

**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF ATMOS ENERGY)	DOCKET NO. 12-00064
CORPORATION FOR ADJUSTMENT)	
OF RATES)	

**RESPONSE OF THE CONSUMER ADVOCATE TO THE DATA REQUESTS OF THE
AUTHORITY STAFF DATED OCTOBER 30 AND OCTOBER 31, 2012**

The Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"), hereby submits its responses to the request of the Tennessee Regulatory Authority ("TRA") dated October 30, 2012 and October 31, 2012.

Responses to Data Requests of October 30th

1. Provide all precedent and other legal support for payments from a utility to the Consumer Advocate Division such as the \$20,000 payment identified in Paragraph 11.3. of the Settlement.

RESPONSE:

The Consumer Advocate is aware of the Authority approving a payment to the Consumer Advocate by a public utility to offset the cost of an expert witness in one instance. In Docket 07-00105, a rate case filed by Atmos Energy Corporation ("Atmos", "Company"), the Consumer Advocate, Atmos, the Atmos Intervention Group, and Stand Energy Corporation submitted a settlement agreement to the Authority on September 26, 2007, to resolve the revenue requirement portion of the case.¹ For convenience, a copy of the settlement agreement is attached.

¹ The matter of rate design in Docket 07-00105 was subject to a contested hearing.

Among the provisions of the settlement agreement, paragraph 9 (b) incorporated by reference the *Stipulation as to Operations and Maintenance Expense, Taxes Other than Income Taxes, Adjustments to Net Operating Income, and Certain Rate Base and Procedural Items* ("Stipulation") filed by Atmos and the Consumer Advocate on September 7, 2007. For convenience, a copy of the Stipulation is attached. Paragraph 6 of the Stipulation provides that \$25,000 shall be included in the amount of budgeted rate case expense sought by Atmos for the fees incurred by the Consumer Advocate for witness Charles W. King, a depreciation study expert.

On October 8, 2007, the Authority approved the settlement agreement without modification of any of the terms.² For convenience, a copy of the Order approving the settlement agreement is attached. In neither Docket 07-00105 nor this matter does a payment to the Consumer Advocate by a public utility for reimbursement of expert witness fees increase the revenue requirement proposed by the parties for consideration by the Authority.

The Consumer Advocate acknowledges the TRA approved settlement resolving Docket 07-00105 is not a precedent. The Consumer Advocate does not take lightly the issue of a public utility partially reimbursing the Consumer Advocate for the expense of expert witnesses. Nor does the Consumer Advocate envision being reimbursed by a public utility as a regular practice. Many factors were weighed in the decision of the Consumer Advocate to include Paragraph 11.d in the proposed settlement agreement, including the time, effort and expense of expert witnesses committed to testing the veracity and justification of the rate increase petitioned by the Company and the level and quality of information and data provided.³

² Docket 07-00105, *Transcript of Proceedings*, Vol I. A, October 8, 2007, p. 8-9.

³ Direct Testimony of Terry Buckner, October 5, 2012, p. 10; Direct Testimony of Hal Novak, October 5, 2012, p. 17-18.

2. Please identify the Consumer Advocate's expenses to date for each expert witness that participated in Docket No. 12-00064. Include amounts dictated by contract and/or hourly rates and the number of hours worked on this docket for each expert. Also, provide the total amount of the Consumer Advocate's accounting expenses provided by expert accounting witnesses in this case, including contract rates and hours worked.

RESPONSE:

The total cost incurred by the Consumer Advocate in this docket for outside expert witnesses is currently \$52,300.00. Below is a breakdown of the total by witness, the contractual rate per hour and the number of hours billed for this docket.

Expert	Hal Novak	Terry Buckner	Dr. Chris Klein
Rate Per Hour	\$150.00	\$150.00	\$175
Hours	193.5	140	13
Total Cost	\$29,025	\$21,000	\$2,275

Attached are copies of the bills of each respective witness which are being filed under seal to protect proprietary and personal information.⁴ Dr. Klein is employed by Middle Tennessee State University ("University"). The University bills on behalf of Dr. Klein. In addition to Dr. Klein's hourly rate, the Consumer Advocate is also responsible to the University for related portions of social security and retirement contributions. Dr. Klein's bills for the last two months have not yet been received, however Dr. Klein has provided the total number of hours he has worked on this docket.

⁴ Please note some bills also include billings for Docket 12-00049, a rate case filed by Tennessee American Water Company. The graph provided in this response only includes hours worked and cost incurred for Docket 12-00064 and not any other matter.

Responses to Data Requests of October 31st

1. Paragraph 11.b of the Settlement discusses proposed methodology regarding treatment for future pension funding. For clarification, is the treatment proposed consistent with the Authority's approved methodology for Piedmont Natural Gas? If not, please identify areas where the proposed methodology differs from that approved for Piedmont.

RESPONSE:

Yes, the proposed methodology is consistent with that granted to Piedmont.⁵

RESPECTFULLY SUBMITTED,



Ryan L. McGehee (BPR #25559)
Assistant Attorney General
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
(615) 532-5512

Dated: Nov. 1st, 2012.

⁵ The Consumer Advocate submits Paragraph 22 of the proposed settlement agreement filed on October 30, 2012, should be noted and considered by the Authority in evaluating all components of the proposed settlement agreement. Paragraph 22 provides that "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."

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:

Patricia Childers, Vice President
Rates & Regulatory Affairs
Mid-States Division
Atmos Energy Corporation
810 Crescent Centre Drive, Ste. 600
Franklin, TN 37067-6226

A. Scott Ross, Esq.
Neal & Harwell, PLC
2000 One Nashville Place
150 Fourth Avenue North
Nashville, TN 37219-2498

Ellen T. Weaver, Esq.
Senior Attorney
Atmos Energy Corporation
P.O. Box 650205
Dallas, TX 75265-0205

This the 1st day of November, 2012.



RYAN L. MCGEHEE

**Attachments to CAPD Response to TRA Data Request 1
of October 30, 2012**

**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

In re: Petition of Atmos Energy Corporation)
For Approval of a General Rate Increase) **Docket No. 07-00105**
)

**STIPULATION AS TO OPERATIONS AND MAINTENANCE EXPENSE,
TAXES OTHER THAN INCOME TAXES, ADJUSTMENTS TO NET OPERATING
INCOME, AND CERTAIN RATE BASE AND PROCEDURAL ITEMS**

The Consumer Advocate Division of the Office of the Attorney General ("Consumer Advocate") and Atmos Energy Corporation ("Atmos") hereby agree and stipulate to the following:

1. The parties agree and stipulate to the following Operations and Maintenance ("O&M") Expense for the Attrition Year Ending October 31, 2008:

Direct Labor and Benefits	\$ 3,553,627
Uncollectible Expense	183,013
Rate Case Expense	238,333
Other O&M Expense ¹	<u>11,449,308</u>
Total O&M Expense	<u>\$ 15,424,281</u>

2. The parties further stipulate and agree that Taxes Other Than Income Taxes for the Attrition Year Ending October 31, 2008, is \$7,010,799.

3. The parties further stipulate and agree to the following Adjustments to Net Operating Income for the Attrition Year Ending October 31, 2008:

Accrued Interest on Customer Deposits	\$ (401,369)
Allowance for Funds Used During Construction	199,216

Gain on Maryland Way Property	16,899
Leased Property Elimination	2,174,474
Depreciation Expense on Leased Property Elimination	(238,584)

4. The parties further stipulate and agree to the following Rate Base items for the Attrition Year Ending October 31, 2008:

ADDITIONS

Utility Plant in Service	\$ 345,390,115
Construction Work in Progress	4,765,507
Materials and Supplies/Storage Gas	14,711,212
Net Elimination of Intercompany Leased Property	6,944,605
Unamortized Maryland Way Property Gain	(7,162)

DEDUCTIONS

Customer Deposits	\$ 6,689,490
Contributions and Advances in Aid of Construction	39,515
Accumulated Deferred Income Tax	35,151,541
Accumulated Interest on Customer Deposits	847,005

5. The parties further stipulate and agree that issues involving funding for the Gas Technology Institute ("GTI") will not be litigated in this case and that the GTI testimony of each party is hereby withdrawn.

6. The parties further stipulate and agree that up to \$25,000 in fees for Consumer Advocate witness Charles W. King will be included in the Rate Case Expense referenced in paragraph 1.

¹ Includes employee benefits, allocated labor, and other expenses.

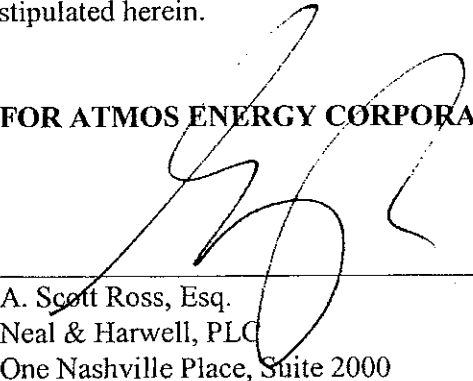
7. The parties further stipulate and agree that the information presented herein can be entered into evidence in this case without objection.

8. The parties further stipulate and agree that each party will file updated exhibits to reflect the financial impact of these stipulated figures on its testimony in this case.

9. The filing of this stipulation does not preclude the parties from engaging in additional discussions for the purpose of attempting resolution of the remaining issues by agreement.

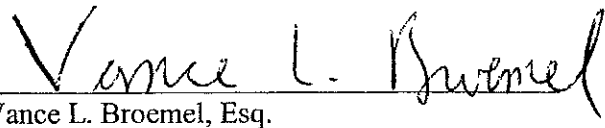
10. In reliance on this stipulation, Atmos will not file rebuttal testimony on the issues stipulated herein.

FOR ATMOS ENERGY CORPORATION:



A. Scott Ross, Esq.
Neal & Harwell, PLC
One Nashville Place, Suite 2000
150 Fourth Avenue North
Nashville, Tennessee 37219

FOR THE CONSUMER ADVOCATE AND PROTECTION DIVISION:



Vance L. Broemel, Esq.
Senior Counsel
Office of the Tennessee Attorney General & Reporter
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202-0207

Dated: September 5, 2007

#110687

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:)
)
PETITION OF ATMOS ENERGY)
CORPORATION FOR APPROVAL) DOCKET NO. 07-00105
OF A GENERAL RATE INCREASE)

**SETTLEMENT AGREEMENT BETWEEN ATMOS ENERGY CORPORATION AND
THE CONSUMER ADVOCATE AND PROTECTION DIVISION**

For the sole purpose of settling this case, Tennessee Regulatory Authority ("TRA") docket number 07-00105, Robert E. Cooper, Jr., the Tennessee Attorney General and Reporter, through the Consumer Advocate and Protection Division ("Consumer Advocate") and Atmos Energy Corporation ("Atmos"), two of the four parties in this litigation, respectfully submit this Settlement Agreement. The Atmos Intervention Group ("AIG") and Stand Energy Corporation ("Stand Energy") are not parties to this Settlement Agreement. The Consumer Advocate and Atmos (collectively, the "settling parties") agree to the following:

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. Atmos is a public utility pursuant to the laws of Tennessee, and its public utility operations are subject to the jurisdiction of the TRA.

3. The Atmos Intervention Group is an informal group of customers who purchase gas and/or gas transportation services from Atmos in Tennessee.

4. Stand Energy is an independent marketer of retail energy and a limited agent of Harrison Construction, a customer of Atmos in Tennessee, in connection with natural gas consumption and other pertinent items related to natural gas consumption.

5. On May 4, 2007, Atmos filed a petition for approval of adjustment of its rates and revised tariff. In that filing Atmos sought an increase in its annual revenues of \$11,055,188.

6. On May 11, 2007, the Consumer Advocate filed a petition to intervene, and on May 24, 2007, the AIG filed a petition to intervene. By order dated May 31, 2007, both interventions were granted. On June 29, 2007, Stand Energy filed a petition to intervene. By order dated July 12, 2007, Stand Energy's intervention was granted.

7. The parties to this Settlement Agreement have engaged in substantial discovery and have undertaken extensive discussions to resolve all known disputed issues in this case. As a result of the information obtained during discovery and the discussions between the settling parties, and for the purpose of avoiding further litigation and resolving this matter upon acceptable terms, the settling parties have reached this Settlement Agreement. In furtherance of this Settlement Agreement, the settling parties have agreed to the settlement terms set forth below.

8. Effective on or following November 4, 2007, rates will be implemented to increase customer rates by 8.9%, which is designed to produce gross margins of \$51,381,450. The net increase in gross margins is projected to be \$3,990,000.

9. Certain adjustments have been made to the amounts sought in the Petition filed by Atmos, which in total reduce Atmos's additional revenue requirements to \$3,990,000. The adjustments, which are quantified in Settlement Exhibit A, Schedule 2, include the following:

a. The adjustments set forth in the Stipulation as to Summary of Weather Normalized Margin Revenue filed in this docket on August 21, 2007, which is incorporated herein by reference;

b. The adjustments set forth in the Stipulation as to Operations and Maintenance Expense, Taxes Other Than Income Taxes, Adjustments to Net Operating Income,

and Certain Rate Base and Procedural Items filed in this docket on September 7, 2007, which is incorporated herein by reference;

- c. Depreciation Expense;
 - d. Income Taxes Expense;
 - e. Working Capital/Prepayments (Rate Base);
 - f. Accumulated Depreciation (Rate Base); and
 - g. Cost of Capital.
- 10. Rate base of \$186,506,116.
 - 11. Operating income at present rates of \$12,541,052.
 - 12. Required operating income of \$14,976,441.
 - 13. Operating income deficiency of \$2,435,389.
 - 14. Gross revenue conversion factor of 1.638342.
 - 15. Revenue deficiency of \$3,990,000.
 - 16. Fair rate of return on equity of 10.48%.
 - 17. Fair rate of return on rate base of 8.03%.
 - 18. The agreed-upon capital structure for setting customer rates is described in Settlement Exhibit A, Schedule 6.
 - 19. The agreed-upon depreciation rates for setting customer rates are described in Settlement Exhibit B.
 - 20. The agreed-upon Main Extension policy of Atmos is described in the Main Extension tariff set forth in Settlement Exhibit C.
 - 21. The agreed-upon rate design includes the following:
 - The settling parties agree that the gross rate increase described in paragraph 8 will be allocated equally across the residential and public authority and commercial and industrial customer classes, as more particularly set-forth in Exhibit D.
 - Atmos withdraws, without prejudice, its proposed de-coupling mechanism.

- Residential Class -- Monthly Customer Charge will be \$13 during the winter season (October through April) and \$10 during the summer season (May through September).
- Commercial Class -- Monthly Customer Charge will be \$27.50 year-round.

22. Atmos and the Consumer Advocate have not come to an agreement with AIG and Stand Energy regarding the rate design for the commercial and industrial customer classes. Issues regarding the rate design for the commercial and industrial customer classes, as well as any other issues raised by AIG and Stand Energy, will be litigated in this docket if the Authority so directs.

23. The agreed-upon revenue requirements are fair and reasonable and will provide Atmos with a reasonable opportunity to recover a fair rate of return on investment.

24. Atmos will replace at least 45,000 feet of Bare Steel and Cast Iron Pipe by October 2008. In 2009-2017, Atmos will replace a total of at least 45,000 feet per year of Bare Steel and Cast Iron Pipe. The agreed-upon amount of pipe Atmos will replace by December 31, 2017, will be a minimum of 450,000 feet.

25. Atmos agrees to meet with the Consumer Advocate and work toward establishing service metric reporting.

26. The settling parties agree to litigate the issue regarding the matching of natural gas sales to natural gas deliveries raised in the pre-filed Testimony of Steve Brown on De-Coupling Issues in the docket created by the TRA on August 20, 2007, to hear asset management issues concerning Atmos ("asset management docket").

27. The settling parties agree to file a joint motion on or before October 15, 2007, seeking a status conference for the purpose of establishing a procedural schedule in the asset management docket.

28. This Settlement Agreement does not resolve the merits of the transportation issues raised in TRA docket number 07-00020, and it does not resolve the merits of the asset management issues raised in the asset management docket opened on August 20, 2007.

29. All prefiled testimony and exhibits of the settling parties other than the testimony of Steve Brown referenced in paragraph 26 above which shall be deemed to be filed in the asset management docket, are introduced into evidence without objection, and the settling parties waive their right to cross-examine all witnesses with respect to all such prefiled testimony and exhibits except as to issues pertaining to transportation and asset management, and except as to the testimony of Steve Brown referenced in paragraph 26 above. If, however, questions should be asked by any person, including a Director, who is not a party to this stipulation, the settling parties may present testimony and exhibits to respond to such questions and may cross-examine any witnesses with respect to such testimony and exhibits; provided, however, that such testimony and cross-examination shall be truthful and not inconsistent with this Settlement Agreement.

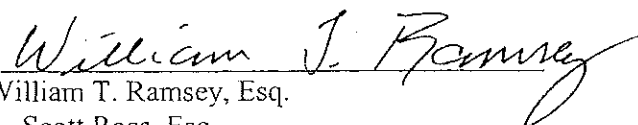
30. The provisions of this Settlement Agreement are agreements reached in compromise and solely for the purpose of settlement of this matter. They do not necessarily reflect the positions asserted by any party, and no party to this Settlement Agreement waives the right to assert any position in any future 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 procedural principle, including without limitation, any cost of service determination or cost allocation or revenue-related methodology. This Settlement Agreement shall not have any precedential effect in any future proceeding or be binding on any of the settling parties in this or any other jurisdiction except to the limited extent necessary to implement the provisions hereof.

31. The terms of the Settlement Agreement have resulted from extensive negotiations between the signatories and the terms hereof are interdependent. If the TRA does not accept the settlement in whole, the settling parties are not bound by any position set forth in this Settlement Agreement. In the event that the TRA does not approve this Settlement Agreement, 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 TRA, within ten (10) 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

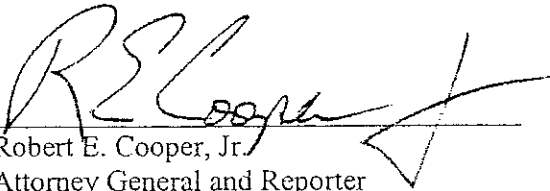
Agreement could, by unanimous consent, elect to modify this Settlement Agreement to address any modification required by, or issues raised by, the TRA. Should this Settlement Agreement terminate, it would be considered void and have no binding precedential effect, and the signatories to this Settlement Agreement would reserve their rights to fully participate in all relevant proceedings notwithstanding their agreement to the terms of this Settlement Agreement.

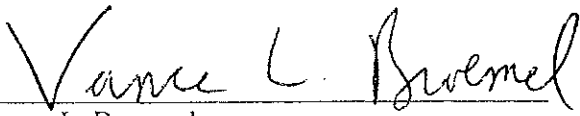
This the 26th day of September, 2007.

FOR ATMOS ENERGY CORPORATION


William T. Ramsey, Esq.
A. Scott Ross, Esq.
NEAL & HARWELL
(615) 244-1713

FOR THE CONSUMER ADVOCATE AND PROTECTION DIVISION


Robert E. Cooper, Jr.
Attorney General and Reporter


Vance L. Broemel
Senior Counsel
OFFICE OF THE ATTORNEY GENERAL
Consumer Advocate and Protection Division
(615) 741-8722

CERTIFICATE OF SERVICE

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

Patricia Childers
Vice President, Rates & Regulatory Affairs
Mid-States Division
Atmos Energy Corporation
810 Crescent Centre Drive, Suite 600
Franklin, Tennessee 37067-6226

Douglas C. Walther
Associate General Counsel
Atmos Energy Corporation
5430 LBJ Freeway, Suite 1800
Dallas, Texas 75240

William T. Ramsey
A. Scott Ross
Neal & Harwell, PLC
One Nashville Place, Suite 2000
150 Fourth Avenue North
Nashville, Tennessee 37219

Henry M. Walker
Boult Cummings Conners & Berry, PLC
1600 Division Street, Suite 700
P.O. Box 340025
Nashville, Tennessee 37203

D. Billye Sanders
Waller, Lansden, Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, Tennessee 37219

this the 26th day of September, 2007.

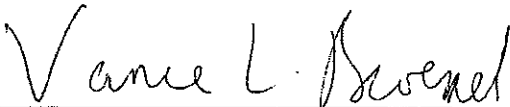

Vance L. Broemel
Senior Counsel

Exhibit A

Atmos Energy Corporation
Index to Schedules
For the Twelve Months Ended October 31, 2008

	<u>Schedule No.</u>
Revenue Deficiency (Surplus)	1
Rate Base	2
Income Statement at Current Rates	3
Excise and Income Taxes	4
Revenue Conversion Factor	5
Cost of Capital	6

Atmos Energy Corporation
Revenue Deficiency (Surplus)
For the Twelve Months Ended October 31, 2008

Line No.		Settlement		Company (as filed) E/	Difference
1	Rate Base	186,506,116	A/	188,920,055	2,413,939
2	Operating Income at Present Rates	12,541,052	B/	9,981,734	(2,559,318)
3	Earned Rate of Return (L 2 / L 1)	6.72%		5.28%	-1.44%
4	Fair Rate of Return	8.03%	C/	8.84%	0.81%
5	Required Operating Income (L 1 x L 4)	14,976,441		16,700,533	1,724,092
6	Operating Income Deficiency (Surplus) (L 5 - L 2)	2,435,389		6,718,799	4,283,410
7	Gross Revenue Conversion Factor	1.638342	D/	1.645410	0.007068
8	Revenue Deficiency (Surplus)	<u>3,990,000</u>		<u>11,055,188</u>	<u>7,065,187</u>

A/ Schedule 2, Line 14.

B/ Schedule 3, Line 16.

C/ Schedule 6, Line 5.

D/ Schedule 7, Line 10.

E/ Atmos Direct Testimony, TriP work papers.

Atmos Energy Corporation
Rate Base
For the Twelve Months Ended October 31, 2008

Line No.		A/ Settlement	B/ Company (as filed)	Difference
1	Utility Plant in Service	345,390,115	344,739,680	650,435
2	Construction Work in Progress	4,765,507	5,642,491	(876,984)
3	Materials and Supplies / Storage Gas	14,711,212	17,057,784	(2,346,572)
4	Working Capital/Prepayments/Deferred Rate Case	5,242,272	6,058,834	(816,562)
5	Net Elimination of Intercompany Leased Property	6,944,605	6,944,605	-
6	Unamortized Maryland Way Gain	(7,162)	(7,162)	-
7	Total Additions	<u>377,046,549</u>	<u>380,436,232</u>	<u>(3,389,683)</u>
	Deductions:			
8	Accumulated Depreciation	147,812,882	148,907,313	(1,094,431)
9	Customer Deposits	6,689,490	7,058,536	(369,046)
10	Contributions and Advances in Aid of Construction	39,515	37,485	2,030
11	Accumulated Deferred Tax-Accel. Depreciation	35,151,541	34,854,581	296,960
12	Accrued Interest on Customer Deposits	847,005	658,262	188,743
13	Total Deductions	<u>190,540,433</u>	<u>191,516,177</u>	<u>(975,744)</u>
14	Rate Base	<u>186,506,116</u>	<u>188,920,055</u>	<u>(2,413,939)</u>

A/ See stipulation between Atmos and the CAPD.

B/ Atmos Direct Testimony, Schedule THP-7, work papers.

Atmos Energy Corporation
Income Statement at Current Rates
For the Twelve Months Ended October 31, 2008

Line No.		Settlement		Company (as filed)	E/	Difference
1	Revenues - Sales, forfeited discounts & other	173,055,394	B/	181,392,416		(8,337,022)
2	Cost of Gas (includes Barnsley Storage costs)	127,306,422	B/	136,629,859		(9,323,437)
3	Gross margin on sales and service	45,748,972	A/	44,762,557		986,415
4	AFUDC	199,216	C/	217,049		(17,833)
5	Operating Margin	45,948,188		44,979,606		968,582
6	Other Operation and Maintenance	15,424,281	C/	16,105,669		(681,388)
7	Interest on Customer Deposits	401,369	C/	423,512		(22,143)
8	Depreciation and Amortization Exp.	8,652,288	C/	10,652,288		(2,000,000)
9	Taxes Other Than Income	7,010,799	C/	7,010,933		(134)
10	State Excise Tax	654,617	D/	447,225		207,392
11	Federal Income Tax	3,216,570	D/	2,251,607		964,964
12	Total Operating Expense	35,359,925		36,891,234		(1,531,309)
13	Net Operating Income for Return	10,588,263		8,088,372		2,499,891
14	Plus amortization-Gain on Maryland Farms	16,899	C/	16,899		-
15	Plus adjustments	1,935,890	C/	1,876,463		59,427
16	Adjusted Net Operating Income	12,541,052		9,981,734		2,559,318

A/ \$47,391,450 per price out in stipulation less \$1,842,478 to reflect restatement of gas costs due to Barnsley Storage adjustment

B/ Per Updated Petersen Schedule THP-3 as adjusted for volume changes and prices through May 2007, Revenues = COG (line 2)

C/ See stipulation between Atmos and the CAPD.

D/ Schedule 4, Lines 12 and 20.

E/ Atmos Direct Testimony, THP work papers.

Atmos Energy Corporation
Excise and Income Taxes
For the Twelve Months Ended October 31, 2008

Line No.		Settlement	Company (as filed)	E/
1	Operating Margin	45,948,188 A/	44,979,606	
2	Other Operation and Maintenance	13,471,492 C/	14,212,307	
3	Depreciation and Amortization Expense	8,652,288 A/	10,652,288	
4	Taxes Other Than Income	7,010,799 A/	7,010,933	
5	NOI Before Excise and Income Taxes	16,813,609	13,104,078	
6	less Interest on Customer Deposits	401,369 A/	423,512	
7	less Interest Expense	6,341,208 B/	5,800,179	
8	Pre-tax Book Income	10,071,032	6,880,387	
9	Schedule M Adjustments	-	-	
10	Excise Taxable Income	10,071,032	6,880,387	
11	Excise Tax Rate	6.50%	6.50%	
12	Excise Tax	654,617	447,225	
13	Pre-tax Book Income	10,071,032	6,880,387	
14	Excise Tax	654,617	447,225	
15	Schedule M Adjustments	-	-	
16	FIT Taxable Income	9,416,415	6,433,162	
17	FIT Rate	35.00%	35.00%	
18	Subtotal FIT	3,295,745	2,251,607	
19	Less: ITC Amortization	79,175 D/	-	
20	Federal Income Tax Expense	3,216,570	2,251,607	

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

B/ Rate Base * Weighted Cost of Debt

(Schedule 2, Line 15 * [Schedule 5 Line 1 + Line 2 + Line 3]).

C/ Schedule 3, line 6, less lines 14 and 15.

D/ DR #67.

E/ Atmos Direct Testimony, THP work papers.

Atmos Energy Corporation
Revenue Conversion Factor
For the Twelve Months Ended October 31, 2008

Line No.		Amount	Balance
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.008350 A/	<u>0.008350</u>
3	Balance		1.008350
4	Uncollectible Ratio	0.004000 B/	<u>0.004034</u>
5	Balance		1.004316
6	State Excise Tax	0.065000 C/	<u>0.065281</u>
7	Balance		0.939035
8	Federal Income Tax	0.350000 C/	<u>0.328662</u>
9	Balance		<u>0.610373</u>
10	Revenue Conversion Factor (1 / Line 9)		<u><u>1.638342</u></u>

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

1,433,015 / 173,055,394 = 0.008350

B/ Uncollectible expenses on base revenues = 183,013 / 45,748,972 (base revenues) = 0.004000

C/ Statutory rate

Atmos Energy Corporation
Cost of Capital

Line No.		Ratio	Cost	Weighted Cost
1	Short Term Debt	3.00%	6.00%	0.18%
2	Long Term Debt	52.80%	6.10%	3.22%
3	Preferred Stock	0.00%	0.00%	0.00%
4	Stockholder's Equity	<u>44.20%</u>	10.48%	<u>4.63%</u>
5	Total	<u>100.00%</u>		<u>8.03%</u>

Exhibit B

ATMOS ENERGY CORPORATION - SHARED SERVICES
Proposed Settlement Depreciation Rates

Account	Description	Mortality Characteristics					Depreciation Rates		
		ASL	lowa Curve	Gross Salvage	Cost of Removal	Net Salvage	Life Rate	COR Rate	Total Rate
GENERAL PLANT									
390.09	Improvements to Leased Premises	12	S4	0.00%	0.00%	0.00%	9.10%	0.00%	9.10%
391.00	Office Furniture and Equipment	25	R4	0.00%	0.00%	0.00%	2.13%	0.00%	2.13%
391.02	Remittance Processing Equipment	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
391.03	Office Machines	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
392.00	Transportation Equipment	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
393.00	Stores Equipment	Use functional rate for new assets					10.32%	0.00%	10.32%
394.00	Tools, Shop and Garage Equip.	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
397.00	Communication Equipment	12	S5	0.00%	0.00%	0.00%	8.45%	0.00%	8.45%
398.00	Miscellaneous Equipment	15	S3	5.00%	0.00%	5.00%	8.15%	0.00%	8.15%
399.00	Other Tangible Property	7	R5	0.00%	0.00%	0.00%	4.66%	0.00%	4.66%
399.01	Servers Hardware	10	SQ	0.00%	0.00%	0.00%	6.95%	0.00%	6.95%
399.02	Servers Software	10	SQ	0.00%	0.00%	0.00%	4.00%	0.00%	4.00%
399.03	Network Hardware	10	SQ	0.00%	0.00%	0.00%	9.30%	0.00%	9.30%
399.04	CPU	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
399.05	Mainframe Hardware	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
399.06	PC Hardware	7	S1	0.00%	0.00%	0.00%	14.86%	0.00%	14.86%
399.07	PC Software	8.5	R5	0.00%	0.00%	0.00%	9.02%	0.00%	9.02%
399.08	Application Software	10	S3	0.00%	0.00%	0.00%	11.11%	0.00%	11.11%
399.09	Mainframe Software	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
399.24	General Startup Costs	10	SQ	0.00%	0.00%	0.00%	15.89%	0.00%	15.89%

ATMOS ENERGY CORPORATION - TENNESSEE PROPERTY
Proposed Settlement Depreciation Rates

Account	Description	Mortality Characteristics					Depreciation Rates		
		ASL	Iowa Curve	Gross Salvage	Cost of Removal	Net Salvage	Life Rate	COR Rate	Total Rate
<u>INTANGIBLE PLANT</u>									
302.00	Franchises & Consents	-	-	-	-	-	0.00%	0.00%	0.00%
<u>TRANSMISSION PLANT</u>									
365.10	Land	-	-	-	-	-	0.00%	0.00%	0.00%
365.20	Rights of Way	65.0	R5	0.00%	0.00%	0.00%	1.47%	0.00%	1.47%
366.00	Structures and Improvements	30.0	SQ	0.00%	0.00%	0.00%	2.47%	0.00%	2.47%
367.01	Mains - Steel	55.0	S4	0.00%	35.00%	-35.00%	2.08%	0.64%	2.72%
369.00	M&R Station Equipment	40.0	R2	0.00%	5.00%	-5.00%	2.72%	0.13%	2.85%
<u>DISTRIBUTION PLANT</u>									
374.00	Land and Land Rights	-	-	-	-	-	0.00%	0.00%	0.00%
374.02	Land Rights	65.0	R5	0.00%	0.00%	0.00%	0.48%	0.00%	0.48%
375.00	Structures and Improvements	45.0	R5	0.00%	0.00%	0.00%	1.55%	0.00%	1.55%
376.00	Mains - Cathodic Protection	55.0	S4	0.00%	25.00%	-25.00%	1.54%	0.45%	1.99%
376.01	Mains - Steel	55.0	S4	0.00%	25.00%	-25.00%	1.54%	0.45%	1.99%
376.02	Mains - Plastic	55.0	S4	0.00%	25.00%	-25.00%	1.54%	0.45%	1.99%
378.00	M&R Station Equipment - Gen	40.0	R2	0.00%	5.00%	-5.00%	1.68%	0.13%	1.81%
379.00	City Gate Equipment	40.0	R2	0.00%	5.00%	-5.00%	2.30%	0.13%	2.43%
380.00	Services	48.0	R0.5	0.00%	20.00%	-20.00%	1.59%	0.42%	2.01%
381.00	Meters	36.0	R2.5	0.00%	41.00%	-41.00%	2.86%	1.14%	4.00%
382.00	Meter Installations	40.0	R1	0.00%	41.00%	-41.00%	2.00%	1.03%	3.03%
383.00	House Regulators	40.0	R3	0.00%	0.00%	0.00%	1.62%	0.00%	1.62%
385.00	Industrial M&R Equipment	40.0	R2	0.00%	5.00%	-5.00%	2.36%	0.13%	2.49%
<u>GENERAL PLANT</u>									
389.00	Land and Land Rights	-	-	-	-	-	0.00%	0.00%	0.00%
390.00	Structures and Improvements	40.0	R3	5.00%	5.00%	0.00%	1.76%	0.13%	1.89%
390.03	Improvements	40.0	R3	5.00%	5.00%	0.00%	1.76%	0.13%	1.89%
390.09	Improvements to Leased Premises	40.0	R3	5.00%	5.00%	0.00%	1.76%	0.13%	1.89%
391.00	Office Furniture and Equipment	20.0	S6	0.00%	0.00%	0.00%	6.36%	0.00%	6.36%
392.00	Transportation Equipment	Fully Depreciated - Use functional rate for new assets					10.38%	0.00%	10.38%
393.00	Stores Equipment	35.0	R1	0.00%	0.00%	0.00%	1.59%	0.00%	1.59%
394.00	Tools, Shop and Garage Equip.	20.0	L1	0.00%	0.00%	0.00%	9.69%	0.00%	9.69%
396.00	Power Operated Equipment	10.0	S5	0.00%	0.00%	0.00%	37.47%	0.00%	37.47%
396.03	Ditchers	10.0	S5	0.00%	0.00%	0.00%	37.47%	0.00%	37.47%
396.04	Backhoes	10.0	S5	0.00%	0.00%	0.00%	37.47%	0.00%	37.47%
396.05	Welders	10.0	S5	0.00%	0.00%	0.00%	37.47%	0.00%	37.47%
397.00	Communication Equipment	15.0	S6	0.00%	0.00%	0.00%	9.77%	0.00%	9.77%
397.01	Mobile Radios	15.0	S6	0.00%	0.00%	0.00%	9.77%	0.00%	9.77%
397.02	Fixed Radios	15.0	S6	0.00%	0.00%	0.00%	9.77%	0.00%	9.77%
397.05	Telemetering	15.0	S6	0.00%	0.00%	0.00%	9.77%	0.00%	9.77%
398.00	Miscellaneous Equipment	10.0	S3	0.00%	0.00%	0.00%	11.64%	0.00%	11.64%
399.00	Other Tangible Property	6.0	S6	0.00%	0.00%	0.00%	12.69%	0.00%	12.69%
399.01	Servers Hardware	6.0	S6	0.00%	0.00%	0.00%	12.69%	0.00%	12.69%
399.06	PC Hardware	6.0	S6	0.00%	0.00%	0.00%	12.69%	0.00%	12.69%
399.07	PC Software	6.0	S6	0.00%	0.00%	0.00%	12.69%	0.00%	12.69%

Exhibit C

GENERAL RULES AND REGULATIONS (Continued)

- (b) In the event of stoppage or failure of any meter to register properly, Customer will be billed for such period on an estimated consumption based upon his use of gas in a similar period of like use or on the basis of check meter readings, if available and accurate, but such adjustment shall not be made for more than six months.
- (c) In the event of tampering or unauthorized use of Company's facilities, the probable gas consumption shall be estimated by Company and billed to Customer. If the duration of such tampering or unauthorized use is not known, it shall be conclusively presumed to be since the commencement of Customer's service but for a period of not more than six months.
- (d) All property of Company installed in or upon premises of, or occupied by Customer is under Customer's protection. All reasonable care shall be exercised by Customer to prevent loss of or damage to such property, ordinary wear and tear excepted. Customer will be liable for any loss of property or damage thereto and shall pay to Company the cost of appropriate repairs or replacements for such loss or damage to property.

7. Extension and Installation of Company Facilities

This Company will, upon written application, will install gas mains, service lines, and meters to serve bona fide applicants of a permanent and established character in accordance with the following provisions of these Service Regulation. Gas main extensions shall be made only along public streets, roads or highways and upon private property across which satisfactory rights of way or easements have been provided without cost to the Company. All gas mains constructed pursuant to this service regulation shall be owned, operated, and maintained by the Company.

7.1 Main Extensions

Any extension from existing mains to the point of connection with Customer's service line, whether on public property or on private property, is considered to be an extension of a main. Any extension, from existing mains or from an extension of a main as defined above, to Customer's property for service to Customer shall be considered a part of the service line to service such Customer.

GENERAL RULES AND REGULATIONS (Continued)

The Company will install all mains necessary to serve the customer(s) free of charge, provided the revenue expected to be realized produces a rate of return on the investment that is equal to or greater than the minimum allowed rate of return on equity approved in the Company's most recent rate case. This rate of return analysis will be based on a feasibility study performed by the company. This study will include consideration of all costs needed to provide service (materials, company and/or contract labor, overheads, and applicable taxes). These costs will be compared to the revenue that is either contracted for or can be reasonably expected to be generated by the customers served by the extension. Should this analysis result in a rate of return (ROE) less than the minimum allowed rate of return approved in the Company's most recent rate case, then the customer(s) may be required to remit to the company an Aid-in-Construction (AIC), including any applicable taxes, to make up the difference in the actual and allowable rate of return.

General

1. The Company may, at its sole discretion, choose to waive payment for AIC when system improvements are realized by the extension or when the extension would enhance the opportunity of adding new customers in the future.
2. Individual customers may elect to spread the payment of any required AIC up to, but not to exceed, a three year period at no interest provided that the Customer shall enter into a "Main Extension Contract" and also subject to the following conditions:
 - a. The Company shall approve the Customer's credit prior to the signing of the "Main Extension Contract".
 - b. Default by the Customer under the terms of the "Main Extension Contract" may result in discontinuance of service as per the current provisions of Section 5 of these General Rules and Regulations.
 - c. If a Customer cancels service prior to payment of the total AIC required, the unpaid balance shall become due and payable immediately. The Company may use any deposit or credit owed to the Customer to offset the balance due under the "Main Extension Contract".
 - d. In no case will the Company build without cost to the applicant more service line than is necessary to reach the acceptable meter location by the most economical route.

GENERAL RULES AND REGULATIONS (Continued)

7.2 Extensions Beyond the allowance calculated in the feasibility analysis - Residential and Commercial

1. Upon completion of a main extension contract the Company will extend its mains to a Customer provided the Customer deposits any AIC which may be due as determined in Section 7.1.
2. As additional Customers are served through a service line connected directly to the specifically involved main extension within five (5) years of its completion date, the original Customer(s) shall be refunded an amount determined as follows:
 - a. The contract with the original Customer(s) shall set forth the estimated cost per foot for a normal 2 inch polyethylene main extension.
 - b. The Company will estimate the annual gas consumption (Mcf) of each new Customer added to the main extension.
 - c. The refund shall be determined by the following formula:
$$\text{Refund} = \text{the estimated cost per foot from (a) times the estimated annual gas consumption (Mcf) for the new Customer.}$$
 - d. The refund to the original Customer(s) shall not exceed the amount of the original construction charge deposited with the Company.
 - e. No interest shall be paid on the AIC made by the customer.
 - f. The refund(s) due, if any, to the original Customer(s) will be calculated and paid on June 1st of every year. Refunds will not be made any other time.
 - g. If the Company has allowed the Customer to pay the AIC over a period of time in accordance with Section 7.2(4), all refunds attributable to the connecting of new Customers to the specifically involved main extension will be credited to any outstanding balance owed for the extension.

GENERAL RULES AND REGULATIONS (Continued)

3. Individual residential customers may elect to spread the payment of the AIC over a period not to exceed three years at no interest provided that the Customer shall enter into a Main Extension Contract and also subject to the following conditions:
 - a. The Company shall approve the Customer's credit prior to the signing of the main extension contract.
 - b. Default by the Customer under the terms of the Main Extension Contract may result in discontinuance of service as per the current provisions of Section 5 of these General Rules and Regulations.
 - c. If a Customer cancels service prior to payment of the total AIC the unpaid balance shall become due and payable immediately.
 - d. The Company may use any deposit or credit owed to the Customer to offset the balance due under the Main Extension Contract.
 - e. Refunds due the Customer under section 7.2 (3) shall be credited to the outstanding loan balance.
4. In addition to all other of these Service Regulations the following shall also apply to Mobile Home Parks:
 - a. For the purpose of these regulations, a Mobile Home Park is defined as any tract or parcel of land used primarily to provide sites for the parking and occupancy of Mobile Homes. A Mobile Home is defined as a portable structure built so as to be readily transportable from one location to another, and which is usable as a dwelling for one or more persons, herein referred to as Mobile Home Occupants. Any person, firm or corporation who operates a Mobile Home Park as a commercial venture shall be referred to as a Mobile Home Park Owner.

ATMOS ENERGY CORPORATION

GENERAL RULES AND REGULATIONS (Continued)

- b. Any Mobile Home Park Owner desiring gas service within a Mobile Home Park shall enter into a contract with the Company for a minimum period of five (5) years for service from Company's distribution mains to a specified number of Mobile Home sites. Mobile Home Park Owner agrees to pay the Company each month, commencing with a date specified in the contract and each month thereafter for the term of the contract, an amount specified as the customer charge under the provisions of Company's Residential Rate Schedule 210, as filed with the Tennessee Regulatory Authority, for 70% of the number of specified Mobile Home sites less the number of sites occupied by Mobile Home Occupants who were customers of, and who were billed for gas service by, the Company during such month.
- c. After execution of a contract for gas service to a Mobile Home Park, the Company will construct the required extension of distribution facilities to serve the number of sites specified in the contract provided that the total free length allowance for mains and services shall be calculated as per the provisions of Paragraph No. 7. For mains and services exceeding the free length allowance the Mobile Home Park Owner will be required to deposit a Refundable Advance as per the provisions of Paragraph No. 7.

Exhibit D

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

April 23, 2008

IN RE:

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

)
)
)
)
)
)
DOCKET NO.
07-00105

ORDER APPROVING SETTLEMENT AGREEMENT AND RATE DESIGN

This matter came before Chairman Eddie Roberson, Director Pat Miller, and Director Sara Kyle of the Tennessee Regulatory Authority ("Authority" or "TRA"), the voting panel assigned to this docket, at hearings held on October 8, 2007, October 22, 2007, and November 6, 2007 for consideration of the *Petition of Atmos Energy Corporation for Approval of Adjustment of Its Rates and Revised Tariff* ("*Petition*") filed by Atmos Energy Corporation ("Atmos" or "Company").

I. TRAVEL OF THE CASE

On May 4, 2007, Atmos filed its *Petition* in which the Company seeks approval by the Authority "for an adjustment of its rates and charges for natural gas service for the purpose of obtaining a general increase in its rates and for the Authority to place into effect revised tariffs."¹ Along with the *Petition*, Atmos filed the direct testimony of Mr. James C. Cagle, Ms. Patricia Childers, Mr. Robert R. Cook, Jr., Mr. Ronald B. Edelstein, Mr. John R. Ellerman, Mr. Michael H. Ellis, Mr. Chris Hutzler, Mr. Daniel M. Meziere, Dr. Donald A. Murry, Mr. John Paris, Mr. Thomas H. Petersen, Mr. Donald S. Roff, Ms. Laurie M. Sherwood, Mr. Gary L. Smith, and Mr.

¹ *Petition*, p. 1 (May 4, 2007).

Gregory K. Waller. At a regularly scheduled Authority Conference on May 15, 2007, the panel assigned to this docket appointed Director Eddie Roberson as Hearing Officer for the purposes of preparing this matter for hearing, including hearing preliminary matters and establishing a procedural schedule to completion.

On May 31, 2007, the Hearing Officer issued *Order Granting Petitions to Intervene, Permitting Additional Discovery Requests, Establishing Procedural Schedule and Suspending Tariffs*. As reflected in that Order, the Consumer Advocate and Protection Division of the Office of the Attorney General of Tennessee ("Consumer Advocate") and Atmos Intervention Group ("AIG") sought and were granted intervention in this docket.

On June 26, 2007, the Consumer Advocate filed with the Authority a *Motion to Consolidate* ("Motion") in which it sought the consolidation of the instant case with two other cases initiated by Atmos, Docket No. 07-00020² and Docket No. 07-00081.³ The panel denied the *Motion* at its regularly scheduled Authority Conference held on July 9, 2007. In an order dated July 12, 2007, the Hearing Officer granted the petition to intervene of Stand Energy Corporation ("Stand") which had been filed on June 29, 2007.

Following discovery in the form of interrogatories and requests for production of documents, the intervening parties submitted their pre-filed direct testimony. The Consumer Advocate filed the direct testimony of Dr. Steve N. Brown, Mr. Michael D. Chrysler, Mr. Terry Buckner, and Mr. Charles W. King. AIG filed the direct testimony of Mr. William H. Novak, and Stand filed the direct testimony of Mr. John M. Dosker. Atmos later filed the rebuttal testimony of Mr. Danny P. Bertotti, Ms. Patricia Childers, Mr. Christopher Forsyth, Dr. Donald

² See *In re: Tariff Filing to Modify and Add Language Regarding Transportation Service*, Docket No. 07-00020.

³ See *In re: Petition of Atmos Energy Corporation for Approval of Tariff Establishing Environmental Cost Recovery Rider*, Docket No. 07-00081.

A. Murry, Mr. Thomas H. Petersen, Mr. Donald S. Roff, Ms. Laurie M. Sherwood, and Mr. Gary L. Smith.

On September 13, 2007, the Hearing Officer issued his *Order Severing the Transportation Tariff and Asset Management Issues* in light of action taken by the Authority to open separate dockets to address the transportation tariff and asset management issues, respectively. On September 18, 2007, Stand and AIG filed a *Motion for Reconsideration of Order Severing the Transportation Tariff and Asset Management Issues* ("*Motion for Reconsideration*"). On September 21, 2007, Stand and AIG filed a *Joint Motion for Supplemental Discovery Relating to Rate Design* ("*Joint Motion*"). The Hearing Officer considered the motions at a Pre-Hearing Conference convened on September 27, 2007. On October 1, 2007, the Hearing Officer issued two separate orders denying both the *Motion for Reconsideration* and the *Joint Motion*.

On September 26, 2007, the Consumer Advocate and Atmos filed a proposed *Settlement Agreement Between Atmos Energy Corporation and the Consumer Advocate and Protection Division* ("*Settlement Agreement*"). On September 28, 2007, the Hearing Officer filed a *Notice of Rescheduling of Hearing* in which the hearing on the merits was re-scheduled from its original commencement date of October 3, 2007 to October 8, 2007.

On October 4, 2007, AIG filed a *Motion to File Supplemental Exhibit*. On October 5, 2007, Atmos filed a response objecting to AIG's request, and AIG filed its reply to Atmos' response on the same day. Also, on October 5, 2007, the Hearing Officer filed a *Notice of Pre-Hearing Conference* notifying the parties that AIG's *Motion to File Supplemental Exhibit* and any other pending matters would be taken up at a Pre-Hearing conference on October 8, 2007.

At the Pre-Hearing Conference on October 8, 2007, the Hearing Officer granted AIG's *Motion to File Supplemental Exhibit*. Further, pending the approval of the *Settlement Agreement* by the voting panel of Directors, the Hearing Officer found that the Hearing on the rate design portion of the case should proceed as scheduled. Additionally, the Hearing would reconvene and continue on October 22, 2007 after Atmos had been given an opportunity to prepare and submit supplemental rebuttal testimony.

II. THE HEARING, APPEARANCES, AND POST-HEARING FILINGS

The Hearing in this matter was held before the voting panel on October 8, 2007 and on October 22, 2007. Participating in the Hearing were the following parties and their respective counsel:

Atmos Energy Corporation – **William T. Ramsey, Esq.** and **A. Scott Ross, Esq.**, Neal & Harwell, PLC, 2000 One Nashville Place, 150 Fourth Avenue North, Nashville, TN 37219, **Patricia J. Childers**, Vice President of Rates and Regulatory Affairs of the Kentucky/Mid-States Division of Atmos Energy Corporation and **Gregory K. Waller**, Vice President of Finance of the Kentucky/Mid-States Division of Atmos Energy Corporation, 810 Crescent Centre Drive, Suite 600, Franklin, TN 37067.

Consumer Advocate and Protection Division - **Vance Broemel, Esq.**, **Joe Shirley, Esq.**, and **Timothy Phillips** Office of the Attorney General, 425 5th Ave. N, John Sevier Building, P.O. Box 20207, Nashville, TN 37202.

Atmos Intervention Group - **Henry M. Walker, Esq.**, Boulton, Cummings, Connors & Berry, PLC, 1600 Division Street, Suite 700, P.O. Box 340025, Nashville, TN 37203.

Stand Energy Corporation – **D. Billye Sanders, Esq.**, Waller Lansden Dortch and Davis, 511 Union Street, Suite 2700, Nashville, TN 37219.

Atmos filed the supplemental rebuttal testimony of Mr. Danny P. Bertotti and Ms. Patricia Childers on October 17, 2007, and the parties filed post hearing briefs on October 29, 2007.

III. FINDINGS AND CONCLUSIONS

A. Proposed Settlement Agreement

The proposed *Settlement Agreement*, filed on September 26, 2007 by Atmos and the Consumer Advocate, included, among other provisions, the following:

1. Effective on or following November 4, 2007, rates will be implemented to increase customer rates by 8.9%, which is designed to produce gross margins of \$51,381,450. The net increase in gross margins is projected to be \$3,990,000.
2. Certain adjustments have been made to the amounts sought in the *Petition* filed by Atmos which in total reduce Atmos' additional revenue requirement to \$3,990,000.
3. Atmos' rate base is \$186,506,116.
4. Atmos' operating income at present rates is \$12,541,052.
5. Atmos' required operating income is \$14,976,441.
6. Atmos' operating income deficiency is \$2,435,389.
7. Atmos' gross revenue conversion factor is 1.638342.
8. Atmos' revenue deficiency is \$3,990,000.
9. Atmos' fair rate of return on equity is 10.48%.
10. Atmos' fair rate of return on rate base is 8.03%.
11. The appropriate capital structure for setting rates is described in *Settlement Agreement* Exhibit A, Schedule 6.
12. Atmos and the Consumer Advocate have agreed to certain aspects of rate design as set out in Paragraph 21 of the *Settlement Agreement*. However, they have not come to agreement with AIG and Stand regarding the rate design for the commercial and industrial customer classes. Issues regarding the rate design for the commercial and industrial customer classes, as well as any other issues raised by AIG and Stand will be litigated in this docket if the Authority so directs.
13. CGC will replace at least 45,000 feet of Bare Steel and Cast Iron Pipe by October 2008. In 2009-2017, Atmos will replace a total of at least 45,000 feet per year of Bare Steel and Cast Iron Pipe. The agreed upon amount of pipe Atmos will replace by December 31, 2017 will be a minimum of 450,000 feet.

14. Atmos agrees to meet with the Consumer Advocate and work toward establishing additional service metric reporting.⁴

The *Settlement Agreement* was considered by the voting panel at the October 8, 2007 Hearing. Mr. William Ramsey, counsel for Atmos, provided a brief overview of the *Settlement Agreement* and responded to questions from the panel. The attorneys for the Consumer Advocate and AIG each expressed their respective clients' support for the *Settlement Agreement* while noting that disagreement on the rate design remained. Counsel for Stand stated that although Stand was not joining in the agreement, it did not object to the agreement. After hearing from all of the parties and providing an opportunity for members of the public to comment, the panel voted unanimously to accept the *Settlement Agreement*. The panel further voted to require Atmos and the Consumer Advocate to file the normal heating degree days by day, as agreed upon by the parties, and for Atmos to file a revised weather normalization adjustment tariff showing the new factors.

B. Rate Design

During the Hearing convened on October 8, 2007 and continuing on October 22, 2007, the parties presented evidence on the rate design issues remaining before the Authority for its consideration. The parties' positions are summarized as follows:

Atmos: Atmos states that its rate structure currently results in a lower cost per unit for large volume customers. Atmos asserts that designing and implementing a declining block rate structure that would produce the approved revenue requirement would be both costly and time consuming and result in questionable overall benefit to consumers and the Company.⁵ Atmos further claims that the rate structure proposed by AIG provides a disincentive to energy conservation. Additionally, Atmos questions the social benefits of decreasing the rates of a few

⁴ *Settlement Agreement*, ¶¶ 8-18, 21, 22, 24, and 25 (September 26, 2007).

⁵ Patricia J. Childers, Rebuttal Testimony, pp. 2, 5 (October 17, 2007).

large industrial customers to the detriment of more than 11,000 churches, schools, day care centers, and small business who, as a result, would be subject to a rate increase of 15% over and above the *Settlement Agreement*.⁶

AIG and Stand: AIG asserts that the Company should be required to perform a class cost of service study and implement declining block rates. AIG also requests that the Authority require Atmos to file a class cost of service study with their next rate case.⁷

Consumer Advocate: The Consumer Advocate supports an across the board increase to rates under the current rate structure. Further, the Consumer Advocate expressed concern over the additional 15% rate increase to small commercial customers proposed by AIG.⁸

At a regularly scheduled Authority Conference held on November 6, 2007, the rate design issues were deliberated by the panel. After considering the record as a whole, the panel found that AIG failed to demonstrate a compelling justification for altering Atmos' existing rate design, and further, that it had not provided sufficient evidence from which the Authority could reasonably structure the proposed declining rate blocks. Finally, the panel found that a class cost of service study would not necessarily provide the costs to serve high or low volume customers within the same class which is the information needed to determine the appropriate rate design. In light of these findings, the panel voted unanimously to adopt the rate design set forth in Exhibit D of the *Settlement Agreement*, effective November 19, 2007. The panel further voted to decline at this time to require Atmos to submit a class cost of service with its next rate case.

⁶ Danny P. Bertotti, Rebuttal Testimony, pp. 5-6 (October 17, 2007).

⁷ Transcript of Hearing, v. IB, pp. 16, 20, 26 (October 8, 2007).

⁸ *Id.*, v. IA, p. 30.

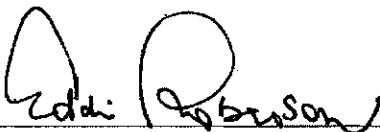
IT IS THEREFORE ORDERED THAT:

1. The *Settlement Agreement* filed by Atmos Energy Corporation and the Consumer Advocate and Protection Division of the Office of the Attorney General of Tennessee, attached hereto as Exhibit A, is accepted and approved and is incorporated into this Order as if fully rewritten herein.

2. Atmos Energy Corporation and the Consumer Advocate and Protection Division of the Office of the Attorney General of Tennessee shall file the normal heating degree days by day as agreed upon by the parties.

3. Atmos Energy Corporation shall file a revised weather normalization adjustment tariff reflecting the new factors.


4. Atmos Energy Corporation shall utilize the rate design set forth in Exhibit D of the *Settlement Agreement*.



Eddie Roberson, Chairman

* * *

Pat Miller, Director⁹



Sara Kyle, Director

⁹ Director Miller voted in agreement with the other directors although he expressed some concern with the majority's rationale regarding the adoption of the rate design. He resigned his position as Director before the issuance of this order.

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF ATMOS ENERGY)	
CORPORATION FOR APPROVAL)	DOCKET NO. 07-00105
OF A GENERAL RATE INCREASE)	

**SETTLEMENT AGREEMENT BETWEEN ATMOS ENERGY CORPORATION AND
THE CONSUMER ADVOCATE AND PROTECTION DIVISION**

For the sole purpose of settling this case, Tennessee Regulatory Authority ("TRA") docket number 07-00105, Robert E. Cooper, Jr., the Tennessee Attorney General and Reporter, through the Consumer Advocate and Protection Division ("Consumer Advocate") and Atmos Energy Corporation ("Atmos"), two of the four parties in this litigation, respectfully submit this Settlement Agreement. The Atmos Intervention Group ("AIG") and Stand Energy Corporation ("Stand Energy") are not parties to this Settlement Agreement. The Consumer Advocate and Atmos (collectively, the "settling parties") agree to the following:

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. Atmos is a public utility pursuant to the laws of Tennessee, and its public utility operations are subject to the jurisdiction of the TRA.

3. The Atmos Intervention Group is an informal group of customers who purchase gas and/or gas transportation services from Atmos in Tennessee.

4. Stand Energy is an independent marketer of retail energy and a limited agent of Harrison Construction, a customer of Atmos in Tennessee, in connection with natural gas consumption and other pertinent items related to natural gas consumption.

5. On May 4, 2007, Atmos filed a petition for approval of adjustment of its rates and revised tariff. In that filing Atmos sought an increase in its annual revenues of \$11,055,188.

6. On May 11, 2007, the Consumer Advocate filed a petition to intervene, and on May 24, 2007, the AIG filed a petition to intervene. By order dated May 31, 2007, both interventions were granted. On June 29, 2007, Stand Energy filed a petition to intervene. By order dated July 12, 2007, Stand Energy's intervention was granted.

7. The parties to this Settlement Agreement have engaged in substantial discovery and have undertaken extensive discussions to resolve all known disputed issues in this case. As a result of the information obtained during discovery and the discussions between the settling parties, and for the purpose of avoiding further litigation and resolving this matter upon acceptable terms, the settling parties have reached this Settlement Agreement. In furtherance of this Settlement Agreement, the settling parties have agreed to the settlement terms set forth below.

8. Effective on or following November 4, 2007, rates will be implemented to increase customer rates by 8.9%, which is designed to produce gross margins of \$51,381,450. The net increase in gross margins is projected to be \$3,990,000.

9. Certain adjustments have been made to the amounts sought in the Petition filed by Atmos, which in total reduce Atmos's additional revenue requirements to \$3,990,000. The adjustments, which are quantified in Settlement Exhibit A, Schedule 2, include the following:

a. The adjustments set forth in the Stipulation as to Summary of Weather Normalized Margin Revenue filed in this docket on August 21, 2007, which is incorporated herein by reference;

b. The adjustments set forth in the Stipulation as to Operations and Maintenance Expense. Taxes Other Than Income Taxes, Adjustments to Net Operating Income.

and Certain Rate Base and Procedural Items filed in this docket on September 7, 2007, which is incorporated herein by reference:

- c. Depreciation Expense;
 - d. Income Taxes Expense;
 - e. Working Capital/Prepayments (Rate Base);
 - f. Accumulated Depreciation (Rate Base); and
 - g. Cost of Capital.
- 10. Rate base of \$186,506,116.
 - 11. Operating income at present rates of \$12,541,052.
 - 12. Required operating income of \$14,976,441.
 - 13. Operating income deficiency of \$2,435,389.
 - 14. Gross revenue conversion factor of 1.638342.
 - 15. Revenue deficiency of \$3,990,000.
 - 16. Fair rate of return on equity of 10.48%.
 - 17. Fair rate of return on rate base of 8.03%.
 - 18. The agreed-upon capital structure for setting customer rates is described in Settlement Exhibit A, Schedule 6.
 - 19. The agreed-upon depreciation rates for setting customer rates are described in Settlement Exhibit B.
 - 20. The agreed-upon Main Extension policy of Atmos is described in the Main Extension tariff set forth in Settlement Exhibit C.
 - 21. The agreed-upon rate design includes the following:
 - The settling parties agree that the gross rate increase described in paragraph 8 will be allocated equally across the residential and public authority and commercial and industrial customer classes, as more particularly set-forth in Exhibit D.
 - Atmos withdraws, without prejudice, its proposed de-coupling mechanism.

- Residential Class -- Monthly Customer Charge will be \$13 during the winter season (October through April) and \$10 during the summer season (May through September).
- Commercial Class -- Monthly Customer Charge will be \$27.50 year-round.

22. Atmos and the Consumer Advocate have not come to an agreement with AIG and Stand Energy regarding the rate design for the commercial and industrial customer classes. Issues regarding the rate design for the commercial and industrial customer classes, as well as any other issues raised by AIG and Stand Energy, will be litigated in this docket if the Authority so directs.

23. The agreed-upon revenue requirements are fair and reasonable and will provide Atmos with a reasonable opportunity to recover a fair rate of return on investment.

24. Atmos will replace at least 45,000 feet of Bare Steel and Cast Iron Pipe by October 2008. In 2009-2017, Atmos will replace a total of at least 45,000 feet per year of Bare Steel and Cast Iron Pipe. The agreed-upon amount of pipe Atmos will replace by December 31, 2017, will be a minimum of 450,000 feet.

25. Atmos agrees to meet with the Consumer Advocate and work toward establishing service metric reporting.

26. The settling parties agree to litigate the issue regarding the matching of natural gas sales to natural gas deliveries raised in the pre-filed Testimony of Steve Brown on De-Coupling Issues in the docket created by the TRA on August 20, 2007, to hear asset management issues concerning Atmos ("asset management docket").

27. The settling parties agree to file a joint motion on or before October 15, 2007, seeking a status conference for the purpose of establishing a procedural schedule in the asset management docket.

28. This Settlement Agreement does not resolve the merits of the transportation issues raised in TRA docket number 07-00020, and it does not resolve the merits of the asset management issues raised in the asset management docket opened on August 20, 2007.

29. All prefiled testimony and exhibits of the settling parties other than the testimony of Steve Brown referenced in paragraph 26 above which shall be deemed to be filed in the asset management docket, are introduced into evidence without objection, and the settling parties waive their right to cross-examine all witnesses with respect to all such prefiled testimony and exhibits except as to issues pertaining to transportation and asset management, and except as to the testimony of Steve Brown referenced in paragraph 26 above. If, however, questions should be asked by any person, including a Director, who is not a party to this stipulation, the settling parties may present testimony and exhibits to respond to such questions and may cross-examine any witnesses with respect to such testimony and exhibits; provided, however, that such testimony and cross-examination shall be truthful and not inconsistent with this Settlement Agreement.

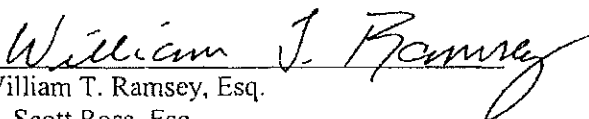
30. The provisions of this Settlement Agreement are agreements reached in compromise and solely for the purpose of settlement of this matter. They do not necessarily reflect the positions asserted by any party, and no party to this Settlement Agreement waives the right to assert any position in any future 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 procedural principle, including without limitation, any cost of service determination or cost allocation or revenue-related methodology. This Settlement Agreement shall not have any precedential effect in any future proceeding or be binding on any of the settling parties in this or any other jurisdiction except to the limited extent necessary to implement the provisions hereof.

31. The terms of the Settlement Agreement have resulted from extensive negotiations between the signatories and the terms hereof are interdependent. If the TRA does not accept the settlement in whole, the settling parties are not bound by any position set forth in this Settlement Agreement. In the event that the TRA does not approve this Settlement Agreement, 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 TRA, within ten (10) 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

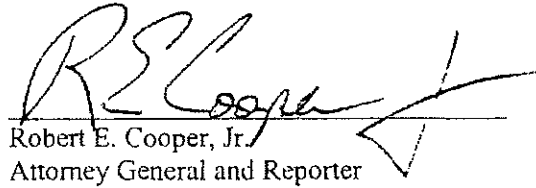
Agreement could, by unanimous consent, elect to modify this Settlement Agreement to address any modification required by, or issues raised by, the TRA. Should this Settlement Agreement terminate, it would be considered void and have no binding precedential effect, and the signatories to this Settlement Agreement would reserve their rights to fully participate in all relevant proceedings notwithstanding their agreement to the terms of this Settlement Agreement.

This the 26th day of September, 2007.

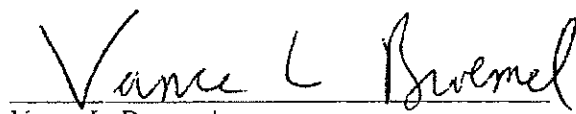
FOR ATMOS ENERGY CORPORATION


William T. Ramsey, Esq.
A. Scott Ross, Esq.
NEAL & HARWELL
(615) 244-1713

FOR THE CONSUMER ADVOCATE AND PROTECTION DIVISION



Robert E. Cooper, Jr.
Attorney General and Reporter



Vance L. Broemel
Senior Counsel
OFFICE OF THE ATTORNEY GENERAL
Consumer Advocate and Protection Division
(615) 741-8722

CERTIFICATE OF SERVICE

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

Patricia Childers
Vice President, Rates & Regulatory Affairs
Mid-States Division
Atmos Energy Corporation
810 Crescent Centre Drive, Suite 600
Franklin, Tennessee 37067-6226

Douglas C. Walther
Associate General Counsel
Atmos Energy Corporation
5430 LBJ Freeway, Suite 1800
Dallas, Texas 75240

William T. Ramsey
A. Scott Ross
Neal & Harwell, PLC
One Nashville Place, Suite 2000
150 Fourth Avenue North
Nashville, Tennessee 37219

Henry M. Walker
Boult Cummings Conners & Berry, PLC
1600 Division Street, Suite 700
P.O. Box 340025
Nashville, Tennessee 37203

D. Billye Sanders
Waller, Lansden, Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, Tennessee 37219

this the 26th day of September, 2007.

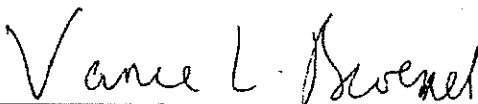

Vance L. Broemel
Senior Counsel

Exhibit A

Atmos Energy Corporation
Index to Schedules
For the Twelve Months Ended October 31, 2008

	<u>Schedule No.</u>
Revenue Deficiency (Surplus)	1
Rate Base	2
Income Statement at Current Rates	3
Excise and Income Taxes	4
Revenue Conversion Factor	5
Cost of Capital	6

Atmos Energy Corporation
Revenue Deficiency (Surplus)
For the Twelve Months Ended October 31, 2008

Line No		Settlement	Company (as filed) E/	Difference
1	Rate Base	186,506,116 A/	188,920,055	2,413,939
2	Operating Income at Present Rates	12,541,052 B/	9,981,734	(2,559,318)
3	Earned Rate of Return (L 2 / L 1)	6.72%	5.28%	-1.44%
4	Fair Rate of Return	8.03% C/	8.84%	0.81%
5	Required Operating Income (L 1 x L 4)	14,976,441	16,700,533	1,724,092
6	Operating Income Deficiency (Surplus) (L 5 - L 2)	2,435,389	6,718,799	4,283,410
7	Gross Revenue Conversion Factor	1.638342 D/	1.645410	0.007068
8	Revenue Deficiency (Surplus)	<u>3,990,000</u>	<u>11,055,188</u>	<u>7,065,187</u>

A/ Schedule 2, Line 14

B/ Schedule 3, Line 16.

C/ Schedule 6, Line 5.

D/ Schedule 7, Line 10

E/ Atmos Direct Testimony, THP work papers.

Atmos Energy Corporation
Rate Base
For the Twelve Months Ended October 31, 2008

Line No.		A/ Settlement	B/ Company (as filed)	Difference
1	Utility Plant in Service	345,390,115	344,739,680	650,435
2	Construction Work in Progress	4,785,507	5,642,491	(876,984)
3	Materials and Supplies / Storage Gas	14,711,212	17,057,784	(2,346,572)
4	Working Capital/Prepayments/Deferred Rate Case	5,242,272	6,058,834	(816,562)
5	Net Elimination of Intercompany Leased Property	6,944,605	6,944,605	-
6	Unamortized Maryland Way Gain	(7,162)	(7,162)	-
7	Total Additions	<u>377,046,549</u>	<u>380,436,232</u>	<u>(3,389,683)</u>
	Deductions:			
8	Accumulated Depreciation	147,812,882	148,907,313	(1,094,431)
9	Customer Deposits	6,689,490	7,058,536	(369,046)
10	Contributions and Advances in Aid of Construction	39,515	37,485	2,030
11	Accumulated Deferred Tax-Accel. Depreciation	35,151,541	34,854,581	296,960
12	Accrued Interest on Customer Deposits	847,005	658,262	188,743
13	Total Deductions	<u>190,540,433</u>	<u>191,516,177</u>	<u>(975,744)</u>
14	Rate Base	<u>186,506,116</u>	<u>188,920,055</u>	<u>(2,413,939)</u>

A/ See stipulation between Atmos and the CAPD

B/ Atmos Direct Testimony, Schedule THP-7, work papers.

Atmos Energy Corporation
Income Statement at Current Rates
For the Twelve Months Ended October 31 2008

Line No.		Settlement	Company (as filed) E/	Difference
1	Revenues - Sales, forfeited discounts & other	173,055,394 B/	181,392,416	(8,337,022)
2	Cost of Gas (includes Barnsley Storage costs)	127,306,422 B/	136,629,859	(9,323,437)
3	Gross margin on sales and service	45,748,972 A/	44,762,557	986,415
4	AFUDC	199,216 C/	217,049	(17,833)
5	Operating Margin	45,948,188	44,979,606	968,582
6	Other Operation and Maintenance	15,424,281 C/	16,105,669	(681,388)
7	Interest on Customer Deposits	401,369 C/	423,512	(22,143)
8	Depreciation and Amortization Exp.	8,652,288 C/	10,652,288	(2,000,000)
9	Taxes Other Than Income	7,010,799 C/	7,010,933	(134)
10	State Excise Tax	654,617 D/	447,225	207,392
11	Federal Income Tax	3,216,570 D/	2,251,607	964,964
12	Total Operating Expense	35,359,925	36,891,234	(1,531,309)
13	Net Operating Income for Return	10,588,263	8,088,372	2,499,891
14	Plus amortization-Gain on Maryland Farms	16,899 C/	16,899	-
15	Plus adjustments	1,935,890 C/	1,976,463	59,427
16	Adjusted Net Operating Income	12,541,052	9,981,734	2,559,318

A/ \$47,391,450 per price out in stipulation less \$1,642,478 to reflect restatement of gas costs due to Barnsley Storage adjustment

B/ Per Updated Petersen Schedule THP-3 as adjusted for volume changes and prices through May 2007. Revenues = COG (line 2)

C/ See stipulation between Atmos and the CAPD.

D/ Schedule 4, Lines 12 and 20.

E/ Atmos Direct Testimony THP work papers.

Atmos Energy Corporation
Excise and Income Taxes
For the Twelve Months Ended October 31, 2008

Line No.		Settlement	Company (as filed)	E/
1	Operating Margin	45,948,188 A/	44,979,606	
2	Other Operation and Maintenance	13,471,492 C/	14,212,307	
3	Depreciation and Amortization Expense	8,652,288 A/	10,652,288	
4	Taxes Other Than Income	7,010,799 A/	7,010,933	
5	NOI Before Excise and Income Taxes	16,813,609	13,104,078	
6	less Interest on Customer Deposits	401,369 A/	423,512	
7	less Interest Expense	6,341,208 B/	5,800,179	
8	Pre-tax Book Income	10,071,032	6,880,387	
9	Schedule M Adjustments	-	-	
10	Excise Taxable Income	10,071,032	6,880,387	
11	Excise Tax Rate	6.50%	6.50%	
12	Excise Tax	654,617	447,225	
13	Pre-tax Book Income	10,071,032	6,880,387	
14	Excise Tax	654,617	447,225	
15	Schedule M Adjustments	-	-	
16	FIT Taxable Income	9,416,415	6,433,162	
17	FIT Rate	35.00%	35.00%	
18	Subtotal FIT	3,295,745	2,251,607	
19	Less: ITC Amortization	79,175 D/	-	
20	Federal Income Tax Expense	3,216,570	2,251,607	

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

B/ Rate Base * Weighted Cost of Debt

(Schedule 2, Line 15 * (Schedule 5 Line 1 + Line 2 + Line 3)).

C/ Schedule 3, line 6, less lines 14 and 15

D/ DR #67

E/ Atmos Direct Testimony, THP work papers.

Atmos Energy Corporation
Revenue Conversion Factor
For the Twelve Months Ended October 31, 2008

Line No.		Amount	Balance
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.008350 A/	0.008350
3	Balance		1.008350
4	Uncollectible Ratio	0.004000 B/	0.004034
5	Balance		1.004316
6	State Excise Tax	0.065000 C/	0.065281
7	Balance		0.939035
8	Federal Income Tax	0.350000 C/	0.328662
9	Balance		0.610373
10	Revenue Conversion Factor (1 / Line 9)		1.638342

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

1,433,015 / 173,055,394 = 0.008350

B/ Uncollectible expenses on base revenues = 183,013 / 45,748,972 (base revenues) = 0.004000

C/ Statutory rate

Atmos Energy Corporation
Cost of Capital

Line No.		Ratio	Cost	Weighted Cost
1	Short Term Debt	3.00%	6.00%	0.18%
2	Long Term Debt	52.80%	6.10%	3.22%
3	Preferred Stock	0.00%	0.00%	0.00%
4	Stockholder's Equity	<u>44.20%</u>	10.48%	<u>4.63%</u>
5	Total	<u>100.00%</u>		<u>8.03%</u>

Exhibit B

ATMOS ENERGY CORPORATION - SHARED SERVICES
Proposed Settlement Depreciation Rates

Account	Description	Mortality Characteristics					Depreciation Rates		
		ASL	lowa Curve	Gross Salvage	Cost of Removal	Net Salvage	Life Rate	COR Rate	Total Rate
GENERAL PLANT									
390.09	Improvements to Leased Premises	12	S4	0.00%	0.00%	0.00%	9.10%	0.00%	9.10%
391.00	Office Furniture and Equipment	25	R4	0.00%	0.00%	0.00%	2.13%	0.00%	2.13%
391.02	Remittance Processing Equipment	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
391.03	Office Machines	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
392.00	Transportation Equipment	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
393.00	Stores Equipment	Use functional rate for new assets					10.32%	0.00%	10.32%
394.00	Tools, Shop and Garage Equip.	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
397.00	Communication Equipment	12	S5	0.00%	0.00%	0.00%	8.45%	0.00%	8.45%
398.00	Miscellaneous Equipment	15	S3	5.00%	0.00%	5.00%	8.15%	0.00%	8.15%
399.00	Other Tangible Property	7	R5	0.00%	0.00%	0.00%	4.66%	0.00%	4.66%
399.01	Servers Hardware	10	SQ	0.00%	0.00%	0.00%	6.95%	0.00%	6.95%
399.02	Servers Software	10	SQ	0.00%	0.00%	0.00%	4.00%	0.00%	4.00%
399.03	Network Hardware	10	SQ	0.00%	0.00%	0.00%	9.30%	0.00%	9.30%
399.04	CPU	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
399.05	Mainframe Hardware	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
399.06	PC Hardware	7	S1	0.00%	0.00%	0.00%	14.86%	0.00%	14.86%
399.07	PC Software	8.5	R5	0.00%	0.00%	0.00%	9.02%	0.00%	9.02%
399.08	Application Software	10	S3	0.00%	0.00%	0.00%	11.11%	0.00%	11.11%
399.09	Mainframe Software	Fully Depreciated - Use functional rate for new assets					10.32%	0.00%	10.32%
399.24	General Startup Costs	10	SQ	0.00%	0.00%	0.00%	15.89%	0.00%	15.89%

ATMOS ENERGY CORPORATION - TENNESSEE PROPERTY
Proposed Settlement Depreciation Rates

Account	Description	Mortality Characteristics					Depreciation Rates		
		ASL	low Curve	Gross Salvage	Cost of Removal	Net Salvage	Life Rate	COR Rate	Total Rate
INTANGIBLE PLANT									
302.00	Franchises & Consents	-	-	-	-	-	0.00%	0.00%	0.00%
TRANSMISSION PLANT									
365.10	Land	-	-	-	-	-	0.00%	0.00%	0.00%
365.20	Rights of Way	65.0	R5	0.00%	0.00%	0.00%	1.47%	0.00%	1.47%
366.00	Structures and Improvements	30.0	SQ	0.00%	0.00%	0.00%	2.47%	0.00%	2.47%
367.01	Mains - Steel	55.0	S4	0.00%	35.00%	-35.00%	2.08%	0.64%	2.72%
369.00	M&R Station Equipment	40.0	R2	0.00%	5.00%	-5.00%	2.72%	0.13%	2.85%
DISTRIBUTION PLANT									
374.00	Land and Land Rights	-	-	-	-	-	0.00%	0.00%	0.00%
374.02	Land Rights	65.0	R5	0.00%	0.00%	0.00%	0.48%	0.00%	0.48%
375.00	Structures and Improvements	45.0	R5	0.00%	0.00%	0.00%	1.55%	0.00%	1.55%
376.00	Mains - Cathodic Protection	55.0	S4	0.00%	25.00%	-25.00%	1.54%	0.45%	1.99%
376.01	Mains - Steel	55.0	S4	0.00%	25.00%	-25.00%	1.54%	0.45%	1.99%
376.02	Mains - Plastic	55.0	S4	0.00%	25.00%	-25.00%	1.54%	0.45%	1.99%
378.00	M&R Station Equipment - Gen	40.0	R2	0.00%	5.00%	-5.00%	1.68%	0.13%	1.81%
379.00	City Gate Equipment	40.0	R2	0.00%	5.00%	-5.00%	2.30%	0.13%	2.43%
380.00	Services	48.0	R0.5	0.00%	20.00%	-20.00%	1.59%	0.42%	2.01%
381.00	Meters	36.0	R2.5	0.00%	41.00%	-41.00%	2.86%	1.14%	4.00%
382.00	Meter Installations	40.0	R1	0.00%	41.00%	-41.00%	2.00%	1.03%	3.03%
383.00	House Regulators	40.0	R3	0.00%	0.00%	0.00%	1.62%	0.00%	1.62%
385.00	Industrial M&R Equipment	40.0	R2	0.00%	5.00%	-5.00%	2.36%	0.13%	2.49%
GENERAL PLANT									
389.00	Land and Land Rights	-	-	-	-	-	0.00%	0.00%	0.00%
390.00	Structures and Improvements	40.0	R3	5.00%	5.00%	0.00%	1.76%	0.13%	1.89%
390.03	Improvements	40.0	R3	5.00%	5.00%	0.00%	1.76%	0.13%	1.89%
390.09	Improvements to Leased Premises	40.0	R3	5.00%	5.00%	0.00%	1.76%	0.13%	1.89%
391.00	Office Furniture and Equipment	20.0	S6	0.00%	0.00%	0.00%	6.36%	0.00%	6.36%
392.00	Transportation Equipment	Fully Depreciated - Use functional rate for new assets					10.38%	0.00%	10.38%
393.00	Stores Equipment	35.0	R1	0.00%	0.00%	0.00%	1.59%	0.00%	1.59%
394.00	Tools, Shop and Garage Equip.	20.0	L1	0.00%	0.00%	0.00%	9.69%	0.00%	9.69%
396.00	Power Operated Equipment	10.0	S5	0.00%	0.00%	0.00%	37.47%	0.00%	37.47%
396.03	Ditchers	10.0	S5	0.00%	0.00%	0.00%	37.47%	0.00%	37.47%
396.04	Backhoes	10.0	S5	0.00%	0.00%	0.00%	37.47%	0.00%	37.47%
396.05	Welders	10.0	S5	0.00%	0.00%	0.00%	37.47%	0.00%	37.47%
397.00	Communication Equipment	15.0	S6	0.00%	0.00%	0.00%	9.77%	0.00%	9.77%
397.01	Mobile Radios	15.0	S6	0.00%	0.00%	0.00%	9.77%	0.00%	9.77%
397.02	Fixed Radios	15.0	S6	0.00%	0.00%	0.00%	9.77%	0.00%	9.77%
397.05	Telemetering	15.0	S6	0.00%	0.00%	0.00%	9.77%	0.00%	9.77%
398.00	Miscellaneous Equipment	10.0	S3	0.00%	0.00%	0.00%	11.64%	0.00%	11.64%
399.00	Other Tangible Property	6.0	S6	0.00%	0.00%	0.00%	12.69%	0.00%	12.69%
399.01	Servers Hardware	6.0	S6	0.00%	0.00%	0.00%	12.69%	0.00%	12.69%
399.06	PC Hardware	6.0	S6	0.00%	0.00%	0.00%	12.69%	0.00%	12.69%
399.07	PC Software	6.0	S6	0.00%	0.00%	0.00%	12.69%	0.00%	12.69%

Exhibit C

GENERAL RULES AND REGULATIONS (Continued)

- (b) In the event of stoppage or failure of any meter to register properly, Customer will be billed for such period on an estimated consumption based upon his use of gas in a similar period of like use or on the basis of check meter readings, if available and accurate, but such adjustment shall not be made for more than six months.
- (c) In the event of tampering or unauthorized use of Company's facilities, the probable gas consumption shall be estimated by Company and billed to Customer. If the duration of such tampering or unauthorized use is not known, it shall be conclusively presumed to be since the commencement of Customer's service but for a period of not more than six months.
- (d) All property of Company installed in or upon premises of, or occupied by Customer is under Customer's protection. All reasonable care shall be exercised by Customer to prevent loss of or damage to such property, ordinary wear and tear excepted. Customer will be liable for any loss of property or damage thereto and shall pay to Company the cost of appropriate repairs or replacements for such loss or damage to property.

Extension and Installation of Company Facilities

This Company will, upon written application, will install gas mains, service lines, and meters to serve bona fide applicants of a permanent and established character in accordance with the following provisions of these Service Regulation. Gas main extensions shall be made only along public streets, roads or highways and upon private property across which satisfactory rights of way or easements have been provided without cost to the Company. All gas mains constructed pursuant to this service regulation shall be owned, operated, and maintained by the Company.

7.1 Main Extensions

Any extension from existing mains to the point of connection with Customer's service line, whether on public property or on private property, is considered to be an extension of a main. Any extension, from existing mains or from an extension of a main as defined above, to Customer's property for service to Customer shall be considered a part of the service line to service such Customer.

GENERAL RULES AND REGULATIONS (Continued)

The Company will install all mains necessary to serve the customer(s) free of charge, provided the revenue expected to be realized produces a rate of return on the investment that is equal to or greater than the minimum allowed rate of return on equity approved in the Company's most recent rate case. This rate of return analysis will be based on a feasibility study performed by the company. This study will include consideration of all costs needed to provide service (materials, company and/or contract labor, overheads, and applicable taxes). These costs will be compared to the revenue that is either contracted for or can be reasonably expected to be generated by the customers served by the extension. Should this analysis result in a rate of return (ROE) less than the minimum allowed rate of return approved in the Company's most recent rate case, then the customer(s) may be required to remit to the company an Aid-in-Construction (AIC), including any applicable taxes, to make up the difference in the actual and allowable rate of return.

General

1. The Company may, at its sole discretion, choose to waive payment for AIC when system improvements are realized by the extension or when the extension would enhance the opportunity of adding new customers in the future.
2. Individual customers may elect to spread the payment of any required AIC up to, but not to exceed, a three year period at no interest provided that the Customer shall enter into a "Main Extension Contract" and also subject to the following conditions:
 - a. The Company shall approve the Customer's credit prior to the signing of the "Main Extension Contract".
 - b. Default by the Customer under the terms of the "Main Extension Contract" may result in discontinuance of service as per the current provisions of Section 5 of these General Rules and Regulations.
 - c. If a Customer cancels service prior to payment of the total AIC required, the unpaid balance shall become due and payable immediately. The Company may use any deposit or credit owed to the Customer to offset the balance due under the "Main Extension Contract".
 - d. In no case will the Company build without cost to the applicant more service line than is necessary to reach the acceptable meter location by the most economical route.

GENERAL RULES AND REGULATIONS (Continued)

7.2 Extensions Beyond the allowance calculated in the feasibility analysis - Residential and Commercial

1. Upon completion of a main extension contract the Company will extend its mains to a Customer provided the Customer deposits any AIC which may be due as determined in Section 7.1.
2. As additional Customers are served through a service line connected directly to the specifically involved main extension within five (5) years of its completion date, the original Customer(s) shall be refunded an amount determined as follows:
 - a. The contract with the original Customer(s) shall set forth the estimated cost per foot for a normal 2 inch polyethylene main extension.
 - b. The Company will estimate the annual gas consumption (Mcf) of each new Customer added to the main extension
 - c. The refund shall be determined by the following formula:
$$\text{Refund} = \text{the estimated cost per foot from (a) times the estimated annual gas consumption (Mcf) for the new Customer}$$
 - d. The refund to the original Customer(s) shall not exceed the amount of the original construction charge deposited with the Company
 - e. No interest shall be paid on the AIC made by the customer
 - f. The refund(s) due, if any, to the original Customer(s) will be calculated and paid on June 1st of every year. Refunds will not be made any other time.
 - g. If the Company has allowed the Customer to pay the AIC over a period of time in accordance with Section 7.2(4), all refunds attributable to the connecting of new Customers to the specifically involved main extension will be credited to any outstanding balance owed for the extension.

GENERAL RULES AND REGULATIONS (Continued)

- 3 Individual residential customers may elect to spread the payment of the AIC over a period not to exceed three years at no interest provided that the Customer shall enter into a Main Extension Contract and also subject to the following conditions:
 - a. The Company shall approve the Customer's credit prior to the signing of the main extension contract.
 - b. Default by the Customer under the terms of the Main Extension Contract may result in discontinuance of service as per the current provisions of Section 5 of these General Rules and Regulations.
 - c. If a Customer cancels service prior to payment of the total AIC the unpaid balance shall become due and payable immediately.
 - d. The Company may use any deposit or credit owed to the Customer to offset the balance due under the Main Extension Contract.
 - e. Refunds due the Customer under section 7.2 (3) shall be credited to the outstanding loan balance.
- 4 In addition to all other of these Service Regulations the following shall also apply to Mobile Home Parks:
 - a. For the purpose of these regulations, a Mobile Home Park is defined as any tract or parcel of land used primarily to provide sites for the parking and occupancy of Mobile Homes. A Mobile Home is defined as a portable structure built so as to be readily transportable from one location to another, and which is usable as a dwelling for one or more persons, herein referred to as Mobile Home Occupants. Any person, firm or corporation who operates a Mobile Home Park as a commercial venture shall be referred to as a Mobile Home Park Owner.

GENERAL RULES AND REGULATIONS (Continued)

- b. Any Mobile Home Park Owner desiring gas service within a Mobile Home Park shall enter into a contract with the Company for a minimum period of five (5) years for service from Company's distribution mains to a specified number of Mobile Home sites. Mobile Home Park Owner agrees to pay the Company each month, commencing with a date specified in the contract and each month thereafter for the term of the contract, an amount specified as the customer charge under the provisions of Company's Residential Rate Schedule 210, as filed with the Tennessee Regulatory Authority, for 70% of the number of specified Mobile Home sites less the number of sites occupied by Mobile Home Occupants who were customers of, and who were billed for gas service by, the Company during such month.
- c. After execution of a contract for gas service to a Mobile Home Park, the Company will construct the required extension of distribution facilities to serve the number of sites specified in the contract provided that the total free length allowance for mains and services shall be calculated as per the provisions of Paragraph No. 7. For mains and services exceeding the free length allowance the Mobile Home Park Owner will be required to deposit a Refundable Advance as per the provisions of Paragraph No. 7.

Exhibit D

Summary of Weather Normalized Margin Revenue in Present and Proposed Rates with Updated WMA Factors																				
Actual Twelve Months Ended May 31, 2007 and Attributed Twelve Months Ended October 31, 2008																				
Line No.	Description	12 Months May/07		Rates Effective October		Weather Normalized		Customer Changes		Customer Growth		Decomposition		Total		Attributed		Attributed		
		Count	Revenue	Months	Commodity	Weather adj	Commodity	Base	Changes	Base	Growth	Scope	Adjusted	Adjusted	Volume	Margin Rev	Promoted	Preceded	Commodity	Margin Rev
		Count	Revenue	Months	Commodity	Weather adj	Commodity	Base	Changes	Base	Growth	Scope	Adjusted	Adjusted	Volume	Margin Rev	Promoted	Preceded	Commodity	Margin Rev
RESIDENTIAL																				
2	210 RGS SUMMER	542,119	2,419,220	12.00	0.1207	15,882,203	8,122	(124,788)	17,221	261,138	179,382	551,086	1,275,347	55,557,391						
3	210 RGS WINTER (weather sensitive)	781,910	52,910,296	12.00	0.207	7,343,335	11,723	(852,956)	24,537	3,354,928	37,117,25	79,324	2,181,433	17,157,718	513.00	50,1308	8,550,180	1,432,442		
4	210 RGS SR DT SUMMER			1.00	0.1207		0.132	124,788	255	33,878	2,736	3,291	124,038	15,212						
5	210 RGS SR DT WINTER (weather sensitive)	359	18,883	1.00	0.1207	2,380	1,723	952,556	385	30,268	(21,203)	12,467	881,213	118,122	1.00	50,1308	128,243	3,310		
6	211 HVAC	24	3,822	1.00	0.0667	458						24	3,822	153	1.00	10.0667	462	24		
7	Total Residential	1,324,012	71,852,221			22,929,756	0	0	42,292	2,298,171	1,576,447	1,368,214	72,588,645	23,249,501					25,328,046	2,974,245
COMMERCIAL																				
8	211 HVAC	2	21	1.00	0.0667	9						2	21	19	1.00	10.0678	12			
9	220 COMM/COGS (weather sensitive)	181,453	48,426,733	24.00	0.1851	13,218,681			3,055	823,255	(697,709)	184,535	4,552,328	13,415,353	77.50	52,2049	15,223,173	1,587,220		
10	220 LRG COMM/COGS (weather sensitive)	19	330,845	200.00	0.1966	77,144						19	330,845	177,144	330.00	17.138	153,863	117,265		
11	240 DEMAND/COMM/COGS					2,170						0	0	0						
12	Block 1 Volumes		140,000		0.0591	12,514		(140,000)				0	0	0						
13	Block 2 Volumes		40,770		0.0575	2,348		(40,770)				0	0	0						
14	Block 3 Volumes				0.0234	0		0				0	0	0						
15	Demand Volumes		13,684		1.6293	22,225		(13,684)				0	0	0						
16	250 OPT GS	38	0	110.00		11,180						38	0	11,180	310.00					
17	Block 1 Volumes		571,490		0.0591	51,581						0	372,490	51,581						
18	Block 2 Volumes		585,745		0.0576	40,875						0	485,745	40,875						
19	Block 3 Volumes				0.0234	0						0	0	0						
20	250 LRG COMM HVAC GS	12	0	25.00		300						12	0		27.50					
21	Block 1 Volumes		182,835		0.0591	14,492						0	182,835	14,492						
22	Block 2 Volumes		13,151		0.0576	757						0	13,151	757						
23	Block 3 Volumes				0.0234	0						0	0	0						
24	Total Commercial	181,453	50,880,654			13,851,538	0	0	3,085	823,255	(697,709)	184,535	50,925,431	13,717,482					15,312,003	1,601,521
INDUSTRIAL																				
25	220 COMM/COGS	3,467	5,150,447	24.00	0.1851	1,392,506						3,467	5,450,447	1,892,268	37.50	50,2049	1,212,139	120,051		
26	220 LRG COMM/COGS	191	2,065,878	200.00	0.1966	444,340						191	1,854,805	401,467	200.00	50.1759	362,866	28,551		
27	240 DEMAND/COMM/COGS					3,170						12	0	3,170						
28	Block 1 Volumes		240,000		0.0591	21,824						0	240,000	21,824						
29	Block 2 Volumes		401,560		0.0575	23,130						0	401,560	23,130						
30	Block 3 Volumes				0.0234	0						0	0	0						
31	Demand Volumes		47,103		1.5293	76,745						0	47,103	76,745						
32	250 OPT GS	539	0	110.00		167,006						539	0	167,006	310.00					
33	Block 1 Volumes		5,687,145		0.0591	512,412						0	5,687,145	512,412						
34	Block 2 Volumes		5,736,630		0.0575	130,403						0	5,736,630	130,403						
35	Block 3 Volumes				0.0234	0						0	0	0						
36	250 - ECONOMIC DEV/COGS (250 OPT)					3			12			12	0	3,720	110.00					
37	Block 1 Volumes				0.0575	0						0	149,000	16,790						
38	Block 2 Volumes				0.0432	0						0	1,751,876	75,881						
39	Block 3 Volumes				0.1715	0						0	0	0						
40	292 CNG/Phone Meter	12	0	9.00		0						12	0	0	3.00					
41	Block 1 Volumes		23,740		0.0591	2,139						0	23,740	2,139						
42	Block 2 Volumes				0.0576	0						0	0	0						
43	Block 3 Volumes				0.0234	0						0	0	0						
44	292 CO2/COGS	24	0	25.00		500						24	0	300	27.50					
45	Block 1 Volumes		106,071		0.0591	5,737						0	106,071	9,737						
46	Block 2 Volumes		5,372		1.0576	709						0	5,372	309						
47	Block 3 Volumes				0.0234	0						0	0	0						
48	Total Industrial	4,245	12,119,893			2,934,489	0	0	1,779,960	0	0	4,350	21,499,753	2,737,409					2,917,446	180,438
PUBLIC AUTOMOBILE																				
49	211 HVAC			9.00	0.1207	1						0	0	0	1.00	50.1308				
50	221 EXPERIMENTAL/COGS	72	548,148	25.00	0.0995	16,230						72	548,148	16,230	27.50	50.2653	63,692	159		
51	225 PAG SR DT SUMMER			0.00	0.1207	1	77	3,011				0	1,011	363	1.00	50.1308	394	30		
52	225 PAG SR DT WINTER (weather sensitive)			0.00	0.1207	1	32	16,810				0	16,810	2,025	1.00	10.1308	2,109	170		
53	225 PAG GS - SUMMER	2,485	100,258	3.00	0.1207	34,298	0	(3,011)				2,425	97,247	33,492	510.00	50.1308	37,013	3,411		
54	225 PAG GS - WINTER (weather sensitive)	1,465	580,217	12.00	0.1207	109,264	529	(18,310)				3,417	542,595	105,552	112.00	50.1308	115,454	1,339		
55	Total Public Automobile	5,002	1,338,315			309,792	0	0	1,002	1,308,115	0	5,002	1,338,315	308,426					235,752	11,310
TRANSPORTATION																				
56	250 - TRANSP (220 SML COMM/COGS)	21	122,748	110.00	0.1851	29,729						21	122,748	29,729	210.00	0.2049	11,629	749		
57	250 - TRANSP (220 LRG COMM/COGS)	414	3,756,726	110.00	0.1966	1,352,712						250	3,222,998	1,737,329	210.00	0.1758	1,568,501	117,002		
58	250 - TRANSP (240 DEMAND/COMM/COGS)	12	0	110.00		1,720						12	0	1,720	310.00					
59	Block 1 Volumes		240,000		0.0591	21,624						0	240,000	21,624						
60	Block 2 Volumes		552,040		0.0576	37,554						0	552,040	37,554						
61	Block 3 Volumes				0.0234	0						0	0	0						
62	Demand Volumes		48,890		1.5293	79,819						0	48,890	79,819						
63	250 - TRANSP (250 OPT GS MASS METERS)	12	0	110.00		2,720						12	0	3,720	310.00					
64	Block 1 Volumes		240,000		0.0575	6,200						0	240,000	16,200						
65	Block 2 Volumes		408,660		0.0432	17,707						0	408,660	17,707						
66	Block 3 Volumes				0.0175	0						0	0	0						
67	Demand Volumes		33,617		1.2220	41,224						0	33,617	41,224						
68	250 - TRANSP (250 OPT GS MASS METERS)	18	0	110.00		1,680						18	0	1,670	310.00					
69	Block 1 Volumes		226,410		0.0591	20,402						0	226,410	26,410						
70	Block 2 Volumes		234,950		0.0576	3,523						0	234,950	27,952						
71	Block 3 Volumes				0.0234	0						0	0	0						
72	250 - TRANSP (250 OPT GS)	152	0	110.00		17,120						152	0	17,170	310.00					
73	Block 1 Volumes		10,014,338		1.0591	602,268						0	10,014,338	602,268						
74	Block 2 Volumes		37,500,580		0.0576	1,584,033						0	37,500,580	1,584,033						
75	Block 3 Volumes				0.0234	0						0	0	0						
76	250 - TRANSP (300/750 ECON DEV / OPT GS)	15	0	210.00		1,720						15	0	1,720	210.00					
77	Block 1 Volumes		480,000		0.0575	22,400						0	480,000	22,400						
78	Block 2 Volumes		1,025,650		0.0432	11,524						0	1,025,650	11,524						
79	Block 3 Volumes				0.0175	0						0	0	0						
80	Total Transportation		35,092,550			1,000,127						0	35,092,550	537,238						
81	Total Transportation	1,725	15,655,844			71,115,279,845	0	0	1			1	15,655,844	1,687,270					1,687,270	19,977
82	TOTALS	5,516,262	23,417,332			54,520,959	0	0	11	13,878,953	15,187	0	13,426	2,773,581	5,682,728	218,571,545	245,405,400		549,256,496	
83	250 - 250																			