-1.00.  
B/ Company Exhibit, Schedule THP-7.

ATMOS ENERGY CORPORATION  
Lead Lag Results  
For the 12 Months Ending November 30, 2013

Line No.		CAPD
1	Revenue Lag	36.48 A/
2	Expense Lag	36.68 B/
3	Net Lag	-0.20
4	Daily Cost of Service	\$ 330,642 B/
5	Lead Lag Study	\$ -66,174

A/ CAPD Rate Base Workpaper RB-40-1.00.  
B/ Settlement Exhibit, Schedule 5.



**ATMOS ENERGY CORPORATION**  
Working Capital Expense Lag  
For the 12 Months Ending November 30, 2013

Line No.		Amount A/	Lag B/	Dollar Days
	<b>Operating &amp; Maintenance Expenses:</b>			
1	Purchased Gas Expense	\$ 68,279,615	39.46	\$ 2,694,313,608
2	O&M Labor	3,732,632	14.14	52,779,416
3	O&M Non-Labor	15,122,891	22.78	344,499,457
	<b>Taxes Other Than Income:</b>			
4	Ad Valorem	3,270,467	241.50	789,817,781
5	State Gross Receipts Tax	1,319,687	-151.50	-199,932,581
6	Payroll Taxes	298,942	19.19	5,736,697
7	Franchise Tax	617,385	37.00	22,843,245
8	TRA Inspection Fee	422,746	272.00	114,986,912
9	DOT Fee	18,035	60.00	1,082,100
	<b>Allocated Taxes - Shared Services:</b>			
10	Ad Valorem	68,720	241.50	16,595,844
11	Payroll Taxes	219,424	19.19	4,210,749
	<b>Allocated Taxes - Business Unit:</b>			
12	Ad Valorem	41,376	241.50	9,992,222
13	Payroll Taxes	52,043	19.19	998,712
	<b>Federal Income Tax:</b>			
14	Current Taxes	0	37.00	0
15	Deferred Taxes	3,277,931	0.00	0
	<b>State Excise Taxes:</b>			
16	Current Taxes	0	37.00	0
17	Deferred Taxes	650,518	0.00	0
	<b>Other:</b>			
20	Depreciation Expense	10,870,894	0.00	0
21	Interest on Customer Deposits	129,748	15.50	2,011,094
22	Interest Expense - Long Term Debt	6,206,502	91.19	565,970,929
23	Interest Expense - Short Term Debt	33,998	24.05	817,641
24	Return on Equity	6,050,938	0.00	0
25	<b>Total Cost of Service</b>	<b>\$ 120,684,492</b>	<b>36.68</b>	<b>\$ 4,426,723,825</b>
26	<b>Daily Cost Of Service</b>	<b>\$ 330,642</b>		

A/ Settlement Exhibit, Schedule 6.  
B/ CAPD Rate Base Workpaper RB-40-1.00.

**ATMOS ENERGY CORPORATION**  
Income Statement at Current Rates  
For the 12 Months Ending November 30, 2013

Line No.		Test Period	A/	Adjustments	Settlement Amount
	<b>Operating Revenues:</b>				
1	Gas Sales & Transportation Revenues	\$ 120,398,800		\$ -1,055,455	\$ 119,343,345
2	Other Revenues	1,257,907		83,240	1,341,147
3	<b>Total Gas Revenue</b>	<b>\$ 121,656,707</b>		<b>\$ -972,215</b>	<b>\$ 120,684,492</b>
	<b>Operating &amp; Maintenance Expenses:</b>				
4	Purchased Gas Expense	\$ 69,266,324		\$ -986,709	\$ 68,279,615
5	Operations & Maintenance - Labor	3,740,002		-7,370	3,732,632
6	Operations & Maintenance - NonLabor	13,574,113		1,548,778	15,122,891
7	<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$ 86,580,439</b>		<b>\$ 554,699</b>	<b>\$ 87,135,138</b>
	<b>Other Expenses:</b>				
8	Depreciation Expense	\$ 10,216,011		\$ 654,883	\$ 10,870,894
9	Interest on Customer Deposits	123,809		5,939	129,748
10	General Taxes	6,224,968		103,857	6,328,825
11	State Excise Taxes	811,258		-160,740	650,518
12	Federal Income Taxes	4,070,732		-792,801	3,277,931
13	<b>Total Other Expenses</b>	<b>\$ 21,446,778</b>		<b>\$ -188,862</b>	<b>\$ 21,257,916</b>
14	<b>Total Operating Expenses</b>	<b>\$ 108,027,217</b>		<b>\$ 365,837</b>	<b>\$ 108,393,054</b>
15	<b>Utility Operating Income</b>	<b>\$ 13,629,490</b>		<b>\$ -1,338,052</b>	<b>\$ 12,291,438</b>

A/ Company Schedule THP-10.

**ATMOS ENERGY CORPORATION**  
Comparative Income Statement at Current Rates  
For the 12 Months Ending November 30, 2013

Line No.		CAPD A/	Company B/	Settlement C/
	<b>Operating Revenues:</b>			
1	Gas Sales & Transportation Revenues	\$ 119,343,345	\$ 120,925,697	\$ 119,343,345
2	Other Revenues	1,453,532	1,257,907	1,341,147
3	<b>Total Gas Revenue</b>	<u>\$ 120,796,877</u>	<u>\$ 122,183,604</u>	<u>\$ 120,684,492</u>
	<b>Operating &amp; Maintenance Expenses:</b>			
4	Purchased Gas Expense	\$ 68,279,615	\$ 69,266,324	\$ 68,279,615
5	Operations & Maintenance - Labor	3,732,632	3,857,085	3,732,632
6	Operations & Maintenance - NonLabor	15,122,891	17,012,671	15,122,891
7	<b>Total Operating &amp; Maintenance Expenses</b>	<u>87,135,138</u>	<u>90,136,080</u>	<u>87,135,138</u>
	<b>Other Expenses:</b>			
8	Depreciation Expense	\$ 10,870,894	\$ 10,620,298	\$ 10,870,894
9	Interest on Customer Deposits	129,748	129,748	129,748
10	General Taxes	6,328,825	6,262,934	6,328,825
11	State Excise Taxes	693,814	1,260,891	650,518
12	Federal Income Taxes	3,495,911	6,345,271	3,277,931
13	<b>Total Other Expenses</b>	<u>\$ 21,519,192</u>	<u>\$ 24,619,142</u>	<u>\$ 21,257,916</u>
14	<b>Total Operating Expenses</b>	<u>\$ 108,654,330</u>	<u>\$ 114,755,222</u>	<u>\$ 108,393,054</u>
15	<b>Utility Operating Income</b>	<u>\$ 12,142,547</u>	<u>\$ 7,428,382</u>	<u>\$ 12,291,438</u>

A/ CAPD Exhibit, Schedule 6.  
B/ Company Exhibit, Schedule THP-1.  
C/ Settlement Exhibit, Schedule 6.

**ATMOS ENERGY CORPORATION**  
Comparative Margin Summary  
For the 12 Months Ending November 30, 2013

Line No.	Customer Class	CAPD A/	Company B/	Settlement
1	Residential (210) / Public Housing (225)	\$ 26,216,179	\$ 26,809,914	\$ 26,216,179
2	Heating & Cooling (211)	598	725	598
3	Small Commercial & Industrial (220)	16,672,111	16,656,897	16,672,111
4	Experimental School (221)	74,599	69,243	74,599
5	Large Commercial & Industrial (230)	351,391	366,301	351,391
6	Demand/Commodity (240)	368,171	368,171	368,171
7	Interruptible (250)	568,144	568,144	568,144
8	Transportation (260)	6,228,516	6,235,956	6,228,516
9	Negotiated/Special Contract (291)	560,261	560,261	560,261
10	Cogeneration (292)	2,005	2,006	2,005
11	Large Tonnage Air Conditioning (293)	<u>21,755</u>	<u>21,755</u>	<u>21,755</u>
12	Total Sales & Transportation Revenue	\$ 51,063,730	\$ 51,659,373	\$ 51,063,730
13	Other Revenues	<u>1,453,532</u>	<u>1,257,907</u>	<u>1,341,147</u>
14	Total Revenues	\$ <u>52,517,262</u>	\$ <u>52,917,280</u>	\$ <u>52,404,877</u>

A/ CAPD Revenue Workpaper R-1.00.

B/ Company Response to MFR#12, Attachment #1, Schedule JCD-2.

**ATMOS ENERGY CORPORATION**  
Taxes Other than Income Taxes  
For the 12 Months Ending November 30, 2013

Line No.		<u>CAPD</u> A/	<u>Company</u> B/	<u>Settlement</u>
1	Property Taxes	\$ 3,270,467	\$ 3,307,000	\$ 3,270,467
2	TRA Inspection Fee	422,746	433,803	422,746
3	Payroll Taxes	298,942	280,781	298,942
4	Franchise Tax	617,385	602,000	617,385
5	Gross Receipts Tax	1,319,687	1,228,602	1,319,687
6	Allocated & Other Taxes	<u>399,598</u>	<u>399,598</u>	<u>399,598</u>
7	<b>Total</b>	<b>\$ <u>6,328,825</u></b>	<b>\$ <u>6,251,784</u></b>	<b>\$ <u>6,328,825</u></b>

A/ CAPD Expense Workpaper T-OTAX-0.  
B/ Company Exhibit, Schedule GW-3.

**ATMOS ENERGY CORPORATION**  
Excise and Income Taxes  
For the 12 Months Ending November 30, 2013

Line No.		Settlement
1	Operating Revenues	\$ <u>120,684,492</u> A/
	Operating Expenses:	
2	O&M Expenses	\$ 87,135,138 A/
3	Depreciation Expense	10,870,894 A/
4	Interest on Customer Deposits	129,748 A/
5	General Taxes	6,328,825 A/
6	Total Operating Expenses	\$ <u>104,464,605</u>
7	NOI Before Excise and Income Taxes	\$ 16,219,887
8	AFUDC	-28,577 B/
9	Interest Expense	6,240,500 C/
10	Pre-tax Book Income	\$ <u>10,007,964</u>
11	Schedule M Adjustments	10,007,964 D/
12	Excise Taxable Income	\$ 0
13	Excise Tax Rate	6.50%
14	Excise Tax Payable	\$ 0
15	Excise Tax - Deferred	650,518
16	State Excise Tax Expense	\$ <u>650,518</u>
17	Pre-tax Book Income	\$ 10,007,964
18	State Excise Tax Expense	650,518
19	Schedule M Adjustments	9,357,447 D/
20	FIT Taxable Income	\$ 0
21	FIT Rate	35.00%
22	Federal Income Tax Payable	\$ 0
23	ITC Amortization	2,825 E/
24	FIT - Deferred	3,275,106
25	Federal Income Tax Expense	\$ <u>3,277,931</u>

A/ Settlement Exhibit, Schedule 6.

B/ CAPD Expense Workpaper E-REC-1.

C/ Settlement Exhibit, Schedule 12.

D/ All Pre-tax book income assumed to be deferred.

E/ Company Schedule 10-1.

**ATMOS ENERGY CORPORATION**  
Income Statement at Proposed Rates  
For the 12 Months Ending November 30, 2013

Line No.		Current Rates A/	Settlement Rate Increase B/	Proposed Rates
	<b>Operating Revenues:</b>			
1	Gas Sales & Transportation Revenues	\$ 119,343,345	\$ 7,100,000	\$ 126,443,345
2	Other Revenues	1,341,147	134,176	1,475,323
3	<b>Total Gas Revenue</b>	<b>\$ 120,684,492</b>	<b>\$ 7,234,176</b>	<b>\$ 127,918,668</b>
	<b>Operating &amp; Maintenance Expenses:</b>			
4	Purchased Gas Expense	\$ 68,279,615	\$	\$ 68,279,615
5	Operations & Maintenance - Labor	3,732,632		3,732,632
6	Operations & Maintenance - NonLabor	15,122,891	17,124	15,140,015
7	<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$ 87,135,138</b>	<b>\$ 17,124</b>	<b>\$ 87,152,262</b>
	<b>Other Expenses:</b>			
8	Depreciation Expense	\$ 10,870,894	\$	\$ 10,870,894
9	Interest on Customer Deposits	129,748		129,748
10	General Taxes	6,328,825		6,328,825
11	State Excise Taxes	650,518	469,108	1,119,626
12	Federal Income Taxes	3,277,931	2,361,780	5,639,712
13	<b>Total Other Expenses</b>	<b>\$ 21,257,916</b>	<b>\$ 2,830,889</b>	<b>\$ 24,088,805</b>
14	<b>Total Operating Expenses</b>	<b>\$ 108,393,054</b>	<b>\$ 2,848,013</b>	<b>\$ 111,241,067</b>
15	<b>Utility Operating Income</b>	<b>\$ 12,291,438</b>	<b>\$ 4,386,163</b>	<b>\$ 16,677,601</b>

A/ Settlement Exhibit, Schedule 6.

B/ Settlement Exhibit, Schedule 1.

**ATMOS ENERGY CORPORATION**  
Rate of Return Summary  
For the 12 Months Ending November 30, 2013

Line No.	Class of Capital	Percent of Total	Settlement <sup>A/</sup>	
			Cost Rate	Weighted Cost Rate
1	Short-Term Debt	1.26%	1.34%	0.02%
2	Long-Term Debt	47.42%	6.50%	3.08%
3	Common Equity	51.32%	10.10% <sup>C/</sup>	5.18%
4	<b>Total</b>	<b>100.00%</b>		<b>8.28%</b>
<b>Interest Expense Short-Term Debt:</b>				
5	Rate Base			\$ 201,359,443 <sup>B/</sup>
6	Short-Term Weighted Debt Cost			0.02%
7	<b>Short-Term Debt Interest Expense</b>			<b>\$ 33,998</b>
<b>Interest Expense Long-Term Debt:</b>				
8	Rate Base			\$ 201,359,443 <sup>B/</sup>
9	Long-Term Weighted Debt Cost			3.08%
10	<b>Long-Term Debt Interest Expense</b>			<b>\$ 6,206,502</b>
11	<b>Total Interest Expense</b>			<b>\$ 6,240,500</b>

A/ Structure per Klein Exhibit, Page 2 of 17 and Company Schedule THP-9.

B/ CAPD Exhibit, Schedule 2.

C/ Settlement Return.



ATMOS ENERGY CORPORATION  
Revenue Conversion Factor  
For the 12 Months Ending November 30, 2013

Line No.		Settlement Amount	Balance
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.018898 A/	0.018898
3	Balance		1.018898
4	Uncollectible Ratio	0.002367 B/	0.002412
5	Balance		1.016486
6	State Excise Tax	0.065000 C/	0.066072
7	Balance		0.950415
8	Federal Income Tax	0.350000 C/	0.332645
9	Balance		0.617769
10	Revenue Conversion Factor (Line 1 / Line 9)		1.618726

A/ CAPD Revenue Workpaper R-96-2.00.  
B/ CAPD Expense Workpaper E-CA.  
C/ Statutory Rates.

**ATMOS ENERGY CORPORATION**  
CAPD Proposed Revenue Change  
For the 12 Months Ending November 30, 2013

Line No.	Customer Class	Current Rates A/	Settlement Proposed Rates	Settlement Revenue Change B/	Percent Change
1	Residential (210)	\$ 26,216,179	\$ 29,955,601	\$ 3,739,422	14.26%
2	Heating & Cooling (211)	598	699	101	16.89%
3	Small Commercial & Industrial (220)	16,672,111	18,992,948	2,320,837	13.92%
4	Experimental School (221)	74,599	84,257	9,658	12.95%
5	Large Commercial & Industrial (230)	351,391	419,042	67,651	19.25%
6	Demand/Commodity (240)	368,171	392,318	24,147	6.56%
7	Interruptible (250)	568,144	662,513	94,369	16.61%
8	Transportation (260)	6,228,516	7,069,368	840,852	13.50%
9	Negotiated/Special Contract (291)	560,261	560,261	0	0.00%
10	Cogeneration (292)	2,005	2,254	249	12.42%
11	Large Tonnage Air Conditioning (293)	<u>21,755</u>	<u>24,469</u>	<u>2,714</u>	<u>12.48%</u>
12	<b>Total Sales &amp; Transportation Revenue</b>	<b>\$ 51,063,730</b>	<b>\$ 58,163,730</b>	<b>\$ 7,100,000</b>	<b>13.90%</b>
13	Other Revenues	<u>1,341,147</u>	<u>1,475,323</u>	<u>134,176</u>	<u>10.00%</u>
14	<b>Total Revenues</b>	<b>\$ <u>52,404,877</u></b>	<b>\$ <u>59,639,053</u></b>	<b>\$ <u>7,234,176</u></b>	<b><u>13.80%</u></b>

A/ Settlement Exhibit, Schedule 8.

B/ Settlement Exhibit, Schedule 11.

**Docket 12-00064**

**ATMOS ENERGY CORPORATION**

**SETTLEMENT AGREEMENT**

**ATTACHMENT B**

**ATMOS ENERGY CORPORATION**  
For the 12 Months Ending November 30, 2013

Line No.	Customer Class	Current Rates	Proposed Rates	Revenue Change
1	Residential (210) / Public Housing (225)	\$ 26,216,179	\$ 29,955,600	\$ 3,739,421
2	Heating & Cooling (211)	598	699	101
3	Small Commercial & Industrial (220)	16,672,111	18,992,948	2,320,837
4	Experimental School (221)	74,599	84,257	9,658
5	Large Commercial & Industrial (230)	351,391	419,042	67,651
6	Demand/Commodity (240)	368,171	392,318	24,147
7	Interruptible (250)	568,144	662,513	94,369
8	Transportation (260)	6,228,516	7,069,368	840,852
9	Special Contract	560,261	560,261	0
10	Cogeneration (292)	2,005	2,254	249
11	Large Tonnage Air Conditioning (293)	<u>21,755</u>	<u>24,469</u>	<u>2,714</u>
12	<b>Total Sales &amp; Transportation Revenue</b>	<b>\$ 51,063,730</b>	<b>\$ 58,163,730</b>	<b>\$ 7,100,000</b>
13	Other Revenues	<u>1,341,147</u>	<u>1,341,147</u>	<u>0</u>
14	<b>Total Revenues</b>	<b>\$ <u>52,404,877</u></b>	<b>\$ <u>59,504,877</u></b>	<b>\$ <u>7,100,000</u></b>

**Docket 12-00064**

**ATMOS ENERGY CORPORATION**

**SETTLEMENT AGREEMENT**

**ATTACHMENT C**

PADUCAH CALENDAR HEATING DDD

CAPD NORMAL DAILY WEATHER (30 YEAR ENDING MARCH 2012)

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	28	25	21	12	4	0	0	0	0	3	9	24
2	28	26	20	10	4	0	0	0	0	4	13	22
3	28	27	23	9	5	0	0	0	0	4	15	22
4	28	28	20	12	4	0	0	0	0	4	16	23
5	30	30	18	12	2	0	0	0	0	4	16	25
6	28	29	18	12	3	0	0	0	0	5	16	26
7	30	29	18	10	2	0	0	0	0	5	14	28
8	29	18	10	2	0	0	0	0	0	5	13	25
9	29	28	20	12	1	0	0	0	0	4	13	26
10	30	27	21	10	2	0	0	0	0	5	14	26
11	29	27	19	7	2	0	0	0	0	6	16	26
12	28	29	17	8	2	0	0	0	0	5	17	27
13	29	27	16	8	2	0	0	0	0	6	17	26
14	30	24	16	8	2	0	0	0	0	7	16	24
15	32	25	15	8	2	0	0	0	1	6	17	25
16	29	26	16	8	2	0	0	0	1	6	19	28
17	29	26	14	8	2	0	0	0	1	7	19	27
18	32	24	13	7	2	0	0	0	0	8	17	28
19	33	23	14	5	1	0	0	0	1	9	15	29
20	32	20	15	5	1	0	0	0	1	9	15	29
21	31	20	16	6	1	0	0	0	2	8	18	27
22	30	21	15	5	1	0	0	0	2	9	18	27
23	28	22	13	6	1	0	0	0	3	9	19	29
24	29	23	13	5	1	0	0	0	3	10	21	32
25	31	23	13	4	1	0	0	0	3	9	20	34
26	31	22	13	5	1	0	0	0	3	9	18	32
27	30	22	12	5	1	0	0	0	3	10	18	28
28	29	23	11	5	0	0	0	0	2	11	21	27
29	26	5	12	4	1	0	0	0	4	10	20	27
30	30	13	3	0	0	0	0	0	3	9	21	27
31	28	13	0	0	0	0	0	0	0	8	26	
Calendar Total	913	708	495	227	53	2	0	1	34	214	499	827

PADUCAH CALENDAR HEATING DDD

NOAA 30 YEAR NORMAL DAILY WEATHER (1981 - 2010)

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	29	30	21	13	4	1	0	0	0	4	12	23
2	28	29	21	12	4	1	0	0	0	4	12	24
3	29	29	21	12	4	1	0	0	0	4	12	24
4	30	29	21	11	3	1	0	0	0	5	12	24
5	31	28	20	11	3	0	0	0	0	5	13	25
6	31	28	20	11	3	0	0	0	0	5	13	25
7	31	28	20	10	3	0	0	0	0	5	14	26
8	31	28	19	10	3	0	0	0	0	6	14	26
9	31	27	19	10	3	0	0	0	0	6	14	26
10	31	27	19	10	3	0	0	0	0	6	15	26
11	31	27	18	9	3	0	0	0	0	6	15	27
12	31	27	18	9	2	0	0	0	0	6	15	27
13	31	26	18	9	2	0	0	0	1	7	16	27
14	31	26	17	9	2	0	0	0	1	7	16	28
15	31	28	17	8	2	0	0	0	1	7	17	28
16	31	26	17	8	2	0	0	0	1	7	17	28
17	31	25	17	8	2	0	0	0	1	7	17	28
18	31	25	16	7	2	0	0	0	1	8	18	28
19	31	25	16	7	2	0	0	0	1	8	18	29
20	31	24	16	7	2	0	0	0	2	8	19	29
21	30	24	15	7	1	0	0	0	2	8	19	29
22	30	24	15	6	1	0	0	0	2	9	20	29
23	30	23	16	6	1	0	0	0	2	9	20	29
24	30	23	14	6	1	0	0	0	2	9	20	29
25	30	23	14	5	1	0	0	0	3	9	21	30
26	30	22	14	5	1	0	0	0	3	10	21	30
27	30	22	14	5	1	0	0	0	3	10	22	30
28	30	22	13	5	1	0	0	0	3	10	22	30
29	30	22	13	4	0	0	0	0	4	11	23	30
30	30	13	0	0	0	0	0	0	5	11	23	30
31	29	12	0	0	1	0	0	0	1	11	23	30
Calendar Total	942	745	523	245	64	4	0	1	38	228	510	854

TO BE USED IN BILLING

PADUCAH CALENDAR HEATING DDD

SMOOTHED CAPD NORMAL DAILY WEATHER (30 YEAR ENDING MARCH 2012)

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	28	29	20	12	3	1	0	0	0	4	12	22
2	28	28	20	11	3	1	0	0	0	4	12	23
3	28	28	20	11	3	1	0	0	0	4	12	23
4	29	28	20	10	2	1	0	0	0	5	12	23
5	30	27	19	10	2	0	0	0	0	5	13	24
6	30	27	19	10	2	0	0	0	0	5	13	24
7	30	27	19	9	2	0	0	0	0	5	14	25
8	30	27	18	9	2	0	0	0	0	6	14	25
9	30	26	18	9	2	0	0	0	0	6	14	25
10	30	26	18	9	2	0	0	0	0	6	15	25
11	30	26	17	8	2	0	0	0	0	6	15	26
12	30	26	17	8	2	0	0	0	0	6	15	26
13	30	25	17	8	2	0	0	0	0	7	16	26
14	30	25	16	8	2	0	0	0	1	7	16	27
15	30	25	16	7	2	0	0	0	1	7	17	27
16	30	25	16	7	2	0	0	0	1	7	17	27
17	30	24	16	7	2	0	0	0	1	7	17	27
18	30	24	15	6	2	0	0	0	1	8	18	27
19	30	24	15	6	2	0	0	0	1	8	18	28
20	30	23	15	6	2	0	0	0	2	8	19	28
21	29	23	14	6	1	0	0	0	2	8	19	28
22	29	23	14	6	1	0	0	0	2	8	20	28
23	29	22	14	6	1	0	0	0	2	8	20	28
24	29	22	13	6	1	0	0	0	2	8	20	28
25	29	22	13	5	1	0	0	0	3	8	21	29
26	29	21	13	5	1	0	0	0	3	9	21	29
27	29	21	13	5	1	0	0	0	3	9	22	29
28	29	21	12	5	1	0	0	0	3	9	22	29
29	29	21	12	5	1	0	0	0	4	10	23	29
30	29	12	4	0	0	0	0	0	4	10	23	29
31	28	11	0	0	1	0	0	1	1	10	23	29
Calendar Total	913	708	495	227	53	2	0	1	34	214	499	827

BRISTOL CALENDAR HEATING DDD

CAPD NORMAL DAILY WEATHER (30 YEAR ENDING MARCH 2012)

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	26	26	22	14	4	1	0	0	0	6	11	23
2	27	26	21	13	5	1	0	0	0	5	12	24
3	27	26	21	12	5	0	0	0	0	5	14	23
4	27	28	20	12	6	0	0	0	0	5	16	25
5	28	30	19	13	5	1	0	0	1	5	17	25
6	28	28	18	13	5	1	0	0	0	6	18	27
7	28	28	19	14	4	1	0	0	0	7	17	27
8	29	29	19	12	4	0	0	0	0	7	17	27
9	29	28	20	13	4	0	0	0	0	5	16	26
10	29	27	22	12	3	0	0	0	0	5	16	24
11	30	27	21	10	3	0	0	0	0	5	18	25
12	29	26	19	10	3	0	0	0	0	7	18	26
13	28	28	18	11	3	0	0	0	0	7	19	25
14	30	26	17	8	3	0	0	0	1	8	18	25
15	30	24	17	8	3	0	0	0	1	9	17	24
16	30	25	17	10	4	0	0	0	2	9	18	26
17	29	26	18	11	4	0	0	0	2	9	20	26
18	29	25	16	9	4	0	0	0	1	10	19	27
19	31	23	16	9	4	0	0	0	1	10	18	28
20	32	22	16	7	3	0	0	0	1	11	17	29
21	32	19	18	7	2	0	0	0	1	11	19	28
22	30	21	18	8	3	0	0	0	2	11	20	27
23	29	21	16	8	2	0	0	0	3	11	20	27
24	29	23	15	7	2	0	0	0	3	10	19	29
25	31	24	14	7	1	0	0	0	3	11	19	31
26	30	24	14	6	1	0	0	0	3	10	19	31
27	31	23	13	7	2	0	0	0	3	11	18	28
28	28	22	12	8	2	0	0	0	4	12	18	26
29	27	6	13	7	2	0	0	0	5	13	21	27
30	25		12	5	1	0	0	0	5	11	22	27
31	26		14		1	0	0	0		11		26
Calendar Total	893	711	535	291	97	7	0	1	43	265	531	816

BRISTOL CALENDAR HEATING DDD

NOAA 30 YEAR NORMAL DAILY WEATHER (1981 - 2010)

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	30	29	22	14	7	2	0	0	0	5	14	23
2	30	29	22	14	6	2	0	0	0	5	14	24
3	30	28	22	13	6	1	0	0	0	5	14	24
4	30	28	22	13	5	1	0	0	0	6	15	25
5	30	28	21	13	5	1	0	0	0	6	15	25
6	30	28	21	13	5	1	0	0	0	6	15	25
7	30	28	21	12	5	1	0	0	0	7	15	25
8	30	28	20	12	5	1	0	0	0	7	16	26
9	30	27	20	12	5	1	0	0	0	7	16	26
10	30	27	20	12	4	0	0	0	1	7	16	26
11	30	27	20	11	4	0	0	0	1	8	17	26
12	30	27	19	11	4	0	0	0	1	8	17	27
13	30	26	19	11	4	0	0	0	1	8	17	27
14	30	26	19	11	4	0	0	0	1	9	18	27
15	30	26	19	10	4	0	0	0	1	9	18	27
16	30	26	18	10	3	0	0	0	1	9	18	28
17	30	26	18	10	3	0	0	0	2	9	19	28
18	30	25	18	9	3	0	0	0	2	10	19	28
19	30	25	18	9	3	0	0	0	2	10	20	28
20	30	25	17	9	3	0	0	0	2	10	20	28
21	30	25	17	9	3	0	0	0	2	11	20	28
22	30	24	17	8	3	0	0	0	3	11	21	29
23	30	24	16	8	2	0	0	0	3	11	21	29
24	30	24	16	8	2	0	0	0	3	11	21	29
25	30	23	16	8	2	0	0	0	3	12	22	29
26	30	23	16	7	2	0	0	0	4	12	22	29
27	29	23	15	7	2	0	0	0	4	12	22	29
28	29	23	15	7	2	0	0	0	4	12	23	29
29	29	23	15	7	1	0	0	0	5	13	23	29
30	29	15	6	1	1	0	0	0	6	13	23	30
31	28	14			1	0	0	1		13		30
Calendar Total	925	751	569	304	109	11	0	1	52	282	551	843

TO BE USED IN BILLING

BRISTOL CALENDAR HEATING DDD

SMOOTHED CAPD NORMAL DAILY WEATHER (30 YEAR ENDING MARCH 2012)

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	29	27	21	13	6	1	0	0	0	5	13	22
2	29	27	21	13	5	1	0	0	0	5	13	23
3	29	27	21	12	5	1	0	0	0	5	13	23
4	29	27	21	12	4	1	0	0	0	6	14	24
5	29	27	20	12	4	1	0	0	0	6	14	24
6	29	27	20	12	4	1	0	0	0	6	14	24
7	29	27	20	11	4	1	0	0	0	7	14	24
8	29	27	19	11	4	1	0	0	0	7	15	25
9	29	26	19	11	4	1	0	0	0	7	15	25
10	29	26	19	11	4	0	0	0	1	7	15	25
11	29	26	19	11	4	0	0	0	1	8	16	25
12	29	26	18	11	4	0	0	0	1	8	16	26
13	29	25	18	11	4	0	0	0	1	8	16	26
14	29	25	18	11	4	0	0	0	1	8	17	26
15	29	25	18	10	4	0	0	0	1	8	17	26
16	29	25	17	10	3	0	0	0	1	8	17	27
17	29	25	17	10	3	0	0	0	2	8	18	27
18	29	24	17	9	3	0	0	0	2	9	18	27
19	29	24	17	9	3	0	0	0	2	9	19	27
20	29	24	16	9	3	0	0	0	2	9	19	27
21	29	24	16	9	3	0	0	0	2	10	18	27
22	29	23	16	8	3	0	0	0	2	10	20	28
23	29	23	15	8	2	0	0	0	2	10	20	28
24	29	23	15	8	2	0	0	0	2	10	20	28
25	29	22	15	8	2	0	0	0	2	11	21	28
26	29	22	15	7	2	0	0	0	3	11	21	28
27	28	22	14	7	2	0	0	0	3	11	21	28
28	28	22	14	7	2	0	0	0	3	11	22	28
29	28	22	14	7	1	0	0	0	4	12	22	28
30	28		14	6	1	0	0	0	5	12	22	29
31	28		13		1	0	0	1		12		29
Calendar Total	893	711	535	291	97	7	0	1	43	265	531	816

KNOXVILLE CALENDAR HEATING DDD

CAPO NORMAL DAILY WEATHER (30 YEAR ENDING MARCH 2012)

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	24	23	19	11	3	1	0	0	0	3	8	21
2	25	22	18	11	3	0	0	0	0	3	10	21
3	25	23	19	10	4	0	0	0	0	3	12	21
4	25	25	18	9	5	0	0	0	0	3	13	22
5	25	27	18	11	4	0	0	0	0	3	14	23
6	25	26	15	10	3	0	0	0	0	4	16	24
7	24	26	15	11	3	0	0	0	0	5	14	24
8	27	26	15	9	2	0	0	0	0	5	14	24
9	26	25	17	10	2	0	0	0	0	4	13	22
10	26	24	19	9	2	0	0	0	0	4	14	21
11	27	24	18	7	2	0	0	0	0	4	15	22
12	26	25	16	7	2	0	0	0	0	5	16	23
13	26	25	14	7	2	0	0	0	0	5	16	23
14	27	22	14	6	1	0	0	0	0	5	16	23
15	27	22	14	6	1	0	0	0	0	6	15	22
16	28	21	13	8	2	0	0	0	1	7	16	23
17	27	23	14	8	2	0	0	0	0	7	18	23
18	27	22	13	7	2	0	0	0	0	7	16	25
19	28	20	12	6	2	0	0	0	0	8	15	25
20	29	18	13	5	1	0	0	0	1	8	14	26
21	29	17	14	5	1	0	0	0	1	7	16	25
22	27	19	15	5	1	0	0	0	1	8	17	25
23	27	18	13	6	1	0	0	0	2	9	17	26
24	26	20	12	6	1	0	0	0	2	8	17	27
25	26	21	11	5	1	0	0	0	2	9	17	28
26	28	20	11	5	1	0	0	0	1	8	17	28
27	28	19	10	5	1	0	0	0	2	10	16	25
28	25	19	10	5	1	0	0	0	2	11	16	24
29	23	6	10	5	1	0	0	0	2	11	20	26
30	23	6	10	3	1	0	0	0	3	9	20	25
31	24		12	1				0		8		23
Calendar Total	612	627	444	216	57	2	0	0	21	194	457	742

KNOXVILLE CALENDAR HEATING DDD

NOAA 30 YEAR NORMAL DAILY WEATHER (1981 - 2010)

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	26	26	20	11	4	1	0	0	0	3	10	21
2	27	25	19	11	4	1	0	0	0	3	11	21
3	27	25	18	10	3	1	0	0	0	3	11	21
4	27	25	18	10	3	1	0	0	0	3	12	22
5	27	25	18	10	3	0	0	0	0	3	12	22
6	27	25	18	10	3	0	0	0	0	4	12	22
7	27	25	17	9	3	0	0	0	0	4	12	22
8	27	24	17	9	3	0	0	0	0	4	13	23
9	27	24	17	9	3	0	0	0	0	4	13	23
10	27	24	16	8	2	0	0	0	0	5	14	23
11	27	24	16	8	2	0	0	0	0	5	14	24
12	27	23	16	8	2	0	0	0	0	5	14	24
13	27	23	16	8	2	0	0	0	0	5	15	24
14	27	23	15	8	2	0	0	0	0	6	15	24
15	27	23	15	7	2	0	0	0	0	6	15	24
16	27	22	15	7	2	0	0	0	1	6	16	25
17	27	22	15	7	2	0	0	0	1	6	16	25
18	27	22	14	7	2	0	0	0	1	7	16	25
19	27	22	14	6	1	0	0	0	1	7	17	25
20	27	21	14	6	1	0	0	0	1	7	17	25
21	27	21	13	6	1	0	0	0	1	8	17	25
22	27	21	13	6	1	0	0	0	1	8	18	26
23	27	21	13	5	1	0	0	0	1	8	18	26
24	27	20	13	5	1	0	0	0	1	8	18	26
25	26	20	12	5	1	0	0	0	2	9	19	26
26	26	20	12	5	1	0	0	0	2	9	19	26
27	26	19	12	5	1	0	0	0	2	9	19	26
28	26	19	12	4	1	0	0	0	2	9	20	26
29	26	19	11	4	1	0	0	0	3	10	20	26
30	26	11	3	0	0	0	0	0	3	11	20	27
31	26	11	0	0	0	0	0	0		11		27
Calendar Total	620	653	461	218	58	4	0	0	23	196	462	752

TO BE USED IN BILLING

KNOXVILLE CALENDAR HEATING DDD

SMOOTHED CAPD NORMAL DAILY WEATHER (30 YEAR ENDING MARCH 2012)

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	25	25	19	11	4	1	0	0	0	3	10	21
2	26	24	18	11	4	1	0	0	0	3	11	21
3	26	24	17	10	3	1	0	0	0	3	11	21
4	26	24	17	10	3	1	0	0	0	3	12	22
5	26	24	17	10	3	0	0	0	0	3	12	22
6	26	24	17	10	3	0	0	0	0	4	12	22
7	26	24	16	9	3	0	0	0	0	4	12	22
8	26	23	16	9	3	0	0	0	0	4	13	23
9	26	23	16	9	3	0	0	0	0	4	13	23
10	26	23	15	9	2	0	0	0	0	5	13	23
11	26	23	15	8	2	0	0	0	0	5	14	24
12	26	22	15	8	2	0	0	0	0	5	14	24
13	26	22	15	8	2	0	0	0	0	5	15	24
14	26	22	14	8	2	0	0	0	0	6	15	24
15	26	22	14	7	2	0	0	0	0	6	15	24
16	26	21	14	7	2	0	0	0	1	6	16	25
17	26	21	14	7	2	0	0	0	1	6	16	25
18	26	21	13	7	2	0	0	0	1	7	16	25
19	26	21	13	6	1	0	0	0	1	7	17	25
20	26	20	13	6	1	0	0	0	1	7	17	25
21	26	20	13	6	1	0	0	0	1	8	17	25
22	26	20	13	6	1	0	0	0	1	8	18	26
23	26	20	13	5	1	0	0	0	1	8	18	26
24	26	19	13	5	1	0	0	0	1	8	18	26
25	25	19	12	5	1	0	0	0	2	9	19	26
26	25	19	12	5	1	0	0	0	2	9	19	26
27	25	18	12	5	1	0	0	0	2	9	19	26
28	25	18	12	4	1	0	0	0	2	9	20	26
29	25	18	11	4	1	0	0	0	3	10	20	26
30	25	11	3	0	0	0	0	0	3	11	20	27
31	25	11	0	0	0	0	0	0		11		27
Calendar Total	612	627	444	216	57	2	0	0	21	194	457	742



NASHVILLE CALENDAR HEATING DDD  
CAPD NORMAL DAILY WEATHER (30 YEAR ENDING MARCH 2012)

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	25	22	19	11	3	0	0	0	0	3	8	21
2	25	22	17	9	3	0	0	0	0	3	10	21
3	25	24	19	8	4	0	0	0	0	3	12	20
4	25	26	17	10	4	0	0	0	0	3	13	21
5	26	27	17	11	3	0	0	0	0	3	13	23
6	25	26	16	11	2	0	0	0	0	4	15	24
7	25	26	16	9	2	0	0	0	0	5	13	24
8	27	25	16	8	2	0	0	0	0	4	12	22
9	26	25	17	10	2	0	0	0	0	4	12	21
10	25	25	19	9	2	0	0	0	0	4	13	23
11	27	24	17	6	1	0	0	0	0	4	14	23
12	25	26	16	6	1	0	0	0	0	4	16	24
13	25	25	14	7	2	0	0	0	0	4	15	23
14	27	22	14	6	2	0	0	0	0	5	14	22
15	26	22	14	7	2	0	0	0	0	5	14	22
16	27	22	14	7	2	0	0	0	0	6	16	24
17	26	23	13	8	2	0	0	0	0	6	17	23
18	28	21	12	6	2	0	0	0	0	6	18	25
19	30	21	13	5	1	0	0	0	0	8	13	25
20	29	18	13	5	1	0	0	0	0	8	14	26
21	29	16	15	5	1	0	0	0	1	7	18	25
22	27	19	14	5	1	0	0	0	2	7	17	25
23	26	19	12	5	0	0	0	0	2	7	16	26
24	26	20	12	5	0	0	0	0	2	8	17	28
25	28	21	11	4	1	0	0	0	1	8	16	31
26	28	20	11	4	0	0	0	0	2	8	15	29
27	28	19	10	5	0	0	0	0	2	9	15	23
28	26	20	9	5	0	0	0	0	2	10	17	23
29	24	5	10	4	1	0	0	0	2	9	19	24
30	25	11	11	3	1	0	0	0	2	8	19	24
31	25	11	11	0	0	0	0	0	2	6	22	22
Calendar Total	817	631	438	203	49	1	0	0	20	176	436	736

NASHVILLE CALENDAR HEATING DDD  
NOAA 30 YEAR NORMAL DAILY WEATHER (1981 - 2010)

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	26	26	19	11	4	1	0	0	0	2	9	20
2	26	26	19	11	3	1	0	0	0	3	11	21
3	27	26	19	10	3	1	0	0	0	3	11	22
4	27	26	19	10	3	0	0	0	0	3	11	22
5	27	26	18	10	3	0	0	0	0	4	12	22
6	28	25	18	10	3	0	0	0	0	4	12	22
7	28	25	18	9	3	0	0	0	0	4	12	23
8	28	25	18	9	3	0	0	0	0	4	13	23
9	28	25	17	9	2	0	0	0	0	4	13	23
10	28	25	17	8	2	0	0	0	0	5	14	24
11	28	24	17	8	2	0	0	0	0	5	14	24
12	28	24	16	8	2	0	0	0	0	5	14	24
13	28	24	16	8	2	0	0	0	0	5	14	24
14	28	24	16	8	2	0	0	0	0	6	15	25
15	28	23	16	7	2	0	0	0	0	6	15	25
16	28	23	15	7	2	0	0	0	1	6	15	25
17	28	23	15	7	2	0	0	0	1	6	16	25
18	28	23	15	7	2	0	0	0	1	7	16	25
19	28	22	14	6	1	0	0	0	1	7	17	26
20	27	22	14	6	1	0	0	0	1	7	17	26
21	27	22	14	6	1	0	0	0	1	7	17	26
22	27	21	14	6	1	0	0	0	1	8	18	26
23	27	21	13	5	1	0	0	0	1	8	18	26
24	27	21	13	5	1	0	0	0	2	8	18	26
25	27	21	13	5	1	0	0	0	2	8	19	26
26	27	20	12	5	1	0	0	0	2	9	19	27
27	27	20	12	4	1	0	0	0	2	9	19	27
28	27	20	12	4	1	0	0	0	2	9	20	27
29	27	20	12	4	1	0	0	0	2	9	20	27
30	27	11	3	1	0	0	0	0	4	10	21	27
31	26	11	0	0	0	0	0	0	4	10	21	27
Calendar Total	848	673	473	217	57	3	0	0	24	191	459	763

TO BE USED IN BILLING  
NASHVILLE CALENDAR HEATING DDD  
SMOOTHED CAPD NORMAL DAILY WEATHER (30 YEAR ENDING MARCH 2012)

DAY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	25	24	18	10	3	0	0	0	0	3	9	19
2	25	24	18	10	3	0	0	0	0	3	10	20
3	26	24	18	9	3	0	0	0	0	3	10	21
4	26	24	18	9	3	0	0	0	0	3	10	21
5	26	24	17	9	3	0	0	0	0	4	11	21
6	27	23	17	9	3	0	0	0	0	4	11	21
7	27	23	17	8	3	0	0	0	0	4	11	22
8	27	23	17	8	3	0	0	0	0	4	12	22
9	27	23	16	8	2	0	0	0	0	4	12	22
10	27	23	16	8	2	0	0	0	0	5	12	23
11	27	23	16	7	2	0	0	0	0	5	13	23
12	27	23	15	7	2	0	0	0	0	5	13	23
13	27	23	15	7	2	0	0	0	0	5	13	23
14	27	23	15	7	2	0	0	0	0	6	14	24
15	27	22	15	7	2	0	0	0	0	6	14	24
16	27	22	14	7	2	0	0	0	1	6	14	24
17	27	22	14	7	2	0	0	0	1	6	15	24
18	27	22	14	7	2	0	0	0	1	6	15	24
19	27	21	13	6	1	0	0	0	1	6	16	25
20	26	21	13	6	1	0	0	0	1	6	16	25
21	26	21	13	6	1	0	0	0	1	6	16	25
22	26	20	13	6	1	0	0	0	1	7	17	25
23	26	20	12	5	1	0	0	0	1	7	17	25
24	26	20	12	5	1	0	0	0	2	7	17	25
25	26	20	12	5	1	0	0	0	2	7	18	25
26	26	19	11	5	1	0	0	0	2	8	18	26
27	26	19	11	4	1	0	0	0	2	8	18	26
28	26	19	11	4	1	0	0	0	2	8	19	26
29	26	19	11	4	1	0	0	0	2	8	19	26
30	26	10	3	1	0	0	0	0	3	9	20	26
31	25	10	0	0	0	0	0	0	3	9	20	26
Calendar Total	817	631	438	203	49	1	0	0	20	176	436	736

**Docket 12-00064**

**ATMOS ENERGY CORPORATION**

**SETTLEMENT AGREEMENT**

**ATTACHMENT D**

Atmos Energy Corp - Tennessee Distribution System

Docket No. 12-00064

Rate Design

Line No.	Description	Current		Proposed	
		Monthly Customer chg	Commodity Charge/Ccf	Monthly Customer chg	Commodity Charge/Ccf
1	<u>Rate Schedule 210/225</u>				
2	210/225 SUMMER	\$10.50	\$0.1347	13.85	0.1227
3	210/225 WINTER (weather sensitive)	\$13.50	\$0.1347	16.85	0.1227
4	210/225 SR CIT	\$0.00	\$0.1347	0.00	0.1227
5					
6					
7	<u>Rate Schedule 211</u>				
8	211 HVAC	\$10.50	\$0.0711	13.85	0.0719
9					
10	<u>Rate Schedule 220</u>				
11	220 COM/IND GS	\$30.00	\$0.2073	35.00	0.2332
12	220 TRANSP	\$310.00	\$0.2073	425.00	0.2332
13					
14					
15	<u>Rate Schedule 221</u>				
16	221 EXPERIMENTAL SGS	\$30.00	\$0.0996	35.00	0.1134
17					
18	<u>Rate Schedule 230</u>				
19	230 LRG COM/IND/TRANS	\$200.00	\$0.1831	375.00	0.2036
20	230 TRANSP	\$310.00	\$0.1831	425.00	0.2036
21					
22					
23	<u>Rate Schedule 240/250/280/292/293</u>				
24	240/250 DEMAND/COMM GS	\$310.00		425.00	
25	Block 1 Volumes		\$0.1015		0.1141
26	Block 2 Volumes		\$0.0672		0.0755
27	Block 3 Volumes		\$0.0311		0.0349
28	280 ECONOMIC DEV GS (240/250)	\$310.00		425.00	
29	Block 1 Volumes		\$0.0761		0.0856
30	Block 2 Volumes		\$0.0504		0.0566
31	Block 3 Volumes		\$0.0233		0.0262
32	260 - TRANSP (280/250 ECON DEV - OPT GS)	\$310.00		425.00	
33	Block 1 Volumes		\$0.1015		0.1141
34	Block 2 Volumes		\$0.0672		0.0755
35	Block 3 Volumes		\$0.0311		0.0566
36	292/293 CNG/LRG TONN HVAC GS	\$30.00		35.00	
37	Block 1 Volumes		\$0.1015		0.1141
38	Block 2 Volumes		\$0.0672		0.0755
39	Block 3 Volumes		\$0.0311		0.0349

**Docket 12-00064**

**ATMOS ENERGY CORPORATION**

**SETTLEMENT AGREEMENT**

**ATTACHMENT E**

## RESIDENTIAL GAS SERVICE

Schedule 210: All Service AreasAvailability

Residential service is available within the Company's service area to single private residences, including the separate private units of apartment houses and other multiple dwellings, actually used for residential purposes, which are separately metered.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area.

Customer Charge

A monthly customer charge of ~~\$13.50~~ \$16.85 for the months of October through April is payable regardless of the usage of gas.

A customer charge of ~~\$10.50~~ \$13.85 for the months of May through September is payable regardless of the usage of gas.

Monthly

All consumption, per Ccf    ~~\$13.47~~ \$.1227

Minimum Bill

The minimum net monthly bill shall be the customer charge per month as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Gas Lights

For all gas light services, the charge for such services shall be based on actual usage through a metered source at this tariff rate. For all unmetered gas light services prior to August 17, 1990 the customer will be billed for twenty (20) Ccf per standard residential gas light. For all unmetered gas light service after August 17, 1990 the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

RESIDENTIAL AND SMALL COMMERCIAL/INDUSTRIAL  
HEATING AND COOLING SERVICESchedule 211: All Service AreasAvailability

This service is available within the Company service area to single private residences, including the separate private units of apartment houses and other multiple dwellings, actually used for residential purposes, which are separately metered and which utilize natural gas for heating and cooling the conditioned space. This schedule is also available within the Company's service area to commercial/industrial customers using less than 5,000 Ccf per year and which utilize natural gas for heating and cooling the conditioned space. Cooling equipment must have a COP greater than 0.7. Any additional gas measured through this single meter will be billed at this rate.

This service is intended to assist in the development of natural gas heating and cooling technologies. This rate is designed to significantly increase energy savings which will improve the economics of the technology. This service will cease when either of the following criteria has been met.

- 1) One hundred customers have qualified for this service
- 2) The service expires for new customers ten years after November 15, 1995.

Customers that have qualified for this service prior to the expiration date will continue to receive service under this rate schedule as long as natural gas is utilized for both heating and cooling.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area.

Customer Charge

A monthly customer charge of ~~\$10.50~~ \$13.85 is payable regardless of the usage of gas.

Monthly

All consumption, per Ccf     ~~\$.0711~~ \$.0719

Minimum Bill

The minimum net monthly bill shall be the customer charge per month as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

## COMMERCIAL/INDUSTRIAL GAS SERVICE

Schedule 220: All Service AreasAvailability

This schedule is available within the Company's service area to commercial/industrial customers using less than 135,000 Ccf per year for any purpose at the option of the Company, to the extent gas is available. This schedule is not available to residences, apartment or federal housing projects.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or such higher delivery pressure as agreed upon by customer and Company.

Customer Charge

A monthly customer charge of ~~\$30.00~~ \$35.00 is payable regardless of the usage of gas.

Monthly Rate

All Consumption, per Ccf ~~\$-2073~~ \$.2332

Minimum Bill

The minimum net monthly bill shall be the customer charge per meter as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Gas Lights

For all metered gas light services under this tariff, the charge for such service shall be based on actual usage through a metered source at this tariff rate. It shall be within the Company's discretion whether a gas light should be metered, however if the gas light is unmetered, the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

## EXPERIMENTAL SCHOOL GAS SERVICE

Schedule 221: All Service AreasAvailability

This service is available to existing or new state, county, city, and private educational institutions or universities eligible for accreditation by the Southern Association of Secondary Schools and Colleges utilizing natural gas through a single meter for primary heating and cooling of the conditioned space. Any additional gas measured through this single meter will be billed at this rate. Gas cooling equipment must have a coefficient of performance (COP) greater than 0.7.

This service is intended to assist in the development of the natural gas cooling market. This rate is designed to significantly increase energy savings which improves the economics of natural gas cooling. This service is experimental and will cease when any one of the following criteria has been met.

1. Ten (10) schools have qualified for this service.
2. 250,000 Mcf per year of estimated gas consumption has qualified for this service.
3. The experimental service expires on October 1, 2002.

Schools that have qualified for this service prior to October 1, 2002 will continue to receive service under this rate schedule as long as natural gas is utilized for both heating and cooling.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or such higher delivery pressure as agreed upon by customer and Company.

Customer Charge

A monthly customer charge of ~~\$30.00~~ \$35.00 is payable regardless of the usage of gas.

Monthly Rate

All Consumption, per Ccf    ~~\$-.0996~~ \$.1134

Minimum Bill

The minimum net monthly bill shall be the customer charge per meter as described above.



## PUBLIC HOUSING AUTHORITY GAS SERVICE

Schedule 225: All Service AreasAvailability

This service is available within the Company's service area to any customer in a housing project using gas primarily for domestic purposes and under the ownership and control of a public housing authority or other governmental agency, which are master metered.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area.

Customer Charge

A monthly customer charge of ~~\$13.50~~ \$16.85 for the months of October through April is payable regardless of the usage of gas.

A customer charge of ~~\$10.50~~ \$13.85 for the months of May through September is payable regardless of the usage of gas.

Minimum Bill

The minimum net monthly bill shall be the customer charge as described above.

Monthly Rate

All consumption, per Ccf    ~~\$1.347~~ \$.1227

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

## LARGE COMMERCIAL/INDUSTRIAL GAS SERVICE

Schedule 230: All Service AreasAvailability

This service is available within the Company's service area to any commercial/industrial customers using more than 135,000 Ccf per year for any purpose at the option of the Company, to the extent gas is available.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or at such higher delivery pressure as agreed upon by Customer and Company. Service under this rate schedule may be terminated by either party following twelve (12) months notice to the other party.

Customer Charge

A monthly customer charge of ~~\$200.00~~ \$375.00 is payable regardless of the usage of gas.

Monthly Rate

All Consumption, per Ccf ~~\$1.831~~ \$.2036

Minimum Bill

The minimum net monthly bill shall be the customer charge per meter as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Gas Lights

For all metered gas light services under this tariff, the charge for such service shall be based on actual usage through a metered source at this tariff rate. It shall be within the Company's discretion whether a gas light should be metered, however if the gas light is unmetered, the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

## DEMAND/COMMODITY GAS SERVICE

Schedule 240: All Service AreasAvailability

This service is available within the Company's service area to any commercial/industrial customers using at least 270,000 Ccf per year for any purpose at the option of the Company, to the extent gas is available.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or at such higher delivery pressure as agreed upon by Customer and Company. Service under this rate schedule may be terminated by either party following twelve (12) months notice to the other party.

Customer Charge

A monthly Customer Charge of ~~\$310.00~~-\$425.00 is payable regardless of the usage of gas.

Monthly RateDemand Charge

Per Unit of Billing Demand \$1.6283 per Ccf

Commodity Charge

First	20,000	Ccf Per Month	<del>\$.1015</del> \$.1141
Next	480,000	Ccf Per Month	<del>\$.0672</del> \$.0755
Over	500,000	Ccf Per Month	<del>\$.0311</del> \$.0349

Minimum Bill

The minimum net monthly bill shall be the Customer Charge per meter plus the Monthly Demand Charge as described above.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

## INTERRUPTIBLE GAS SERVICE

Schedule 250: All Service AreasAvailability

To any commercial or industrial customer using 270,000 Ccf or more per year, or 1,000 Ccf per day during off-peak periods. The Company recommends that the Customer has and maintains adequate standby facilities and an alternate fuel supply in order that gas deliveries hereunder may be interrupted at any time.

Customers that will utilize natural gas during off-peak periods only do not need to meet the volumetric annual requirement (i.e. 270,000 ccf or more per year) for eligibility under this schedule. Examples of customers utilizing natural gas during off-peak periods only would include, but is not limited to the following: asphalt plants, electric generating facilities, grain drying facilities, and farm irrigation systems. The Company recommends an adequate standby facility and alternate fuel supply for off-peak customers served under this schedule.

Deliveries to such customers shall be subject to curtailment at any time. Deliveries to such customers shall be subject to curtailment in whole or in part upon one-half (1/2) hour's notice.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or such higher delivery pressure as agreed upon by customer and Company.

Customer Charge

A monthly customer charge of ~~\$310.00~~ \$425.00 is payable regardless of the usage of gas.

Monthly Rate

First	20,000	Ccf used per month	<del>\$.1015</del> \$.1141
Next	480,000	Ccf used per month	<del>\$.0672</del> \$.0755
Over	500,000	Ccf used per month	<del>\$.0311</del> \$.0349

Minimum Bill

The minimum net monthly bill shall be ~~\$310.00~~ \$425.00

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

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## TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

- (vi) A percentage adjustment for lost and unaccounted for gas shall be made to the volumes of gas received by the Company from the Connecting Pipeline Company for the Customer's account, and the volumes of gas deliverable to the Customer under this rate schedule shall be reduced by such percentage. Such percentage shall be equal to the percent that unaccounted-for gas bore to total sendout as recorded by the Company during its most recent 12 months ended June.
- (vii) If the rendition of service to Customer under this rate schedule causes the Company to incur additional charges from the Connecting Pipeline Company, Customer shall reimburse Company for all such charges.
- (viii) All volumes transported under the terms of this rate schedule shall be included in the Purchased Gas Adjustment computations and included in the sales volumes of the Purchased Gas Adjustment computations.
- (ix) The Customers served under this Rate Schedule shall be required to pay for the cost of, installation of, replacement of, and maintenance of measurement data collection and verification equipment, including applicable income taxes. Customers shall also be required to pay the cost of installation, maintenance and any monthly usage charges associated with dedicated telephone, power or other utilities or energy sources required for the operation of the data collection and verification equipment, including applicable income taxes. Customers shall also be required to provide adequate space in new or existing facilities for the installation of the data collection equipment.
- (x) Once a customer elects and has qualified for service under this rate schedule, all services will be provided under the terms and conditions of this rate schedule for a term of no less than 12 months. At any time following the first six months of service under this rate schedule, service may be terminated by either party following at least six months written notice to the other party. After termination of this service, Customer may not re-elect for transportation service for a period of no less than 12 months after termination.

D. RateCustomer Charge

A monthly customer charge of ~~\$310.00~~ \$425.00 per meter is payable regardless of the usage of gas.

Monthly Demand Charge

The Customers eligible to receive service under companion Rate Schedule 240 shall be billed the applicable Monthly Demand Charge.

Monthly Rate

The Customer shall be billed for the quantity of gas delivered under this rate schedule at the monthly rate of the companion rate schedule, plus any applicable taxes or fees.

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## COGENERATION, COMPRESSED NATURAL GAS, PRIME MOVERS, FUEL CELL SERVICE

Schedule 292: All Service AreasPurpose

The purpose of providing service under this schedule is to increase utilization of system supplies and system capacity.

Applicability

This schedule is available to the extent gas supply and delivery capacity is available to commercial and industrial customers, existing or new, for use as a single prime fuel source to generate electrical and thermal energy in order to optimize efficiency. This schedule is also available for compressed natural gas for automobile and truck fleets and fuel cell service.

Eligibility

Eligible customers shall include those who are currently connected to the Company's gas main or who will become newly connected. In either case, service will be provided, at the Company's option, through a separate meter.

Character of Service

Natural gas with a heating value of approximately 100,000 Btu per hundred cubic feet, supplied through a single delivery point meter, at the standard equipment utilization pressure, or at such higher delivery pressure as approved by Company.

RateCustomer Charge

A monthly charge of ~~\$30.00~~ \$35.00 for each customer regardless of the usage of gas.

Customer charge for adjacent connected load will not be duplicated, otherwise the facilities charge will be at the customer's regular schedule charge.

Monthly Charge

First	20,000	Ccf used per month	<del>\$-1015</del>	\$ .1141
Next	480,000	Ccf used per month	<del>\$-0672</del>	\$ .0755
Over	500,000	Ccf used per month	<del>\$-0311</del>	\$ .0349

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## LARGE TONNAGE AIR CONDITIONING GAS SERVICE

Schedule 293: All Service AreasPurpose

The purpose of providing service under this schedule is to increase utilization of system supplies and system capacity.

Applicability

This schedule is available to the extent gas supply and delivery capacity is available to commercial and industrial customers whose requirements may include high load factor systems that provide chilled water, space conditioning, processing, and/or humidity control. These conditions may be accomplished by the utilization of absorption, gas engine driven or desiccant systems.

Eligibility

Eligible customers shall include those who are currently connected to the Company's gas main or who will become newly connected. In either case, service will be provided, at the Company's option, through a separate meter.

Character of Service

Natural gas with a heating value of approximately 100,000 Btu per hundred cubic feet, supplied through a single delivery point and a single meter, at the standard equipment utilization pressure or at such higher delivery pressure as approved by Company.

RateCustomer Charge

A monthly charge of ~~\$30.00~~ \$35.00 for each customer is payable regardless of the usage of gas.

Customer charge for adjacent connected load will not be duplicated; otherwise the facilities charge will be at the customers regular schedule charge.

Monthly Charge

First	20,000	Ccf used per month	<del>\$.1015</del> \$.1141
Next	480,000	Ccf used per month	<del>\$.0672</del> \$.0755
Over	500,000	Ccf used per month	<del>\$.0311</del> \$.0349

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WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDERProvisions for Adjustment

The base rate per therm/Ccf (100,000 Btu) for gas service set forth in any Rate Schedules utilized by the Tennessee Regulatory Authority in determining normalized test period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all residential and commercial bills based on meters read during the revenue months of October ~~November~~ through April. C

Definitions

For purpose of this Rider:

"Regulatory Authority" means the Tennessee Regulatory Authority

"Relevant Rate Order" means the final order of the Regulatory Authority in the most recent litigated rate case of the Company fixing the rates of the Company or the most recent final order of the Regulatory Authority specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment shall be computed to the nearest one-hundredth cent per therm/Ccf by the following formula:

$$WNA_i = R_i \frac{(HSF_i \quad (NDD-ADD) \quad )}{(BL_i \quad + \quad (HSF_i \times ADD))}$$

Where

- $i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNA_i$  = Weather Normalization Adjustment Factor for the  $i^{\text{th}}$  rate schedule or classification expressed in cents per therm/Ccf
- $R_i$  = weighted average base rate of temperature sensitive sales for the  $i^{\text{th}}$  schedule or classification utilized by the Tennessee Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues



WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER (Continued)

- HSF<sub>i</sub> = heat sensitive factor for the i<sup>th</sup> schedule or classification utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues
- NDD = normal billing cycle heating degree days utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues
- ADD = actual billing cycle heating degree days
- BL<sub>i</sub> = base load sales for the i<sup>th</sup> schedule or classification utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues

Filing with Regulatory Authority

The Company will file as directed by the Regulatory Authority (a) a copy of each computation of the Weather Normalization Adjustment, (b) a schedule showing the effective date of each such Weather Normalization Adjustment, and (c) a schedule showing the factors or values derived from the Relevant Rate Order used in calculating such Weather Normalization Adjustment.

Heat Use/Base Use Factors

<u>Town</u>	<u>Residential/PA</u>		<u>Commercial</u>	
	<u>Base use</u> <u>Ccf</u>	<u>Heat use</u> <u>Ccf/HDD</u>	<u>Base use</u> <u>Ccf</u>	<u>Heat use</u> <u>Ccf/HDD</u>
Union City	40.43 7.59	.124185 .135899	112.80 56.84	.416839 .407379
Columbia Shelbyville Franklin Murfreesboro	11.34 9.87	.147091 .148714	112.93 104.91	.473009 .497239
Maryville Morristown	11.39 9.33	.122329 .119599	195.74 114.31	.392082 .593839
Johnson City Elizabethton Kingsport Greeneville Bristol	11.51 8.89	.112572 .114758	125.95 113.15	.489418 .547136

