

**Tennessee Distribution System
Cost of Service
Twelve Months Ended December 31, 2015**

Line No.	Description	Reference	Amount
	(a)	(b)	(c)
1	Cost of Gas	Schedule 3	\$87,478,439
2			
3	Operation & Maintenance Expense	Schedule 4	20,479,158
4			
5	Taxes Other Than Income Taxes	Schedule 5	6,897,008
6			
7	Depreciation & Amortization Expense	Schedule 6	12,069,601
8			
9	Return	Schedule 7	19,640,845
10			
11	Federal Income and State Excise Tax	Schedule 8	8,114,738
12			
13	AFUDC	Wp 1-2	(66,220)
14			
15	Interest on Customer Deposits	Wp 1-1	116,342
16			
17	Total Cost of Service		<u>\$ 154,729,912</u>
18			
19			
20	Revenue at Present Rates	Schedule 2	<u>\$ 152,212,889</u>
21			
22	Net Revenue Deficiency		<u><u>\$ 2,517,023</u></u>

**Tennessee Distribution System
Interest on Customer Deposits
Twelve Months Ended December 31, 2015**

Line No.	Description	Amount
	(a)	(b)
1	Average Customer Deposit Balance	\$ 3,579,762
2		
3	Interest Rate on Customer Deposits	<u>3.25%</u>
4		
5	Adjusted Customer Deposit Interest	<u><u>\$ 116,342</u></u>

Tennessee Distribution System
Allowance for Funds Used During Construction
Twelve Months Ended December 31, 2015

Line No.	Description	Amount
	(a)	(b)
1	Base Period AFUDC per books - Div 093 (1)	\$ (108,959)
2		
3	Less State Excise Tax Effect	<u>(7,082)</u>
4		
5		\$ (101,877)
6		
7	Less Federal Tax Effect	<u>(35,657)</u>
8		
9	Net AFUDC - Base Period	\$ (66,220)
10		
11	Change from Base Period to Test Year	<u>-</u>
12		
13	Projected Test Year Net AFUDC	<u><u>\$ (66,220)</u></u>
14		
15	Note:	
16	1. Twelve months ended June 30, 2014 - Account 432	

**Tennessee Distribution System
Summary of Revenue at Present Rates
Twelve Months Ended December 31, 2015**

Line No.	Description	Amount
	(a)	(b) (c)
1	Base period per books revenue (1)	\$ 150,583,201
2		
3	Change from Base Period to Test Year	<u>1,629,688</u>
4		
5	Projected Test Year Revenue:	
6	Margin at proposed WNA	\$ 64,734,450
7	Gas cost	<u>87,478,439</u>
8	Total	<u>\$ 152,212,889</u>
9		
10	Note:	
11	1. Twelve months ended June 30, 2014	

Tennessee Distribution System
Cost of Gas
Twelve Months Ended December 31, 2015

Line No.	Description (a)	Amount (b)
1	Base period per books cost of gas (1)	\$ 88,684,395
2		
3	Adjustments	
4	Net Elimination of Intercompany Leased Storage Property	<u>(1,205,956)</u>
5		
6	Total Adjusted Gas Cost	\$ 87,478,439
7		
8	Change from Base Period to Test Year	<u>-</u>
9		
10	Projected Test Year Gas Cost	<u><u>\$ 87,478,439</u></u>
11		
12	Note:	
13	1. Twelve months ended June 30, 2014	

Tennessee Distribution System
ELIMINATION OF LEASED PROPERTY-RENT
Twelve Months Ended December 31, 2015

Line No.	Description	Building Rent O&M	Storage Expense O&M	Leased Property Depreciation	Storage Expense Other Taxes	Storage Rent Gas Cost
	(a)	(b)				(c)
1	July-13	\$ (44,333)	\$ 23,344	\$ 21,607	\$ 1,083	\$ (108,645)
2	August-13	(44,333)	24,048	21,607	1,083	(108,645)
3	September-13	(44,333)	83,934	21,607	1,083	(108,645)
4	October-13	(44,333)	32,801	21,607	1,967	(108,645)
5	November-13	(44,333)	30,600	21,607	1,967	(108,645)
6	December-13	(44,333)	29,021	21,607	2,288	(108,645)
7	January-14	(44,333)	40,286	21,607	2,017	(108,645)
8	February-14	(44,333)	27,715	21,607	2,017	(108,645)
9	March-14	(44,333)	49,711	21,607	2,017	(47,530)
10	April-14	(44,333)	55,083	21,607	2,017	(96,422)
11	May-14	(44,333)	26,342	21,738	2,017	(96,422)
12	June-14	(44,333)	53,196	21,738	2,017	(96,422)
13						
14	Total Per Books	<u>\$ (532,000)</u>	<u>\$ 476,081</u>	<u>\$ 259,544</u>	<u>\$ 21,573</u>	<u>\$ (1,205,956)</u>

**Tennessee Distribution System
Operation and Maintenance Expenses
Twelve Months Ended December 31, 2015**

Line No.	Description (b)	Amount (c)
1	Base period per books O&M Expense (1)	\$ 20,691,412
2		
3	Change from Base Period to Test Year	<u>(156,334)</u>
4		
5	Test Year O&M Expenses - Before Eliminations	\$ 20,535,077
6		
7	<u>Adjustments to O&M</u>	
8	Elimination of Intercompany Leased Property - Rent	\$ (532,000)
9	Inclusion of Barnsley Storage Operating Expense	\$ 476,081
10		
11	Total Adjustments	<u>\$ (55,919)</u>
12		
13	Total Adjusted Operation and Maintenance Expenses	<u>\$ 20,479,158</u>
14		
15	Note:	
16	1. Twelve months ended June 30, 2014	

Tennessee Distribution System
Operation and Maintenance Expenses
Twelve Months Ended December 31, 2015

Line
No.

	Tennessee			SSU			General Office			Total		
	Historic Base	Test	Difference	Historic Base	Test	Difference	Historic Base	Test	Difference	Historic Base	Test	Difference
1 Labor	\$ 3,833,106	\$ 3,512,699	\$ (320,407)	\$ 2,988,616	\$ 3,260,523	\$ 271,907	\$ 830,668	\$ 1,109,264	\$ 278,596	\$ 7,652,390	\$ 7,882,486	\$ 230,096
2 Benefits	2,042,645	1,276,884	(765,761)	1,092,592	936,755	(155,837)	216,528	525,099	308,570	3,351,765	2,738,738	(613,028)
3 Employee Welfare	43,233	49,585	6,352	1,940,675	1,606,972	(333,703)	796,294	425,712	(370,582)	2,780,203	2,082,269	(697,933)
4 Insurance	221,454	24,415	(197,039)	748,809	854,012	105,202	21,054	192,398	171,344	991,318	1,070,825	79,507
5 Rent, Maint., & Utilities	578,875	530,508	(48,367)	352,221	354,011	1,790	162,704	141,062	(21,641)	1,093,800	1,025,582	(68,218)
6 Vehicles & Equip	621,268	677,183	55,915	6,587	7,463	875	26,652	34,284	7,631	654,508	718,929	64,421
7 Materials & Supplies	327,985	296,422	(31,563)	29,900	40,623	10,723	141,309	109,456	(31,852)	499,194	446,502	(52,692)
8 Information Technologies	-	-	-	639,959	705,273	65,314	37,245	67,337	30,091	677,204	772,609	95,406
9 Telecom	151,489	139,010	(12,479)	129,039	130,308	1,269	152,011	260,096	108,085	432,538	529,413	96,875
10 Marketing	76,887	70,314	(6,573)	16,767	26,360	9,593	113,813	186,586	72,773	207,468	283,261	75,793
11 Directors & Shareholders & PR	951	1,284	333	214,115	227,775	13,660	-	1,671	1,671	215,066	230,729	15,664
12 Dues & Donations	48,527	32,746	(15,781)	19,498	18,028	(1,471)	45,519	76,463	30,944	113,544	127,236	13,692
13 Print & Postages	9,759	14,443	4,684	7,889	12,486	4,597	3,429	7,006	3,577	21,077	33,934	12,857
14 Travel & Entertainment	216,924	151,255	(65,669)	111,987	130,202	18,214	182,841	224,154	41,313	511,752	505,611	(6,141)
15 Training	7,395	12,952	5,557	62,144	57,836	(4,308)	22,415	32,752	10,337	91,954	103,540	11,586
16 Outside Services	1,664,907	1,989,875	324,968	643,523	540,840	(102,684)	1,117,517	1,560,888	443,371	3,425,947	4,091,602	665,655
17 Provision for Bad Debt	651,500	267,926	(383,574)	-	-	-	(1,913)	-	1,913	649,587	267,926	(381,662)
18 Miscellaneous	6,634	20,004	13,371	(2,664,909)	(2,947,564)	(282,655)	(19,627)	(10,297)	9,330	(2,677,903)	(2,937,857)	(259,954)
19 Total O&M Expenses	\$ 10,503,538	\$ 9,067,504	\$ (1,436,034)	\$ 6,339,414	\$ 5,961,901	\$ (377,513)	\$ 3,848,459	\$ 4,943,930	\$ 1,095,471	\$ 20,691,412	\$ 19,973,335	\$ (718,077)
20												
21 Settlement Adjustment		(1,525,077)	(1,525,077)							-	(1,525,077)	(1,525,077)
22												
23 Pension Benchmark		2,086,819	2,086,819							-	2,086,819	2,086,819
24												
25 Total O&M	\$ 10,503,538	\$ 9,629,246	\$ (874,292)	\$ 6,339,414	\$ 5,961,901	\$ (377,513)	\$ 3,848,459	\$ 4,943,930	\$ 1,095,471	\$ 20,691,412	\$ 20,535,077	\$ (156,334)

Atmos Energy Corporation
Tennessee Annual Mechanism
Settlement Adjustment from Docket No. 12-00064

O&M EXPENSE

Line No.	Docket No. 12-00064	Company	CAPD	Settlement Adjustment
1	Filed O&M (excl. pension and non-reg adj.)	\$ 18,281,830	\$ 16,756,753	\$ (1,525,077)
2				
3	Pension Benchmark	2,086,819	2,086,819	-
4				
5	Non-reg Adjustment	11,951	11,951	-
6				
7	O&M Adjusted for Pension and Non-reg Adjustment	20,380,600	18,855,523	(1,525,077)
8				
9	Settlement O&M	18,855,523	18,855,523	
10				
11				
12				
13				
14	RATE BASE			
15				
13	Settlement Adjustment			\$ (6,582,062)

Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended December 31, 2015

Division 093			
Line No.	FERC Account	Historic Base Period	Forward Looking Test Year
1	7350	1,305	1,234
2	8180	572	1,002
3	8210	31	22
4	8560	623	751
5	8600	8,490	7,764
6	8670	11	10
7	8700	2,361,658	2,295,389
8	8711	16,308	14,739
9	8740	2,070,827	2,204,647
10	8750	121,646	112,936
11	8770	7,659	7,540
12	8780	600,254	550,853
13	8800	110,435	105,630
14	8810	398,508	379,920
15	8860	14,655	13,856
16	8870	18,660	17,465
17	8890	24,379	27,902
18	8920	5,234	4,744
19	8930	17,605	15,997
20	8940	(3,084)	(9,299)
21	9010	6,324	5,769
22	9020	691,800	661,032
23	9030	196,461	178,765
24	9040	651,500	267,926
25	9070	94	86
26	9090	143,931	130,946
27	9100	350	609
28	9110	347,428	302,235
29	9120	33,840	27,674
30	9130	1,600	1,463
31	9160	515	348
32	9200	194,222	177,987
33	9210	65,160	21,514
34	9220	10,187,875	10,905,831
35	9230	157,985	186,707
36	9240	132,462	14,604
37	9250	53,662	51,150
38	9260	2,055,011	1,291,092
39	9280	(74,610)	(68,312)
40	9302	13,199	9,082
41	9310	56,826	53,727
42	Total	20,691,413	19,973,335

Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended December 31, 2015

Division 091			
Line No.	FERC Account	Historic Base Period	Forward Looking Test Year
43	8170	500	432
44	8180	531	459
45	8190	10,223	8,828
46	8210	4,589	3,963
47	8240	401	347
48	8250	27,080	23,385
49	8500	587	716
50	8560	8,920	11,293
51	8570	1,000	863
52	8650	7,311	10,071
53	8700	3,210,235	4,701,227
54	8711	59,652	46,023
55	8740	67,177	85,142
56	8750	43,813	33,813
57	8760	1,382	1,066
58	8770	117,080	90,338
59	8780	344	265
60	8800	2,944	3,846
61	8810	316,444	273,265
62	8870	791	610
63	8940	122	94
64	9030	2,727,144	3,784,970
65	9040	(4,630)	-
66	9100	1,352	2,219
67	9110	72,274	94,631
68	9120	3,558	5,810
69	9130	15,697	25,632
70	9200	(51,047)	(26,675)
71	9210	5,282	10,435
72	9220	(9,310,483)	(11,919,226)
73	9230	91,198	126,897
74	9240	(3,576)	(32,548)
75	9250	525,243	1,384,752
76	9260	1,931,984	1,059,136
77	9302	104,766	174,823
78	9310	14,347	12,389
79	9320	394	709
80	Total	4,630	0

Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended December 31, 2015

Division 002			
Line No.	FERC Account	Historic Base Period	Forward Looking Test Year
81	8140	541	775
82	8210	4,468	3,835
83	8560	479	649
84	8700	100,986	111,977
85	8740	97,800	105,196
86	8760	200	177
87	8800	4,220	5,643
88	8850	1,553	2,106
89	8860	12	16
90	9010	125	169
91	9020	47,412	53,138
92	9030	25,234	28,416
93	9120	29,391	44,921
94	9130	(6,063)	(6,794)
95	9200	(22,447,731)	(24,978,211)
96	9210	18,501,335	25,177,990
97	9220	(84,875,857)	(85,392,395)
98	9230	8,101,170	8,334,421
99	9240	179,210	210,372
100	9250	16,678,193	19,405,728
101	9260	53,634,862	45,805,817
102	9301	306	434
103	9302	4,624,832	4,865,524
104	9310	5,200,477	5,464,325
105	9320	538,395	755,772
106	Total	441,553	0

Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended December 31, 2015

Division 012			
Line No.	FERC Account	Historic Base Period	Forward Looking Test Year
107	8700	10,212	2,826
108	8740	13,188	23,901
109	8800	179	142
110	9010	5,441,762	5,701,640
111	9020	14,190	14,399
112	9030	21,552,990	22,653,041
113	9050	1,257	912
114	9100	2,977	1,182
115	9200	5,019,864	5,290,527
116	9210	10,455,699	3,312,537
117	9220	(57,004,824)	(48,655,442)
118	9230	351,640	146,398
119	9240	188,310	-
120	9250	850	338
121	9260	12,410,091	9,923,185
122	9301	244	227
123	9302	180	56
124	9310	1,697,889	1,583,861
125	9320	19,527	270
126	Total	176,224	(0)

Line No.	Description	Number of Bills	Volumes Mcf	Adjustments to Bills	Adjustments to Volumes	Total Bills	Total Volumes	Proposed Customer Charge	Proposed Commodity Charge	Revenue @ Proposed Rates	Bad Debt Percentage	Total Bad Debt
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	210 Residential Gas Service (Summer)	584,867	835,236	14,247	20,346	599,114	855,581	14.50	1.272	9,775,642	0.5%	\$ 48,878
2	210 Residential Gas Service (Winter) (weather sensitive)	826,242	6,878,880	20,126	167,563	846,368	7,046,443	17.50	1.272	23,776,103	0.5%	\$ 118,881
3	210 Residential Gas Service Senior Citizen (Summer)	714	521	17	13	731	534	0.00	1.272	679	0.5%	\$ 3
4	210 Residential Gas Service Senior Citizen (Winter) (weather sensitive)	1,027	8,779	25	214	1,052	8,993	0.00	1.272	11,441	0.5%	\$ 57
5												
6	211 Residential/Sm. Commercial/Industrial Heating & Cooling Service	24	448	1	11	25	459	14.50	0.743	697	0.5%	\$ 3
7												
8	220 Commercial Gas Service (weather sensitive)	190,262	5,133,229	2,825	76,218	193,087	5,209,447	37.00	2.406	19,678,821	0.5%	\$ 98,394
9												
10	221 Experimental School Gas Service	61	69,270	1	1,029	62	70,298	37.00	1.179	85,177	0.5%	\$ 426
11												
12	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0	0	0	0	0.00	1.272	0	0.5%	\$ -
13	225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather Sensitive)	0	0	0	0	0	0	0.00	1.272	0	0.5%	\$ -
14	225 Public Authority Gas Service (Summer)	2,983	9,107	73	222	3,056	9,329	14.50	1.272	56,176	0.5%	\$ 281
15	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,142	43,257	101	1,054	4,243	44,310	17.50	1.272	130,624	0.5%	\$ 653
16												
17	230 Large Commercial Gas Service (weather sensitive)	15	29,701	0	441	15	30,142	385.00	2.121	69,785	0.5%	\$ 349
18												
19	Total											267,926

Tennessee Distribution System
Taxes Other Than Income Taxes
Twelve Months Ended December 31, 2015

Line No.	Description (a)	Total (b)
1	Base period per books Other Taxes Expense (1)	\$ 6,190,722
2		
3	Change from Base Period to Test Year	<u>684,714</u>
4		
5	Test Year Other Taxes Expense	<u>\$ 6,875,435</u>
6		
7	Inclusion of Barnsley Storage Other taxes	<u>21,573</u>
8		
9	Test Year Adjusted Taxes Other Than Income Taxes	<u>\$ 6,897,008</u>
10		
11	Note:	
12	1. Twelve months ended June 30, 2014 - Account 408	

Tennessee Distribution System
Taxes Other Than Income Taxes
Twelve Months Ended December 31, 2015

Line No.	Description	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-13	May-14	Jun-14	Base Period
1	<u>Division 093</u>													
2	FICA	13,058	14,714	17,500	11,261	52,163	7,679	25,172	24,869	14,256	14,695	22,762	28,635	246,765
3	FUTA	9	6	2	4	37	10	8,700	(1,707)	(79)	(97)	5	11	6,901
4	SUTA	34	17	13	(21)	69	18	2,554	1,251	(232)	(63)	(24)	13	3,629
5	Ad Valorem	275,655	275,655	275,655	275,655	275,655	269,026	304,920	304,920	304,920	304,920	304,920	304,920	3,476,821
6	30105 Corp/State Franchise Tax	50,417	50,417	50,417	51,667	51,667	51,667	51,667	51,667	51,667	51,667	51,667	51,667	616,254
7	30107 City Franchise	167	167	167	167	167	167	167	167	167	167	167	167	2,000
8	30109 State Gross Receipts	43,189	43,806	43,132	52,117	97,192	161,526	203,484	144,001	129,162	79,012	44,103	43,612	1,084,335
9	30104 State Supv & Inspection	31,044	31,044	31,044	31,044	31,044	31,044	31,044	31,044	44,174	44,174	44,174	44,174	425,046
10	30108 Dot Transmission User Tax	-	-	-	0	0	0	0	0	0	19,392	-	-	19,392
11	Division 91 Allocations	7,158	7,517	7,973	6,695	14,835	(38,125)	11,016	8,918	7,704	7,666	9,523	11,046	61,928
12	Division 12 Allocations	10,745	10,418	9,839	10,721	19,602	(19,774)	14,691	11,038	11,633	11,305	10,471	10,027	110,716
13	Division 02 Allocations	13,679	12,642	11,450	10,925	26,213	(14,261)	16,007	11,473	11,930	12,121	13,571	11,185	136,934
14	Total	\$ 445,154	\$ 446,403	\$ 447,192	\$ 450,234	\$ 568,644	\$ 448,978	\$ 669,422	\$ 587,641	\$ 575,301	\$ 544,957	\$ 501,338	\$ 505,458	\$ 6,190,722
15														
16	<u>Division 002</u>													
17	FICA	240,480	226,916	200,694	206,173	442,148	190,605	247,305	203,961	224,048	232,114	264,046	209,624	2,888,113
18	FUTA	157	194	212	211	98	110	21,115	2,302	277	(341)	14	245	24,594
19	SUTA	485	518	514	540	449	312	49,505	10,886	2,990	(246)	(247)	875	66,581
20	Ad Valorem	50,000	50,000	50,000	36,000	36,000	(508,191)	38,000	38,000	38,000	38,000	38,000	38,000	(58,191)
21	30105 Corp/State Franchise Tax	167	167	167	0	0	0	0	0	0	0	0	0	501
22	Total	\$ 291,289	\$ 277,794	\$ 251,587	\$ 242,923	\$ 478,694	\$ (317,164)	\$ 355,925	\$ 255,149	\$ 265,315	\$ 269,528	\$ 301,813	\$ 248,744	\$ 2,921,597
23														
24	<u>Division 012</u>													
25	FICA	170,201	162,758	149,667	198,709	387,478	163,311	215,344	183,306	205,509	202,069	230,851	178,914	2,448,116
26	FUTA	110	139	158	203	85	95	18,351	2,183	313	(331)	10	209	21,525
27	SUTA	340	371	383	518	392	268	43,025	9,996	2,895	(325)	(226)	748	58,385
28	Ad Valorem	72,000	72,000	72,000	39,000	48,000	(603,439)	50,000	50,000	50,000	50,000	50,000	50,000	(439)
29	Total	\$ 242,651	\$ 235,268	\$ 222,208	\$ 238,429	\$ 435,955	\$ (439,765)	\$ 326,720	\$ 245,485	\$ 258,717	\$ 251,413	\$ 280,635	\$ 229,871	\$ 2,527,587
30														
31	<u>Division 091</u>													
32	FICA	7,018	7,905	9,022	6,151	25,713	4,247	11,346	11,679	8,661	8,563	12,970	16,616	129,890
33	FUTA	5	3	1	2	18	5	3,971	(769)	(13)	(52)	3	7	3,181
34	SUTA	18	9	7	(11)	35	9	1,165	590	(74)	(31)	(14)	8	1,711
35	Ad Valorem	10,000	10,000	10,000	10,000	10,000	(96,173)	10,000	10,000	10,000	10,000	10,000	10,000	13,827
36	30105 Corp/State Franchise Tax	417	417	417	0	0	0	0	0	0	0	0	0	1,251
37	Total	\$ 17,041	\$ 17,918	\$ 19,029	\$ 16,141	\$ 35,765	\$ (91,911)	\$ 26,482	\$ 21,500	\$ 18,574	\$ 18,481	\$ 22,959	\$ 26,631	\$ 149,860

Tennessee Distribution System
Taxes Other Than Income Taxes
Twelve Months Ended December 31, 2015

Line No.	Description	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Forward Looking Test Year
1	<u>Division 093</u>													
2	FICA	25,928	25,615	14,684	15,136	23,445	29,494	13,853	15,610	18,566	11,947	55,339	8,147	257,764
3	FUTA	8,961	(1,758)	(81)	(100)	5	12	10	7	2	4	39	11	7,111
4	SUTA	2,631	1,289	(239)	(65)	(25)	14	36	19	13	(22)	74	19	3,742
5	Ad Valorem	314,954	314,954	314,954	314,954	314,954	314,954	314,954	314,954	314,954	314,954	314,954	314,954	3,779,448
6	30105 Corp/State Franchise Tax	51,667	51,667	51,667	51,667	51,667	51,667	51,667	51,667	51,667	51,667	51,667	51,667	620,004
7	30107 City Franchise	167	167	167	167	167	167	167	167	167	167	167	167	2,000
8	30109 State Gross Receipts	220,548	167,723	141,482	75,003	55,030	52,982	57,815	57,586	61,639	63,178	109,142	179,834	1,241,962
9	30104 State Supv & Inspection	44,174	44,174	44,174	44,174	44,174	44,174	44,174	44,174	44,174	44,174	44,174	44,174	530,084
10	30108 Dot Transmission User Tax	-	-	-	19,392	-	-	-	-	-	-	-	-	19,392
11	Division 91 Allocations	11,190	9,061	7,811	7,771	9,684	11,253	7,246	7,632	8,121	6,850	15,486	6,023	108,128
12	Division 12 Allocations	14,614	10,964	11,559	11,231	12,544	10,263	10,078	9,737	9,132	11,410	20,135	9,756	141,422
13	Division 02 Allocations	16,747	12,080	12,551	12,746	14,241	11,783	13,533	12,889	11,639	11,894	23,140	11,136	164,377
14	Total	\$ 711,579	\$ 635,935	\$ 598,727	\$ 552,075	\$ 525,885	\$ 526,762	\$ 513,533	\$ 514,440	\$ 520,075	\$ 516,222	\$ 634,316	\$ 625,886	\$ 6,875,435
15														
16	<u>Division 002</u>													
17	FICA	254,725	210,080	230,769	239,078	271,968	215,912	255,125	240,735	212,916	218,729	469,074	202,213	3,021,323
18	FUTA	21,748	2,371	285	(351)	15	252	166	205	225	224	104	117	25,362
19	SUTA	50,990	11,213	3,080	(253)	(255)	901	514	550	546	572	476	331	68,665
20	Ad Valorem	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	540,000
21	30105 Corp/State Franchise Tax	0	0	0	0	0	0	167	167	167	0	0	0	501
22	Total	\$ 372,463	\$ 268,664	\$ 279,134	\$ 283,474	\$ 316,727	\$ 262,066	\$ 300,973	\$ 286,657	\$ 258,854	\$ 264,525	\$ 514,654	\$ 247,660	\$ 3,655,851
23														
24	<u>Division 012</u>													
25	FICA	221,804	188,805	211,675	208,131	237,777	184,281	180,566	172,670	158,781	210,810	411,076	173,257	2,559,632
26	FUTA	18,902	2,248	322	(341)	11	216	117	147	168	215	90	100	22,195
27	SUTA	44,316	10,296	2,982	(335)	(233)	770	361	394	407	549	416	284	60,207
28	Ad Valorem	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	600,000
29	Total	\$ 335,022	\$ 251,349	\$ 264,979	\$ 257,455	\$ 287,554	\$ 235,267	\$ 231,044	\$ 223,211	\$ 209,356	\$ 261,574	\$ 461,581	\$ 223,642	\$ 3,242,034
30														
31	<u>Division 091</u>													
32	FICA	11,686	12,030	8,920	8,820	13,359	17,115	7,446	8,386	9,571	6,525	27,278	4,506	135,643
33	FUTA	4,090	(792)	(13)	(53)	3	7	5	4	1	2	19	6	3,278
34	SUTA	1,200	607	(76)	(32)	(14)	8	19	10	7	(12)	37	10	1,764
35	Ad Valorem	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
36	30105 Corp/State Franchise Tax	0	0	0	0	0	0	0	0	0	0	0	0	-
37	Total	\$ 26,977	\$ 21,845	\$ 18,831	\$ 18,735	\$ 23,347	\$ 27,129	\$ 17,469	\$ 18,400	\$ 19,579	\$ 16,515	\$ 37,334	\$ 14,521	\$ 260,684

Tennessee Distribution System
Depreciation and Amortization Expense
Twelve Months Ended December 31, 2015

Line No.	Description	Reference	Amount
	(a)	(b)	(c)
1	Base period per books Depreciation Expense (1)		\$ 10,441,142
2			
3	Change from Base Period to Test Year		<u>719,670</u>
4			
5	Test Year Depreciation Expense at current Depreciation Rates	Wp 6-2	\$ 11,160,812
6			
7	Adjustment to reflect Proposed Depreciation Rates		<u>-</u>
8			
9	Test Year Depreciation Expense at proposed Depreciation Rates	Wp 6-1	11,160,812
10			
11	Amortization of Deferred Pension Regulated Asset	Wp 7-3	649,245
12			
13	Net Elimination of Intercompany Leased Property	Wp 3-1	<u>259,544</u>
14			
15	Total Depreciation and Amortization Expense, As Adjusted		<u>\$ 12,069,601</u>
16			
17	Note:		
18	1. Twelve months ended June 30, 2014		

**Tennessee Distribution System
Depreciation Expense Adjustment
Proforma SSU Depreciation at Proposed Depreciation Rates
Twelve Months Ended December 31, 2015**

Line No.	Description	Amount	Allocation	Allocated
	(a)	(b)	(c)	(d)
1	Proforma Depreciation			
2	Tennessee Operations	\$ 10,069,311	100.00%	\$ 10,069,311
3	Mid-States General Office	490,828	41.48%	203,589
4	SSU Div 12 - Customer Service	8,080,536	4.36%	352,484
5	SSU Div 02 - General Office	11,908,243	4.50%	535,428
6				
7	Proforma Depreciation Adjustment			<u>\$ 11,160,812</u>

**Tennessee Distribution System
Depreciation Expense Adjustment
Proforma SSU Depreciation at Current Depreciation Rates
Twelve Months Ended December 31, 2015**

Line No.	Description	Amount	Allocation	Allocated
	(a)	(b)	(c)	(d)
1	Proforma Depreciation			
2	Tennessee Operations	\$ 10,069,311	100.00%	\$ 10,069,311
3	Mid-States General Office	490,828	41.48%	203,589
4	SSU Div 12 - Customer Service	8,080,536	4.36%	352,484
5	SSU Div 02 - General Office	11,908,243	4.50%	535,428
6				
7	Proforma Depreciation Expense			<u>\$ 11,160,812</u>

Tennessee Distribution System
Rate Base & Return
Twelve Months Ended December 31, 2015
Thirteen Month Average

Line No.	Description (a)	Historic Base Period (1) (b)	Change (c)	Test Year (d)	Reference (e)
1	Original Cost of Plant	\$ 432,448,134	\$ 40,384,243	\$ 472,832,377	Wp 7-1 Wp7-2
2					
3	Accumulated Depreciation and Amortization	(181,388,570)	(8,110,129)	(189,498,699)	Wp 7-1 Wp7-2
4					
5	Construction Work in Progress per Books	13,489,613	(3,961,709)	9,527,904	Wp 7-1 Wp7-2
6					
7	Storage Gas Investment	6,482,564	(9,092)	6,473,471	Wp 7-1 Wp7-2
8					
9	Cash Working Capital	1,544,575	(1,127,878)	416,697	Wp 7-5
10					
11	Material & Supplies	6,005	4	6,009	Wp 7-1 Wp7-2
12					
13	Deferred Pension Regualted Asset Balance	-	973,868	973,868	Wp 7-3
14					
15	Accumulated Deferred Income Tax	(40,557,701)	(13,137,470)	(53,695,171)	Wp 7-1
16					
17	Customer Advances for Construction	(73,942)	(1,135)	(75,078)	Wp 7-1 Wp7-2
18					
19	Customer Deposits	(3,392,069)	(187,693)	(3,579,762)	Wp 7-1 Wp7-2
20					
21	Accumulated Interest on Customer Deposits	(56,907)	6,402	(50,505)	Wp 7-1 Wp7-2
22					
23	Unadjusted Rate Base	\$ 228,501,702	\$ 14,829,411	\$ 243,331,113	
24					
25	Adjustments:				
26					
27	Settlement adjustment	(6,582,062)	0	(6,582,062)	Wp 4-2
28					
29	Net Elimination of Intercompany Leased Property	\$ 5,822,234	\$ (390,711)	\$ 5,431,523	Wp 7-1 Wp7-2
30					
31	Total Rate Base	<u>\$ 227,741,874</u>	<u>\$ 14,438,700</u>	<u>\$ 242,180,574</u>	
32					
33	Return at Overall Cost of Capital on Rate Base	<u>\$ 18,469,866</u>	<u>\$ 1,170,979</u>	<u>\$ 19,640,845</u>	
34					
35	Note:				
36	1. Twelve months ended June 30, 2014				

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								Division 093	Division 091	Division 012	CKV	Division 002	Greenville	
Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	100%	41.48%	4.36%	1.53%	4.50%	1.31%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
1	Gas Plant in Service (Account 101) 13 month average Balances													
2														
3	Dec-14	443,874,514	7,601,416	146,627,585	12,960,577	181,737,127	9,218,027	443,874,514	3,152,962	6,396,099	198,281	8,171,414	120,629	461,913,899
4	Jan-15	445,392,252	7,601,416	146,807,810	12,961,707	182,792,481	9,218,027	445,392,252	3,152,962	6,403,961	198,298	8,218,865	120,629	463,486,967
5	Feb-15	446,677,018	7,601,416	147,075,486	12,962,833	184,127,919	9,218,027	446,677,018	3,152,962	6,415,637	198,316	8,278,910	120,629	464,843,472
6	Mar-15	448,324,334	7,601,416	147,342,210	12,963,955	184,871,361	9,218,027	448,324,334	3,152,962	6,427,272	198,333	8,312,338	120,629	466,535,867
7	Apr-15	449,461,810	7,601,416	147,608,151	12,967,182	185,721,626	9,218,027	449,461,810	3,152,962	6,438,873	198,382	8,350,568	120,629	467,723,224
8	May-15	451,744,486	8,305,735	148,372,576	12,970,389	186,407,218	9,218,027	451,744,486	3,445,104	6,472,218	198,431	8,381,394	120,629	470,362,262
9	Jun-15	453,946,899	9,065,298	149,132,608	12,971,596	187,257,130	9,218,027	453,946,899	3,760,160	6,505,372	198,450	8,419,609	120,629	472,951,117
10	Jul-15	456,151,864	9,824,861	149,418,462	12,972,353	187,991,252	9,218,027	456,151,864	4,075,216	6,517,841	198,461	8,452,617	120,629	475,516,628
11	Aug-15	458,534,170	10,584,424	149,597,782	12,973,101	188,696,384	9,218,027	458,534,170	4,390,273	6,525,663	198,473	8,484,322	120,629	478,253,529
12	Sep-15	460,466,572	11,343,987	149,775,022	12,973,837	189,636,226	9,218,027	460,466,572	4,705,329	6,533,395	198,484	8,526,579	120,629	480,550,988
13	Oct-15	460,154,591	11,789,564	149,949,554	12,974,603	191,485,628	9,218,027	460,154,591	4,890,148	6,541,008	198,496	8,609,734	120,629	480,514,606
14	Nov-15	460,081,128	12,720,660	150,131,013	12,975,368	195,632,705	9,218,027	460,081,128	5,276,354	6,548,923	198,507	8,796,198	120,629	481,021,740
15	Dec-15	462,152,005	12,720,660	150,312,287	12,968,255	196,659,949	9,218,027	462,152,005	5,276,354	6,556,831	198,399	8,842,386	120,629	483,146,602
16	Average	454,423,927	9,566,328	148,626,965	12,968,904	187,924,385	9,218,027	453,612,434	3,967,981	6,483,315	198,409	8,449,610	120,629	472,832,377
17														
18	Construction Work in Process (Account 1070)													
19														
20	Dec-14	7,834,846	(16,064)	1,399,985	0	29,784,786	0	7,834,846	(6,663)	61,069	0	1,339,208	0	9,228,461
21	Jan-15	7,834,846	(16,064)	1,399,985	0	30,920,741	0	7,834,846	(6,663)	61,069	0	1,390,284	0	9,279,536
22	Feb-15	7,834,846	(16,064)	1,399,985	0	32,358,172	0	7,834,846	(6,663)	61,069	0	1,454,915	0	9,344,167
23	Mar-15	7,834,846	(16,064)	1,399,985	0	33,158,393	0	7,834,846	(6,663)	61,069	0	1,490,895	0	9,380,148
24	Apr-15	7,834,846	(16,064)	1,399,985	0	34,073,596	0	7,834,846	(6,663)	61,069	0	1,532,045	0	9,421,298
25	May-15	7,834,846	(16,064)	1,399,985	0	34,811,549	0	7,834,846	(6,663)	61,069	0	1,565,225	0	9,454,478
26	Jun-15	7,834,846	(16,064)	1,399,985	0	35,726,373	0	7,834,846	(6,663)	61,069	0	1,606,358	0	9,495,611
27	Jul-15	7,834,846	(16,064)	1,399,985	0	36,516,562	0	7,834,846	(6,663)	61,069	0	1,641,888	0	9,531,140
28	Aug-15	7,834,846	(16,064)	1,399,985	0	37,275,548	0	7,834,846	(6,663)	61,069	0	1,676,014	0	9,565,266
29	Sep-15	7,834,846	(16,064)	1,399,985	0	38,287,169	0	7,834,846	(6,663)	61,069	0	1,721,499	0	9,610,752
30	Oct-15	7,834,846	(16,064)	1,399,985	0	40,277,817	0	7,834,846	(6,663)	61,069	0	1,811,004	0	9,700,257
31	Nov-15	7,834,846	(16,064)	1,399,985	0	44,741,622	0	7,834,846	(6,663)	61,069	0	2,011,710	0	9,900,962
32	Dec-15	7,834,846	(16,064)	1,399,985	0	45,847,320	0	7,834,846	(6,663)	61,069	0	2,061,425	0	9,950,677
33	Average	7,834,846	(16,064)	1,399,985	0	36,444,588	0	7,834,846	(6,663)	61,069	0	1,638,651	0	9,527,904
34														

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		Division 093 -	Division 091 -	Division 012 -		Division 002-		Division 093	Division 091	Division 012	CKV	Division 002	Greenville	
Line No.	Month	Tennessee	Mid-States General Office	SSU Customer	CKV	SSU General	Greenville	100%	41.48%	4.36%	1.53%	4.50%	1.31%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
35	Inventories- Plant Materials (Account 1540)													
36														
37	Dec-14	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
38	Jan-15	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
39	Feb-15	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
40	Mar-15	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
41	Apr-15	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
42	May-15	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
43	Jun-15	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
44	Jul-15	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
45	Aug-15	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
46	Sep-15	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
47	Oct-15	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
48	Nov-15	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
49	Dec-15	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
50	Average	0	14,487	0	0	0	0	0	6,009	0	0	0	0	6,009
51														
52	Inventories- Gas Stored (Account 1641)													
53														
54	Dec-14	8,523,571	0	0	0	0	0	8,523,571	0	0	0	0	0	8,523,571
55	Jan-15	5,477,958	0	0	0	0	0	5,477,958	0	0	0	0	0	5,477,958
56	Feb-15	2,618,445	0	0	0	0	0	2,618,445	0	0	0	0	0	2,618,445
57	Mar-15	846,906	0	0	0	0	0	846,906	0	0	0	0	0	846,906
58	Apr-15	2,360,627	0	0	0	0	0	2,360,627	0	0	0	0	0	2,360,627
59	May-15	3,866,033	0	0	0	0	0	3,866,033	0	0	0	0	0	3,866,033
60	Jun-15	5,383,713	0	0	0	0	0	5,383,713	0	0	0	0	0	5,383,713
61	Jul-15	6,916,044	0	0	0	0	0	6,916,044	0	0	0	0	0	6,916,044
62	Aug-15	8,451,542	0	0	0	0	0	8,451,542	0	0	0	0	0	8,451,542
63	Sep-15	9,981,893	0	0	0	0	0	9,981,893	0	0	0	0	0	9,981,893
64	Oct-15	11,522,142	0	0	0	0	0	11,522,142	0	0	0	0	0	11,522,142
65	Nov-15	10,447,024	0	0	0	0	0	10,447,024	0	0	0	0	0	10,447,024
66	Dec-15	7,759,229	0	0	0	0	0	7,759,229	0	0	0	0	0	7,759,229
67	Average	6,473,471	0	0	0	0	0	6,473,471	0	0	0	0	0	6,473,471
68														

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Thirteen Month Average Ended December 31, 2015

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Line No.	Month	Division 093 -	Division 091 -	Division 012 -	CKV	Division 002-	Greenville	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
		Tennessee	Mid-States General Office	SSU Customer		SSU General		100%	41.48%	4.36%	1.53%	4.50%	1.31%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
69	Customers Deposits (Account 2350)													
70														
71	Dec-14	(3,517,542)	0	0	0	0	0	(3,517,542)	0	0	0	0	0	(3,517,542)
72	Jan-15	(3,527,801)	0	0	0	0	0	(3,527,801)	0	0	0	0	0	(3,527,801)
73	Feb-15	(3,538,091)	0	0	0	0	0	(3,538,091)	0	0	0	0	0	(3,538,091)
74	Mar-15	(3,548,410)	0	0	0	0	0	(3,548,410)	0	0	0	0	0	(3,548,410)
75	Apr-15	(3,558,759)	0	0	0	0	0	(3,558,759)	0	0	0	0	0	(3,558,759)
76	May-15	(3,569,139)	0	0	0	0	0	(3,569,139)	0	0	0	0	0	(3,569,139)
77	Jun-15	(3,579,549)	0	0	0	0	0	(3,579,549)	0	0	0	0	0	(3,579,549)
78	Jul-15	(3,589,990)	0	0	0	0	0	(3,589,990)	0	0	0	0	0	(3,589,990)
79	Aug-15	(3,600,460)	0	0	0	0	0	(3,600,460)	0	0	0	0	0	(3,600,460)
80	Sep-15	(3,610,962)	0	0	0	0	0	(3,610,962)	0	0	0	0	0	(3,610,962)
81	Oct-15	(3,621,494)	0	0	0	0	0	(3,621,494)	0	0	0	0	0	(3,621,494)
82	Nov-15	(3,632,056)	0	0	0	0	0	(3,632,056)	0	0	0	0	0	(3,632,056)
83	Dec-15	(3,642,650)	0	0	0	0	0	(3,642,650)	0	0	0	0	0	(3,642,650)
84	Average	(3,579,762)	0	0	0	0	0	(3,579,762)	0	0	0	0	0	(3,579,762)
85														
86														
87	Accumulated Deferred FIT (Total Accounts 1900, 2820, 2830) adjusted to remove a non-utility item													
88														
89	Dec-14	(73,782,956)	9,345,700	(29,292,684)	0	436,696,613	0	(73,782,956)	3,876,467	(1,277,788)	0	19,635,111	0	(51,549,165)
90	Jan-15	(74,055,953)	9,338,321	(29,199,219)	0	436,770,413	0	(74,055,953)	3,873,406	(1,273,711)	0	19,638,429	0	(51,817,828)
91	Feb-15	(74,305,849)	9,330,948	(29,106,942)	0	436,838,410	0	(74,305,849)	3,870,348	(1,269,685)	0	19,641,487	0	(52,063,699)
92	Mar-15	(74,592,684)	9,323,574	(29,014,472)	0	436,920,725	0	(74,592,684)	3,867,290	(1,265,652)	0	19,645,188	0	(52,345,858)
93	Apr-15	(74,828,510)	9,316,201	(28,921,812)	0	437,001,024	0	(74,828,510)	3,864,231	(1,261,610)	0	19,648,798	0	(52,577,089)
94	May-15	(75,180,225)	9,308,568	(28,836,432)	0	437,085,581	0	(75,180,225)	3,861,065	(1,257,885)	0	19,652,600	0	(52,924,445)
95	Jun-15	(75,524,459)	9,300,654	(28,750,475)	0	437,166,772	0	(75,524,459)	3,857,783	(1,254,136)	0	19,656,251	0	(53,264,561)
96	Jul-15	(75,869,426)	9,292,461	(28,656,918)	0	437,251,103	0	(75,869,426)	3,854,384	(1,250,055)	0	19,660,043	0	(53,605,053)
97	Aug-15	(76,232,889)	9,283,987	(28,561,577)	0	437,336,520	0	(76,232,889)	3,850,869	(1,245,896)	0	19,663,883	0	(53,964,032)
98	Sep-15	(76,551,590)	9,275,233	(28,466,085)	0	437,416,971	0	(76,551,590)	3,847,238	(1,241,730)	0	19,667,501	0	(54,278,582)
99	Oct-15	(77,907,404)	9,269,865	(28,331,683)	0	437,340,740	0	(77,907,404)	3,845,012	(1,235,867)	0	19,664,073	0	(55,634,186)
100	Nov-15	(79,310,626)	9,264,398	(28,197,264)	0	437,329,785	0	(79,310,626)	3,842,744	(1,230,004)	0	19,663,580	0	(57,034,305)
101	Dec-15	(79,253,448)	9,258,454	(28,062,671)	0	437,225,340	0	(79,253,448)	3,840,279	(1,224,133)	0	19,658,884	0	(56,978,418)
102	Average	(75,953,540)	9,300,643	(28,722,941)	0	437,106,154	0	(75,953,540)	3,857,778	(1,252,935)	0	19,653,525	0	(53,695,171)

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			Division 091 -					Division 093	Division 091	Division 012	CKV	Division 002	Greenville	
Line No.	Month	Division 093 - Tennessee	Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	100%	41.48%	4.36%	1.53%	4.50%	1.31%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
104	Accumulated Depreciation (Account 1080)													
105														
106	Dec-14	(178,275,888)	(3,325,096)	(44,120,055)	(3,040,315)	(112,236,958)	(3,333,135)	(178,275,888)	(1,379,204)	(1,924,578)	(46,513)	(5,046,490)	(43,618)	(186,716,291)
107	Jan-15	(178,880,038)	(3,361,926)	(44,858,614)	(3,073,571)	(112,993,685)	(3,358,829)	(178,880,038)	(1,394,480)	(1,956,795)	(47,022)	(5,080,515)	(43,954)	(187,402,804)
108	Feb-15	(179,520,628)	(3,398,725)	(45,587,361)	(3,106,830)	(113,688,888)	(3,384,522)	(179,520,628)	(1,409,744)	(1,988,584)	(47,531)	(5,111,773)	(44,290)	(188,122,550)
109	Mar-15	(180,111,304)	(3,435,524)	(46,317,698)	(3,140,092)	(114,535,899)	(3,410,216)	(180,111,304)	(1,425,008)	(2,020,442)	(48,040)	(5,149,857)	(44,627)	(188,799,278)
110	Apr-15	(180,778,609)	(3,472,322)	(47,049,598)	(3,173,363)	(115,361,526)	(3,435,909)	(180,778,609)	(1,440,271)	(2,052,369)	(48,549)	(5,186,980)	(44,963)	(189,551,740)
111	May-15	(181,282,805)	(3,510,418)	(47,721,381)	(3,206,642)	(116,232,304)	(3,461,603)	(181,282,805)	(1,456,073)	(2,081,673)	(49,058)	(5,226,132)	(45,299)	(190,141,040)
112	Jun-15	(181,802,833)	(3,549,913)	(48,397,911)	(3,239,926)	(117,067,393)	(3,487,296)	(181,802,833)	(1,472,455)	(2,111,184)	(49,567)	(5,263,680)	(45,635)	(190,745,354)
113	Jul-15	(182,325,760)	(3,590,807)	(49,137,200)	(3,273,211)	(117,935,768)	(3,512,990)	(182,325,760)	(1,489,417)	(2,143,433)	(50,076)	(5,302,725)	(45,972)	(191,357,382)
114	Aug-15	(182,827,207)	(3,633,100)	(49,891,220)	(3,306,498)	(118,815,658)	(3,538,683)	(182,827,207)	(1,506,960)	(2,176,324)	(50,585)	(5,342,287)	(46,308)	(191,949,671)
115	Sep-15	(183,398,004)	(3,676,791)	(50,646,484)	(3,339,788)	(119,642,898)	(3,564,377)	(183,398,004)	(1,525,082)	(2,209,270)	(51,095)	(5,379,482)	(46,644)	(192,609,577)
116	Oct-15	(180,864,908)	(3,721,303)	(51,403,058)	(3,373,079)	(120,255,158)	(3,590,070)	(180,864,908)	(1,543,545)	(2,242,273)	(51,604)	(5,407,011)	(46,980)	(190,156,321)
117	Nov-15	(178,297,592)	(3,766,636)	(52,159,735)	(3,406,373)	(120,321,146)	(3,615,764)	(178,297,592)	(1,562,349)	(2,275,280)	(52,113)	(5,409,978)	(47,317)	(187,644,629)
118	Dec-15	(178,852,840)	(3,815,924)	(52,917,434)	(3,206,673)	(121,169,519)	(3,461,603)	(178,852,840)	(1,582,792)	(2,308,332)	(49,058)	(5,448,123)	(45,299)	(188,286,445)
119	Average	(180,555,263)	(3,558,345)	(48,477,519)	(3,222,028)	(116,942,831)	(3,473,461)	(180,555,263)	(1,475,952)	(2,114,657)	(49,293)	(5,258,079)	(45,454)	(189,498,699)
120														
121														
122	Customers Advances (Account 2520)													
123														
124	Dec-14	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
125	Jan-15	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
126	Feb-15	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
127	Mar-15	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
128	Apr-15	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
129	May-15	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
130	Jun-15	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
131	Jul-15	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
132	Aug-15	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
133	Sep-15	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
134	Oct-15	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
135	Nov-15	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
136	Dec-15	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
137	Average	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	(75,078)
138														

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Thirteen Month Average Ended December 31, 2015

WP 7-1

Line No.	Month	Division 093 -	Division 091 -	Division 012 -	CKV	Division 002 -	Greenville	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
		Tennessee	Mid-States General Office	SSU Customer		SSU General		100%	41.48%	4.36%	1.53%	4.50%	1.31%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
139	<u>Interest on Customer Deposits (Account 2370-26919)</u>													
140														
141	Dec-14	(50,416)	0	0	0	0	0	(50,416)	0	0	0	0	0	(50,416)
142	Jan-15	(50,431)	0	0	0	0	0	(50,431)	0	0	0	0	0	(50,431)
143	Feb-15	(50,446)	0	0	0	0	0	(50,446)	0	0	0	0	0	(50,446)
144	Mar-15	(50,460)	0	0	0	0	0	(50,460)	0	0	0	0	0	(50,460)
145	Apr-15	(50,475)	0	0	0	0	0	(50,475)	0	0	0	0	0	(50,475)
146	May-15	(50,490)	0	0	0	0	0	(50,490)	0	0	0	0	0	(50,490)
147	Jun-15	(50,505)	0	0	0	0	0	(50,505)	0	0	0	0	0	(50,505)
148	Jul-15	(50,519)	0	0	0	0	0	(50,519)	0	0	0	0	0	(50,519)
149	Aug-15	(50,534)	0	0	0	0	0	(50,534)	0	0	0	0	0	(50,534)
150	Sep-15	(50,549)	0	0	0	0	0	(50,549)	0	0	0	0	0	(50,549)
151	Oct-15	(50,563)	0	0	0	0	0	(50,563)	0	0	0	0	0	(50,563)
152	Nov-15	(50,578)	0	0	0	0	0	(50,578)	0	0	0	0	0	(50,578)
153	Dec-15	(50,593)	0	0	0	0	0	(50,593)	0	0	0	0	0	(50,593)
154	Average	(50,505)	0	0	0	0	0	(50,505)	0	0	0	0	0	(50,505)
155														
156	<u>Net elimination of intercompany leased property</u>													
157														
158	Dec-14	5,561,952	0	0	0	0	0	5,561,952	0	0	0	0	0	5,561,952
159	Jan-15	5,540,214	0	0	0	0	0	5,540,214	0	0	0	0	0	5,540,214
160	Feb-15	5,518,476	0	0	0	0	0	5,518,476	0	0	0	0	0	5,518,476
161	Mar-15	5,496,737	0	0	0	0	0	5,496,737	0	0	0	0	0	5,496,737
162	Apr-15	5,474,999	0	0	0	0	0	5,474,999	0	0	0	0	0	5,474,999
163	May-15	5,453,261	0	0	0	0	0	5,453,261	0	0	0	0	0	5,453,261
164	Jun-15	5,431,523	0	0	0	0	0	5,431,523	0	0	0	0	0	5,431,523
165	Jul-15	5,409,785	0	0	0	0	0	5,409,785	0	0	0	0	0	5,409,785
166	Aug-15	5,388,046	0	0	0	0	0	5,388,046	0	0	0	0	0	5,388,046
167	Sep-15	5,366,308	0	0	0	0	0	5,366,308	0	0	0	0	0	5,366,308
168	Oct-15	5,344,570	0	0	0	0	0	5,344,570	0	0	0	0	0	5,344,570
169	Nov-15	5,322,832	0	0	0	0	0	5,322,832	0	0	0	0	0	5,322,832
170	Dec-15	5,301,094	0	0	0	0	0	5,301,094	0	0	0	0	0	5,301,094
171	Average	5,431,523	0	0	0	0	0	5,431,523	0	0	0	0	0	5,431,523

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Thirteen Month Average Ended June 30, 2014

WP 7-2

		Division 091 - Mid-Tennessee							Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	
									FY13	100%	41.10%	4.36%	1.52%	4.56%	1.31%	
Line No.	Month	Division 093 - Tennessee	States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	FY14	100%	41.48%	4.32%	1.53%	4.50%	1.31%	Total Tennessee	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)		(h)	(i)	(j)	(k)	(l)	(m)	(n)	
1	Gas Plant in Service (Account 101)															
2																
3	Jun-13	\$ 401,921,898	\$ 4,206,295	\$ 138,810,847	\$ 12,949,991	\$ 166,406,959	\$ 9,218,027	\$	401,921,898	\$ 1,728,800	\$ 6,055,122	\$ 197,009	\$ 7,591,710	\$ 120,642	\$ 417,615,181	
4	Jul-13	\$ 404,683,924	\$ 4,206,295	\$ 138,822,106	\$ 12,949,991	\$ 166,475,230	\$ 9,218,027		404,683,924	1,728,800	6,055,613	197,009	7,594,825	120,642	420,380,813	
5	Aug-13	\$ 406,109,303	\$ 4,211,622	\$ 138,857,212	\$ 12,949,956	\$ 166,496,381	\$ 9,218,027		406,109,303	1,730,990	6,057,145	197,008	7,595,790	120,642	421,810,876	
6	Sep-13	\$ 410,265,159	\$ 4,958,561	\$ 140,069,160	\$ 12,949,956	\$ 165,919,624	\$ 9,218,027		410,265,159	2,037,984	6,110,011	197,008	7,569,477	120,642	426,300,282	
7	Oct-13	\$ 413,114,863	\$ 4,958,561	\$ 140,161,126	\$ 12,949,956	\$ 166,993,088	\$ 9,218,027		413,114,863	2,056,743	6,059,977	198,119	7,508,480	120,629	429,058,810	
8	Nov-13	\$ 413,722,800	\$ 4,979,948	\$ 143,514,638	\$ 12,949,956	\$ 168,046,548	\$ 9,218,027		413,722,800	2,065,614	6,204,969	198,119	7,555,847	120,629	429,867,976	
9	Dec-13	\$ 415,334,429	\$ 4,993,956	\$ 143,269,925	\$ 12,949,956	\$ 168,580,018	\$ 9,218,027		415,334,429	2,071,424	6,194,388	198,119	7,579,833	120,629	431,498,822	
10	Jan-14	\$ 416,883,041	\$ 4,993,956	\$ 144,283,027	\$ 12,949,956	\$ 167,576,925	\$ 9,218,027		416,883,041	2,071,424	6,238,191	198,119	7,534,731	120,629	433,046,134	
11	Feb-14	\$ 417,650,685	\$ 5,010,663	\$ 144,283,027	\$ 12,949,956	\$ 167,607,080	\$ 9,218,027		417,650,685	2,078,354	6,238,191	198,119	7,536,087	120,629	433,822,063	
12	Mar-14	\$ 426,280,982	\$ 4,988,938	\$ 144,284,984	\$ 12,949,956	\$ 167,683,605	\$ 9,218,027		426,280,982	2,069,343	6,238,275	198,119	7,539,528	120,629	442,446,875	
13	Apr-14	\$ 427,676,167	\$ 4,988,877	\$ 144,290,670	\$ 12,949,956	\$ 168,874,483	\$ 9,218,027		427,676,167	2,069,317	6,238,521	198,119	7,593,073	120,629	443,895,826	
14	May-14	\$ 429,057,626	\$ 4,988,868	\$ 144,290,782	\$ 12,949,956	\$ 168,887,517	\$ 9,218,027		429,057,626	2,069,314	6,238,526	198,119	7,593,659	120,629	445,277,872	
15	Jun-14	\$ 430,566,996	\$ 4,988,874	\$ 144,291,226	\$ 12,951,059	\$ 169,263,998	\$ 9,218,027		430,566,996	2,069,316	6,238,545	198,136	7,610,587	120,629	446,804,208	
16	Average	\$ 416,405,221	\$ 4,805,801	\$ 142,248,364	\$ 12,950,046	\$ 167,600,881	\$ 9,218,027	\$	416,405,221	\$ 1,988,263	\$ 6,166,729	\$ 197,778	\$ 7,569,510	\$ 120,633	\$ 432,448,134	
17																
18	Construction Work in Process (Account 1070)															
19																
20	Jun-13	\$ 13,307,538	\$ 1,153,175	\$ 2,040,418	\$ -	\$ 9,930,935	\$ -	\$	13,307,538	\$ 473,959	\$ 89,006	\$ -	\$ 453,063	\$ -	\$ 14,323,565	
21	Jul-13	13,051,136	1,191,431	2,052,383	0	8,730,857	0		13,051,136	489,682	89,528	0	398,313	0	14,028,659	
22	Aug-13	15,256,455	869,803	2,325,929	0	7,191,934	0		15,256,455	357,492	101,460	0	328,106	0	16,043,513	
23	Sep-13	13,865,904	725,359	2,586,861	0	10,857,359	0		13,865,904	298,125	112,842	0	495,327	0	14,772,199	
24	Oct-13	12,865,275	509,020	2,451,695	0	12,726,160	0		12,865,275	211,135	106,001	0	572,204	0	13,754,615	
25	Nov-13	14,994,028	437,832	(774,033)	0	15,488,481	0		14,994,028	181,607	(33,466)	0	696,406	0	15,838,574	
26	Dec-13	15,831,148	46,974	(652,608)	0	10,407,275	0		15,831,148	19,484	(28,216)	0	467,940	0	16,290,357	
27	Jan-14	16,161,956	217,327	(465,052)	0	13,525,869	0		16,161,956	90,144	(20,107)	0	608,161	0	16,840,155	
28	Feb-14	16,847,162	249,334	10,334	0	14,059,524	0		16,847,162	103,420	447	0	632,156	0	17,583,185	
29	Mar-14	8,317,186	(69,617)	162,715	0	21,691,111	0		8,317,186	(28,876)	7,035	0	975,294	0	9,270,638	
30	Apr-14	8,513,464	23,233	383,908	0	15,529,175	0		8,513,464	9,637	16,599	0	698,235	0	9,237,935	
31	May-14	8,026,968	(47,018)	790,139	0	15,917,292	0		8,026,968	(19,502)	34,162	0	715,686	0	8,757,314	
32	Jun-14	7,834,846	(16,064)	1,399,985	0	16,359,036	0		7,834,846	(6,663)	60,529	0	735,548	0	8,624,261	
33	Average	\$ 12,682,544	\$ 406,984	\$ 947,129	\$ -	\$ 13,262,693	\$ -	\$	12,682,544	\$ 167,665	\$ 41,217	\$ -	\$ 598,188	\$ -	\$ 13,489,613	

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Thirteen Month Average Ended June 30, 2014

WP 7-2

Line No.	Month								Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
		Division 093 - Tennessee	States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	FY14	FY13	100%	41.10%	4.36%	1.52%	4.56%	1.31%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)			(i)	(j)	(k)	(l)	(m)	(n)
34																
35	Inventories- Plant Materials (Account 1540)															
36																
37	Jun-13	\$ -	\$ 14,887	\$ -	\$ -	\$ -	\$ -	\$ -			\$ 6,119	\$ -	\$ -	\$ -	\$ -	\$ 6,119
38	Jul-13	-	14,487	0	0	0	0	0		0	5,954	0	0	0	0	5,954
39	Aug-13	-	14,487	0	0	0	0	0		0	5,954	0	0	0	0	5,954
40	Sep-13	-	14,487	0	0	0	0	0		0	5,954	0	0	0	0	5,954
41	Oct-13	-	14,487	0	0	0	0	0		0	6,009	0	0	0	0	6,009
42	Nov-13	-	14,487	0	0	0	0	0		0	6,009	0	0	0	0	6,009
43	Dec-13	-	14,487	0	0	0	0	0		0	6,009	0	0	0	0	6,009
44	Jan-14	-	14,487	0	0	0	0	0		0	6,009	0	0	0	0	6,009
45	Feb-14	-	14,487	0	0	0	0	0		0	6,009	0	0	0	0	6,009
46	Mar-14	-	14,487	0	0	0	0	0		0	6,009	0	0	0	0	6,009
47	Apr-14	-	14,487	0	0	0	0	0		0	6,009	0	0	0	0	6,009
48	May-14	-	14,487	0	0	0	0	0		0	6,009	0	0	0	0	6,009
49	Jun-14	-	14,487	0	0	0	0	0		0	6,009	0	0	0	0	6,009
50	Average	\$ -	\$ 14,518	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 6,005	\$ -	\$ -	\$ -	\$ -	\$ 6,005
51																
52																
53	Inventories- Gas Stored (Account 1641)															
54	<i>Includes Tennessee stored gas in Division 93 and an allocated portion of Tennessee stored gas in Division 96</i>															
55	Jun-13	\$ 3,594,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,594,943			\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,594,943
56	Jul-13	5,403,263	0	0	0	0	0	5,403,263		0	0	0	0	0	0	5,403,263
57	Aug-13	7,049,470	0	0	0	0	0	7,049,470		0	0	0	0	0	0	7,049,470
58	Sep-13	8,732,803	0	0	0	0	0	8,732,803		0	0	0	0	0	0	8,732,803
59	Oct-13	10,288,624	0	0	0	0	0	10,288,624		0	0	0	0	0	0	10,288,624
60	Nov-13	11,728,348	0	0	0	0	0	11,728,348		0	0	0	0	0	0	11,728,348
61	Dec-13	10,451,616	0	0	0	0	0	10,451,616		0	0	0	0	0	0	10,451,616
62	Jan-14	7,668,537	0	0	0	0	0	7,668,537		0	0	0	0	0	0	7,668,537
63	Feb-14	4,806,866	0	0	0	0	0	4,806,866		0	0	0	0	0	0	4,806,866
64	Mar-14	886,189	0	0	0	0	0	886,189		0	0	0	0	0	0	886,189
65	Apr-14	2,838,404	0	0	0	0	0	2,838,404		0	0	0	0	0	0	2,838,404
66	May-14	4,519,761	0	0	0	0	0	4,519,761		0	0	0	0	0	0	4,519,761
67	Jun-14	6,304,505	0	0	0	0	0	6,304,505		0	0	0	0	0	0	6,304,505
68	Average	\$ 6,482,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,482,564		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,482,564

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Thirteen Month Average Ended June 30, 2014

WP 7-2

Line No.	Month	Division 091 - Mid-Tennessee							Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
		Division 093 - Tennessee	States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	FY13	FY14	100%	41.10%	4.36%	1.52%	4.56%	1.31%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)		(h)	(i)	(j)	(k)	(l)	(m)	(n)	
69																
70	Customers Deposits (Account 2350)															
71																
72	Jun-13	\$ (3,444,837)	0	0	0	0	0	\$ (3,444,837)	0	0	0	0	0	0	0	\$ (3,444,837)
73	Jul-13	\$ (3,391,938)	0	0	0	0	0	(3,391,938)	0	0	0	0	0	0	0	(3,391,938)
74	Aug-13	\$ (3,360,293)	0	0	0	0	0	(3,360,293)	0	0	0	0	0	0	0	(3,360,293)
75	Sep-13	\$ (3,340,530)	0	0	0	0	0	(3,340,530)	0	0	0	0	0	0	0	(3,340,530)
76	Oct-13	\$ (3,321,396)	0	0	0	0	0	(3,321,396)	0	0	0	0	0	0	0	(3,321,396)
77	Nov-13	\$ (3,333,255)	0	0	0	0	0	(3,333,255)	0	0	0	0	0	0	0	(3,333,255)
78	Dec-13	\$ (3,369,934)	0	0	0	0	0	(3,369,934)	0	0	0	0	0	0	0	(3,369,934)
79	Jan-14	\$ (3,390,776)	0	0	0	0	0	(3,390,776)	0	0	0	0	0	0	0	(3,390,776)
80	Feb-14	\$ (3,410,607)	0	0	0	0	0	(3,410,607)	0	0	0	0	0	0	0	(3,410,607)
81	Mar-14	\$ (3,431,899)	0	0	0	0	0	(3,431,899)	0	0	0	0	0	0	0	(3,431,899)
82	Apr-14	\$ (3,438,742)	0	0	0	0	0	(3,438,742)	0	0	0	0	0	0	0	(3,438,742)
83	May-14	\$ (3,406,076)	0	0	0	0	0	(3,406,076)	0	0	0	0	0	0	0	(3,406,076)
84	Jun-14	\$ (3,456,608)	0	0	0	0	0	(3,456,608)	0	0	0	0	0	0	0	(3,456,608)
85	Average	\$ (3,392,069)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,392,069)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,392,069)
86																
87																
88	Accumulated Deferred FIT (Total Accounts 1900, 2820, 2830)															
89																
90	Jun-13	\$ (58,952,526)	\$ 38,261,356	\$ (23,586,174)	\$ -	\$ 355,104,324	\$ -	\$ (58,952,526)	\$ 15,725,537	\$ (1,028,862)	\$ -	\$ 16,200,339	\$ -	\$ (28,055,512)	\$ -	\$ (28,055,512)
91	Jul-13	(58,952,525)	38,261,356	(23,586,174)	-	346,895,612	-	(58,952,525)	15,725,537	(1,028,862)	0	15,825,846	0	(28,430,004)	0	(28,430,004)
92	Aug-13	(58,952,525)	39,086,252	(23,586,174)	-	336,785,660	-	(58,952,525)	16,064,572	(1,028,862)	0	15,364,616	0	(28,552,199)	0	(28,552,199)
93	Sep-13	(64,055,632)	10,948,144	(30,660,400)	-	400,356,748	-	(64,055,632)	4,499,721	(1,337,449)	0	18,264,815	0	(42,628,545)	0	(42,628,545)
94	Oct-13	(64,055,632)	10,948,144	(30,660,400)	-	402,554,762	-	(64,055,632)	4,541,139	(1,325,627)	0	18,099,997	0	(42,740,123)	0	(42,740,123)
95	Nov-13	(64,055,632)	10,948,144	(30,660,400)	-	396,143,301	-	(64,055,632)	4,541,139	(1,325,627)	0	17,811,720	0	(43,028,400)	0	(43,028,400)
96	Dec-13	(64,055,632)	9,477,949	(30,660,400)	-	386,294,358	-	(64,055,632)	3,931,322	(1,325,627)	0	17,368,884	0	(44,081,053)	0	(44,081,053)
97	Jan-14	(64,055,632)	9,477,949	(30,660,400)	-	398,002,176	-	(64,055,632)	3,931,322	(1,325,627)	0	17,895,300	0	(43,554,637)	0	(43,554,637)
98	Feb-14	(64,055,632)	9,477,949	(30,660,400)	-	399,890,577	-	(64,055,632)	3,931,322	(1,325,627)	0	17,980,208	0	(43,469,729)	0	(43,469,729)
99	Mar-14	(64,055,632)	4,744,119	(30,660,400)	-	381,525,134	-	(64,055,632)	1,967,795	(1,325,627)	0	17,154,446	0	(46,259,018)	0	(46,259,018)
100	Apr-14	(64,055,632)	4,744,119	(30,660,400)	-	386,419,626	-	(64,055,632)	1,967,795	(1,325,627)	0	17,374,516	0	(46,038,948)	0	(46,038,948)
101	May-14	(64,055,632)	4,744,119	(30,660,400)	-	395,166,796	-	(64,055,632)	1,967,795	(1,325,627)	0	17,767,814	0	(45,645,650)	0	(45,645,650)
102	Jun-14	(63,456,220)	2,168,138	(30,389,095)	-	424,895,665	-	(63,456,220)	899,314	(1,313,897)	0	19,104,507	0	(44,766,295)	0	(44,766,295)
103	Average	\$ (62,831,884)	\$ 14,868,287	\$ (29,007,017)	\$ -	\$ 385,387,288	\$ -	\$ (62,831,884)	\$ 6,130,332	\$ (1,257,150)	\$ -	\$ 17,401,001	\$ -	\$ (40,557,701)	\$ -	\$ (40,557,701)

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Thirteen Month Average Ended June 30, 2014

WP 7-2

		Division 091 - Mid-Tennessee						Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville		
		States General Office		Division 012 - SSU Customer	Division 002 - SSU General		Greenville	FY13	100%	41.10%	4.36%	1.52%	4.56%	1.31%		
Line No.	Month	Division 093 - Tennessee						FY14	100%	41.48%	4.32%	1.53%	4.50%	1.31%	Total Tennessee	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)		(h)	(i)	(j)	(k)	(l)	(m)	(n)	
104																
105	Accumulated Depreciation (Account 1080)															
106																
107	Jun-13	\$ (171,279,819)	\$ (2,951,876)	\$ (31,062,227)	\$ (2,432,146)	\$ (100,725,046)	\$ (2,489,413)	\$ (171,279,819)	\$ (1,213,230)	\$ (1,354,978)	\$ (37,000)	\$ (4,595,213)	\$ (32,580)	\$ (178,512,820)		
108	Jul-13	(171,837,778)	(2,970,039)	(31,836,311)	(2,467,064)	(101,683,496)	(2,547,332)	(171,837,778)	(1,220,695)	(1,388,744)	(37,532)	(4,638,938)	(33,338)	(179,157,025)		
109	Aug-13	(172,414,467)	(2,988,282)	(32,610,873)	(2,501,981)	(102,630,515)	(2,605,252)	(172,414,467)	(1,228,193)	(1,422,532)	(38,063)	(4,682,143)	(34,096)	(179,819,494)		
110	Sep-13	(172,928,298)	(3,011,389)	(33,515,225)	(2,536,859)	(103,615,653)	(2,663,172)	(172,928,298)	(1,237,690)	(1,461,981)	(38,593)	(4,727,086)	(34,854)	(180,428,503)		
111	Oct-13	(173,291,841)	(3,027,422)	(34,156,358)	(2,571,737)	(104,588,430)	(2,721,092)	(173,291,841)	(1,255,733)	(1,476,777)	(39,344)	(4,702,591)	(35,609)	(180,801,895)		
112	Nov-13	(173,654,885)	(3,043,454)	(34,933,737)	(2,606,616)	(105,559,193)	(2,779,013)	(173,654,885)	(1,262,383)	(1,510,388)	(39,878)	(4,746,239)	(36,367)	(181,250,139)		
113	Dec-13	(174,269,567)	(3,058,151)	(35,284,213)	(2,640,301)	(103,494,759)	(2,836,442)	(174,269,567)	(1,268,479)	(1,525,541)	(40,393)	(4,653,416)	(37,118)	(181,794,515)		
114	Jan-14	(174,907,741)	(3,074,175)	(36,105,800)	(2,673,987)	(104,413,247)	(2,893,871)	(174,907,741)	(1,275,125)	(1,561,063)	(40,909)	(4,694,714)	(37,870)	(182,517,421)		
115	Feb-14	(175,346,647)	(3,090,305)	(36,871,233)	(2,707,673)	(105,384,036)	(2,951,300)	(175,346,647)	(1,281,816)	(1,594,157)	(41,424)	(4,738,363)	(38,621)	(183,041,028)		
116	Mar-14	(174,218,678)	(3,084,303)	(37,636,678)	(2,741,359)	(106,351,586)	(3,008,729)	(174,218,678)	(1,279,326)	(1,627,252)	(41,939)	(4,781,867)	(39,373)	(181,988,435)		
117	Apr-14	(174,928,413)	(3,100,434)	(38,402,150)	(2,774,488)	(107,323,149)	(3,065,477)	(174,928,413)	(1,286,017)	(1,660,347)	(42,446)	(4,825,551)	(40,115)	(182,782,891)		
118	May-14	(174,825,083)	(3,120,795)	(39,140,899)	(2,807,618)	(108,418,350)	(3,122,226)	(174,825,083)	(1,294,463)	(1,692,288)	(42,953)	(4,874,795)	(40,858)	(182,770,439)		
119	Jun-14	(175,156,355)	(3,141,156)	(39,879,651)	(2,840,844)	(109,384,796)	(3,178,975)	(175,156,355)	(1,302,908)	(1,724,228)	(43,461)	(4,918,249)	(41,601)	(183,186,802)		
120	Average	\$ (173,773,813)	\$ (3,050,906)	\$ (35,495,027)	\$ (2,638,667)	\$ (104,890,174)	\$ (2,835,561)	\$ (173,773,813)	\$ (1,262,005)	\$ (1,538,483)	\$ (40,303)	\$ (4,736,859)	\$ (37,108)	\$ (181,388,570)		
121																
122																
123	Customers Advances (Account 2520)															
124																
125	Jun-13	\$ (72,538)	0	0	0	0	0	\$ (72,538)	0	0	0	0	0	0	\$ (72,538)	
126	Jul-13	(72,538)	0	0	0	0	0	(72,538)	0	0	0	0	0	0	(72,538)	
127	Aug-13	(72,538)	0	0	0	0	0	(72,538)	0	0	0	0	0	0	(72,538)	
128	Sep-13	(73,888)	0	0	0	0	0	(73,888)	0	0	0	0	0	0	(73,888)	
129	Oct-13	(73,888)	0	0	0	0	0	(73,888)	0	0	0	0	0	0	(73,888)	
130	Nov-13	(73,888)	0	0	0	0	0	(73,888)	0	0	0	0	0	0	(73,888)	
131	Dec-13	(73,888)	0	0	0	0	0	(73,888)	0	0	0	0	0	0	(73,888)	
132	Jan-14	(73,888)	0	0	0	0	0	(73,888)	0	0	0	0	0	0	(73,888)	
133	Feb-14	(73,888)	0	0	0	0	0	(73,888)	0	0	0	0	0	0	(73,888)	
134	Mar-14	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	0	(75,078)	
135	Apr-14	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	0	(75,078)	
136	May-14	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	0	(75,078)	
137	Jun-14	(75,078)	0	0	0	0	0	(75,078)	0	0	0	0	0	0	(75,078)	
138	Average	\$ (73,942)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (73,942)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (73,942)	

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Thirteen Month Average Ended June 30, 2014

WP 7-2

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
								FY13	100%	41.10%	4.36%	1.52%	4.56%	1.31%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	FY14	100%	41.48%	4.32%	1.53%	4.50%	1.31%	(n)
139															
140	Interest on Customer Deposits (Account 2370-26919)														
141															
142	Jun-13	\$ (32,937)	12,646	0	0	0	0	\$ (32,937)	5,198	0	0	0	0	0	\$ (27,739)
143	Jul-13	(43,807)	12,646	0	0	0	0	(43,807)	5,197	0	0	0	0	0	(38,610)
144	Aug-13	(54,559)	12,646	0	0	0	0	(54,559)	5,197	0	0	0	0	0	(49,362)
145	Sep-13	(73,804)	0	0	0	0	0	(73,804)	0	0	0	0	0	0	(73,804)
146	Oct-13	(81,802)	0	0	0	0	0	(81,802)	0	0	0	0	0	0	(81,802)
147	Nov-13	(89,866)	0	0	0	0	0	(89,866)	0	0	0	0	0	0	(89,866)
148	Dec-13	(98,712)	0	0	0	0	0	(98,712)	0	0	0	0	0	0	(98,712)
149	Jan-14	(107,835)	0	0	0	0	0	(107,835)	0	0	0	0	0	0	(107,835)
150	Feb-14	(2,455)	0	0	0	0	0	(2,455)	0	0	0	0	0	0	(2,455)
151	Mar-14	(17,056)	0	0	0	0	0	(17,056)	0	0	0	0	0	0	(17,056)
152	Apr-14	(40,547)	0	0	0	0	0	(40,547)	0	0	0	0	0	0	(40,547)
153	May-14	(61,671)	0	0	0	0	0	(61,671)	0	0	0	0	0	0	(61,671)
154	Jun-14	(50,328)	0	0	0	0	0	(50,328)	0	0	0	0	0	0	(50,328)
155	Average	\$ (58,106)	\$ 2,918	\$ -	\$ -	\$ -	\$ -	\$ (58,106)	\$ 1,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (56,907)
156															
157															
158	Net elimination of intercompany leased property														
159															
160	Jun-13	5,951,905	0	0	0	0	0	5,951,905	0	0	0	0	0	0	5,951,905
161	Jul-13	5,930,298	0	0	0	0	0	5,930,298	0	0	0	0	0	0	5,930,298
162	Aug-13	5,908,691	0	0	0	0	0	5,908,691	0	0	0	0	0	0	5,908,691
163	Sep-13	5,887,084	0	0	0	0	0	5,887,084	0	0	0	0	0	0	5,887,084
164	Oct-13	5,865,478	0	0	0	0	0	5,865,478	0	0	0	0	0	0	5,865,478
165	Nov-13	5,843,871	0	0	0	0	0	5,843,871	0	0	0	0	0	0	5,843,871
166	Dec-13	5,822,264	0	0	0	0	0	5,822,264	0	0	0	0	0	0	5,822,264
167	Jan-14	5,800,657	0	0	0	0	0	5,800,657	0	0	0	0	0	0	5,800,657
168	Feb-14	5,779,051	0	0	0	0	0	5,779,051	0	0	0	0	0	0	5,779,051
169	Mar-14	5,757,444	0	0	0	0	0	5,757,444	0	0	0	0	0	0	5,757,444
170	Apr-14	5,735,837	0	0	0	0	0	5,735,837	0	0	0	0	0	0	5,735,837
171	May-14	5,714,099	0	0	0	0	0	5,714,099	0	0	0	0	0	0	5,714,099
172	Jun-14	5,692,361	0	0	0	0	0	5,692,361	0	0	0	0	0	0	5,692,361
173	Average	\$ 5,822,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,822,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,822,234

Tennessee Distribution System
Pension Regulated Asset
Twelve Months Ended December 31, 2015

Line
No.

1	Annual benchmark per Docket 12-0006	2,086,819		
2	Quarterly benchmark	521,705		
3				
4		Contribution	Benchmark	Difference
5	Quarter ended 3/31/13	521,705	521,705	-
6	Quarter ended 6/30/13	641,911	521,705	120,206
7	Quarter ended 9/30/13	1,038,413	521,705	516,708
8	Quarter ended 12/31/13	417,671	521,705	(104,034)
9	Quarter ended 3/30/14	390,181	521,705	(131,524)
10	Quarter ended 6/30/14	1,418,839	521,705	897,134
11		\$ 4,428,719	\$ 3,130,229	\$ 1,298,490
12				
13	Monthly Amortization			
14	2 years amortization			\$ 54,104
15				

		Regualted Asset	
	Amortization Expense	Balance	
16			
17	Dec-14	-	1,298,490
18	Jan-15	54,104	1,244,386
19	Feb-15	54,104	1,190,283
20	Mar-15	54,104	1,136,179
21	Apr-15	54,104	1,082,075
22	May-15	54,104	1,027,971
23	Jun-15	54,104	973,868
24	Jul-15	54,104	919,764
25	Aug-15	54,104	865,660
26	Sep-15	54,104	811,556
27	Oct-15	54,104	757,453
28	Nov-15	54,104	703,349
29	Dec-15	54,104	649,245
30	Annual Amortization	\$ 649,245	\$ 973,868 13 month average

**Tennessee Distribution System
Accumulated Deferred Income Tax
Shared Services Division 002
Twelve Months Ended December 31, 2015**

Line No.	Month	Total SSU 002	Non-regulated NOL[1]	Regulated Utility NOL	Other ADIT	SSU Utility ADIT
	(a)	(b)	(c)	(d)	(e)	(f)
1	Jun-13	154,128,596	(200,975,728)	352,057,428	3,046,896	355,104,324
2	Jul-13	145,919,884	(200,975,728)	352,057,428	(5,161,816)	346,895,612
3	Aug-13	136,438,570	(200,347,089)	346,167,066	(9,381,406)	336,785,660
4	Sep-13	195,885,794	(204,470,954)	389,816,215	10,540,533	400,356,748
5	Oct-13	198,083,808	(204,470,954)	389,816,215	12,738,547	402,554,762
6	Nov-13	191,672,347	(204,470,954)	389,816,215	6,327,086	396,143,301
7	Dec-13	179,196,615	(207,097,743)	395,636,604	(9,342,246)	386,294,358
8	Jan-14	190,904,433	(207,097,743)	395,636,604	2,365,572	398,002,176
9	Feb-14	192,792,834	(207,097,743)	395,636,604	4,253,973	399,890,577
10	Mar-14	162,357,534	(219,167,600)	377,175,208	4,349,926	381,525,134
11	Apr-14	167,252,026	(219,167,600)	377,175,208	9,244,418	386,419,626
12	May-14	175,999,196	(219,167,600)	377,175,208	17,991,588	395,166,796
13	Jun-14	205,011,038	(219,884,627)	405,828,177	19,067,488	424,895,665
14	Jul-14	208,613,398	(219,884,627)	405,828,177	22,669,848	428,498,025
15	Aug-14	212,121,831	(219,884,627)	405,828,177	26,178,281	432,006,458
16	Sep-14	216,678,480	(219,884,627)	405,828,177	30,734,930	436,563,107
17	Oct-14	216,732,270	(219,884,627)	405,828,177	30,788,720	436,616,897
18	Nov-14	216,736,987	(219,884,627)	405,828,177	30,793,437	436,621,614
19	Dec-14	216,811,986	(219,884,627)	405,828,177	30,868,436	436,696,613
20	Jan-15	216,885,786	(219,884,627)	405,828,177	30,942,236	436,770,413
21	Feb-15	216,953,783	(219,884,627)	405,828,177	31,010,233	436,838,410
22	Mar-15	217,036,098	(219,884,627)	405,828,177	31,092,548	436,920,725
23	Apr-15	217,116,397	(219,884,627)	405,828,177	31,172,847	437,001,024
24	May-15	217,200,954	(219,884,627)	405,828,177	31,257,404	437,085,581
25	Jun-15	217,282,145	(219,884,627)	405,828,177	31,338,595	437,166,772
26	Jul-15	217,366,476	(219,884,627)	405,828,177	31,422,926	437,251,103
27	Aug-15	217,451,893	(219,884,627)	405,828,177	31,508,343	437,336,520
28	Sep-15	217,532,344	(219,884,627)	405,828,177	31,588,794	437,416,971
29	Oct-15	217,456,113	(219,884,627)	405,828,177	31,512,563	437,340,740
30	Nov-15	217,445,158	(219,884,627)	405,828,177	31,501,608	437,329,785
31	Dec-15	217,340,713	(219,884,627)	405,828,177	31,397,163	437,225,340

[1] FD - NOL Credit Carryforward - Non Reg

Atmos Energy Corporation-Tennessee
Cash Working Capital Lead/Lag Analysis
For Forward Looking Test Year December 31, 2015

Line No.	Base Period	Test Year
1 Reveune Lag	36.48	36.48
2 Expense Lag	32.96	35.48
3 Net Lag	3.52	1.00
4 Daily Cost of Service	439,045	416,560
5 Cash Working Capital	1,545,440	416,697

Atmos Energy Corporation-Tennessee
Cash Working Capital Lead/Lag Analysis
For Forward Looking Test Year December 31, 2015

Line No.	Description	Test Year Expenses	Expense Lag	CWC Requirement (c) x (f)
	(a)	(b)	(e)	(g)
1	Gas Supply Expense			
2	Purchased Gas	87,478,439	39.46	3,451,899,222
3				
4	Operation and Maintenance Expense			
5	O&M, Labor	7,882,486	14.14	111,458,350
6	O&M, Non-Labor	12,596,672	22.78	286,952,191
7	Total O&M Expense	20,479,158		398,410,541
8				
9				
10	Taxes Other Than Income			
11	Ad Valorem	3,801,021	241.50	917,946,572
12	State Gross Receipts Tax	1,241,962	(151.50)	(188,157,243)
13	Payroll Taxes	268,617	19.19	5,154,063
14	Franchise Tax	622,004	37.00	23,014,149
15	TRA Inspection Fee	530,084	272.50	144,447,966
16	DOT	19,392	60.00	1,163,542
17				
18	Allocated Taxes-Shared Services			
19	Ad Valorem	-1% (3,058)	241.50	(738,506)
20	Payroll Taxes	101% 308,857	19.19	5,926,174
21				
22	Allocated Taxes-Business Unit			
23	Ad Valorem	9% 9,732	241.50	2,350,168
24	Payroll Taxes	91% 98,397	19.19	1,887,979
25	Total Taxes Other Than Income	6,897,008		912,994,864
26				
27	Federal Income Tax	6,770,040		
28	Current Taxes	-	37.00	-
29	Deferred Taxes	4,529,568	-	-
30				
31	State Excise Tax	1,344,698		
32	Current Taxes	-	37.00	-
33	Deferred Taxes	899,685	-	-
34				
35	Depreciation	12,069,601	-	-
36				
37	Interest on Customer Deposits	116,342	15.50	1,803,305
38				
39	Interest Expense - LTD	6,902,146	91.19	629,374,445
40				
41	Interest Expense - STD	48,436	24.05	1,164,824
42				
43	Return on Equity	12,624,043	-	-
44				
45				
46	TOTAL	152,044,427	35.48	5,394,482,378
	Daily Cost of Service	416,560		

Atmos Energy Corporation-Tennessee
Cash Working Capital Lead/Lag Analysis
For Historic Base Period June 30, 2014

Line No.	Description	Histori Base Period	Expense Lag	CWC Requirement (c) x (f)
	(a)	(b)	(e)	(g)
1	Gas Supply Expense			
2	Purchased Gas	87,478,439	39.46	3,451,899,222
3				
4	Operation and Maintenance Expense			
5	O&M, Labor	7,652,390	14.14	108,204,799
6	O&M, Non-Labor	12,983,103	22.78	295,755,076
7	Total O&M Expense	20,635,493		403,959,875
8				
9				
10	Taxes Other Than Income			
11	Ad Valorem	3,498,394	241.50	844,862,151
12	State Gross Receipts Tax	1,084,335	(151.50)	(164,276,753)
13	Payroll Taxes	257,296	19.19	4,936,842
14	Franchise Tax	618,254	37.00	22,875,399
15	TRA Inspection Fee	425,046	272.50	115,825,068
16	DOT	19,392	60.00	1,163,542
17				
18	Allocated Taxes-Shared Services			
19	Ad Valorem	-1% (2,476)	241.50	(598,073)
20	Payroll Taxes	101% 250,126	19.19	4,799,266
21				
22	Allocated Taxes-Business Unit			
23	Ad Valorem	9% 5,574	241.50	1,346,004
24	Payroll Taxes	91% 56,354	19.19	1,081,295
25	Total Taxes Other Than Income	6,212,295		832,014,742
26				
27	Federal Income Tax	6,334,769		
28	Current Taxes	-	37.00	-
29	Deferred Taxes	13,941,361	-	-
30				
31	State Excise Tax	1,258,389		
32	Current Taxes	-	37.00	-
33	Deferred Taxes	2,769,423	-	-
34				
35	Depreciation	10,700,686	-	-
36				
37	Interest on Customer Deposits	110,242	15.50	1,708,755
38				
39	Interest Expense - LTD	6,459,132	91.19	588,978,077
40				
41	Interest Expense - STD	45,327	24.05	1,090,060
42				
43	Return on Equity	11,809,519	-	-
44				
45				
46	TOTAL	160,161,917	32.96	5,278,560,671
	Daily Cost of Service	438,800		

Tennessee Distribution System
Computation of State Excise & Income Taxes
Twelve Months Ended December 31, 2015

Line No.	Description	Tax Rate	Base Period (1)	Change	Test Year
	(a)	(b)	(c)	(d)	(e)
1	Required Return		\$ 18,469,866	\$ 1,170,979	\$ 19,640,845
2					
3	Interest Deduction		6,536,192	414,390	6,950,582
4					
5	Equity Portion of Return		11,933,674	756,589	12,690,263
6					
7	Application of Tax Rate to Equity Return - Tennessee	6.5%	775,689	49,178	824,867
8					
9	Application of Tax Rate to Equity Return - Federal	35%	3,905,295	247,594	4,152,889
10					
11			\$ 4,680,984	\$ 296,772	\$ 4,977,756
12					
13	Tax Expansion Factor		1.6302	1.6302	1.6302
14					
15	Income Tax Liability		\$ 7,630,940	\$ 483,798	\$ 8,114,738
16					
17	Less: ITC Amortization		735	(735)	-
18					
19	Total Income Tax Liability		\$ 7,630,206	\$ 484,532	\$ 8,114,738
20					
21					
22	Note:				
23	1. Twelve months ended June 30, 2014				

Tennessee Distribution System
Amortization of UCG Deferred Utility ITC
Twelve Months Ended December 31, 2015

Line No.	Description	Amortization	Allocation Factor [1]	Tennessee Allocation
	(a)	(b)	(c)	(d)
1	Fiscal year ended September 30, 2011	50,990		
2	Fiscal year ended September 30, 2012	12,229		
3	Fiscal year ended September 30, 2013	5,820		
4	Fiscal year ended September 30, 2014	-		
5				
6	Base Period ended June 30, 2014	1,455	50%	735
7				
8	Test Year ended December 31, 2015	-	50%	-
9				
10	[1] Division 091 - Mid-States General Office allocation factor excluding Kentucky			

**Tennessee Distribution System
Revenue Conversion Factor
Twelve Months Ended December 31, 2015**

<u>Line No.</u>	Attrition Year	
	<u>Settlement Amount</u>	<u>Balance</u>
1 Operatin Revenues		1.000000
2 Add: Forfeited Discounts	0.011113	<u>0.011113</u>
3 Balance		1.011113
4 Uncollectible Ratio	0.001773	<u>0.001793</u>
5 Balance		1.009320
6 State Excise Tax	0.065000	<u>0.065606</u>
7 Balance		0.943714
8 Federal Income Tax	0.350000	<u>0.330300</u>
9 Balance		0.613414
10 Revenue Conversion Factor (Line 1/Line 9)		1.630220

Tennessee Distribution System
Overall Cost of Capital
Twelve Months Ended December 31, 2015

Line No.	Description	Percent	Cost Rate	Overall Cost of Capital
	(a)	(b)	(c)	(d)
1	Long Term Debt Capital	45.84%	6.23%	2.85%
2	Short Term Debt	2.29%	1.07%	0.02%
3	Equity Capital	<u>51.87%</u>	10.10%	<u>5.24%</u>
4				
5	Total Capital	<u><u>100.0%</u></u>		<u><u>8.11%</u></u>

Tennessee Distribution System
Cost of Capital
Twelve Months Ended December 31, 2015

Line No.	Description	<u>June 30, 2014</u>		<u>June 30, 2013</u>		<u>June 30, 2012</u>		<u>3 year average</u>	
		\$	%	\$	%	\$	%	\$	%
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	LT Debt	\$ 2,455,907,240	44.07%	\$ 2,455,592,790	47.41%	\$ 2,206,419,809	46.21%	\$ 2,372,639,947	45.84%
2	ST Debt	0	0.00%	141,997,923	2.74%	213,490,563	4.47%	118,496,162	2.29%
3	Equity	3,116,684,772	55.93%	2,581,443,813	49.84%	2,354,925,198	49.32%	2,684,351,261	51.87%
4									
5	Total Capital	<u>\$ 5,572,592,012</u>	<u>100.00%</u>	<u>\$ 5,179,034,526</u>	<u>100.00%</u>	<u>\$ 4,774,835,569</u>	<u>100.00%</u>	<u>\$ 5,175,487,369</u>	<u>100.00%</u>

**Tennessee Distribution System
Cost of Capital- Short Term Debt Rate
Twelve Months Ended December 31, 2015**

Line No.	Date	<u>Atmos Consolidated Balances</u>			<u>12 Month Avg 12 Month Avg Atmos Consolidated - calc of STD rate</u>		
		Long-Term	Short-Term	Equity	STD	STD	STD
		Debt	Debt		Avg Daily Bal	Int Exp & fees	avg rate
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1 Jun-13		2,455,592,790	141,997,923	2,581,443,813			
2 Jul-13		2,455,618,994	195,995,478	2,605,641,606	143,645,161	221,702	
3 Aug-13		2,455,645,199	252,461,845	2,589,624,095	205,903,226	235,423	
4 Sep-13		2,455,671,403	367,983,524	2,580,409,324	297,933,333	245,989	
5 Oct-13		2,455,697,607	711,881,958	2,589,914,322	569,098,387	344,579	
6 Nov-13		2,455,723,811	626,820,344	2,597,645,504	608,018,333	357,163	
7 Dec-13		2,455,750,015	689,795,231	2,661,314,057	619,733,871	356,618	
8 Jan-14		2,455,776,219	584,922,360	2,698,302,734	560,322,581	335,573	
9 Feb-14		2,455,802,424	94,997,300	3,097,294,351	343,214,286	239,959	
10 Mar-14		2,455,828,628	0	3,124,760,754	14,903,226	172,242	
11 Apr-14		2,455,854,832	0	3,139,392,522	-	165,029	
12 May-14		2,455,881,036	0	3,101,988,610	-	168,414	
13 Jun-14		2,455,907,240	0	3,116,684,772	1,333,333	165,263	
14						3,007,953	
15							
16 Average		<u>2,455,750,015</u>	<u>282,065,843</u>	<u>2,806,493,574</u>	<u>280,342,145</u>		<u>1.07%</u>

Interest on CP or Interest on Draws on Credit Facility	Commitment Fees on Credit Facility	Bank Fees on AEC Credit Facility With RBS
30121		
Detail of Colm (f) Consolidated Int Exp & Fees		
<u>Int Exp</u>	<u>Commit fees</u>	<u>Utility Bank Admin</u>
32,902	125,362	63,438
46,614	125,362	63,447
61,157	121,318	63,514
155,714	125,362	63,503
172,342	121,318	63,503
167,753	125,362	63,503
147,368	124,703	63,503
81,699	94,758	63,503
3,828	104,911	63,503
-	101,527	63,503
-	104,911	63,503
233	101,527	63,503
869,609.51	1,376,421.24	761,922.52
per STD rpts:	3,007,953	

Tennessee Distribution System
Cost of Capital- Long Term Debt Rate
Twelve Months Ended December 31, 2015

<u>Line No.</u>	<u>Debt Series</u> (a)	<u>Issued</u> (b)	<u>Outstanding</u> <u>6/30/2013</u> (c)	<u>Outstanding</u> <u>7/31/2013</u> (d)	<u>Outstanding</u> <u>8/31/2013</u> (e)	<u>Outstanding</u> <u>9/30/2013</u> (f)	<u>Outstanding</u> <u>10/31/2013</u> (g)	<u>Outstanding</u> <u>11/30/2013</u> (h)	<u>Outstanding</u> <u>12/31/2013</u> (i)
1	9.40% First Mortgage Bond J due May 2021/RET 2005	04/01/91	-	-	-	-	-	-	-
2	6.75% Debentures Unsecured due July 2028	07/27/98	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
3	5.125% Senior Notes due Jan 2013	01/13/03	-	-	-	-	-	-	-
4	10.43% First Mortgage Bond P due 2017 (eff 2012)	11/01/87	-	-	-	-	-	-	-
5	9.75% First Mortgage Bond Q due Apr 2020/RET 2005	04/01/90	-	-	-	-	-	-	-
6	9.32% First Mortgage Bond T due June 2021/RET 2005	06/01/91	-	-	-	-	-	-	-
7	8.77% First Mortgage Bond U due May 2022/RET 2005	05/01/92	-	-	-	-	-	-	-
8	6.67% MTN A1 due Dec 2025	12/15/95	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
9	4.95% Sr Note due 10/15/2014	10/22/04	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
10	5.95% Sr Note due 10/15/2034	10/22/04	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
11	6.35% Sr Note due 6/15/2017	6/2007	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
12	Sr Note 5.50% Due 06/15/2041	6/10/2011	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000
13	8.50% Sr Note due 3/15/2019	03/23/09	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000
14	4.15% Sr Note due 1/15/2043	01/15/13	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
15	Debt Issuance Cost - Amort is pending new debt issue	10/2014	-	-	-	-	-	-	-
16	Debt Issuance Cost - Amort is pending new debt issue	06/2017	-	-	-	-	-	-	-
17	March 2019 - Swap Position	03/2019	-	-	-	-	-	-	-
18	Subtotal -- Utility Long-Term Debt		\$ 2,460,000,000	\$ 2,460,000,000	\$ 2,460,000,000	\$ 2,460,000,000	\$ 2,460,000,000	\$ 2,460,000,000	\$ 2,460,000,000
19									
20	Atnos Leasing, Inc.								
21	Industrial Develop Revenue Bond 07/13	1991	-	-	-	-	-	-	-
22	Total Long-Term Debt		<u>2,460,000,000</u>	<u>2,460,000,000</u>	<u>2,460,000,000</u>	<u>2,460,000,000</u>	<u>2,460,000,000</u>	<u>2,460,000,000</u>	<u>2,460,000,000</u>
23	Less Unamortized Debt Discount		\$ 4,407,210	\$ 4,381,006	\$ 4,354,801	\$ 4,328,597	\$ 4,302,393	\$ 4,276,189	\$ 4,249,985
24	Annualized Amortization of T-Lock Settlement, Debt Exp. & Debt Disc.								
25									
26	Effective Avg Cost of Consol Debt								

Tennessee Distribution System
Cost of Capital- Long Term Debt Rate
Twelve Months Ended December 31, 2015

Outstanding 1/31/2014 (j)	Outstanding 2/28/2014 (k)	Outstanding 3/31/2014 (l)	Outstanding 4/30/2014 (m)	Outstanding 5/31/2014 (n)	Outstanding 6/30/2014 (o)	End Int Rate (p)	Annual Int at June 30, 2014 (q)	(r) (v)	Annualized 4270 Amort for T-lock (w)	Annualized 4280-81 Amort Debt Exp&Dscst (x)	Exp 1810 Penalty 1890 Dscst 2260 1/0/1900 (y)
-	-	-	-	-	-	9.40%	0		0	560,397	3,829,383
150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	6.75%	10,125,000		0	99,938	1,403,776
-	-	-	-	-	-	5.13%	0		0	0	0
-	-	-	-	-	-	10.43%	0		0	33,837	112,789
-	-	-	-	-	-	9.75%	0		0	337,581	1,969,221
-	-	-	-	-	-	9.32%	0		0	362,746	2,508,996
-	-	-	-	-	-	8.77%	0		0	368,719	2,888,300
10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	6.67%	667,000		0	7,790	90,137
500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	4.95%	24,750,000		3,237,793	453,170	150,765
200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	5.95%	11,900,000		(7,047)	115,724	2,349,669
250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	6.35%	15,875,000		(474,980)	307,042	921,125
400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	5.50%	22,000,000		(669,302)	186,860	5,029,637
450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	8.50%	38,250,000		(77,734)	1,161,169	5,515,555
500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	4.15%	20,750,000		2,220,857	378,080	10,789,734
-	-	-	-	-	-	-	0		0	0	82,170
-	-	-	-	-	-	-	0		0	0	41,580
-	-	-	-	-	-	-	0		0	0	0
\$ 2,460,000,000	\$ 2,460,000,000	\$ 2,460,000,000	\$ 2,460,000,000	\$ 2,460,000,000	\$ 2,460,000,000		\$ 144,317,000		\$ 4,229,588	\$ 4,373,053	\$ 37,682,835
-	-	-	-	-	-	7.90%	-		0	0	0
2,460,000,000	2,460,000,000	2,460,000,000	2,460,000,000	2,460,000,000	2,460,000,000		\$ 144,317,000				
\$ 4,223,781	\$ 4,197,576	\$ 4,171,372	\$ 4,145,168	\$ 4,118,964	\$ 4,092,760				\$ 4,229,588	\$ 4,373,053	\$ 37,682,835
							\$ 8,602,641				
							\$ 2,455,907,240				
							\$ 152,919,641				
							6.23% end of period				

Tennessee Distribution System
Rate of Return
Twelve Months Ended December 31, 2015

Line No.	Description	Reference	Historic Base Period (1)	Change	Test Year	Ratemaking Adjustments	Adjusted Amount
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Total Revenues	Sch. 2	\$ 150,583,201	\$ 1,629,688	\$ 152,212,889	\$ -	\$ 152,212,889
2							
3	Gas Cost	Sch. 3	87,478,439	-	87,478,439	-	87,478,439
4							
5	Operation & Maintenance Expense	Sch. 4	20,635,493	(156,335)	20,479,158	-	20,479,158
6							
7	Taxes Other Than Income Taxes	Sch. 5	6,212,295	684,714	6,897,008	-	6,897,008
8							
9	Depreciation & Amortization Expense	Sch. 6	10,700,686	719,670	11,420,356	649,245	12,069,601
10							
11	Federal Income and State Excise Tax	Wp 10-1	7,460,496	(25,500)	7,434,997	(242,539)	7,192,458
12							
13	Interest on Customer Deposits	Wp 1-1	110,242	6,100	116,342	-	116,342
14							
15	Return on Rate Base		<u>\$ 17,985,549</u>	<u>\$ 401,040</u>	<u>\$ 18,386,589</u>	<u>\$ (406,706)</u>	<u>\$ 17,979,882</u>
16							
17	Total Rate Base	Sch. 7	\$ 227,741,874	\$ 15,589,239	\$ 243,331,113	\$ (1,150,539)	\$ 242,180,574
18							
19	Rate of Return on Rate Base		7.90%		7.56%		7.42%
20							
21	Interest Expense	Sch. 8	6,490,643	444,293	6,934,937	(32,790)	6,902,146
22							
23	AFUDC Interest credit	Wp 1-2	(66,220)	-	(66,220)	-	(66,220)
24							
25	Return on Equity		<u>\$ 11,561,126</u>		<u>\$ 11,517,872</u>		<u>\$ 11,143,956</u>
26							
27	Rate of Return on Equity		9.79%		9.13%		8.87%
28							
29	Note:						
30	1. Twelve months ended June 30, 2014						

Tennessee Distribution System
Computation of State Excise and Federal Income Taxes for Sch 10
Twelve Months Ended December 31, 2015

Line No.	Description	Tax Rate	Historic Base Period (1)	Projected Amount	Adjusted Amount
	(a)	(b)	(c)	(d)	(e)
1	Net Operating Income Before Income Tax		\$ 25,446,046	\$ 25,821,585	\$ 25,172,340
2					
3	Interest Deduction		6,424,424	6,868,717	6,835,927
4					
5	Equity Portion of Return		\$ 19,021,622	\$ 18,952,868	\$ 18,336,414
6					
7	Application of Tax Rate to Equity Return - Tennessee	6.5%	1,236,405	1,231,936	1,191,867
8					
9	Application of Tax Rate to Equity Return - Federal	35%	6,224,826	6,202,326	6,000,591
10					
11	Income Tax Expense		\$ 7,461,231	\$ 7,434,262	\$ 7,192,458
12					
13	Less: ITC Amortization		735	(735)	-
14					
15	Total Income Tax Liability		\$ 7,460,496	\$ 7,434,997	\$ 7,192,458
16					
17	Note:				
18	1. Twelve months ended June 30, 2014				

Tennessee Distribution System
Proof of Revenues and Calculation of Rates
Historic Base Period Margin at Present Rates
Actual Twelve Months Ended June 30, 2014

Line No.	Description	12 Mths Ended Jun 14		Rates effective Jun 14		12 mths Jun14	Weather	12 mths Jun14	12 mths Jun14	12 mths Jun14
		Base Count	Volumes Mcf	Monthly Customer chg	Commodity Charge/Mcf	Margin at Jun14 rates	Adjustment Volumes Mof	WNA Adjusted Volumes Mof	Weather adj Margin at Jun14 rates	WNA \$ Adj at Jun14 rates
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	RESIDENTIAL									
2	210 Residential Gas Service (Summer)	584,867	835,236	\$13.85	\$1.227	9,125,242		835,236	9,125,242	\$0
3	210 Residential Gas Service (Winter) (weather sensitive)	826,242	7,536,096	16.85	\$1.227	23,168,967	(657,216)	6,878,880	22,362,563	(\$806,404)
4	210 Residential Gas Service Senior Citizen (Summer)	714	521	0.00	\$1.227	640		521	640	\$0
5	210 Residential Gas Service Senior Citizen (Winter) (weather sensitive)	1,027	8,779	0.00	\$1.227	10,772		8,779	10,772	\$0
6	211 Residential/Sm. Commercial/Industrial Heating & Cooling	12	278	13.85	\$0.719	366	(38)	239	338	(\$27)
7	Total Residential	1,412,862	8,380,910			32,305,987	(657,254)	7,723,655	31,498,555	(806,432)
8										
9	COMMERCIAL									
10	211 Residential/Sm. Commercial/Industrial Heating & Cooling	12	209	13.85	0.719	316		209	316	\$0
11	220 Commercial Gas Service (weather sensitive)	190,262	5,429,449	35.00	2.332	19,320,644	(296,219)	5,133,229	18,629,860	(\$690,784)
12	230 Large Commercial Gas Service (weather sensitive)	15	31,415	375.00	2.036	69,586	(1,714)	29,701	66,097	(\$3,490)
13	250 Commercial Interruptible Gas Service			425.00		0		0	0	
14	Block 1 Volumes				1.141	0		0	0	
15	Block 2 Volumes				0.755	0		0	0	
16	Block 3 Volumes				0.349	0		0	0	
17	293 Large Tonnage Air Conditioning Gas Service	12		35.00		420		0	420	
18	Block 1 Volumes		14,318		1.141	16,337		14,318	16,337	
19	Block 2 Volumes		2,111		0.755	1,594		2,111	1,594	
20	Block 3 Volumes		0		0.349	0		0	0	
21	Total Commercial	190,301	5,477,502			19,408,697	(297,933)	5,179,568	18,714,624	(694,273)
22										
23	INDUSTRIAL									
24	220 Industrial Gas Service (weather sensitive)	3,863	572,879	35.00	2.332	1,471,158	(31,255)	541,624	1,388,272	(\$72,887)
25	230 Large Industrial Gas Service	108	290,206	375.00	2.036	631,360		290,206	631,360	
26	240 DEMAND/COMM GS	0		425.00		0		0	0	
27	Block 1 Volumes		0		1.141	0		0	0	
28	Block 2 Volumes		0		0.755	0		0	0	
29	Block 3 Volumes		0		0.349	0		0	0	
30	Demand Volumes		0		16.283	0		0	0	
31	250 Industrial Interruptible Gas Service	295		425.00		125,375		0	125,375	
32	Block 1 Volumes		301,042		1.141	343,469		301,042	343,469	
33	Block 2 Volumes		277,758		0.755	209,707		277,758	209,707	
34	Block 3 Volumes		0		0.349	0		0	0	
35	280/250 Economic Development Gas Service	0		425.00		0		0	0	
36	Block 1 Volumes		0		1.141	0		0	0	
37	Block 1 Volumes @ Discount Rate		0		0.856	0		0	0	
38	Block 2 Volumes		0		0.755	0		0	0	
39	Block 2 Volumes @ Discount Rate		0		0.566	0		0	0	
40	Block 3 Volumes		0		0.349	0		0	0	
41	Block 3 Volumes @ Discount Rate		0		0.262	0		0	0	
42	292 Cogeneration, CNG, Prime Movers Service	12		35.00		420		0	420	
43	Block 1 Volumes		2,949		1.141	3,365		2,949	3,365	
44	Block 2 Volumes		0		0.755	0		0	0	
45	Block 3 Volumes		0		0.349	0		0	0	
46	Total Industrial	4,278	1,444,835			2,784,676	(31,255)	1,413,580	2,711,989	
47										
48	PUBLIC AUTHORITY									
49	211 Residential/Sm. Commercial/Industrial Heating & Cooling	0	0	13.85	\$0.719	0		0	0	\$0
50	221 Experimental School Gas Service	61	73,267	35.00	1.134	85,220	(3,997)	69,270	80,687	(\$4,533)
51	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0.00	1.227	0		0	0	\$0
52	225 Public Authority Gas Service (Sr. Citizen) (Winter)	0	0	0.00	1.227	0		0	0	\$0
53	225 Public Authority Gas Service (Summer)	2,983	9,107	13.85	1.227	52,489		9,107	52,489	\$0
54	225 Public Authority Gas Service (Winter)	4,142	47,713	16.85	1.227	128,336	(4,456)	43,257	122,969	(5,467)
55	Total Public Authority	7,186	130,087			286,045	(8,453)	121,634	256,045	(10,000)
56										
57	TRANSPORTATION									
58	260 - TRANSP (220 SML COM/INDG)	132	142,224	425.00	2.332	367,767		142,224	367,767	
59	260 - TRANSP (230 LRG COM/INDG)	497	1,121,093	425.00	2.036	2,493,770		1,121,093	2,493,770	
60	260 - TRANSP (240 DEMAND)	48		425.00		20,400		0	20,400	
61	Block 1 Volumes		96,000		1.141	109,536		96,000	109,536	
62	Block 2 Volumes		237,929		0.755	179,637		237,929	179,637	
63	Block 3 Volumes		0		0.349	0		0	0	
64	Demand Volumes		16,126		16.283	262,580		16,126	262,580	
65	260 - TRANSP (250 OPT GS)	641		425.00		272,425		0	272,425	
66	Block 1 Volumes		1,217,594		1.141	1,389,274		1,217,594	1,389,274	
67	Block 2 Volumes		3,978,062		0.755	3,003,437		3,978,062	3,003,437	
68	Block 3 Volumes		0		0.349	0		0	0	
69	260 - TRANSP (280/250 ECON DEV - OPT GS)	5		425.00		2,125		0	2,125	
70	Block 1 Volumes		10,000		1.141	11,410		10,000	11,410	
71	Block 1 Volumes @ Discount Rate		0		0.856	0		0	0	
72	Block 2 Volumes		203,360		0.755	153,537		203,360	153,537	
73	Block 2 Volumes @ Discount Rate		6,000		0.566	3,398		6,000	3,398	
74	Block 3 Volumes		0		0.349	0		0	0	
75	Block 3 Volumes @ Discount Rate		165,165		0.262	43,232		165,165	43,232	
76	SPECIAL CONTRACTS	43	1,284,296			460,017		1,284,296	460,017	
77	Total Transportation	1,366	8,461,723			8,792,543	0	8,461,723	8,792,543	
78										
79	TOTALS	1,615,993	23,895,057			\$63,558,349	(994,896)	22,900,161	\$61,974,757	(\$1,510,705)
80										
81	4870 - Forfeited Discount					\$811,372			\$811,372	
82	4080 - Miscellaneous Service charges					\$427,876			\$427,876	
83	TOTAL MARGIN REVENUES					\$64,797,597			\$63,214,005	

		210,211,225		1.62%		0.00%											
		220,221,230C		0.89%		0.00%											
Line No.	Description	12 Mths Ended Jun 14 Base Count	Weather Adj. Vol Mcf	Rates effective Jun 14 Monthly Customer chg	Commodity Charge/Mcf	12 mths Jun 14 Weather adj Margin at Jun 14 rates	TOTAL	Customer Changes Base Count	Volumes Mcf	Customer Growth Base Count	Volumes Mcf	Declining Usage Volumes Mcf	Adjusted Base Count	Adjusted Volumes Mcf	Total Adjusted Margin Rev		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)		
1	RESIDENTIAL																
2	210 Residential Gas Service (Summer)	584,867	835,238	\$13.85	\$1,227	\$9,125,242			14,247	20,346	0		599,114	855,581	\$9,347,625		
3	210 Residential Gas Service (Winter) (weather sensitive)	826,242	6,878,680	\$16.85	\$1,227	22,362,563			20,126	167,563	0		846,368	7,048,443	22,907,294		
4	210 Residential Gas Service Senior Citizen (Summer)	714	521	\$0.00	\$1,227	640			17	13	0		731	634	695		
5	210 Residential Gas Service Senior Citizen (Winter) (weather sensitive)	1,027	8,779	\$0.00	\$1,227	10,772			25	214	0		1,052	8,993	11,034		
6	211 Residential/Sn. Commercial/Industrial Heating & Cooling	12	239	\$13.85	\$0.719	336			0	6	0		12	245	347		
7	Total Residential	1,412,862	7,723,695			31,499,555		0	0	34,416	188,141	0	1,447,276	7,911,796	32,266,855		
8	COMMERCIAL																
9	211 Residential/Sn. Commercial/Industrial Heating & Cooling	12	209	13.85	0.719	316			0	5	0		12	214	334		
10	220 Commercial Gas Service (weather sensitive)	190,262	5,133,229	35.00	2.332	18,629,860			2,825	76,218	0		193,087	5,299,447	18,806,475		
11	230 Large Commercial Gas Service (weather sensitive)	15	20,701	375.00	2.036	68,097			0	441	0		15	30,142	67,078		
12	250 Commercial Interruptible Gas Service	0		425.00		0							0	0	0		
13	Block 1 Volumes	0	0		1.141	0							0	0	0		
14	Block 2 Volumes	0	0		0.755	0							0	0	0		
15	Block 3 Volumes	0	0		0.349	0							0	0	0		
16	203 Large Tonnage Air Conditioning Gas Service	12		35.00		420							12	0	420		
17	Block 1 Volumes		14,318		1.141	16,337							0	14,318	16,337		
18	Block 2 Volumes		2,111		0.755	1,594							0	2,111	1,594		
19	Block 3 Volumes		0		0.349	0							0	0	0		
20	Total Commercial	190,301	5,179,588			18,714,824		0	0	2,826	76,664	0	193,127	5,256,232	18,992,227		
21	INDUSTRIAL																
22	220 Industrial Gas Service (weather sensitive)	3,683	541,624	35.00	2.332	1,398,272			57	8,042			3,920	549,686	1,419,033		
23	230 Large Industrial Gas Service	108	290,206	375.00	2.036	631,360		(12)	(225,328)				98	64,878	168,092		
24	240 DEMAND/COMM GS	0		425.00		0							0	0	0		
25	Block 1 Volumes	0	0		1.141	0							0	0	0		
26	Block 2 Volumes	0	0		0.755	0							0	0	0		
27	Block 3 Volumes	0	0		0.349	0							0	0	0		
28	Demand Volumes	0	0		16.283	0							0	0	0		
29	250 Industrial Interruptible Gas Service	295		425.00		125,375							295	0	125,375		
30	Block 1 Volumes		301,042		1.141	343,498			(3,503)				0	297,539	338,492		
31	Block 2 Volumes		277,758		0.755	209,707			(55,816)				0	222,142	167,717		
32	Block 3 Volumes		0		0.349	0							0	0	0		
33	280/250 Economic Development Gas Service			425.00		0		12					12	0	0		
34	Block 1 Volumes	0	0		1.141	0			0				0	0	0		
35	Block 1 Volumes @ Discount Rate	0	0		0.856	0			24,000				0	24,000	20,538		
36	Block 2 Volumes	0	0		0.755	0			0				0	0	0		
37	Block 2 Volumes @ Discount Rate	0	0		0.586	0			175,992				0	175,992	99,655		
38	Block 3 Volumes	0	0		0.349	0			0				0	0	0		
39	Block 3 Volumes @ Discount Rate	0	0		0.262	0			0				0	0	0		
40	282 Cogeneration, CNG, Prime Movers Service	12		35.00		420							12	0	420		
41	Block 1 Volumes		2,949		1.141	3,365							0	2,949	3,365		
42	Block 2 Volumes		0		0.755	0							0	0	0		
43	Block 3 Volumes		0		0.349	0							0	0	0		
44	Total Industrial	4,278	1,413,580			2,711,989		0	(84,456)	57	8,042	0	4,335	1,337,167	2,348,708		
45	PUBLIC AUTHORITY																
46	211 Residential/Sn. Commercial/Industrial Heating & Cooling	0	0	13.85	0.719	0							0	0	0		
47	221 Experimental School Gas Service	61	69,270	35.00	1.134	80,687			1	1,029			62	70,208	81,885		
48	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0.00	1,227	0							0	0	0		
49	225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather sensitive)	0	0	0.00	1,227	0							0	0	0		
50	225 Public Authority Gas Service (Summer)	2,983	9,107	13.85	1,227	52,489			73	222			3,056	9,329	53,769		
51	225 Public Authority Gas Service (Winter) (weather sensitive)	4,142	43,257	16.85	1,227	122,869			101	1,054			4,243	44,310	125,862		
52	Total Public Authority	7,166	121,634			256,045		0	0	174	2,304	0	7,360	123,938	261,515		
53	TRANSPORTATION																
54	260 - TRANSP (230 SML COMMANDG)	132	142,224	425.00	2.332	387,767							132	142,224	387,767		
55	260 - TRANSP (230 LRG COMMANDG)	497	1,121,593	425.00	2.036	2,493,770		0	205,468				497	1,326,561	2,912,103		
56	260 - TRANSP (240 DEMAND)	48		425.00		20,400							48	0	20,400		
57	Block 1 Volumes		96,000		1.141	109,638							0	96,000	109,638		
58	Block 2 Volumes		237,929		0.755	179,837							0	237,929	179,837		
59	Block 3 Volumes		0		0.349	0							0	0	0		
60	Demand Volumes		16,126		16.283	262,580							0	16,126	262,580		
61	260 - TRANSP (250 OPT GS)	641		425.00		272,425		(12)					629	0	267,325		
62	Block 1 Volumes		1,217,594		1.141	1,389,274			(24,000)				0	1,193,594	1,361,890		
63	Block 2 Volumes		3,978,082		0.755	3,093,437			(184,869)				0	3,813,103	2,878,893		
64	Block 3 Volumes		0		0.349	0							0	0	0		
65	260 - TRANSP (280/250 ECON DEV - OPT GS)	5		425.00		2,125		19					24	0	10,200		
66	Block 1 Volumes		10,000		1.141	11,410			38,000				0	48,000	54,768		
67	Block 1 Volumes @ Discount Rate		0		0.856	0			0				0	0	0		
68	Block 2 Volumes		203,360		0.755	153,537			398,618				0	599,876	452,982		
69	Block 2 Volumes @ Discount Rate		6,000		0.586	3,308			108,000				0	112,000	63,420		
70	Block 3 Volumes		0		0.349	0			0				0	0	0		
71	Block 3 Volumes @ Discount Rate		185,165		0.262	43,232			21,722				0	186,987	48,919		
72	SPECIAL CONTRACTS	43	1,284,286			460,017		2	898,488				45	2,180,764	719,059		
73	Total Transportation	1,366	8,481,723			9,792,543		9	1,475,335	0	0	0	1,375	9,937,058	9,728,477		
74	TOTALS	1,615,983	22,900,161			\$61,874,767		9	1,389,879	37,473	275,151	0	1,653,475	24,586,191	\$63,697,882		
75	4870 - Forfeited Discount					811,372									\$708,749		
76	4880 - Miscellaneous Service charges					427,676									429,839		
77	TOTAL MARGIN REVENUES					\$63,214,005									\$64,734,469		

Tennessee Distribution System
Proof of Revenues and Calculation of Rates
Rate Design

Historic Base Period Ended June 30, 2014 and Forward Looking Test Year Ended December 31, 2015

Additional Revenue: 2,517,023

Line	Rate effective Jun14	Adjusted	Adjusted	Total	Cust	Commodity	Cust	Commodity	%	Allocated	Proposed	Proposed	Proposed	Proposed		Cust	Commodity	%
No.	Monthly	Base	Volumes	Adjusted	Charge	Charge	Charge	Charge	%	Amount of	Cust	Commodity	Cust	Commodity	Total	Charge	Charge	%
Description	Customer chg	Count	Mcf	Margin Rev	Rev	Rev	%	%	Total Rev	Increase	Charge	Charge	Rev	Rev		%	%	Total Rev
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)
1	Rate Schedule 210/225																	
2	210/225 SUMMER	\$13.85	\$1.227	602,169	864,911	\$9,401,293	\$8,340,047	\$1,061,245			14.50	1.272	\$8,731,457	\$1,100,360	9,831,818			
3	210/225 WINTER (weather sensitive)	\$16.85	\$1.227	850,611	7,090,753	23,033,156	\$14,332,802	\$8,700,354			17.50	1.272	\$14,885,699	\$9,021,028	23,906,727			
4	210/225 SR CIT	\$0.00	\$1.227	1,783	9,527	11,689	\$0	\$11,689			0.00	1.272	\$0	\$12,120	12,120			
5	Total 210/225			1,454,564	7,985,191	32,446,138	22,672,849	9,773,289	70%	30%	51.82%	1,304,237		23,617,166	10,133,508	33,750,665	70%	30%
6																		51.82%
7	Rate Schedule 211																	
8	211 HVAC	\$13.85	\$0.719	25	459	671	\$340	\$330	51%	49%	0.00%	27	14.50	0.743	\$356	\$341	697	51%
9																		49%
10	Rate Schedule 220																	0.00%
11	220 Commercial / Industrial Gas Service	\$35.00	\$2.332	197,007	5,759,113	20,325,508	\$6,895,257	\$13,430,250	34%	66%			37.00	2.406	\$7,289,272	\$13,857,169	21,146,441	34%
12	220 Transportation	\$425.00	\$2.332	132	142,224	387,767	\$56,100	\$331,667	14%	86%			435.00	2.406	\$57,420	\$342,210	399,630	86%
13	Total 220			197,139	5,901,337	20,713,275	6,951,357	13,761,918	34%	66%	33.08%	832,611			7,346,692	14,199,379	21,546,071	34%
14																		66%
15	Rate Schedule 221																	33.08%
16	221 Experimental School Gas Service	\$35.00	\$1.134	62	70,298	81,885	\$2,167	\$79,718	3%	97%	0.13%	3,292	37.00	1.179	\$2,291	\$82,887	85,177	3%
17																		97%
18	Rate Schedule 230																	0.13%
19	230 Large Commercial / Industrial Gas Service	\$375.00	\$2.036	111	95,021	235,170	\$41,709	\$193,462	18%	82%			385.00	2.121	\$42,621	\$201,513	244,334	18%
20	230 Transportation	\$425.00	\$2.036	497	1,326,581	2,912,103	\$211,225	\$2,700,878	7%	93%			435.00	2.121	\$216,195	\$2,813,283	3,029,478	7%
21	Total 230			608	1,421,582	3,147,274	252,934	2,894,340	8%	92%	5.03%	126,511			259,016	3,014,797	3,273,813	8%
22																		93%
23	Rate Schedule 240/250/260/292/293																	5.03%
24	240 Demand/Commodity Gas Service	\$425.00		48		20,400	\$20,400						435.00		\$20,880		20,880	
25	Block 1 Volumes		\$1.141		96,000	109,536		\$109,536						1.188		\$114,070	114,070	
26	Block 2 Volumes		\$0.755		237,829	179,637		\$179,637						0.786		\$187,084	187,084	
27	Block 3 Volumes		\$0.349		0	0		\$0						0.363		\$0	0	
28	250 Interruptible Gas Service	\$425.00		924		392,700	\$392,700						435.00		\$401,840		401,840	
29	Block 1 Volumes		\$1.141		1,491,133	1,701,382		\$1,701,382						1.188		\$1,771,805	1,771,805	
30	Block 2 Volumes		\$0.755		4,035,245	3,046,610		\$3,046,610						0.786		\$3,172,913	3,172,913	
31	Block 3 Volumes		\$0.349		0	0		\$0						0.363		\$0	0	
32	280 ECON DEV - OPT GS	\$425.00		36		15,300	\$15,300						435.00		\$15,660		15,660	
33	Block 1 Volumes		\$1.141		48,000	54,768		\$54,768						1.188		\$57,035	57,035	
34	Block 1 Volumes @ Discount Rate		-\$0.856		24,000	20,538		\$20,538						0.891		\$21,398	21,398	
35	Block 2 Volumes		\$0.755		599,976	452,982		\$452,982						0.786		\$471,761	471,761	
36	Block 2 Volumes @ Discount Rate		\$0.568		287,992	163,075		\$163,075						0.590		\$169,636	169,636	
37	Block 3 Volumes		\$0.349		0	0		\$0						0.363		\$0	0	
38	Block 3 Volumes @ Discount Rate		\$0.262		186,887	48,918		\$48,918						0.273		\$50,946	50,946	
39	292 Cogeneration, CNG, Prime Movers Service	\$35.00		12		420	\$420						37.00		\$444		444	
40	Block 1 Volumes		\$1.141		2,949	3,365		\$3,365						1.188		\$3,505	3,505	
41	Block 2 Volumes		\$0.755		0	0		\$0						0.786		\$0	0	
42	Block 3 Volumes		\$0.349		0	0		\$0						0.363		\$0	0	
43	293 Large Tonnage Air Conditioning Gas Service	\$35.00		12		420	\$420						37.00		\$444		444	
44	Block 1 Volumes		\$1.141		14,316	16,337		\$16,337						1.188		\$17,013	17,013	
45	Block 2 Volumes		\$0.755		2,111	1,594		\$1,594						0.786		\$1,660	1,660	
46	Block 3 Volumes		\$0.349		0	0		\$0						0.363		\$0	0	
47	Total 240/250/260/292/293			1,032	7,026,541	6,227,982	429,240	5,798,742	7%	93%	9.95%	250,346			\$439,368	\$6,039,016	6,478,384	7%
48																		93%
49	TOTALS			1,653,430	22,385,407	62,617,224	30,308,887	32,308,337	48%	52%	100.00%	2,517,023			31,664,979	33,469,928	65,134,807	49%
																		51%
																		100.00%

Atmos Energy Corp - Tennessee Distribution System
Proof of Revenues and Calculation of Rates
Summary Of Present And Proposed Rates
Forward Looking Test Year Ended December 31, 2015

	<u>Current Rate</u>	<u>Proposed Rate</u>
	Monthly	Monthly
Sales and Transportation Revenues:		
210 Residential Gas Service (WINTER)		
Customer Charge	\$16.85	\$17.50
Commodity Charge	\$1.227	\$1.272
210 Residential Gas Service (SUMMER)		
Customer Charge	\$13.85	\$14.50
Commodity Charge	\$1.227	\$1.272
211 Residential & Small Commercial/Industrial Heating & Cooling		
Customer Charge	\$13.85	\$14.50
Commodity Charge	\$0.719	\$0.743
220 Commercial & Industrial Gas Service		
Customer Charge	\$35.00	\$37.00
Commodity Charge	\$2.332	\$2.406
221 Experimental School Gas Service		
Customer Charge	\$35.00	\$37.00
Commodity Charge	\$1.134	\$1.179
225 Public Housing Authority Gas Service (WINTER)		
Customer Charge	\$16.85	\$17.50
Commodity Charge	\$1.227	\$1.272
225 Public Housing Authority Gas Service (SUMMER)		
Customer Charge	\$13.85	\$14.50
Commodity Charge	\$1.227	\$1.272
230 Large Commercial & Industrial Gas Service		
Customer Charge	\$375.00	\$385.00
Commodity Charge	\$2.036	\$2.121
240 Demand/Commodity Gas Service		
Customer Charge	\$425.00	\$435.00
1 - 2,000 Mcf	\$1.141	\$1.188
Next 48,000 Mcf	\$0.755	\$0.786
Over 50,000 Mcf	\$0.349	\$0.363
Demand Charge	\$16.283	\$16.283
250 Interruptible Gas Service		
Customer Charge	\$425.00	\$435.00
1 - 2,000 Mcf	\$1.141	\$1.188
Next 48,000 Mcf	\$0.755	\$0.786
Over 50,000 Mcf	\$0.349	\$0.363
260 Transportation Service / 250 Interruptible Gas Service		
Customer Charge	\$425.00	\$435.00
1 - 2,000 Mcf	\$1.141	\$1.188
Next 48,000 Mcf	\$0.755	\$0.786
Over 50,000 Mcf	\$0.349	\$0.363
260 Transportation Service / 220 Commercial & Industrial Gas Service		
Customer Charge	\$425.00	\$435.00
Commodity Charge	\$2.332	\$2.406
260 Transportation Service / 230 Large Commercial & Industrial Gas Service		
Customer Charge	\$425.00	\$435.00
Commodity Charge	\$2.036	\$2.121
Schedule 280 Economic Development Gas Service		
Customer Charge	\$425.00	\$435.00
1 - 2,000 Mcf	\$1.141	\$1.188
1 - 2,000 Mcf @ Discount Rate	\$0.856	\$0.891
Next 48,000 Mcf	\$0.755	\$0.786
Next 48,000 Mcf @ Discount Rate	\$0.566	\$0.590
Over 50,000 Mcf	\$0.349	\$0.363
Over 50,000 Mcf @ Discount Rate	\$0.262	\$0.273
Schedule 292 Cogeneration, CNG, Prime Movers, Fuel Cell Service		
Customer Charge	\$35.00	\$37.00
1 - 2,000 Mcf	\$1.141	\$1.188
Next 48,000 Mcf	\$0.755	\$0.786
Over 50,000 Mcf	\$0.349	\$0.363
Schedule 293 Large Tonnage Air Conditioning Gas Service		
Customer Charge	\$35.00	\$37.00
1 - 2,000 Mcf	\$1.141	\$1.188
Next 48,000 Mcf	\$0.755	\$0.786
Over 50,000 Mcf	\$0.349	\$0.363

RESIDENTIAL GAS SERVICE

Schedule 210: All Service AreasAvailability

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

Character of Service

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

Customer Charge

A monthly customer charge of ~~\$16.85~~ \$17.50 for the months of October through April is payable regardless of the usage of gas.

A customer charge of ~~\$13.85~~ \$14.50 for the months of May through September is payable regardless of the usage of gas.

Monthly

All consumption, per Ccf ~~\$1.227~~ \$.1272

Minimum Bill

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

Payment

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

Gas Lights

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

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

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

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

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

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

Character of Service

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

Customer Charge

A monthly customer charge of ~~\$13.85~~ \$14.50 is payable regardless of the usage of gas.

Monthly

All consumption, per Ccf ~~\$.0719~~ \$.0743

Minimum Bill

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

Payment

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

COMMERCIAL/INDUSTRIAL GAS SERVICE

Schedule 220: All Service AreasAvailability

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

Character of Service

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

Customer Charge

A monthly customer charge of ~~\$35.00~~ \$37.00 is payable regardless of the usage of gas.

Monthly Rate

All Consumption, per Ccf \$.2332 \$.2406

Minimum Bill

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

Payment

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

Gas Lights

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

EXPERIMENTAL SCHOOL GAS SERVICE

Schedule 221: All Service AreasAvailability

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

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

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

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

Character of Service

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

Customer Charge

A monthly customer charge of \$35.00 \$37.00 is payable regardless of the usage of gas.

Monthly Rate

All Consumption, per Ccf \$1.134 \$1.179

Minimum Bill

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

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PUBLIC HOUSING AUTHORITY GAS SERVICE

Schedule 225: All Service AreasAvailability

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

Character of Service

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

Customer Charge

A monthly customer charge of ~~\$16.85~~ \$17.50 for the months of October through April is payable regardless of the usage of gas.

A customer charge of ~~\$13.85~~ \$14.50 for the months of May through September is payable regardless of the usage of gas.

Minimum Bill

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

Monthly Rate

All consumption, per Ccf ~~\$.1227~~ \$.1272

Payment

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

LARGE COMMERCIAL/INDUSTRIAL GAS SERVICE

Schedule 230: All Service AreasAvailability

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

Character of Service

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

Customer Charge

A monthly customer charge of ~~\$375.00~~ \$385.00 is payable regardless of the usage of gas.

Monthly Rate

All Consumption, per Ccf ~~\$.2036~~ \$.2121

Minimum Bill

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

Payment

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

Gas Lights

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

DEMAND/COMMODITY GAS SERVICE

Schedule 240: All Service AreasAvailability

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

Character of Service

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

Customer Charge

A monthly Customer Charge of ~~\$425.00~~ \$435.00 is payable regardless of the usage of gas.

Monthly RateDemand Charge

Per Unit of Billing Demand \$1.6283 per Ccf

Commodity Charge

First	20,000	Ccf Per Month	\$.1141 \$.1188
Next	480,000	Ccf Per Month	\$.0755 \$.0786
Over	500,000	Ccf Per Month	\$.0349 \$.0363

Minimum Bill

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

Payment

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

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INTERRUPTIBLE GAS SERVICE

Schedule 250: All Service AreasAvailability

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

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

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

Character of Service

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

Customer Charge

A monthly customer charge of ~~\$425.00~~ \$435.00 is payable regardless of the usage of gas.

Monthly Rate

First	20,000	Ccf used per month	\$.1141 \$.1188
Next	480,000	Ccf used per month	\$.0755 \$.0786
Over	500,000	Ccf used per month	\$.0349 \$.0363

Minimum Bill

The minimum net monthly bill shall be ~~\$425.00~~ \$435.00

Payment

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

TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

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

D. RateCustomer Charge

A monthly customer charge of \$425.00 \$435.00 per meter is payable regardless of the usage of gas.

Monthly Demand Charge

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

Monthly Rate

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

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

Schedule 292: All Service AreasPurpose

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

Applicability

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

Eligibility

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

Character of Service

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

RateCustomer Charge

A monthly charge of ~~\$35.00~~ \$37.00 for each customer regardless of the usage of gas.

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

Monthly Charge

First	20,000	Ccf used per month	\$.1141 \$.1188
Next	480,000	Ccf used per month	\$.0755 \$.0786
Over	500,000	Ccf used per month	\$.0349 \$.0363

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LARGE TONNAGE AIR CONDITIONING GAS SERVICE

Schedule 293: All Service AreasPurpose

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

Applicability

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

Eligibility

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

Character of Service

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

RateCustomer Charge

A monthly charge of \$35.00 \$37.00 for each customer is payable regardless of the usage of gas.

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

Monthly Charge

First	20,000	Ccf used per month	\$.1141	\$.1188
Next	480,000	Ccf used per month	\$.0755	\$.0786
Over	500,000	Ccf used per month	\$.0349	\$.0363

WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER (Continued)

- HSF_i = heat sensitive factor for the ith schedule or classification utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues
- NDD = normal billing cycle heating degree days utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues
- ADD = actual billing cycle heating degree days
- Bl_i = base load sales for the ith schedule or classification utilized by the Regulatory Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues

Filing with Regulatory Authority

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

Heat Use/Base Use Factors

<u>Town</u>	<u>Residential/PA</u>		<u>Commercial / Small Industrial</u>	
	<u>Base use</u> <u>Ccf</u>	<u>Heat use</u> <u>Ccf/HDD</u>	<u>Base use</u> <u>Ccf</u>	<u>Heat use</u> <u>Ccf/HDD</u>
Union City	7.59 7.11	.135899 .150337	56.84 64.63	.407379 .522940
Columbia Shelbyville Franklin Murfreesboro	9.87 9.96	.148714 .163893	104.91 106.90	.497239 .590445
Maryville Morristown	9.33 7.37	.119599 .130132	114.31 97.65	.593839 .687730
Johnson City Elizabethton Kingsport Greeneville Bristol	8.89 6.84	.114758 .126685	113.15 97.09	.547136 .625318

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