

Docket No. 16-00105
Atmos Energy Corporation, Tennessee Division
TRA DR Set No. 1
Question No. 1-01
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REQUEST:

Reference WP4-4 attached to the Petition. Explain why the "Estimated Liability" col (c) increased from the amount on WP4-4 of Settlement when the "Number of Participants" col (b) has decreased since the Settlement.

RESPONSE:

As noted in the request, there is a net increase in liability from September 30, 2014 (WP 4-4 in Settlement Agreement) and September 30, 2015 (WP 4-4 in Petition). Isolating the impact on the active groups and inactive groups helps explain the result.

Liability for the active population increased due to:

- 1) Increase in liability resulting from benefits earned for the additional year of service worked
- 2) Increase in liability of 4.43% as benefits move from the census date of September 30, 2014 to September 30, 2015 (participants are one year closer to receiving the benefit)
- 3) Slight decrease in liability resulting from change in discount rate from 4.43% to 4.55%

Liability for the inactive population decreased due to:

- 1) Decrease in liability resulting from benefits paid to in-pay participants
- 2) Increase in liability of 4.43% as benefits move from the census date of September 30, 2014 to September 30, 2015 (participants are one year closer to receiving future payments)
- 3) Slight decrease in liability resulting from change in discount rate from 4.43% to 4.55%

Because of the mix of active and inactive participants in the Atmos Energy population, there is a net increase in liability year over year despite a slight decline in the number of participants.

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REQUEST:

Provide a copy of the written minutes of the Quarterly Meeting held on May 27, 2014, particularly any discussion regarding the actual Attrition Year Pension Contribution of \$38,000,000 in this filing.

RESPONSE:

Consistent with prior Company practice, we will make the requested meeting minutes available at our attorney's office. To make arrangements to review this Confidential material in the offices of the Company's outside counsel (Neal & Harwell) in Nashville, TN, please contact Mr. Scott Ross at (615) 244-1713.

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REQUEST:

In previous rate cases, the Authority has included the amount of unfunded pension contribution determined in the latest actuarial report as the allowable pension expense included in establishing rates. Since an email from the actuary was used as support for the proposed contribution in the instant docket, please explain Atmos' position as to why the TRA should stray from its historical position of basing pension expense on the latest actuarial report.

RESPONSE:

The Company is not asking the Authority to stray from its historical position and apologizes for any confusion. The email that was provided with the original petition in the Docket, as well as the confidential attachment provided in response to the Consumer Advocate's data request 2-12, support the Company's actual cash contribution of \$38,000,000 made in June, 2015. They, and the meeting referenced in the Authority's second request above, concern the contribution decision made by the Company which, in turn, is included in the actuarial report later issued by Willis Towers Watson. That report is attached to this request as Confidential Attachment 1. The \$38,000,000 contribution can be found on pages 12, 15, and 17. The company's petition includes an adjustment for this contribution allocable to Tennessee consistent with the Approved Methodologies which state:

"In years that the Company makes actual cash contributions to its pension fund, it shall be allowed to recover those cash contributions as part of the annual reconciliation process described below. The amount of cash contribution allocable to and recoverable from Tennessee shall be consistent with the methodology represented in WP 4-4 of this Settlement Agreement and be based on the amount of future liability allocable to Tennessee as defined by the Company's actuary. The allocation methodology described is consistent with that used in Docket Nos. 08-00197 and 12-00064." (Settlement Agreement at 13(h)(iv) on page 14.)

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, TRA_1-03_Att1 - PAP Disclosure Report (CONFIDENTIAL).pdf, 37 Pages.

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REQUEST:

The approved annual rate review mechanism for Atmos allows the Company to adjust its rates annually in order to allow the Company to earn its authorized return on equity. Since this adjustment fully incorporates all revenue changes, please explain Atmos' position as to why the WNA should continue rather than adjust all revenue changes in the ARM Reconciliation Filing? Discuss all benefits of continuing the WNA, especially in light of legislation and recent TRA dockets aimed at streamlining and simplifying regulation.

RESPONSE:

The Company previously addressed the subject of this request in the rebuttal testimony of Pat Childers in Docket No. 14-00146 on pages 5-9. For convenience, those arguments are paraphrased here.

The elimination of the WNA mechanism, even with the ARM reconciliation process, is not in the best interest of the customers for several reasons. The WNA mechanism protects both customers and the Company by providing real-time smoothing of the volatility of both customer gas bills (at an individual customer level) and Company revenues, both of which would otherwise fluctuate with weather. If WNA were to be eliminated, the "real-time" billing credit and/or surcharge would cease and the *aggregate* of dollars that would otherwise have been credited or surcharged during those winter months would not be billed directly, but rather would be included in ARM reconciliation revenues after a lag of up to two years. Because of the inherent lag, relying on the reconciliation could greatly exacerbate gas bill variability. Assume, for example, that there is an abnormally warm period in Year 1, which ultimately results in an upward adjustment to rates under the ARM reconciliation. The upward adjustment would not actually make its way into rates until Year 3. If the weather in Year 3 is abnormally cold, the upward adjustment in Year 3 caused by the reconciliation would increase gas bills further when they are already high due to cold weather. Whereas the WNA would have smoothed the effects of weather-related variability in gas bills, the ARM reconciliation by itself would have made matters worse in this example. WNA has worked successfully for over two decades. The Authority's Staff audits the WNA of each utility annually by reviewing a sampling of bills and heating degree day data used in the calculation.

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Continuation of the WNA as a real time billing adjustment also is necessary to appropriately assign credit or surcharge on a customer-specific basis and avoid subsidization issues through a deferral. Eliminating the real time WNA and deferring WNA revenues to the ARM reconciliation disconnects the assignment of revenues from the direct causal relationship for the appropriate class of customers. Because the Reconciliation Revenue Requirement is spread proportionally to all classes just like each annual adjustment, elimination of WNA would effectively result in weather related true-up revenue requirement being spread to non-heat-load customers.

The Company's billing system has been programmed to calculate WNA on a real time basis with little or no intervention from Company personnel. The audits mentioned above have consistently illustrated that the mechanism works as intended. Because the mechanism is automated and has a solid track record, the Company would be happy to work with Staff and the CPAD to review and possibly reform WNA reporting and audit requirements in the interest of further streamlining and simplifying the regulation associated with this critical rate design tool.

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REQUEST:

Explain with specificity why net Benefits (WP 4-5, net lines 2 and 24) increased while the dollar amount of Labor decreased.

RESPONSE:

In comparing the net benefits costs originally forecasted for the Forward Looking Test Year to the actual benefit cost included in the reconciliation, the driver of the variance is the amortization of the pension regulatory asset as prescribed in the Settlement Agreement at 13(j)(ii) on page 17-18.

The Company is amortizing the regulatory asset in account 926 (Benefits) at \$54,104 per month (or \$649,245 annually) as calculated on WP 7-3.

In the originally forecasted Forward Looking Test Year, the amortization was included as an adjustment to depreciation and amortization expense on Schedule 6. Unfortunately, the Company also included the same adjustment on Schedule 6 of the current reconciliation petition despite booking the amortization in account 926. Thus, depreciation and amortization expense is overstated in the Reconciliation Revenue Requirement and the Company apologizes for this error and any confusion it may cause. The Company has corrected the issue and incorporated the correction in the newly revised revenue requirement model attached to Staff DR No. 1-08.

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REQUEST:

Affirm or deny the methodologies utilized in this ARM Reconciliation Filing are consistent with the "Approved Methodologies" adopted in section 13(g) of the Settlement Agreement approved in TRA Docket 14-00146.

RESPONSE:

Affirm.

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REQUEST:

Affirm or deny the ARM remains in the public interest. Please explain and justify your response including all benefits derived from the implementation of the ARM.

RESPONSE:

Affirm. As paraphrased from the pre-filed testimony of Greg Waller in this docket, the ARM, created pursuant to Tennessee Code Annotated Section 65-5-103(d)(6), is a reasonable and effective solution that allows the Company timely recovery of its cost of service while avoiding costly and litigious general rate cases. At the same time, the Company's filings prescribed by the ARM tariff are subject to thorough review and audit and neither the ratemaking discretion of the Authority nor the intervention rights of the CPAD have been reduced.

The ARM is a comprehensive and annually recurring mechanism that includes all components of cost of service. This includes, among other things, capital investment and depreciation expense, O&M expenses and revenues.

The Annual Reconciliation ensures that the Company is only recovering on levels of capital investment, expense and revenues that were actually incurred. It ensures that the Company does not earn in excess of its authorized return on equity while simultaneously ensuring that the Company is not financially injured as it invests the capital necessary to continue to provide safe and reliable service to its Tennessee customers. In approving the ARM in November 2015, the Authority properly found the mechanism to be in the public interest and it continues to be in the public interest today.

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REQUEST:

Is the Company going to amend its Petition and/or testimony consistent with the Schedules provided in response to Consumer Advocate's data request 2-13?

RESPONSE:

The Company agrees with the Consumer Advocate's findings that resulted in the two adjustments included in the revenue requirement model attached to CPAD DR No. 2-13. In preparing the response to Staff DR No. 1-05, the Company identified another necessary adjustment as explained in that response and would suggest that these revisions validate the value of the overall reconciliation process included as part of the ARM.

The Company believes that the revised Reconciliation Revenue Requirement as calculated in Attachment 1 to this response is the appropriate revenue requirement for this docket. It incorporates the two adjustments identified and included in CPAD DR No. 2-13 as well as the adjustment identified in Staff DR No. 1-05. The three adjustments taken together result in a revenue requirement \$763,504 less than that filed by the Company in its September 1st petition.

The Company does not believe that formal amendment of its petition is necessary or advised. Instead, in addition to the referenced discovery responses and accompanying schedules, the Company will make a further record of these changes by addressing them in its rebuttal testimony.

ATTACHMENT:

ATTACHMENT 1 - Atmos Energy Corporation, Staff_1-08_Att1 - 2015 revenue requirement schedules -- True-Up.xls, 63 Pages.

Schedule 1

**Tennessee Distribution System
Cost of Service
Twelve Months Ended May 31, 2016**

Line No.	Description (a)	Reference (b)	Amount (c)	As Filed (d)	Difference (e)
1	Cost of Gas	Schedule 3	\$42,105,404	\$87,478,439	(\$45,373,035)
2					
3	Operation & Maintenance Expense	Schedule 4	23,011,435	19,095,533	3,915,902
4					
5	Taxes Other Than Income Taxes	Schedule 5	7,551,324	6,879,384	671,940
6					
7	Depreciation & Amortization Expense	Schedule 6	11,540,707	12,353,190	(812,483)
8					
9	Return	Schedule 7	19,247,039	19,167,175	79,864
10					
11	Federal Income and State Excise Tax	Schedule 8	7,120,772	8,290,277	(1,169,505)
12					
13	AFUDC	Wp 1-2	(41,170)	(66,220)	25,049
14					
15	Interest on Customer Deposits	Wp 1-1	153,306	118,049	35,257
16					
17	Total Cost of Service		\$ 110,688,817	\$ 153,315,828	\$ (42,627,010)
18					
19	Cost of Service w/o Gas Cost		68,583,413	65,837,389	2,746,024
20					
21	Non-Gas Revenues in Attrition Year (Gross Margin)		64,478,241		
22					
23	Additional Revenue Required to Earn Authorized Rate of Return		4,105,172		
24					
25	Carrying Cost		645,048		
26					
27	Amount to be added to revenue sufficiency / deficiency		\$ 4,750,219		
28	in February 1, 2017 ARM filing				

**Tennessee Distribution System
Interest on Customer Deposits
Twelve Months Ended May 31, 2016**

Line No.	Description (a)	Amount (b)
1	Average Customer Deposit Balance	\$ 4,717,109
2		
3	Interest Rate on Customer Deposits	<u>3.25%</u>
4		
5	Adjusted Customer Deposit Interest	<u><u>\$ 153,306</u></u>

Tennessee Distribution System
Allowance for Funds Used During Construction
Twelve Months Ended May 31, 2016

Line No.	Description (a)	Amount (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 Attrition Year	<u>25,049</u>
12		
13	Attrition Year AFUDC per books - Div 093 (2)	<u>\$ (67,742)</u>
14		
15	Less State Excise Tax Effect	<u>(4,403)</u>
16		
17		\$ (63,339)
18		
19	Less Federal Tax Effect	<u>(22,169)</u>
20		
21	Net AFUDC - Attrition Period	<u>\$ (41,170)</u>
22		
23	Note:	
24	1. Twelve months ended June 30, 2014 - Account 432	
25	2. Twelve months ended May 31, 2016	

Tennessee Distribution System
Summary of Revenue at Present Rates
Twelve Months Ended May 31, 2016

Line	Description	Amount
	(a)	(b) (c)
1	Base period per books revenue (1)	\$ 150,583,201
2	Attrition Period per books revenue (2)	106,583,645
3	Change from Base Period to Attrition Year	<u>(43,999,556)</u>
4		
5	Attrition Year Revenue:	
6	Gross Margin	\$ 64,478,241
7	Gas cost	<u>42,105,404</u>
8	Total	<u>\$ 106,583,645</u>
9		
10	Note:	
11	1. Twelve months ended June 30, 2014	
12	2. Twelve months ended May 31, 2016	

Tennessee Distribution System
Cost of Gas
Twelve Months Ended May 31, 2016

Line No.	Description (a)	Amount (b)
1	Base period per books cost of gas (1)	\$ 88,684,395
2	Adjustments	
3	Base Period Net Elimination of Intercompany Leased Storage Property	\$ (1,205,956)
4		
5	Total Adjusted Gas Cost Base Period	<u>\$ 87,478,439</u>
6		
7	Attrition Period per books cost of gas (2)	\$ 43,359,574
8	Adjustments	
9	Attrition Period Net Elimination of Intercompany Leased Storage Property	<u>(1,254,170)</u>
10		
11	Total Adjusted Gas Cost	\$ 42,105,404
12		
13	Change from Base Period to Attrition Year	\$ (45,373,035)
14		
15	Attrition Year Gas Cost	<u>\$ 42,105,404</u>
16		
17	Note:	
18	1. Twelve months ended June 30, 2014	
19	2. Twelve months ended May 31, 2016	

Tennessee Distribution System
ELIMINATION OF LEASED PROPERTY-RENT
Twelve Months Ended May 31, 2016

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	June-15	\$ (44,333)	\$ 34,315	\$ 21,738	\$ 1,208	\$ (110,078)
2	July-15	\$ (44,333)	\$ 39,059	\$ 21,738	\$ 1,208	\$ (110,078)
3	August-15	\$ (44,333)	\$ 60,291	\$ 21,738	\$ 1,208	\$ (110,078)
4	September-15	\$ (44,333)	\$ 73,832	\$ 22,183	\$ 1,208	\$ (110,078)
5	October-15	\$ (44,333)	\$ 24,993	\$ 22,408	\$ 3,750	\$ (110,078)
6	November-15	\$ (44,333)	\$ 22,372	\$ 22,295	\$ 3,750	\$ (110,078)
7	December-15	\$ (44,333)	\$ 32,820	\$ 22,295	\$ 3,750	\$ (91,002)
8	January-16	\$ (44,333)	\$ 25,064	\$ 22,295	\$ 3,750	\$ (100,540)
9	February-16	\$ (44,333)	\$ 11,442	\$ 22,295	\$ 3,750	\$ (100,540)
10	March-16	\$ (44,333)	\$ 40,360	\$ 22,295	\$ 3,750	\$ (100,540)
11	April-16	\$ (44,333)	\$ 25,892	\$ 22,295	\$ 3,750	\$ (100,540)
12	May-16	\$ (44,333)	\$ 20,467	\$ 22,295	\$ 3,750	\$ (100,540)
13						
14	Total Per Books	\$ (532,000)	\$ 410,907	\$ 265,870	\$ 34,832	\$ (1,254,170)

**Tennessee Distribution System
Operation and Maintenance Expenses
Twelve Months Ended May 31, 2016**

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 Attrition Year	<u>2,441,116</u>
4		
5	Attrition Year O&M Expenses - Before Eliminations (2)	\$ 23,132,528
6		
7	<u>Adjustments to O&M</u>	
8	Elimination of Intercompany Leased Property - Rent	\$ (532,000)
9	Inclusion of Barnsley Storage Operating Expense	\$ 410,907
10		
11	Total Adjustments	<u>\$ (121,093)</u>
12		
13	Total Adjusted Operation and Maintenance Expenses	<u><u>\$ 23,011,435</u></u>
14		
15	Note:	
16	1. Twelve months ended June 30, 2014	
17	2. Twelve months ended May 31, 2016	

Tennessee Distribution System
Operation and Maintenance Expenses
Twelve Months Ended May 31, 2016

Line
No.

	Tennessee			SSU			General Office			Total		
	Historic Base	Attrition	Difference	Historic Base	Attrition	Difference	Historic Base	Attrition	Difference	Historic Base	Attrition	Difference
1 Labor	\$ 3,833,106	\$ 3,555,018	\$ (278,088)	\$ 2,988,616	\$ 3,248,070	\$ 259,454	\$ 830,668	\$ 907,376	\$ 76,708	\$ 7,652,390	\$ 7,710,464	\$ 58,074
2 Benefits	\$ 2,042,645	\$ 2,091,640	48,995	\$ 1,092,592	\$ 1,153,602	61,010	\$ 216,528	\$ 330,716	114,188	3,351,765	3,575,958	224,193
3 Employee Welfare	\$ 43,233	\$ 29,320	(13,913)	\$ 1,940,675	\$ 1,498,135	(442,540)	\$ 796,294	\$ 705,721	(90,573)	2,780,203	2,233,176	(547,027)
4 Insurance	\$ 221,454	\$ 177,584	(43,870)	\$ 748,809	\$ 994,991	246,182	\$ 21,054	\$ 22,539	1,485	991,318	1,195,114	203,796
5 Rent, Maint., & Utilities	\$ 578,875	\$ 577,129	(1,746)	\$ 352,221	\$ 367,724	15,503	\$ 162,704	\$ 151,360	(11,344)	1,093,800	1,096,213	2,413
6 Vehicles & Equip	\$ 621,268	\$ 538,121	(83,147)	\$ 6,587	\$ 6,515	(72)	\$ 26,652	\$ 28,765	2,113	654,508	573,401	(81,107)
7 Materials & Supplies	\$ 327,985	\$ 407,473	79,488	\$ 29,900	\$ 40,845	10,945	\$ 141,309	\$ 74,463	(66,846)	499,194	522,781	23,587
8 Information Technologies	\$ -	\$ 4,894	4,894	\$ 639,959	\$ 774,957	134,998	\$ 37,245	\$ 43,503	6,258	677,204	823,354	146,150
9 Telecom	\$ 151,489	\$ 160,608	9,119	\$ 129,039	\$ 129,502	463	\$ 152,011	\$ 148,780	(3,231)	432,538	438,890	6,352
10 Marketing	\$ 76,887	\$ 86,710	9,823	\$ 16,767	\$ 16,050	(717)	\$ 113,813	\$ 139,512	25,699	207,468	242,272	34,804
11 Directors & Shareholders & PR	\$ 951	\$ 1,257	306	\$ 214,115	\$ 284,694	70,579	\$ -	\$ 12	12	215,066	285,963	70,897
12 Dues & Donations	\$ 48,527	\$ 59,998	11,471	\$ 19,498	\$ 21,923	2,425	\$ 45,519	\$ 44,956	(563)	113,544	126,877	13,333
13 Print & Postages	\$ 9,759	\$ 7,346	(2,413)	\$ 7,889	\$ 8,728	839	\$ 3,429	\$ 5,215	1,786	21,077	21,289	212
14 Travel & Entertainment	\$ 216,924	\$ 255,429	38,505	\$ 111,987	\$ 113,767	1,780	\$ 182,841	\$ 196,938	14,097	511,752	566,134	54,382
15 Training	\$ 7,395	\$ 9,415	2,020	\$ 62,144	\$ 78,434	16,290	\$ 22,415	\$ 15,497	(6,918)	91,954	103,346	11,392
16 Outside Services	\$ 1,664,907	\$ 3,047,393	1,382,486	\$ 643,523	\$ 637,091	(6,432)	\$ 1,117,517	\$ 1,195,234	77,717	3,425,947	4,879,718	1,453,771
17 Provision for Bad Debt	\$ 651,500	\$ 181,114	(470,386)	\$ -	\$ -	-	\$ (1,913)	\$ -	1,913	649,587	181,114	(468,473)
18 Miscellaneous	\$ 6,634	\$ 195,240	188,606	\$ (2,664,909)	\$ (2,674,579)	(9,670)	\$ (19,627)	\$ (37,162)	(17,535)	(2,677,903)	(2,516,501)	161,402
19 Total O&M Expenses	\$ 10,503,538	\$ 11,385,689	\$ 882,151	\$ 6,339,414	\$ 6,700,449	\$ 361,035	\$ 3,848,459	\$ 3,973,425	\$ 124,966	\$ 20,691,412	\$ 22,059,563	\$ 1,368,151
20												
21 Disallowed Items												
22 Other (Sub 05416 and 05412)		(6,609)			(1,386)			(819)			(8,814)	(8,814)
23 Incentive Comp (MFR 38)		0			(710,905)			(602,653)			(1,313,558)	(1,313,558)
24 Benefits (FAS 87 Accrual)		(310,375)			(236,307)			(44,771)			(591,453)	(591,453)
25												
26 Rate Case Expense		-	-							-	-	-
27												
28 Actual Allocable Pension Contribution		2,986,790	2,986,790							-	2,986,790	2,986,790
29												
30 Total O&M	\$ 10,503,538	\$ 14,055,495	\$ 3,868,941	\$ 6,339,414	\$ 5,751,851	\$ 361,035	\$ 3,848,459	\$ 3,325,182	\$ 124,966	\$ 20,691,412	\$ 23,132,528	\$ 2,441,116

**Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2016**

Division 093			
Line	FERC	Historic Base	
No.	Account	Period	Attrition Year
1	7350	1,305	1,467
2	8180	572	-
3	8210	31	-
4	8560	623	1,359
5	8600	8,490	3,686
6	8670	11	-
7	8700	2,361,658	1,824,539
8	8711	16,308	28,819
9	8720	-	65
10	8740	2,070,827	3,272,047
11	8750	121,646	377,512
12	8760	-	7
13	8770	7,659	7,427
14	8780	600,254	681,369
15	8800	110,435	122,739
16	8810	398,508	484,667
17	8860	14,655	4,472
18	8870	18,660	35,226
19	8890	24,379	10,240
20	8910	-	3,116
21	8920	5,234	12,569
22	8930	17,605	12,455
23	8940	(3,084)	(481)
24	9010	6,324	-
25	9020	691,800	968,315
26	9030	196,461	266,600
27	9040	651,500	181,114
28	9070	94	-
29	9090	143,931	148,312
30	9100	350	-
31	9110	347,428	303,691
32	9120	33,840	39,749
33	9130	1,600	100
34	9160	515	-
35	9200	194,222	109,412
36	9210	65,160	19,244
37	9220	10,187,875	10,673,871
38	9230	157,985	110,501
39	9240	132,462	139,868
40	9250	53,662	54,225
41	9260	2,055,011	2,101,500
42	9280	(74,610)	28,244
43	9302	13,199	21,065
44	9310	56,826	10,450
45	Total	20,691,413	22,059,560

**Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2016**

Division 091			
Line No.	FERC Account	Historic Base Period	Attrition Year
43	8170	500	515
44	8180	531	524
45	8190	10,223	7,694
46	8210	4,589	2,251
47	8240	401	8
48	8250	27,080	14,405
49	8500	587	151
50	8560	8,920	2,381
51	8570	1,000	1,049
52	8650	7,311	68
53	8700	3,210,235	3,255,054
54	8710	-	140
55	8711	59,652	61,835
56	8740	67,177	94,665
57	8750	43,813	83,724
58	8760	1,382	767
59	8770	117,080	4,604
60	8780	344	(624)
61	8800	2,944	1,610
62	8810	316,444	311,244
63	8870	791	-
64	8940	122	-
65	9030	2,727,144	2,818,087
66	9040	(4,630)	-
67	9090		11
68	9100	1,352	2,275
69	9110	72,274	132,557
70	9120	3,558	2,721
71	9130	15,697	6,114
72	9200	(51,047)	(93,065)
73	9210	5,282	3,357
74	9220	(9,310,483)	(9,402,851)
75	9230	91,198	134,588
76	9240	(3,576)	(10,946)
77	9250	525,243	419,536
78	9260	1,931,984	2,044,351
79	9302	104,766	101,178
80	9310	14,347	21
81	9320	394	-
82	Total	4,630	0

**Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2016**

Division 002			
Line	FERC	Historic Base	
No.	Account	Period	Attrition Year
81	8140	541	-
82	8210	4,468	1,191
83	8560	479	784
84	8700	100,986	13,640
85	8740	97,800	106,815
86	8760	200	-
87	8800	4,220	558
88	8850	1,553	-
89	8860	12	-
90	9010	125	-
91	9020	47,412	18,022
92	9030	25,234	1,324,803
93	9120	29,391	6,036
94	9130	(6,063)	-
95	9200	(22,447,731)	(17,330,663)
96	9210	18,501,335	19,622,229
97	9220	(84,875,857)	(91,428,373)
98	9230	8,101,170	8,282,523
99	9240	179,210	161,597
100	9250	16,678,193	22,184,904
101	9260	53,634,862	45,486,684
102	9301	306	49,000
103	9302	4,624,832	6,042,191
104	9310	5,200,477	5,310,416
105	9320	538,395	323,128
106	Total	441,553	175,485

**Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2016**

Division 012			
Line	FERC	Historic Base	
No.	Account	Period	Attrition Year
107	8700	10,212	603
108	8740	13,188	22,703
109	8800	179	140
110	9010	5,441,762	5,702,575
111	9020	14,190	648
112	9030	21,552,990	22,861,885
113	9050	1,257	-
114	9100	2,977	-
115	9200	5,019,864	4,233,752
116	9210	10,455,699	10,105,554
117	9220	(57,004,824)	(57,147,410)
118	9230	351,640	390,947
119	9240	188,310	124,013
120	9250	850	-
121	9260	12,410,091	11,775,648
122	9301	244	-
123	9302	180	88,362
124	9310	1,697,889	1,830,429
125	9320	19,527	10,153
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	18,204	25,997	603,071	861,233	15.00	1.325	10,187,038	0.5%	\$ 50,935
2	210 Residential Gas Service (Winter) (weather sensitive)	826,242	6,878,680	25,717	214,108	851,959	7,092,988	18.00	1.325	24,732,118	0.5%	\$ 123,661
3	210 Residential Gas Service Senior Citizen (Summer)	714	521	22	16	736	537	0.00	1.325	712	0.5%	\$ 4
4	210 Residential Gas Service Senior Citizen (Winter) (weather sensitive)	1,027	8,779	32	273	1,059	9,052	0.00	1.325	11,993	0.5%	\$ 60
5												
6	211 Residential/Sm. Commercial/Industrial Heating & Cooling Service	24	448	1	14	25	462	15.00	0.768	726	0.5%	\$ 4
7												
8	220 Commercial Gas Service (weather sensitive)	190,262	5,133,229	3,610	97,389	193,872	5,230,618	38.00	2.497	20,425,466	0.5%	\$ 102,127
9												
10	221 Experimental School Gas Service	61	69,270	1	1,314	62	70,584	38.00	1.219	88,425	0.5%	\$ 442
11												
12	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0	0	0	0	0.00	1.325	0	0.5%	\$ -
13	225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather Sensitive)	0	0	0	0	0	0	0.00	1.325	0	0.5%	\$ -
14	225 Public Authority Gas Service (Summer)	2,983	9,107	93	283	3,076	9,391	15.00	1.325	58,579	0.5%	\$ 293
15	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,142	43,257	129	1,346	4,271	44,603	18.00	1.325	135,967	0.5%	\$ 680
16												
17	230 Large Commercial Gas Service (weather sensitive)	15	29,701	0	564	15	30,265	400.00	2.196	72,574	0.5%	\$ 363
18												
19	Total											278,566

Atmos Energy Corp - Tennessee Distribution System
Attrition Year Pension Benchmark Calculation
Twelve Months Ended May 31, 2016

Line No.	Description	Number of Participants	Estimated Liability	Percent of Contribution	Actual Attrition Year Contribution	Allocation Factor to Tennessee	Amount Allocable to Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	All Other (not allocable to Tennessee)	5,032	\$ 394,876,000	77.6%	\$ 29,503,180.31	0.00%	\$ -
2	Co 010 - Shared Services	554	51,416,000	10.1%	3,841,549	4.36%	167,368
3	Co 010 - CSO	436	15,840,000	3.1%	1,183,486	4.41%	52,191
4	Active Tennessee Jurisdiction Employees	123	15,110,000	3.0%	1,128,944	100.00%	1,128,944
5	Inactive Tennessee Jurisdiction Employees	231	17,271,000	3.4%	1,290,404	100.00%	1,290,404
6	Active Division General Office Employees	28	5,118,000	1.0%	382,392	40.68%	155,555
7	Inactive Division General Office Employees (pre-merger)(1)	70	7,601,000	1.5%	567,909	26.55%	150,780
8	Inactive Division General Office Employees (post-merger)	5	1,367,000	0.3%	102,135	40.68%	41,548
9							
10	Total Amount of Contribution Allocable to Tennessee	6,479	\$ 508,599,000	100.00%	\$ 38,000,000		\$ 2,986,790

1 For General Office employees who worked at United Cities Gas Company prior to the merger with Atmos Energy, the Company has applied the allocation factor used to allocate labor expense in Docket No. 95-02258.

Source: Relied Upens\TN-FYE2015-AcctAllocation

Tennessee Distribution System
Operation and Maintenance Expenses, Forecast vs. Actuals
Twelve Months Ended May 31, 2016

Line No.	Tennessee			SSU			General Office			Total		
	Attrition Forecast	Attrition Actual	Difference	Attrition Forecast	Attrition Actual	Difference	Attrition Forecast	Attrition Actual	Difference	Attrition Forecast	Attrition Actual	Difference
1 Labor	\$ 3,555,677	\$ 3,555,018	\$ (659)	\$ 3,258,726	\$ 3,248,070	\$ (10,656)	\$ 1,101,169	\$ 907,376	\$ (193,793)	\$ 7,915,572	\$ 7,710,464	\$ (205,108)
2 Benefits ¹	\$ 1,292,506	\$ 2,091,640	\$ 799,134	\$ 936,113	\$ 1,153,602	\$ 217,489	\$ 521,295	\$ 330,716	\$ (190,579)	\$ 2,749,914	\$ 3,575,958	\$ 826,044
3 Employee Welfare	\$ 49,932	\$ 29,320	\$ (20,612)	\$ 1,572,025	\$ 1,498,135	\$ (73,890)	\$ 421,128	\$ 705,721	\$ 284,593	\$ 2,043,085	\$ 2,233,176	\$ 190,091
4 Insurance	\$ 24,620	\$ 177,584	\$ 152,964	\$ 833,818	\$ 994,991	\$ 161,173	\$ 189,967	\$ 22,539	\$ (167,428)	\$ 1,048,405	\$ 1,195,114	\$ 146,709
5 Rent, Maint., & Utilities	\$ 531,590	\$ 577,129	\$ 45,539	\$ 347,964	\$ 367,724	\$ 19,760	\$ 138,531	\$ 151,360	\$ 12,829	\$ 1,018,085	\$ 1,096,213	\$ 78,128
6 Vehicles & Equip	\$ 682,388	\$ 538,121	\$ (144,267)	\$ 7,330	\$ 6,515	\$ (815)	\$ 33,884	\$ 28,765	\$ (5,119)	\$ 723,602	\$ 573,401	\$ (150,201)
7 Materials & Supplies	\$ 298,661	\$ 407,473	\$ 108,812	\$ 39,809	\$ 40,845	\$ 1,036	\$ 108,220	\$ 74,463	\$ (33,757)	\$ 446,690	\$ 522,781	\$ 76,091
8 Information Technologies	\$ -	\$ 4,894	\$ 4,894	\$ 688,694	\$ 774,957	\$ 86,263	\$ 66,731	\$ 43,503	\$ (23,228)	\$ 755,425	\$ 823,354	\$ 67,929
9 Telecom	\$ 140,164	\$ 160,608	\$ 20,444	\$ 127,764	\$ 129,502	\$ 1,738	\$ 257,149	\$ 148,780	\$ (108,369)	\$ 525,077	\$ 438,890	\$ (86,187)
10 Marketing	\$ 70,831	\$ 86,710	\$ 15,879	\$ 25,745	\$ 16,050	\$ (9,695)	\$ 184,311	\$ 139,512	\$ (44,799)	\$ 280,886	\$ 242,272	\$ (38,614)
11 Directors & Shareholders & PR	\$ 1,294	\$ 1,257	\$ (37)	\$ 223,606	\$ 284,694	\$ 61,088	\$ 1,650	\$ 12	\$ (1,638)	\$ 226,550	\$ 285,963	\$ 59,413
12 Dues & Donations	\$ 32,906	\$ 59,998	\$ 27,092	\$ 17,625	\$ 21,923	\$ 4,298	\$ 75,421	\$ 44,956	\$ (30,465)	\$ 125,952	\$ 126,877	\$ 925
13 Print & Postages	\$ 14,549	\$ 7,346	\$ (7,203)	\$ 12,241	\$ 8,728	\$ (3,513)	\$ 6,926	\$ 5,215	\$ (1,711)	\$ 33,716	\$ 21,289	\$ (12,427)
14 Travel & Entertainment	\$ 152,528	\$ 255,429	\$ 102,901	\$ 128,271	\$ 113,767	\$ (14,504)	\$ 221,533	\$ 196,938	\$ (24,595)	\$ 502,332	\$ 566,134	\$ 63,802
15 Training	\$ 13,042	\$ 9,415	\$ (3,627)	\$ 56,715	\$ 78,434	\$ 21,719	\$ 32,370	\$ 15,497	\$ (16,873)	\$ 102,127	\$ 103,346	\$ 1,219
16 Outside Services	\$ 2,004,370	\$ 3,047,393	\$ 1,043,023	\$ 531,667	\$ 637,091	\$ 105,424	\$ 1,542,248	\$ 1,195,234	\$ (347,014)	\$ 4,078,284	\$ 4,879,718	\$ 801,434
17 Provision for Bad Debt	\$ 261,968	\$ 181,114	\$ (80,854)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 261,968	\$ 181,114	\$ (80,854)
18 Miscellaneous ¹	\$ 20,126	\$ 195,240	\$ 175,114	\$ (2,877,843)	\$ (2,674,579)	\$ 203,264	\$ (10,183)	\$ (37,162)	\$ (26,979)	\$ (2,867,900)	\$ (2,516,501)	\$ 351,399
19 Total O&M Expenses	\$ 9,147,152	\$ 11,385,689	\$ 2,238,537	\$ 5,930,270	\$ 6,700,449	\$ 770,179	\$ 4,892,347	\$ 3,973,425	\$ (918,922)	\$ 19,969,762	\$ 22,059,563	\$ 2,089,794
20												
21 Disallowed Items												
22 Other (Sub 05416 and 05412)	\$ (2,243)	\$ (6,609)	\$ (4,366)	\$ (2,691)	\$ (1,386)	\$ 1,305	\$ (213)	\$ (819)	\$ (606)	\$ (5,147)	\$ (3,814)	\$ (3,667)
23 Incentive Comp (MFR 38)	\$ -	\$ -	\$ -	\$ (647,942)	\$ (710,905)	\$ (62,963)	\$ (340,228)	\$ (602,633)	\$ (262,425)	\$ (988,170)	\$ (1,313,558)	\$ (325,388)
24 Benefits (FAS 87 Accrual) ²	\$ -	\$ (310,375)	\$ (310,375)	\$ -	\$ (236,307)	\$ (236,307)	\$ -	\$ (44,771)	\$ (44,771)	\$ -	\$ (591,453)	\$ (591,453)
25												
26 Rate Case Expense ²	\$ 175,000	\$ -	\$ (175,000)							\$ 175,000	\$ -	\$ (175,000)
27												
28 Actual Allocable Pension Contribution		\$ 2,986,790	\$ 2,986,790							\$ -	\$ 2,986,790	\$ 2,986,790
29												
30 Total O&M	\$ 9,319,909	\$ 14,055,495	\$ 4,735,586	\$ 5,279,637	\$ 5,751,851	\$ 472,214	\$ 4,551,906	\$ 3,325,182	\$ (1,226,724)	\$ 19,151,452	\$ 23,132,528	\$ 3,981,076

¹ FAS 87 accrual removed from "Benefits" in Forecast and on line 24 for Actuals

² Rate Case Expense Amortization included in "Miscellaneous" in Actuals

**Tennessee Distribution System
Taxes Other Than Income Taxes
Twelve Months Ended May 31, 2016**

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 Attrition Year	<u>1,325,771</u>
4		
5	Attrition Year per books Other Taxes Expense (2)	<u>\$ 7,516,492</u>
6		
7	Inclusion of Barnsley Storage Other taxes	<u>34,832</u>
8		
9	Attrition Year Adjusted Taxes Other Than Income Taxes	<u>\$ 7,551,324</u>
10		
11	Note:	
12	1. Twelve months ended June 30, 2014 - Account 408	
	2. Twelve months ended May 31, 2016 - Account 408	

Tennessee Distribution System
Taxes Other Than Income Taxes
Twelve Months Ended June 30, 2014

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 May 31, 2016**

Line No.	Description	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Attrition Year
1	<u>Division 093</u>													
2	FICA	10,274	13,861	13,823	11,326	33,910	42,678	2,556	28,602	18,153	12,192	37,419	15,206	239,999
3	FUTA	8	2	1	(1)	15	35	(8)	2,445	132	(248)	(24)	6	2,362
4	SUTA	19	8	5	15	24	97	(23)	2,961	994	(269)	(59)	3	3,776
5	Ad Valorem	312,854	312,854	312,854	312,854	344,854	344,854	344,854	344,854	344,854	344,854	344,854	344,854	4,010,248
6	30105 Corp/State Franchise Tax	56,250	56,250	56,250	56,250	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	705,000
7	30107 City Franchise	167	167	167	167	167	167	167	167	167	167	167	167	2,000
8	30109 State Gross Receipts	52,666	54,525	55,343	58,693	76,927	130,959	219,903	262,085	202,641	171,911	94,924	66,627	1,447,204
9	30104 State Supv & Inspection	54,674	54,674	54,674	54,674	54,674	54,674	54,674	54,674	54,674	54,674	47,302	47,302	641,342
10	30108 Dot Transmission User Tax	-	-	-	-	-	-	-	-	-	-	20,299	-	20,299
11	Division 91 Allocations	6,746	7,460	7,688	7,377	12,378	13,192	3,993	11,352	7,998	6,258	12,498	7,282	104,220
12	Division 12 Allocations	10,540	10,752	9,815	10,730	9,805	26,736	8,022	13,560	10,955	11,957	10,815	12,939	146,626
13	Division 02 Allocations	13,229	14,552	12,379	12,381	13,292	38,075	10,245	17,794	14,168	15,404	14,078	17,818	193,415
14	Total	\$ 517,426	\$ 525,105	\$ 522,997	\$ 524,467	\$ 606,045	\$ 711,465	\$ 704,381	\$ 798,494	\$ 714,736	\$ 676,900	\$ 642,272	\$ 572,204	\$ 7,516,492
15														
16	<u>Division 002</u>													
17	FICA	217,850	223,831	198,393	198,278	227,631	718,162	159,532	261,021	239,161	273,924	247,866	330,985	3,296,636
18	FUTA	170	177	156	289	447	544	199	24,163	1,812	402	(550)	186	27,993
19	SUTA	628	492	569	617	922	1,194	703	45,522	8,077	2,649	(594)	342	61,121
20	Ad Valorem	85,000	85,000	85,000	85,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	908,000
21	30105 Corp/State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Total	\$ 303,648	\$ 309,499	\$ 284,119	\$ 284,183	\$ 300,000	\$ 790,901	\$ 231,434	\$ 401,707	\$ 320,050	\$ 347,975	\$ 317,723	\$ 402,513	\$ 4,293,751
23														
24	<u>Division 012</u>													
25	FICA	188,310	179,802	175,158	181,162	237,332	456,117	187,265	193,455	186,629	190,495	279,396	216,403	2,671,524
26	FUTA	146	152	135	275	326	411	154	18,271	1,426	325	(426)	126	21,322
27	SUTA	540	424	493	596	670	904	542	34,421	6,239	2,070	(471)	220	46,648
28	Ad Valorem	50,000	50,000	50,000	50,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	640,000
29	Total	\$ 238,996	\$ 230,378	\$ 225,787	\$ 232,033	\$ 293,327	\$ 512,433	\$ 242,961	\$ 301,148	\$ 249,293	\$ 247,891	\$ 333,499	\$ 271,749	\$ 3,379,494
30														
31	<u>Division 091</u>													
32	FICA	6,565	8,334	8,894	8,123	21,108	22,944	1,755	15,762	10,354	7,255	21,460	9,340	141,893
33	FUTA	5	1	0	(0)	9	19	(5)	1,355	80	(137)	(14)	4	1,317
34	SUTA	12	4	3	10	15	52	(13)	1,641	567	(142)	(35)	2	2,118
35	Ad Valorem	10,000	10,000	10,000	10,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	100,000
36	30105 Corp/State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Total	\$ 16,582	\$ 18,339	\$ 18,898	\$ 18,133	\$ 28,633	\$ 30,515	\$ 9,238	\$ 26,259	\$ 18,500	\$ 14,475	\$ 28,910	\$ 16,846	\$ 245,328

**Tennessee Distribution System
Depreciation and Amortization Expense
Twelve Months Ended May 31, 2016**

Line No.	Description (a)	Reference (b)	Amount (c)
1	Base period per books Depreciation Expense (1)		\$ 10,441,142
2			
3	Change from Base Period to Attrition Year		<u>833,694</u>
4			
5	Attrition Year per books Depreciation Expense (2)	Wp 6-2	\$ 11,274,837
6			
7	Adjustment to reflect Proposed Depreciation Rates		<u>-</u>
8			
9	Attrition Year per books Depreciation Expense	Wp 6-1	11,274,837
10			
11	Amortization of Deferred Pension Regulated Asset*	Wp 7-3	0
12			
13	Net Elimination of Intercompany Leased Property	Wp 3-1	<u>265,870</u>
14			
15	Total Depreciation and Amortization Expense, As Adjusted		<u>\$ 11,540,707</u>
16			
17	Note:		
18	1. Twelve months ended June 30, 2014		
	2. Twelve months ended May 31, 2016		

*This amount of \$649,245 is included in Benefits actuals for Division 093

**Tennessee Distribution System
Depreciation Expense Adjustment
Proforma SSU Depreciation at Proposed Depreciation Rates
Twelve Months Ended May 31, 2016**

Line No.	Description (a)	Allocated Amount (d)
1	Proforma Depreciation	
2	Tennessee Operations	\$ 10,282,892
3	Mid-States General Office	47,605
4	SSU Div 12 - Customer Service	405,578
5	SSU Div 02 - General Office	538,761
6		
7	Proforma Depreciation Adjustment	<u>\$ 11,274,837</u>
	Attrition Period Per Books Depreciation Expense	<u>\$ 11,274,837</u>

**Tennessee Distribution System
Depreciation Expense Adjustment
Proforma SSU Depreciation at Current Depreciation Rates
Twelve Months Ended May 31, 2016**

Line No.	Description (a)	Allocated (d)
1	Proforma Depreciation:	
2	Tennessee Operations	\$ 10,282,892
3	Mid-States General Office	\$ 47,605
4	SSU Div 12 - Customer Service	\$ 405,578
5	SSU Div 02 - General Office	\$ 538,761
6		
7	Proforma Depreciation Expense	<u>\$ 11,274,837</u>
	Attrition Period Per Books Depreciation Expense	<u>\$ 11,274,837</u>

Tennessee Distribution System
Rate Base & Return
Twelve Months Ended May 31, 2016
Thirteen Month Average

Line No.	Description	Historic Base Period (1)	Change	Attrition Year	Reference
	(a)	(b)	(c)	(d)	(e)
1	Original Cost of Plant	\$ 432,469,950	\$ 45,295,765	\$ 477,765,715	Wp 7-1 Wp7-2
2					
3	Accumulated Depreciation and Amortization	(181,393,329)	(8,602,622)	(189,995,951)	Wp 7-1 Wp7-2
4					
5	Construction Work in Progress per Books	13,489,444	(4,996,361)	8,493,083	Wp 7-1 Wp7-2
6					
7	Storage Gas Investment	6,482,564	(1,812,418)	4,670,145	Wp 7-1 Wp7-2
8					
9	Cash Working Capital	955,030	118,883	1,073,912	Wp 7-5
10					
11	Material & Supplies	6,005	1,332	7,337	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	(40,562,870)	(9,084,414)	(49,647,283)	Wp 7-1
16					
17	Customer Advances for Construction	(73,942)	(2,485)	(76,428)	Wp 7-1 Wp7-2
18					
19	Customer Deposits	(3,392,069)	(1,325,041)	(4,717,109)	Wp 7-1 Wp7-2
20					
21	Accumulated Interest on Customer Deposits	(56,907)	(10,403)	(67,310)	Wp 7-1 Wp7-2
22					
23	Unadjusted Rate Base	\$ 227,923,876	\$ 20,556,104	\$ 248,479,980	
24					
25	Adjustments:				
26					
27	Net Elimination of Intercompany Leased Property	\$ 5,822,234	\$ (48,070)	\$ 5,774,164	Wp 7-1 Wp7-2
28					
29	Total Rate Base	<u>\$ 233,746,110</u>	<u>\$ 20,508,034</u>	<u>\$ 254,254,144</u>	
30					
31	Return at Overall Cost of Capital on Rate Base	<u>\$ 18,068,574</u>	<u>\$ 1,552,458</u>	<u>\$ 19,247,039</u>	
32					
33	Note:				
34	1. Twelve months ended June 30, 2014				

WP 7-1

								Division 093	Division 091	Division 012	CKV	Division 002	Greenville	
									40.69%	4.41%	0.84%	4.36%	1.28%	
Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	100%	43.23%	4.46%	0.97%	4.43%	1.33%	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	May-15	450,029,159	4,719,783	147,380,854	12,955,099	186,589,434	9,263,141	450,029,159	1,920,468	6,499,418	108,312	8,131,331	118,330	466,807,017
4	Jun-15	450,749,842	4,711,286	148,192,777	12,955,099	188,364,862	9,263,141	450,749,842	1,917,011	6,535,223	108,312	8,208,701	118,330	467,637,419
5	Jul-15	451,150,653	4,714,384	143,898,948	12,955,099	179,220,101	9,263,141	451,150,653	1,918,272	6,345,867	108,312	7,810,184	118,330	467,451,618
6	Aug-15	454,292,685	4,714,384	143,911,859	12,955,099	179,440,142	9,263,141	454,292,685	1,918,272	6,346,437	108,312	7,819,773	118,330	470,603,809
7	Sep-15	459,640,793	4,746,113	143,900,780	12,955,099	179,508,845	9,263,141	459,640,793	1,931,182	6,345,948	108,312	7,822,767	118,330	475,967,332
8	Oct-15	460,728,864	4,746,113	146,405,312	12,955,099	179,574,986	9,263,141	460,728,864	2,051,933	6,532,445	125,056	7,950,068	123,634	477,512,001
9	Nov-15	462,660,091	4,753,091	146,432,452	12,955,099	179,570,339	9,263,141	462,660,091	2,054,950	6,533,656	125,056	7,949,863	123,634	479,447,251
10	Dec-15	463,898,281	3,822,932	148,392,553	12,955,099	187,491,836	9,263,141	463,898,281	1,652,805	6,621,114	125,056	8,300,560	123,634	480,721,450
11	Jan-16	464,583,688	3,822,821	148,421,275	12,955,099	187,546,417	9,196,755	464,583,688	1,652,757	6,622,396	125,056	8,302,976	122,748	481,409,621
12	Feb-16	465,934,928	3,822,821	148,458,772	12,950,051	187,580,987	9,196,755	465,934,928	1,652,757	6,624,069	125,008	8,304,507	122,748	482,764,016
13	Mar-16	468,424,248	3,821,715	148,992,905	12,950,051	187,693,719	9,196,755	468,424,248	1,652,279	6,647,901	125,008	8,309,498	122,748	485,281,682
14	Apr-16	469,795,847	3,821,715	148,986,355	12,950,051	187,737,299	9,196,755	469,795,847	1,652,279	6,647,609	125,008	8,311,427	122,748	486,654,917
15	May-16	471,781,613	3,844,890	149,326,919	12,950,051	188,421,006	9,196,755	471,781,613	1,662,298	6,662,804	125,008	8,341,696	122,748	488,696,167
16	Average	461,051,592	4,312,465	147,130,905	12,953,546	184,518,460	9,237,608	461,051,592	1,818,251	6,535,761	118,601	8,120,258	121,253	477,765,715
17														
18	Construction Work in Process (Account 1070)													
19														
20	May-15	5,144,282	281,417	1,972,927	0	14,577,217	0	5,144,282	114,508	87,005	0	635,257	0	5,981,052
21	Jun-15	6,998,609	55,067	1,636,271	0	22,323,129	0	6,998,609	22,406	72,159	0	972,814	0	8,065,987
22	Jul-15	7,451,808	506,454	1,674,517	0	18,176,650	0	7,451,808	206,075	73,845	0	792,115	0	8,523,844
23	Aug-15	6,213,333	139,231	2,197,886	0	19,866,704	0	6,213,333	56,653	96,926	0	865,766	0	7,232,677
24	Sep-15	3,636,428	(31,787)	3,289,307	0	22,140,326	0	3,636,428	(12,934)	145,057	0	964,847	0	4,733,398
25	Oct-15	5,466,732	15,967	1,946,758	0	20,458,782	0	5,466,732	6,903	86,862	0	905,743	0	6,466,240
26	Nov-15	6,563,188	(86,146)	2,076,650	0	21,792,320	0	6,563,188	(37,244)	92,658	0	964,780	0	7,583,382
27	Dec-15	7,184,583	104,199	754,112	0	19,265,568	0	7,184,583	45,049	33,648	0	852,917	0	8,116,197
28	Jan-16	7,763,425	291,405	865,209	0	19,014,421	0	7,763,425	125,986	38,605	0	841,798	0	8,769,815
29	Feb-16	8,350,180	226,541	1,600,331	0	19,801,001	0	8,350,180	97,943	71,405	0	876,622	0	9,396,149
30	Mar-16	9,552,085	657,200	1,375,485	0	24,496,289	0	9,552,085	284,134	61,373	0	1,084,489	0	10,982,081
31	Apr-16	10,297,463	683,333	1,880,317	0	25,393,188	0	10,297,463	295,432	83,898	0	1,124,197	0	11,800,989
32	May-16	11,228,471	750,911	1,873,986	0	25,332,896	0	11,228,471	324,649	83,615	0	1,121,527	0	12,758,262
33	Average	7,373,122	276,446	1,780,289	0	20,972,192	0	7,373,122	117,658	79,004	0	923,298	0	8,493,083
34														

WP 7-1

								Division 093	Division 091	Division 012	CKV	Division 002	Greenville	
									40.69%	4.41%	0.84%	4.36%	1.28%	
Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	100%	43.23%	4.46%	0.97%	4.43%	1.33%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
35	Inventories- Plant Materials (Account 1540)													
36														
37	May-15	0	13,310	0	0	0	0	0	5,416	0	0	0	0	5,416
38	Jun-15	0	13,310	0	0	0	0	0	5,416	0	0	0	0	5,416
39	Jul-15	0	13,310	0	0	0	0	0	5,416	0	0	0	0	5,416
40	Aug-15	0	12,038	0	0	0	0	0	4,898	0	0	0	0	4,898
41	Sep-15	0	12,038	0	0	0	0	0	4,898	0	0	0	0	4,898
42	Oct-15	0	12,038	0	0	0	0	0	5,205	0	0	0	0	5,205
43	Nov-15	0	12,038	0	0	0	0	0	5,205	0	0	0	0	5,205
44	Dec-15	0	12,038	0	0	0	0	0	5,205	0	0	0	0	5,205
45	Jan-16	0	12,038	0	0	0	0	0	5,205	0	0	0	0	5,205
46	Feb-16	0	12,038	0	0	0	0	0	5,205	0	0	0	0	5,205
47	Mar-16	0	12,038	0	0	0	0	0	5,205	0	0	0	0	5,205
48	Apr-16	0	12,038	0	0	0	0	0	5,205	0	0	0	0	5,205
49	May-16	0	76,110	0	0	0	0	0	32,906	0	0	0	0	32,906
50	Average	0	17,260	0	0	0	0	0	7,337	0	0	0	0	7,337
51														
52	Inventories- Gas Stored (Account 1641)													
53														
54	May-15	2,863,249	0	0	0	0	0	2,863,249	0	0	0	0	0	2,863,249
55	Jun-15	3,943,954	0	0	0	0	0	3,943,954	0	0	0	0	0	3,943,954
56	Jul-15	5,063,337	0	0	0	0	0	5,063,337	0	0	0	0	0	5,063,337
57	Aug-15	6,011,913	0	0	0	0	0	6,011,913	0	0	0	0	0	6,011,913
58	Sep-15	6,991,712	0	0	0	0	0	6,991,712	0	0	0	0	0	6,991,712
59	Oct-15	7,900,453	0	0	0	0	0	7,900,453	0	0	0	0	0	7,900,453
60	Nov-15	7,356,415	0	0	0	0	0	7,356,415	0	0	0	0	0	7,356,415
61	Dec-15	6,956,958	0	0	0	0	0	6,956,958	0	0	0	0	0	6,956,958
62	Jan-16	4,731,251	0	0	0	0	0	4,731,251	0	0	0	0	0	4,731,251
63	Feb-16	3,343,955	0	0	0	0	0	3,343,955	0	0	0	0	0	3,343,955
64	Mar-16	1,671,951	0	0	0	0	0	1,671,951	0	0	0	0	0	1,671,951
65	Apr-16	1,687,406	0	0	0	0	0	1,687,406	0	0	0	0	0	1,687,406
66	May-16	2,189,335	0	0	0	0	0	2,189,335	0	0	0	0	0	2,189,335
67	Average	4,670,145	0	0	0	0	0	4,670,145	0	0	0	0	0	4,670,145
68														

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended May 31, 2016

WP 7-1

								Division 093	Division 091	Division 012	CKV	Division 002	Greenville	
									40.69%	4.41%	0.84%	4.36%	1.28%	
Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	100%	43.23%	4.46%	0.97%	4.43%	1.33%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
69	Customers Deposits (Account 2350)													
70														
71	May-15	(4,458,811)	0	0	0	0	0	(4,458,811)	0	0	0	0	0	(4,458,811)
72	Jun-15	(4,519,055)	0	0	0	0	0	(4,519,055)	0	0	0	0	0	(4,519,055)
73	Jul-15	(4,586,802)	0	0	0	0	0	(4,586,802)	0	0	0	0	0	(4,586,802)
74	Aug-15	(4,618,476)	0	0	0	0	0	(4,618,476)	0	0	0	0	0	(4,618,476)
75	Sep-15	(4,648,844)	0	0	0	0	0	(4,648,844)	0	0	0	0	0	(4,648,844)
76	Oct-15	(4,735,437)	0	0	0	0	0	(4,735,437)	0	0	0	0	0	(4,735,437)
77	Nov-15	(4,812,967)	0	0	0	0	0	(4,812,967)	0	0	0	0	0	(4,812,967)
78	Dec-15	(4,823,925)	0	0	0	0	0	(4,823,925)	0	0	0	0	0	(4,823,925)
79	Jan-16	(4,846,090)	0	0	0	0	0	(4,846,090)	0	0	0	0	0	(4,846,090)
80	Feb-16	(4,854,041)	0	0	0	0	0	(4,854,041)	0	0	0	0	0	(4,854,041)
81	Mar-16	(4,867,719)	0	0	0	0	0	(4,867,719)	0	0	0	0	0	(4,867,719)
82	Apr-16	(4,790,060)	0	0	0	0	0	(4,790,060)	0	0	0	0	0	(4,790,060)
83	May-16	(4,760,196)	0	0	0	0	0	(4,760,196)	0	0	0	0	0	(4,760,196)
84	Average	(4,717,109)	0	0	0	0	0	(4,717,109)	0	0	0	0	0	(4,717,109)
85														
86														
87	Accumulated Deferred FIT (Total Accounts 1900, 2820, 2830) adjusted to remove a non-utility item													
88														
89	May-15	(67,798,345)	(4,792,653)	(30,894,967)	0	503,306,374	0	(67,798,345)	(1,950,119)	(1,362,452)	0	21,933,453	0	(49,177,463)
90	Jun-15	(67,798,345)	1,364,820	(30,894,967)	0	482,689,062	0	(67,798,345)	555,342	(1,362,452)	0	21,034,976	0	(47,570,478)
91	Jul-15	(67,798,345)	1,364,820	(30,894,967)	0	494,351,050	0	(67,798,345)	555,342	(1,362,452)	0	21,543,191	0	(47,062,264)
92	Aug-15	(67,798,345)	1,364,820	(30,894,967)	0	496,696,817	0	(67,798,345)	555,342	(1,362,452)	0	21,645,416	0	(46,960,038)
93	Sep-15	(76,912,475)	8,011,333	(29,747,509)	0	585,362,725	0	(76,912,475)	3,259,792	(1,311,849)	0	25,509,364	0	(49,455,169)
94	Oct-15	(76,912,475)	8,011,333	(29,747,509)	0	583,793,934	0	(76,912,475)	3,463,617	(1,327,301)	0	25,845,480	0	(48,930,680)
95	Nov-15	(76,912,475)	8,011,333	(29,747,509)	0	585,380,979	0	(76,912,475)	3,463,617	(1,327,301)	0	25,915,741	0	(48,860,419)
96	Dec-15	(76,912,475)	863,370	(29,747,509)	0	618,167,022	0	(76,912,475)	373,269	(1,327,301)	0	27,367,231	0	(50,499,277)
97	Jan-16	(76,912,475)	863,370	(29,747,509)	0	639,069,178	0	(76,912,475)	373,269	(1,327,301)	0	28,292,602	0	(49,573,906)
98	Feb-16	(76,912,475)	863,370	(29,747,509)	0	653,780,034	0	(76,912,475)	373,269	(1,327,301)	0	28,943,875	0	(48,922,633)
99	Mar-16	(76,874,173)	(4,517,544)	(29,747,509)	0	618,078,371	0	(76,874,173)	(1,953,113)	(1,327,301)	0	27,363,306	0	(52,791,282)
100	Apr-16	(76,874,173)	(4,517,544)	(29,747,509)	0	615,706,495	0	(76,874,173)	(1,953,113)	(1,327,301)	0	27,258,299	0	(52,896,288)
101	May-16	(76,874,173)	(4,517,544)	(29,747,509)	0	619,806,244	0	(76,874,173)	(1,953,113)	(1,327,301)	0	27,439,802	0	(52,714,786)
102	Average	(74,099,289)	951,791	(30,100,573)	0	576,629,868	0	(74,099,289)	397,185	(1,336,928)	0	25,391,749	0	(49,647,283)

103

WP 7-1

								Division 093	Division 091	Division 012	CKV	Division 002	Greenville	
									40.69%	4.41%	0.84%	4.36%	1.28%	
Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	100%	43.23%	4.46%	0.97%	4.43%	1.33%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
104	Accumulated Depreciation (Account 1080)													
105														
106	May-15	(179,627,702)	(3,001,475)	(48,205,897)	(3,172,053)	(118,363,390)	(3,750,741)	(179,627,702)	(1,221,293)	(2,125,855)	(26,520)	(5,158,126)	(47,913)	(188,207,408)
107	Jun-15	(180,221,410)	(3,009,872)	(48,977,071)	(3,205,159)	(119,469,302)	(3,807,815)	(180,221,410)	(1,224,709)	(2,159,863)	(26,797)	(5,206,320)	(48,642)	(188,887,742)
108	Jul-15	(179,318,670)	(3,026,957)	(45,118,948)	(3,238,265)	(109,959,353)	(3,864,889)	(179,318,670)	(1,231,662)	(1,989,722)	(27,074)	(4,791,889)	(49,371)	(187,408,387)
109	Aug-15	(179,907,006)	(3,038,240)	(45,844,622)	(3,271,371)	(110,908,469)	(3,921,964)	(179,907,006)	(1,236,252)	(2,021,724)	(27,350)	(4,833,250)	(50,100)	(188,075,683)
110	Sep-15	(180,472,042)	(3,057,056)	(46,569,104)	(3,304,478)	(111,860,017)	(3,979,038)	(180,472,042)	(1,243,909)	(2,053,673)	(27,627)	(4,874,717)	(50,829)	(188,722,797)
111	Oct-15	(181,166,582)	(3,069,581)	(47,321,628)	(3,337,584)	(112,907,554)	(4,036,223)	(181,166,582)	(1,327,101)	(2,111,439)	(32,218)	(4,998,596)	(53,871)	(189,689,807)
112	Nov-15	(181,857,880)	(3,080,857)	(48,074,187)	(3,370,691)	(113,955,077)	(4,093,408)	(181,857,880)	(1,331,977)	(2,145,018)	(32,537)	(5,044,971)	(54,634)	(190,467,017)
113	Dec-15	(181,679,454)	(2,158,416)	(48,834,173)	(3,403,797)	(115,023,958)	(4,150,593)	(181,679,454)	(933,169)	(2,178,928)	(32,857)	(5,092,292)	(55,398)	(189,972,097)
114	Jan-16	(181,895,145)	(2,163,369)	(50,793,309)	(2,237,354)	(117,952,014)	(2,353,511)	(181,895,145)	(935,310)	(2,266,342)	(21,597)	(5,221,922)	(31,412)	(190,371,729)
115	Feb-16	(182,469,509)	(2,168,323)	(51,553,153)	(2,270,173)	(119,024,629)	(2,410,271)	(182,469,509)	(937,452)	(2,300,245)	(21,914)	(5,269,408)	(32,170)	(191,030,699)
116	Mar-16	(183,071,403)	(2,172,166)	(52,315,508)	(2,302,992)	(120,097,679)	(2,467,032)	(183,071,403)	(939,113)	(2,334,261)	(22,231)	(5,316,914)	(32,927)	(191,716,849)
117	Apr-16	(183,629,710)	(2,177,115)	(53,071,720)	(2,335,795)	(121,164,308)	(2,523,780)	(183,629,710)	(941,253)	(2,368,002)	(22,548)	(5,364,135)	(33,685)	(192,359,333)
118	May-16	(184,221,743)	(2,186,573)	(53,830,113)	(2,368,597)	(122,235,887)	(2,580,529)	(184,221,743)	(945,342)	(2,401,841)	(22,864)	(5,411,576)	(34,442)	(193,037,808)
119	Average	(181,502,943)	(2,639,231)	(49,269,956)	(2,909,101)	(116,378,587)	(3,379,984)	(181,502,943)	(1,111,426)	(2,188,993)	(26,472)	(5,121,855)	(44,261)	(189,995,951)
120														
121														
122	Customers Advances (Account 2520)													
123														
124	May-15	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
125	Jun-15	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
126	Jul-15	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
127	Aug-15	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
128	Sep-15	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
129	Oct-15	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
130	Nov-15	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
131	Dec-15	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
132	Jan-16	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
133	Feb-16	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
134	Mar-16	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
135	Apr-16	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
136	May-16	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
137	Average	(76,428)	0	0	0	0	0	(76,428)	0	0	0	0	0	(76,428)
138														

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended May 31, 2016

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%	40.69%	4.41%	0.84%	4.36%	1.28%	
	(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	May-15	(43,882)	0	0	0	0	0	(43,882)	0	0	0	0	0	(43,882)
142	Jun-15	(54,324)	0	0	0	0	0	(54,324)	0	0	0	0	0	(54,324)
143	Jul-15	(64,875)	0	0	0	0	0	(64,875)	0	0	0	0	0	(64,875)
144	Aug-15	(75,570)	0	0	0	0	0	(75,570)	0	0	0	0	0	(75,570)
145	Sep-15	(85,557)	0	0	0	0	0	(85,557)	0	0	0	0	0	(85,557)
146	Oct-15	(96,005)	0	0	0	0	0	(96,005)	0	0	0	0	0	(96,005)
147	Nov-15	(106,207)	0	0	0	0	0	(106,207)	0	0	0	0	0	(106,207)
148	Dec-15	(116,603)	0	0	0	0	0	(116,603)	0	0	0	0	0	(116,603)
149	Jan-16	(132,121)	0	0	0	0	0	(132,121)	0	0	0	0	0	(132,121)
150	Feb-16	(1,231)	0	0	0	0	0	(1,231)	0	0	0	0	0	(1,231)
151	Mar-16	(19,225)	0	0	0	0	0	(19,225)	0	0	0	0	0	(19,225)
152	Apr-16	(35,587)	0	0	0	0	0	(35,587)	0	0	0	0	0	(35,587)
153	May-16	(43,837)	0	0	0	0	0	(43,837)	0	0	0	0	0	(43,837)
154	Average	(67,310)	0	0	0	0	0	(67,310)	0	0	0	0	0	(67,310)
155														
156	<u>Net elimination of intercompany leased property</u>													
157														
158	May-15	5,878,797	0	0	0	0	0	5,878,797	0	0	0	0	0	5,878,797
159	Jun-15	5,857,059	0	0	0	0	0	5,857,059	0	0	0	0	0	5,857,059
160	Jul-15	5,835,321	0	0	0	0	0	5,835,321	0	0	0	0	0	5,835,321
161	Aug-15	5,813,583	0	0	0	0	0	5,813,583	0	0	0	0	0	5,813,583
162	Sep-15	5,791,400	0	0	0	0	0	5,791,400	0	0	0	0	0	5,791,400
163	Oct-15	5,814,029	0	0	0	0	0	5,814,029	0	0	0	0	0	5,814,029
164	Nov-15	5,791,734	0	0	0	0	0	5,791,734	0	0	0	0	0	5,791,734
165	Dec-15	5,769,439	0	0	0	0	0	5,769,439	0	0	0	0	0	5,769,439
166	Jan-16	5,747,143	0	0	0	0	0	5,747,143	0	0	0	0	0	5,747,143
167	Feb-16	5,724,848	0	0	0	0	0	5,724,848	0	0	0	0	0	5,724,848
168	Mar-16	5,702,553	0	0	0	0	0	5,702,553	0	0	0	0	0	5,702,553
169	Apr-16	5,680,258	0	0	0	0	0	5,680,258	0	0	0	0	0	5,680,258
170	May-16	5,657,963	0	0	0	0	0	5,657,963	0	0	0	0	0	5,657,963
171	Average	5,774,164	0	0	0	0	0	5,774,164	0	0	0	0	0	5,774,164

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended June 31, 2014

WP 7-2

		Division 091 - Mid-States General Office							Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	
									FY13	100.00%	41.10%	4.32%	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	100.00%	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)															
2																
3	Jun-13	\$ 401,921,898	\$ 4,206,295	\$ 138,810,847	\$ 12,935,810	\$ 166,406,959	\$ 9,218,027	\$	401,921,898	\$ 1,728,800	\$ 6,001,597	\$ 196,793	\$ 7,591,710	\$ 120,642	\$ 417,561,440	
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	6,002,083	197,009	7,594,825	120,642	420,327,283	
5	Aug-13	\$ 406,109,303	\$ 4,211,622	\$ 138,857,212	\$ 12,949,991	\$ 166,496,381	\$ 9,218,027		406,109,303	1,730,990	6,003,601	197,009	7,595,790	120,642	421,757,334	
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	6,056,001	197,008	7,569,477	120,642	426,246,271	
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	6,114,023	198,119	7,508,480	120,629	429,112,856	
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	6,260,308	198,119	7,555,847	120,629	429,923,315	
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	6,249,633	198,119	7,579,833	120,629	431,554,066	
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	6,293,826	198,119	7,534,731	120,629	433,101,770	
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	6,293,826	198,119	7,536,087	120,629	433,877,699	
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	6,293,912	198,119	7,539,528	120,629	442,502,511	
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	6,294,160	198,119	7,593,073	120,629	443,951,464	
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	6,294,164	198,119	7,593,659	120,629	445,333,511	
15	Jun-14	\$ 430,566,996	\$ 4,988,874	\$ 144,291,226	\$ 12,949,956	\$ 169,263,998	\$ 9,218,027		430,566,996	2,069,316	6,294,184	198,119	7,610,587	120,629	446,859,830	
16	Average	\$ 416,405,221	\$ 4,805,801	\$ 142,248,364	\$ 12,948,873	\$ 167,600,881	\$ 9,218,027	\$	416,405,221	\$ 1,988,263	\$ 6,188,563	\$ 197,761	\$ 7,569,510	\$ 120,633	\$ 432,469,950	
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	\$ 88,219	\$ -	\$ 453,063	\$ -	\$ 14,322,778	
21	Jul-13	\$ 13,051,136	\$ 1,191,431	\$ 2,052,383	\$ -	\$ 8,730,857	\$ -		13,051,136	489,682	88,736	0	398,313	0	14,027,868	
22	Aug-13	\$ 15,256,455	\$ 869,803	\$ 2,325,929	\$ -	\$ 7,191,934	\$ -		15,256,455	357,492	100,563	0	328,106	0	16,042,616	
23	Sep-13	\$ 13,865,904	\$ 725,359	\$ 2,586,861	\$ -	\$ 10,857,359	\$ -		13,865,904	298,125	111,845	0	495,327	0	14,771,201	
24	Oct-13	\$ 12,865,275	\$ 509,020	\$ 2,451,695	\$ -	\$ 12,726,160	\$ -		12,865,275	211,135	106,946	0	572,204	0	13,755,560	
25	Nov-13	\$ 14,994,028	\$ 437,832	\$ (774,033)	\$ -	\$ 15,488,481	\$ -		14,994,028	181,607	(33,764)	0	696,406	0	15,838,276	
26	Dec-13	\$ 15,831,148	\$ 46,974	\$ (652,608)	\$ -	\$ 10,407,275	\$ -		15,831,148	19,484	(28,468)	0	467,940	0	16,290,105	
27	Jan-14	\$ 16,161,956	\$ 217,327	\$ (465,052)	\$ -	\$ 13,525,869	\$ -		16,161,956	90,144	(20,286)	0	608,161	0	16,839,975	
28	Feb-14	\$ 16,847,162	\$ 249,334	\$ 10,334	\$ -	\$ 14,059,524	\$ -		16,847,162	103,420	451	0	632,156	0	17,583,189	
29	Mar-14	\$ 8,317,186	\$ (69,617)	\$ 162,715	\$ -	\$ 21,691,111	\$ -		8,317,186	(28,876)	7,098	0	975,294	0	9,270,701	
30	Apr-14	\$ 8,513,464	\$ 23,233	\$ 383,908	\$ -	\$ 15,529,175	\$ -		8,513,464	9,637	16,747	0	698,235	0	9,238,083	
31	May-14	\$ 8,026,968	\$ (47,018)	\$ 790,139	\$ -	\$ 15,917,292	\$ -		8,026,968	(19,502)	34,467	0	715,686	0	8,757,619	
32	Jun-14	\$ 7,834,846	\$ (16,064)	\$ 1,399,985	\$ -	\$ 16,359,036	\$ -		7,834,846	(5,663)	61,069	0	735,548	0	8,624,801	
33	Average	\$ 12,682,544	\$ 406,984	\$ 947,129	\$ -	\$ 13,262,693	\$ -	\$	12,682,544	\$ 167,665	\$ 41,048	\$ -	\$ 598,188	\$ -	\$ 13,489,444	

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended June 31, 2014

WP 7-2

Line No.	Month	Division 091 - Mid-		Division 012 - SSU	CKV	Division 002 - SSU		FY14	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
		Division 093 - Tennessee	States General Office			General	Greenville		FY13	100.00%	41.10%	4.32%	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	5,954	0	0	0	0	5,954
39	Aug-13	\$ -	\$ 14,487	\$ -	\$ -	\$ -	\$ -	\$ -		0	5,954	0	0	0	0	5,954
40	Sep-13	\$ -	\$ 14,487	\$ -	\$ -	\$ -	\$ -	\$ -		0	5,954	0	0	0	0	5,954
41	Oct-13	\$ -	\$ 14,487	\$ -	\$ -	\$ -	\$ -	\$ -		0	6,009	0	0	0	0	6,009
42	Nov-13	\$ -	\$ 14,487	\$ -	\$ -	\$ -	\$ -	\$ -		0	6,009	0	0	0	0	6,009
43	Dec-13	\$ -	\$ 14,487	\$ -	\$ -	\$ -	\$ -	\$ -		0	6,009	0	0	0	0	6,009
44	Jan-14	\$ -	\$ 14,487	\$ -	\$ -	\$ -	\$ -	\$ -		0	6,009	0	0	0	0	6,009
45	Feb-14	\$ -	\$ 14,487	\$ -	\$ -	\$ -	\$ -	\$ -		0	6,009	0	0	0	0	6,009
46	Mar-14	\$ -	\$ 14,487	\$ -	\$ -	\$ -	\$ -	\$ -		0	6,009	0	0	0	0	6,009
47	Apr-14	\$ -	\$ 14,487	\$ -	\$ -	\$ -	\$ -	\$ -		0	6,009	0	0	0	0	6,009
48	May-14	\$ -	\$ 14,487	\$ -	\$ -	\$ -	\$ -	\$ -		0	6,009	0	0	0	0	6,009
49	Jun-14	\$ -	\$ 14,487	\$ -	\$ -	\$ -	\$ -	\$ -		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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		5,403,263	0	0	0	0	0	5,403,263
57	Aug-13	\$ 7,049,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		7,049,470	0	0	0	0	0	7,049,470
58	Sep-13	\$ 8,732,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		8,732,803	0	0	0	0	0	8,732,803
59	Oct-13	\$ 10,288,624	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		10,288,624	0	0	0	0	0	10,288,624
60	Nov-13	\$ 11,728,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		11,728,348	0	0	0	0	0	11,728,348
61	Dec-13	\$ 10,451,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		10,451,616	0	0	0	0	0	10,451,616
62	Jan-14	\$ 7,668,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		7,668,537	0	0	0	0	0	7,668,537
63	Feb-14	\$ 4,806,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		4,806,866	0	0	0	0	0	4,806,866
64	Mar-14	\$ 886,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		886,189	0	0	0	0	0	886,189
65	Apr-14	\$ 2,838,404	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		2,838,404	0	0	0	0	0	2,838,404
66	May-14	\$ 4,519,761	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		4,519,761	0	0	0	0	0	4,519,761
67	Jun-14	\$ 6,304,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		6,304,505	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
Twelve Months Ended June 31, 2014

WP 7-2

Line No.	Month	Division 091 - Mid-Tennessee		Division 012 - SSU		Division 002 - SSU		CKV	Greenville	FY14	Factors FY13	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
		Tennessee	States General Office	Customer	Customer	General	General				FY13	100.00%	41.10%	4.32%	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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,444,837)			0	0	0	0	0	\$ (3,444,837)
73	Jul-13	\$ (3,391,938)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,391,938)			0	0	0	0	0	\$ (3,391,938)
74	Aug-13	\$ (3,360,293)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,360,293)			0	0	0	0	0	\$ (3,360,293)
75	Sep-13	\$ (3,340,530)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,340,530)			0	0	0	0	0	\$ (3,340,530)
76	Oct-13	\$ (3,321,396)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,321,396)			0	0	0	0	0	\$ (3,321,396)
77	Nov-13	\$ (3,333,255)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,333,255)			0	0	0	0	0	\$ (3,333,255)
78	Dec-13	\$ (3,369,934)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,369,934)			0	0	0	0	0	\$ (3,369,934)
79	Jan-14	\$ (3,390,776)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,390,776)			0	0	0	0	0	\$ (3,390,776)
80	Feb-14	\$ (3,410,607)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,410,607)			0	0	0	0	0	\$ (3,410,607)
81	Mar-14	\$ (3,431,899)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,431,899)			0	0	0	0	0	\$ (3,431,899)
82	Apr-14	\$ (3,438,742)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,438,742)			0	0	0	0	0	\$ (3,438,742)
83	May-14	\$ (3,406,076)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,406,076)			0	0	0	0	0	\$ (3,406,076)
84	Jun-14	\$ (3,456,608)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,456,608)			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	\$ (1,019,767)	\$ -	\$ 16,200,339	\$ -	\$ -	\$ 16,200,339	\$ -	\$ -	\$ (28,046,417)
91	Jul-13	\$ (58,952,525)	\$ 38,261,356	\$ (23,586,174)	\$ -	\$ 346,895,612	\$ -	\$ (58,952,525)	\$ 15,725,537	\$ (1,019,767)	\$ 0	\$ 15,825,846	\$ 0	\$ 0	\$ 15,825,846	\$ 0	\$ 0	\$ (28,420,909)
92	Aug-13	\$ (58,952,525)	\$ 39,086,252	\$ (23,586,174)	\$ -	\$ 336,785,660	\$ -	\$ (58,952,525)	\$ 16,064,572	\$ (1,019,767)	\$ 0	\$ 15,364,616	\$ 0	\$ 0	\$ 15,364,616	\$ 0	\$ 0	\$ (28,543,104)
93	Sep-13	\$ (64,055,632)	\$ 10,948,144	\$ (30,660,400)	\$ -	\$ 400,356,748	\$ -	\$ (64,055,632)	\$ 4,499,721	\$ (1,325,627)	\$ 0	\$ 18,264,815	\$ 0	\$ 0	\$ 18,264,815	\$ 0	\$ 0	\$ (42,616,722)
94	Oct-13	\$ (64,055,632)	\$ 10,948,144	\$ (30,660,400)	\$ -	\$ 402,554,762	\$ -	\$ (64,055,632)	\$ 4,541,139	\$ (1,337,449)	\$ 0	\$ 18,099,997	\$ 0	\$ 0	\$ 18,099,997	\$ 0	\$ 0	\$ (42,751,946)
95	Nov-13	\$ (64,055,632)	\$ 10,948,144	\$ (30,660,400)	\$ -	\$ 396,143,301	\$ -	\$ (64,055,632)	\$ 4,541,139	\$ (1,337,449)	\$ 0	\$ 17,811,720	\$ 0	\$ 0	\$ 17,811,720	\$ 0	\$ 0	\$ (43,040,223)
96	Dec-13	\$ (64,055,632)	\$ 9,477,949	\$ (30,660,400)	\$ -	\$ 386,294,358	\$ -	\$ (64,055,632)	\$ 3,931,322	\$ (1,337,449)	\$ 0	\$ 17,368,884	\$ 0	\$ 0	\$ 17,368,884	\$ 0	\$ 0	\$ (44,092,876)
97	Jan-14	\$ (64,055,632)	\$ 9,477,949	\$ (30,660,400)	\$ -	\$ 398,002,176	\$ -	\$ (64,055,632)	\$ 3,931,322	\$ (1,337,449)	\$ 0	\$ 17,895,300	\$ 0	\$ 0	\$ 17,895,300	\$ 0	\$ 0	\$ (43,566,459)
98	Feb-14	\$ (64,055,632)	\$ 9,477,949	\$ (30,660,400)	\$ -	\$ 399,890,577	\$ -	\$ (64,055,632)	\$ 3,931,322	\$ (1,337,449)	\$ 0	\$ 17,980,208	\$ 0	\$ 0	\$ 17,980,208	\$ 0	\$ 0	\$ (43,481,551)
99	Mar-14	\$ (64,055,632)	\$ 4,744,119	\$ (30,660,400)	\$ -	\$ 381,525,134	\$ -	\$ (64,055,632)	\$ 1,967,795	\$ (1,337,449)	\$ 0	\$ 17,154,446	\$ 0	\$ 0	\$ 17,154,446	\$ 0	\$ 0	\$ (46,270,840)
100	Apr-14	\$ (64,055,632)	\$ 4,744,119	\$ (30,660,400)	\$ -	\$ 386,419,626	\$ -	\$ (64,055,632)	\$ 1,967,795	\$ (1,337,449)	\$ 0	\$ 17,374,516	\$ 0	\$ 0	\$ 17,374,516	\$ 0	\$ 0	\$ (46,050,770)
101	May-14	\$ (64,055,632)	\$ 4,744,119	\$ (30,660,400)	\$ -	\$ 395,166,796	\$ -	\$ (64,055,632)	\$ 1,967,795	\$ (1,337,449)	\$ 0	\$ 17,767,814	\$ 0	\$ 0	\$ 17,767,814	\$ 0	\$ 0	\$ (45,657,473)
102	Jun-14	\$ (63,456,220)	\$ 2,168,138	\$ (30,389,095)	\$ -	\$ 424,895,665	\$ -	\$ (63,456,220)	\$ 899,314	\$ (1,325,615)	\$ 0	\$ 19,104,507	\$ 0	\$ 0	\$ 19,104,507	\$ 0	\$ 0	\$ (44,778,013)
103	Average	\$ (62,831,884)	\$ 14,868,287	\$ (29,007,017)	\$ -	\$ 385,387,288	\$ -	\$ (62,831,884)	\$ 6,130,332	\$ (1,262,318)	\$ -	\$ 17,401,001	\$ -	\$ -	\$ 17,401,001	\$ -	\$ -	\$ (40,562,870)

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended June 31, 2014

WP 7-2

		Division 091 - Mid-States General Office							Factors FY13	Division 093	Division 091	Division 012	CKV	Division 002	Greenville		
										100.00%	41.10%	4.32%	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								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)	\$ (2,397,228)	\$ (100,725,046)	\$ (2,431,494)	\$	(171,279,819)	\$ (1,213,230)	\$ (1,343,000)	\$ (36,469)	\$ (4,595,213)	\$ (31,822)	\$ (178,499,553)		
108	Jul-13	\$ (171,837,778)	\$ (2,970,039)	\$ (31,836,311)	\$ (2,432,146)	\$ (101,683,496)	\$ (2,489,413)		(171,837,778)	(1,220,695)	(1,376,468)	(37,000)	(4,638,938)	(32,580)	(179,143,460)		
109	Aug-13	\$ (172,414,467)	\$ (2,988,282)	\$ (32,610,873)	\$ (2,467,064)	\$ (102,630,515)	\$ (2,547,332)		(172,414,467)	(1,228,193)	(1,409,957)	(37,532)	(4,682,143)	(33,338)	(179,805,630)		
110	Sep-13	\$ (172,928,298)	\$ (3,011,389)	\$ (33,515,225)	\$ (2,501,981)	\$ (103,615,653)	\$ (2,605,252)		(172,928,298)	(1,237,690)	(1,449,057)	(38,063)	(4,727,086)	(34,096)	(180,414,291)		
111	Oct-13	\$ (173,291,841)	\$ (3,027,422)	\$ (34,156,358)	\$ (2,536,859)	\$ (104,588,430)	\$ (2,663,172)		(173,291,841)	(1,255,733)	(1,489,948)	(38,811)	(4,702,591)	(34,851)	(180,813,774)		
112	Nov-13	\$ (173,654,885)	\$ (3,043,454)	\$ (34,933,737)	\$ (2,571,737)	\$ (105,559,193)	\$ (2,721,092)		(173,654,885)	(1,262,383)	(1,523,858)	(39,344)	(4,746,239)	(35,609)	(181,262,318)		
113	Dec-13	\$ (174,269,567)	\$ (3,058,151)	\$ (35,284,213)	\$ (2,606,616)	\$ (103,494,759)	\$ (2,779,013)		(174,269,567)	(1,268,479)	(1,539,146)	(39,878)	(4,653,416)	(36,367)	(181,806,854)		
114	Jan-14	\$ (174,907,741)	\$ (3,074,175)	\$ (36,105,800)	\$ (2,640,301)	\$ (104,413,247)	\$ (2,836,442)		(174,907,741)	(1,275,125)	(1,574,985)	(40,393)	(4,694,714)	(37,118)	(182,530,077)		
115	Feb-14	\$ (175,346,647)	\$ (3,090,305)	\$ (36,871,233)	\$ (2,673,987)	\$ (105,384,036)	\$ (2,893,871)		(175,346,647)	(1,281,816)	(1,608,374)	(40,909)	(4,738,363)	(37,870)	(183,053,979)		
116	Mar-14	\$ (174,218,678)	\$ (3,084,303)	\$ (37,636,678)	\$ (2,707,673)	\$ (106,351,586)	\$ (2,951,300)		(174,218,678)	(1,279,326)	(1,641,764)	(41,424)	(4,781,867)	(38,621)	(182,001,681)		
117	Apr-14	\$ (174,928,413)	\$ (3,100,434)	\$ (38,402,150)	\$ (2,741,359)	\$ (107,323,149)	\$ (3,008,729)		(174,928,413)	(1,286,017)	(1,675,155)	(41,939)	(4,825,551)	(39,373)	(182,796,449)		
118	May-14	\$ (174,825,083)	\$ (3,120,795)	\$ (39,140,899)	\$ (2,774,488)	\$ (108,418,350)	\$ (3,065,477)		(174,825,083)	(1,294,463)	(1,707,380)	(42,446)	(4,874,795)	(40,115)	(182,784,282)		
119	Jun-14	\$ (175,156,355)	\$ (3,141,156)	\$ (39,879,651)	\$ (2,807,618)	\$ (109,384,796)	\$ (3,122,226)		(175,156,355)	(1,302,908)	(1,739,606)	(42,953)	(4,918,249)	(40,858)	(183,200,929)		
120	Average	\$ (173,773,813)	\$ (3,050,906)	\$ (35,495,027)	\$ (2,604,543)	\$ (104,890,174)	\$ (2,778,062)	\$	(173,773,813)	\$ (1,262,005)	\$ (1,544,515)	\$ (39,782)	\$ (4,736,859)	\$ (36,355)	\$ (181,393,329)		
121																	
122																	
123	Customers Advances (Account 2520)																
124																	
125	Jun-13	\$ (72,538)	\$ -	\$ -	\$ -	\$ -	\$ -	\$	(72,538)	0	0	0	0	0	0	(72,538)	
126	Jul-13	\$ (72,538)	\$ -	\$ -	\$ -	\$ -	\$ -		(72,538)	0	0	0	0	0	0	(72,538)	
127	Aug-13	\$ (72,538)	\$ -	\$ -	\$ -	\$ -	\$ -		(72,538)	0	0	0	0	0	0	(72,538)	
128	Sep-13	\$ (73,888)	\$ -	\$ -	\$ -	\$ -	\$ -		(73,888)	0	0	0	0	0	0	(73,888)	
129	Oct-13	\$ (73,888)	\$ -	\$ -	\$ -	\$ -	\$ -		(73,888)	0	0	0	0	0	0	(73,888)	
130	Nov-13	\$ (73,888)	\$ -	\$ -	\$ -	\$ -	\$ -		(73,888)	0	0	0	0	0	0	(73,888)	
131	Dec-13	\$ (73,888)	\$ -	\$ -	\$ -	\$ -	\$ -		(73,888)	0	0	0	0	0	0	(73,888)	
132	Jan-14	\$ (73,888)	\$ -	\$ -	\$ -	\$ -	\$ -		(73,888)	0	0	0	0	0	0	(73,888)	
133	Feb-14	\$ (73,888)	\$ -	\$ -	\$ -	\$ -	\$ -		(73,888)	0	0	0	0	0	0	(73,888)	
134	Mar-14	\$ (75,078)	\$ -	\$ -	\$ -	\$ -	\$ -		(75,078)	0	0	0	0	0	0	(75,078)	
135	Apr-14	\$ (75,078)	\$ -	\$ -	\$ -	\$ -	\$ -		(75,078)	0	0	0	0	0	0	(75,078)	
136	May-14	\$ (75,078)	\$ -	\$ -	\$ -	\$ -	\$ -		(75,078)	0	0	0	0	0	0	(75,078)	
137	Jun-14	\$ (75,078)	\$ -	\$ -	\$ -	\$ -	\$ -		(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
Twelve Months Ended June 31, 2014

WP 7-2

		Division 091 - Mid-States General Office							Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville		
									FY13	100.00%	41.10%	4.32%	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	100.00%	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)		
139																	
140	Interest on Customer Deposits (Account 2370-26919)																
141																	
142	Jun-13	\$ (32,937)	\$ 12,646	\$ -	\$ -	\$ -	\$ -	\$ (32,937)	5,198	0	0	0	0	0	\$ (27,739)		
143	Jul-13	\$ (43,807)	\$ 12,646	\$ -	\$ -	\$ -	\$ -	\$ (43,807)	5,197	0	0	0	0	0	\$ (38,610)		
144	Aug-13	\$ (54,559)	\$ 12,646	\$ -	\$ -	\$ -	\$ -	\$ (54,559)	5,197	0	0	0	0	0	\$ (49,362)		
145	Sep-13	\$ (73,804)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (73,804)	0	0	0	0	0	0	\$ (73,804)		
146	Oct-13	\$ (81,802)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (81,802)	0	0	0	0	0	0	\$ (81,802)		
147	Nov-13	\$ (89,866)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (89,866)	0	0	0	0	0	0	\$ (89,866)		
148	Dec-13	\$ (98,712)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (98,712)	0	0	0	0	0	0	\$ (98,712)		
149	Jan-14	\$ (107,835)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (107,835)	0	0	0	0	0	0	\$ (107,835)		
150	Feb-14	\$ (2,455)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,455)	0	0	0	0	0	0	\$ (2,455)		
151	Mar-14	\$ (17,056)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,056)	0	0	0	0	0	0	\$ (17,056)		
152	Apr-14	\$ (40,547)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (40,547)	0	0	0	0	0	0	\$ (40,547)		
153	May-14	\$ (61,671)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (61,671)	0	0	0	0	0	0	\$ (61,671)		
154	Jun-14	\$ (50,328)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (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 May 31, 2016**

Line
No.

1	Annual benchmark per Docket 12-00064	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					
		Amortization Expense	Regulated Asset Balance		
16					
17	May-15	-	1,298,490		
18	Jun-15	54,104	1,244,386		
19	Jul-15	54,104	1,190,283		
20	Aug-15	54,104	1,136,179		
21	Sep-15	54,104	1,082,075		
22	Oct-15	54,104	1,027,971		
23	Nov-15	54,104	973,868		
24	Dec-15	54,104	919,764		
25	Jan-16	54,104	865,660		
26	Feb-16	54,104	811,556		
27	Mar-16	54,104	757,453		
28	Apr-16	54,104	703,349		
29	May-16	54,104	649,245		
30	Annual Amortization*	\$ 649,245	\$ 973,868	13 month average	

*This amount is included in Benefits actuals for Division 093

**Tennessee Distribution System
Accumulated Deferred Income Tax
Shared Services Division 002
Twelve Months Ended May 31, 2016**

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	208,298,312	(219,884,627)	405,828,177	22,354,762	428,182,939
15	Aug-14	224,949,437	(219,079,036)	405,022,586	39,005,887	444,028,473
16	Sep-14	267,982,820	(220,149,274)	444,334,650	43,797,444	488,132,094
17	Oct-14	276,895,783	(220,149,274)	444,334,650	52,710,407	497,045,057
18	Nov-14	284,975,299	(220,149,274)	444,334,650	60,789,923	505,124,573
19	Dec-14	321,070,352	(222,598,277)	469,818,580	73,850,049	543,668,629
20	Jan-15	353,945,345	(222,598,277)	469,818,580	106,725,042	576,543,622
21	Feb-15	333,570,147	(222,598,277)	469,818,580	86,349,844	556,168,424
22	Mar-15	290,103,994	(227,206,094)	425,654,746	91,655,342	517,310,088
23	Apr-15	281,416,540	(227,206,094)	425,654,746	82,967,888	508,622,634
24	May-15	276,100,280	(227,206,094)	425,654,746	77,651,628	503,306,374
25	Jun-15	252,513,161	(230,175,901)	407,851,903	74,837,159	482,689,062
26	Jul-15	264,175,149	(230,175,901)	407,851,903	86,499,147	494,351,050
27	Aug-15	266,520,916	(230,175,901)	407,851,903	88,844,914	496,696,817
28	Sep-15	353,265,598	(232,097,127)	530,457,730	54,904,995	585,362,725
29	Oct-15	351,696,807	(232,097,127)	530,457,730	53,336,204	583,793,934
30	Nov-15	353,283,852	(232,097,127)	530,457,730	54,923,249	585,380,979
31	Dec-15	386,239,047	(231,927,975)	554,535,985	63,631,037	618,167,022
32	Jan-16	407,141,203	(231,927,975)	554,535,985	84,533,193	639,069,178
33	Feb-16	421,852,059	(231,927,975)	554,535,985	99,244,049	653,780,034
34	Mar-16	396,520,892	(221,557,479)	541,564,884	76,513,487	618,078,371
35	Apr-16	394,149,016	(221,557,479)	542,923,119	72,783,376	615,706,495
36	May-16	398,248,765	(221,557,479)	542,923,119	76,883,125	619,806,244

[1] FD - NOL Credit Carryforward - Non Reg

Atmos Energy Corporation-Tennessee
Cash Working Capital Lead/Lag Analysis
For Forward Looking Attrition Year Twelve Months Ended May 31, 2016

Line No.		Base Period	Attrition Year
1	Revenue Lag	37.50	37.50
2			
3	Expense Lag	35.19	33.96
4			
5	Net Lag	2.31	3.54
6			
7	Daily Cost of Service	413,499	303,054
8			
9	Cash Working Capital	955,030	1,073,912

Atmos Energy Corporation-Tennessee
Cash Working Capital Lead/Lag Analysis
For Forward Looking Attrition Year Twelve Months Ended May 31, 2016

Line No.	Description	Attrition Year Expenses	Expense Lag	CWC Requirement (b) x (c)
	(a)	(b)	(c)	(d)
1	Gas Supply Expense			
2	Purchased Gas	42,105,404	39.33	1,656,005,549
3				
4	Operation and Maintenance Expense			
5	O&M, Labor	7,710,464	14.07	108,486,228
6	O&M, Non-Labor	15,300,971	29.40	449,848,547
7	Total O&M Expense	23,011,435		558,334,776
8				
9				
10	Taxes Other Than Income			
11	Ad Valorem	4,045,080	241.50	976,886,820
12	State Gross Receipts Tax	1,447,204	(151.50)	(219,251,473)
13	Payroll Taxes	246,137	16.55	4,072,506
14	Franchise Tax	707,000	37.50	26,512,502
15	TRA Inspection Fee	641,342	272.50	174,765,668
16	DOT	20,299	59.00	1,197,639
17				
18	Allocated Taxes-Shared Services			
19	Ad Valorem	20% 68,600	241.50	16,566,870
20	Payroll Taxes	80% 271,441	16.55	4,491,177
21				
22	Allocated Taxes-Business Unit			
23	Ad Valorem	41% 42,482	241.50	10,259,445
24	Payroll Taxes	59% 61,738	16.55	1,021,502
25	Total Taxes Other Than Income	7,551,324		996,522,655
26				
27	Federal Income Tax	5,940,784		
28	Current Taxes	-	37.50	-
29	Deferred Taxes	5,940,784	-	-
30				
31	State Excise Tax	1,179,988		
32	Current Taxes	-	37.50	-
33	Deferred Taxes	1,179,988	-	-
34				
35	Depreciation	11,540,707	-	-
36				
37	Interest on Customer Deposits	153,306	182.50	27,978,355
38				
39	Interest Expense - LTD	5,720,718	91.25	522,015,538
40				
41	Interest Expense - STD	228,829	24.05	5,503,026
42				
43	Return on Equity	13,485,150	-	-
44				
45				
46	TOTAL	110,917,646	33.96	3,766,359,900
47				
48	Daily Cost of Service	303,054		
49				
50				

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 (b) x (c)
	(a)	(b)	(c)	(d)
1	Gas Supply Expense			
2	Purchased Gas	87,478,439	39.33	3,440,527,025
3				
4	Operation and Maintenance Expense			
5	O&M, Labor	7,652,390	14.07	107,669,132
6	O&M, Non-Labor	12,983,103	29.40	381,703,215
7	Total O&M Expense	20,635,493		489,372,347
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	16.55	4,257,132
14	Franchise Tax	618,254	37.50	23,184,527
15	TRA Inspection Fee	425,046	272.50	115,825,068
16	DOT	19,392	59.00	1,144,149
17				
18	Allocated Taxes-Shared Services			
19	Ad Valorem	0% -	241.50	-
20	Payroll Taxes	100% 247,649	16.55	4,097,523
21				
22	Allocated Taxes-Business Unit			
23	Ad Valorem	10% 6,231	241.50	1,504,740
24	Payroll Taxes	90% 55,697	16.55	921,546
25	Total Taxes Other Than Income	6,212,295		831,520,083
26				
27	Federal Income Tax	6,399,584		
28	Current Taxes	-	37.50	-
29	Deferred Taxes	6,399,584	-	-
30				
31	State Excise Tax	1,271,117		
32	Current Taxes	-	37.50	-
33	Deferred Taxes	1,271,117	-	-
34				
35	Depreciation	10,700,686	-	-
36				
37	Interest on Customer Deposits	110,242	182.50	20,119,207
38				
39	Interest Expense - LTD	5,773,529	91.25	526,834,513
40				
41	Interest Expense - STD	116,873	24.05	2,810,641
42				
43	Return on Equity	12,228,825	-	-
44				
45				
46	TOTAL	150,927,084	35.19	5,311,183,817
47				
48	Daily Cost of Service	413,499		
49				
50				

Tennessee Distribution System
Rate Base & Return Forecast vs. Actuals
Twelve Months Ended May 31, 2016
Thirteen Month Average

Line No.	Description	Attrition Year Forecast	Variance	Attrition Year Actuals	Reference
	(a)	(b)	(c)	(d)	(e)
1	Original Cost of Plant	\$ 478,668,068	\$ (902,353)	\$ 477,765,715	Wp 7-1 Wp7-2
2					
3	Accumulated Depreciation and Amortization	\$ (194,176,859)	\$ 4,180,908	\$ (189,995,951)	Wp 7-1 Wp7-2
4					
5	Construction Work in Progress per Books	\$ 8,602,955	\$ (109,872)	\$ 8,493,083	Wp 7-1 Wp7-2
6					
7	Storage Gas Investment	\$ 6,384,483	\$ (1,714,338)	\$ 4,670,145	Wp 7-1 Wp7-2
8					
9	Cash Working Capital	\$ 777,582	\$ 296,331	\$ 1,073,912	Wp 7-5
10					
11	Material & Supplies	\$ 5,895	\$ 1,442	\$ 7,337	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	\$ (54,842,598)	\$ 5,195,315	\$ (49,647,283)	Wp 7-1
16					
17	Customer Advances for Construction	\$ (75,078)	\$ (1,350)	\$ (76,428)	Wp 7-1 Wp7-2
18					
19	Customer Deposits	\$ (3,632,272)	\$ (1,084,837)	\$ (4,717,109)	Wp 7-1 Wp7-2
20					
21	Accumulated Interest on Customer Deposits	\$ (50,578)	\$ (16,731)	\$ (67,310)	Wp 7-1 Wp7-2
22					
23	Unadjusted Rate Base	\$ 242,635,465	\$ 5,844,514	\$ 248,479,980	
24					
25	Adjustments:				
26					
27	Net Elimination of Intercompany Leased Property	\$ 5,322,811	\$ 451,353	\$ 5,774,164	Wp 7-1 Wp7-2
28					
29	Total Rate Base	<u>\$ 247,958,276</u>	<u>\$ 6,295,867</u>	<u>\$ 254,254,144</u>	
30					
31	Return at Overall Cost of Capital on Rate Base	<u>\$ 19,167,175</u>	<u>\$ 79,864</u>	<u>\$ 19,247,039</u>	
32					
33					
34					
35					

Tennessee Distribution System
Computation of State Excise & Income Taxes
Twelve Months Ended May 31, 2016

Line No.	Description	Tax Rate	Base Period ⁽¹⁾	Attrition Year ⁽²⁾	Change
	(a)	(b)	(c)	(d)	
2					
3	Required Return		\$ 18,068,574	\$ 19,247,039	\$ 1,178,465
1	Current Return		\$ 17,842,299	\$ 15,879,978	\$ (1,962,321)
4					
5	Pre-Tax Deficiency from Current Return		226,275	3,367,061	3,140,786
6	Tax Expansion Factor		1.6343	1.6319	
7	After-Tax Deficiency from Current Return		369,801	5,494,707	5,124,905
8					
9	Tax Liability Increase / Decrease (Ln 7 - Ln 3)		143,526	2,127,646	1,984,120
10	Current Tax Liability		\$ 7,669,966	\$ 6,382,661	\$ (1,287,305)
11					
12	Income Tax Liability		\$ 7,813,493	\$ 8,510,307	\$ 696,814
13					
14	Less: ITC Amortization		735		(735)
15					
16	Total Income Tax Liability		7,812,758	8,510,307	697,549
17					
18	Per Books Income Tax Expense ⁽²⁾			7,120,772	
19					
20	Note:				
21	1. Twelve months ended June 30, 2014				
22	2. Twelve months ended May 31, 2016				

**Tennessee Distribution System
Amortization of UCG Deferred Utility ITC
Twelve Months Ended May 31, 2016**

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	Attrition Year ended May 31, 2016	-	50%	-
9				
10	[1] Division 091 - Mid-States General Office allocation factor excluding Kentucky			

**Tennessee Distribution System
Revenue Conversion Factor
Twelve Months Ended May 31, 2016**

<u>Line No.</u>		<u>Attrition Year</u>	
		<u>Amount</u>	<u>Balance</u>
1	Operating Revenues		1.000000
2			
3	Add: Forfeited Discounts	0.010971	<u>0.010971</u>
4			
5	Balance		1.010971
6			
7	Uncollectible Ratio	0.002677	<u>0.002706</u>
8			
9	Balance		1.008265
10			
11	State Excise Tax	0.065000	<u>0.065537</u>
12			
13	Balance		0.942728
14			
15	Federal Income Tax	0.350000	<u>0.329955</u>
16			
17	Balance		0.612773
18			
19	Revenue Conversion Factor (Line 1/Line 9)		1.631900

Schedule 9

Tennessee Distribution System
Overall Cost of Capital
Twelve Months Ended May 31, 2016

Line No.	Description	Percent	Cost Rate	Overall Cost of Capital
	(a)	(b)	(c)	(d)
1	Long Term Debt Capital	38.11%	5.90%	2.25%
2	Short Term Debt	8.55%	1.07%	0.09%
3	Equity Capital	<u>53.34%</u>	9.80%	<u>5.23%</u>
4				
5	Total Capital	<u><u>100.0%</u></u>		<u><u>7.57%</u></u>

**Tennessee Distribution System
Cost of Capital
Twelve Months Ended May 31, 2016**

Line No.	Description	<u>May 31, 2016</u>	
		\$	%
	(a)	(b)	(c)
1	LT Debt	\$ 2,455,616,325	38.11%
2	ST Debt	550,879,587	8.55%
3	Equity	3,436,952,412	53.34%
4			
5	Total Capital	<u>\$ 6,443,448,324</u>	<u>100.00%</u>

Tennessee Distribution System
Cost of Capital- Short Term Debt Rate
Twelve Months Ended May 31, 2016

Line No.	Date	<u>Atmos Consolidated Balances</u>			<u>Atmos Consolidated - calc of STD rate</u>			Interest on CP or Interest on Draws on Credit Facility			Commitment Fees on Credit Facility	Bank Fees on AEC Credit Facility With RBS
		Long-Term Debt	Short-Term Debt	Equity	STD Avg Daily Bal	STD Int Exp & fees	STD avg rate	Detail of Colm (f) Consolidated Int Exp & Fees				30121
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	<u>Int Exp</u>	<u>Commit fees</u>	<u>Utility Bank Admin</u>		
1 May-15		2,455,274,042	139,996,261	3,185,305,501								
2 Jun-15		2,455,302,565	251,977,147	3,238,254,434	189,300,000	239,340		55,365	106,735	77,240		
3 Jul-15		2,455,331,089	305,978,621	3,236,730,841	242,129,032	261,282		73,750	110,293	77,240		
4 Aug-15		2,455,359,612	356,895,471	3,211,417,594	316,774,194	288,040		100,508	110,293	77,240		
5 Sep-15		2,455,388,136	457,926,707	3,194,798,013	409,733,333	321,480		136,580	106,735	78,165		
6 Oct-15		2,455,416,660	550,811,805	3,210,543,634	485,451,613	361,118		168,958	110,293	81,867		
7 Nov-15		2,455,445,183	732,768,859	3,203,963,674	604,993,867	406,545		217,943	106,735	81,867		
8 Dec-15		2,455,473,707	763,235,622	3,272,109,653	749,693,484	575,981		383,821	110,293	81,867		
9 Jan-16		2,455,502,231	708,711,351	3,299,031,455	697,200,581	647,000		454,840	110,293	81,867		
10 Feb-16		2,455,530,754	666,441,027	3,267,084,384	645,617,793	586,490		401,445	103,177	81,867		
11 Mar-16		2,455,559,278	626,928,501	3,344,565,075	635,937,097	623,945		431,785	110,293	81,867		
12 Apr-16		2,455,587,801	600,119,181	3,383,622,256	595,514,133	579,526		390,924	106,735	81,867		
13 May-16		2,455,616,325	588,760,748	3,436,952,412	586,496,258	586,696		394,536	110,293	81,867		
14						5,477,443		3,210,454.31	1,302,166.59	964,822.17		
15			12 Month Avg									
16 Average		2,455,445,183	550,879,587	3,268,029,148	513,236,782	1.07%		per STD rpts:	5,477,443			

Tennessee Distribution System
Cost of Capital- Long Term Debt Rate
Twelve Months Ended May 31, 2016

Line No.	Debt Series (a)	Issued (b)	Outstanding 5/31/2015 (c)	Outstanding 6/30/2015 (d)	Outstanding 7/31/2015 (e)	Outstanding 8/31/2015 (f)	Outstanding 9/30/2015 (g)	Outstanding 10/31/2015 (h)	Outstanding 11/30/2015 (i)	Outstanding 12/31/2015 (j)	Outstanding 1/31/2016 (k)
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	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	10,000,000	10,000,000
9	(1) 4.125% Sr Note due 10/15/2044	10/15/2014	500,000,000	500,000,000	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	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	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	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	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	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	\$ 2,460,000,000	\$ 2,460,000,000
19											
20	Atmos Leasing, Inc.										
21	Industrial Develop Revenue Bond 07/13	1991	-	-	-	-	-	-	-	-	-
22	Total 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	2,460,000,000	2,460,000,000
23	Less Unamortized Debt Discount		\$ 4,725,968	\$ 4,697,435	\$ 4,688,911	\$ 4,640,388	\$ 4,611,864	\$ 4,583,340	\$ 4,564,817	\$ 4,528,293	\$ 4,497,769
24	Annualized Amortization of T-Lock Settlement, Debt Exp. & Debt Disct.										
25											
26	Effective Avg Cost of Consol Debt										

Note

1. Notes issued in October of 2014 represents the refinancing of the 4.95% 500M Sr Note due October 2014.

Tennessee Distribution System
Cost of Capital- Long Term Debt Rate
Twelve Months Ended May 31, 2016

Line No.	Debt Series (a)	Issued (b)	Outstanding 2/29/2016 (l)	Outstanding 3/31/2016 (m)	Outstanding 4/30/2016 (n)	Outstanding 5/31/2016 (o)	End Int Rate (p)	Annual Int at 5/31/2016 (q)	(r) (v)	Annualized 4270 Amort for T-Lock (w)	Annualized 4280-81 Amort Debt Exp & Dset (x)	Exp 1810 Penalty 1890 Dset 2260 1/0/1900 (y)
1	9.40% First Mortgage Bond J due May 2021/RET 2005	04/01/91	-	-	-	-	9.40%	0		0	560,397	2,755,288
2	6.75% Debentures Unsecured due July 2028	07/27/98	150,000,000	150,000,000	150,000,000	150,000,000	6.75%	10,125,000		0	99,938	1,212,228
3	5.125% Senior Notes due Jan 2013	01/13/03	-	-	-	-	5.13%	0		0	0	0
4	10.43% First Mortgage Bond P due 2017 (eff 2012)	11/01/87	-	-	-	-	10.43%	0		0	33,837	47,935
5	9.75% First Mortgage Bond Q due Apr 2020/RET 2005	04/01/90	-	-	-	-	9.75%	0		0	337,581	1,322,191
6	9.32% First Mortgage Bond T due June 2021/RET 2005	06/01/91	-	-	-	-	9.32%	0		0	362,746	1,813,732
7	8.77% First Mortgage Bond U due May 2022/RET 2005	05/01/92	-	-	-	-	8.77%	0		0	388,719	2,181,588
8	6.67% MTN A1 due Dec 2025	12/15/95	10,000,000	10,000,000	10,000,000	10,000,000	6.67%	667,000		0	7,777	74,205
9	(1) 4.125% Sr Note due 10/15/2044	10/15/2014	500,000,000	500,000,000	500,000,000	500,000,000	4.125%	20,625,000		0	0	(0)
10	5.95% Sr Note due 10/15/2034	10/22/04	200,000,000	200,000,000	200,000,000	200,000,000	5.95%	11,900,000		(7,047)	115,724	2,127,885
11	6.35% Sr Note due 6/15/2017	6/2007	250,000,000	250,000,000	250,000,000	250,000,000	6.35%	15,875,000		(474,980)	307,042	332,629
12	Sr Note 5.50% Due 06/15/2041	6/10/2011	400,000,000	400,000,000	400,000,000	400,000,000	5.50%	22,000,000		(668,302)	186,860	4,671,490
13	8.50% Sr Note due 3/15/2019	03/23/09	450,000,000	450,000,000	450,000,000	450,000,000	8.50%	38,250,000		(77,734)	1,161,169	3,289,980
14	4.15% Sr Note due 1/15/2043	01/15/13	500,000,000	500,000,000	500,000,000	500,000,000	4.15%	20,750,000		2,220,857	378,080	10,065,080
15	Debt Issuance Cost - Amort is pending new debt issue	10/2014	-	-	-	-	-	0		(445,478)	215,407	6,110,882
16	Debt Issuance Cost - Amort is pending new debt issue	06/2017	-	-	-	-	-	0		0	0	41,580
17	March 2019 - Swap Position	03/2019	-	-	-	-	-	0		0	0	0
18	Subtotal -- Utility Long-Term Debt		\$ 2,460,000,000	\$ 2,460,000,000	\$ 2,460,000,000	\$ 2,460,000,000		\$ 140,192,000		\$ 546,316	\$ 4,135,278	\$ 36,046,672
19												
20	Atmos Leasing, Inc.											
21	Industrial Develop Revenue Bond 07/13	1991	-	-	-	-	7.90%	-		0	0	0
22	Total Long-Term Debt		2,460,000,000	2,460,000,000	2,460,000,000	2,460,000,000		\$ 140,192,000				
23	Less Unamortized Debt Discount		\$ 4,489,248	\$ 4,440,722	\$ 4,412,199	\$ 4,383,675				\$ 546,316	\$ 4,135,278	\$ 36,046,672
24	Annualized Amortization of T-Lock Settlement, Debt Exp. & Debt Disc.							\$ 4,681,594				
25								\$ 2,455,616,325		\$ 144,873,594		
26	Effective Avg Cost of Consol Debt						5.90% end of period					

Note

1. Notes issued in October of 2014 represents the refinancing of the 4.95% 500M Sr Note due October

**Tennessee Distribution System
Rate of Return
Twelve Months Ended May 31, 2016**

Line No.	Description	Reference	Historic Base Period (1)	Change	Attrition Year (2)	Ratemaking Adjustments	Current Rate of Return
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Total Revenues	Sch. 2	\$ 150,583,201	\$ (43,999,556)	\$ 106,583,645	\$ -	\$ 106,583,645
2							
3	Gas Cost	Sch. 3	87,478,439	(45,373,035)	42,105,404	-	42,105,404
4							
5	Operation & Maintenance Expense	Sch. 4	20,635,493	2,375,942	23,011,435	-	23,011,435
6							
7	Taxes Other Than Income Taxes	Sch. 5	6,212,295	1,339,030	7,551,324	-	7,551,324
8							
9	Depreciation & Amortization Expense	Sch. 6	10,700,686	840,021	11,540,707	-	11,540,707
10							
11	Federal Income and State Excise Tax	Wp 10-1	7,669,966	(1,233,572)	6,436,395	(53,734)	6,382,661
12							
13	Interest on Customer Deposits	Wp 1-1	110,242	43,064	153,306	-	153,306
14							
15	AFUDC Interest credit	Wp 1-2	(66,220)	25,049	(41,170)	-	(41,170)
16							
17	Return on Rate Base		\$ 17,842,299	\$ (2,016,054)	\$ 15,826,245	\$ 53,734	\$ 15,879,978
18							
19	Total Rate Base	Sch. 7	\$ 233,746,110	\$ 14,733,870	\$ 248,479,980	\$ 5,774,164	\$ 254,254,144
20							
21	Rate of Return on Rate Base		7.63%		6.37%		6.25%
22							
23	Interest Expense	Sch. 8	5,890,402	(75,970)	5,814,432	135,115	5,949,547
24							
25							
26	Return on Equity		\$ 11,951,897		\$ 10,011,813		\$ 9,930,431
27							
28	Rate of Return on Equity		9.62%		7.55%		7.32%
29							
30	Note:						
31	1. Twelve months ended June 30, 2014						
32	2. Twelve months ended May 31, 2016						

Tennessee Distribution System
Computation of State Excise and Federal Income Taxes for Sch 10
Twelve Months Ended May 31, 2016

Line	Description	Tax Rate	Historic Base Period (1)	Attrition Period Amount (2)	Adjusted Amount
	(a)	(b)	(c)	(d)	(e)
1	Net Operating Income Before Income Tax		\$ 25,446,046	\$ 22,221,469	\$ 22,221,469
2					
3	Interest Deduction		5,890,402	5,814,432	5,949,547
4					
5	Equity Portion of Return		\$ 19,555,644	\$ 16,407,037	\$ 16,271,922
6					
7	Application of Tax Rate to Equity Return - Tennessee	6.5%	1,271,117	1,066,457	1,057,675
8					
9	Application of Tax Rate to Equity Return - Federal	35%	6,399,584	5,369,203	5,324,986
10					
11	Income Tax Expense		\$ 7,670,701	\$ 6,435,660	\$ 6,382,661
12					
13	Less: ITC Amortization		735	(735)	-
14					
15	Total Income Tax Liability		\$ 7,669,966	\$ 6,436,395	\$ 6,382,661
16					
17	Note:				
18	1. Twelve months ended June 30, 2014				
19	2. Twelve months ended May 31, 2016				

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 Jun 14		12 mths Jun 14		12 mths Jun 14	
		Base Count	Volumes Mcf	Monthly Customer chg	Commodity Charge/Mcf	Margin at Jun 14 rates	Weather Adjustment Volumes Mcf	WNA Adjusted Volumes Mcf	Weather adj Margin at Jun 14 rates	WNA \$ Adj at Jun 14 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	7,535,096	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/Sn. Commercial/Industrial Heating & Cooling	12	278	13.85	\$0.719	366	(36)	239	338	(\$27)	
7	Total Residential	1,412,862	8,380,910			32,305,987	(657,254)	7,723,655	31,469,555	(806,432)	
9	COMMERCIAL										
10	211 Residential/Sn. Commercial/Industrial Heating & Cooling	12	209	13.85	0.719	316		209	316	\$0	
11	220 Commercial Gas Service (weather sensitive)	190,282	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	69,566	(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			19,408,897	(297,933)	5,179,568	18,714,624	(694,273)	
23	INDUSTRIAL										
24	220 Industrial Gas Service (weather sensitive)	3,863	572,879	35.00	2.332	1,471,158	(31,255)	541,624	1,398,272	(\$72,867)	
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	343,489		301,042	343,489		
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			2,784,876	(31,255)	1,413,580	2,711,989		
48	PUBLIC AUTHORITY										
49	211 Residential/Sn. 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	(3,897)	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)	2,883	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	122,869	(5,467)	
55	Total Public Authority	7,186	130,087			266,045	(8,453)	121,634	256,045	(10,000)	
57	TRANSPORTATION										
58	260 - TRANSP (220 SML COMING)	132	142,224	425.00	2.332	387,767		142,224	387,767		
59	260 - TRANSP (230 LRG COMING)	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		
79	TOTALS	1,615,993	23,895,057			\$63,558,349	(994,896)	22,800,161	\$61,974,757	(\$1,510,705)	
81	4870 - Forfeited Discount					\$811,372			\$811,372		
82	4880 - Miscellaneous Service charges					\$427,876			\$427,876		
83	TOTAL MARGIN REVENUES					\$64,797,597			\$63,214,005		

										210,211,229	1.62%	0.00%			
										220,221,230C	0.99%	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 Jun14 Weather adj Margin at Jun14 rates	N O T E	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	\$0,125,242				18,204	25,997	0	603,071	861,233	\$9,409,270
3	210 Residential Gas Service (Winter) (weather sensitive)	826,242	6,878,880	\$16.85	\$1.227	22,362,563				25,717	214,100	0	851,959	7,692,988	23,058,008
4	210 Residential Gas Service Senior Citizen (Summer)	714	521	\$0.00	\$1.227	840				22	16	0	736	537	659
5	210 Residential Gas Service Senior Citizen (Winter) (weather sensitive)	1,027	8,779	\$0.00	\$1.227	10,772				32	273	0	1,059	9,052	11,107
6	211 Residential/Sm. Commercial/Industrial Heating & Cooling	12	239	\$13.85	\$0.719	338				0	7	0	12	247	349
7	Total Residential	1,412,862	7,723,655			31,499,555		0	0	43,978	240,402	0	1,456,838	7,984,058	32,479,594
8															
9	COMMERCIAL														
10	211 Residential/Sm. Commercial/Industrial Heating & Cooling	12	209	13.85	0.719	319				0	6	0	12	215	326
11	230 Commercial Gas Service (weather sensitive)	190,262	5,133,229	35.00	2.332	18,029,860				3,610	97,389	0	183,872	5,230,619	18,983,312
12	230 Large Commercial Gas Service (weather sensitive)	15	28,701	375.00	2.036	68,097				0	564	0	15	38,265	67,351
13	230 Commercial Interruptible Gas Service	0		425.00		0						0	0	0	0
14	Block 1 Volumes		0		1.141	0						0	0	0	0
15	Block 2 Volumes		0		0.755	0						0	0	0	0
16	Block 3 Volumes		0		0.349	0						0	0	0	0
17	293 Large Tonnage Air Conditioning Gas Service	12		35.00		420						12	0	420	
18	Block 1 Volumes		14,318		1.141	16,337						0	14,318	16,337	
19	Block 2 Volumes		2,111		0.755	1,594						0	2,111	1,594	
20	Block 3 Volumes		0		0.349	0						0	0	0	0
21	Total Commercial	180,301	5,179,568			18,714,624		0	0	3,610	97,959	0	193,911	5,277,527	19,069,340
22															
23	INDUSTRIAL														
24	220 Industrial Gas Service (weather sensitive)	3,863	541,624	35.00	2.332	1,388,272				73	10,276		3,936	551,900	1,424,800
25	230 Large Industrial Gas Service	108	280,206	375.00	2.036	631,360		(12)	(225,328)				96	64,878	188,692
26	240 DEMAND/COMM GS	0		425.00		0						0	0	0	0
27	Block 1 Volumes		0		1.141	0						0	0	0	0
28	Block 2 Volumes		0		0.755	0						0	0	0	0
29	Block 3 Volumes		0		0.349	0						0	0	0	0
30	Demand Volumes		0		16.283	0						0	0	0	0
31	250 Industrial Interruptible Gas Service	295		425.00		125,375						295	0	125,375	
32	Block 1 Volumes		301,042		1.141	343,469			(3,303)			0	297,639	339,492	
33	Block 2 Volumes		277,750		0.755	209,707			(55,816)			0	222,142	167,717	
34	Block 3 Volumes		0		0.349	0						0	0	0	0
35	280/290 Economic Development Gas Service			425.00		0		12				12	0	5,100	
36	Block 1 Volumes		0		1.141	0			0			0	0	0	0
37	Block 1 Volumes @ Discount Rate		0		0.856	0			24,000			0	24,000	20,538	
38	Block 2 Volumes		0		0.755	0						0	0	0	0
39	Block 2 Volumes @ Discount Rate		0		0.566	0			175,992			0	175,992	98,855	
40	Block 3 Volumes		0		0.349	0						0	0	0	0
41	Block 3 Volumes @ Discount Rate		0		0.262	0			0			0	0	0	0
42	292 Cogeneration, CHG, Prime Movers Service	12		35.00		420						12	0	420	
43	Block 1 Volumes		2,949		1.141	3,365						0	2,949	3,365	
44	Block 2 Volumes		0		0.755	0						0	0	0	0
45	Block 3 Volumes		0		0.349	0						0	0	0	0
46	Total Industrial	4,278	1,413,580			2,711,989		0	(84,456)	73	10,276	0	4,351	1,339,401	2,354,555
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	89,270	35.00	1.134	90,687				1	1,314		62	70,584	82,218
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) (weather sensitive)	0	0	0.00	1.227	0							0	0	0
53	225 Public Authority Gas Service (Summer)	2,983	9,197	13.85	1.227	52,489				93	283		3,076	9,391	54,123
54	225 Public Authority Gas Service (Winter) (weather sensitive)	4,142	43,257	16.85	1.227	122,869				129	1,346		4,271	44,603	126,683
55	Total Public Authority	7,186	121,634			256,045		0	0	223	2,944	0	7,409	124,578	263,034
56															
57	TRANSPORTATION														
58	260 - TRANSP (230 SML COMMING)	132	142,224	425.00	2.332	387,767							132	142,224	387,767
59	280 - TRANSP (230 LRG COMMING)	497	1,121,093	425.00	2.036	2,493,770		0	205,468				497	1,326,561	2,912,103
60	260 - TRANSP (240 DEMAND)	48		425.00		20,400							48	0	20,400
61	Block 1 Volumes		96,000		1.141	109,536							0	95,000	109,536
62	Block 2 Volumes		237,929		0.755	179,637							0	237,929	179,637
63	Block 3 Volumes		0		0.349	0							0	0	0
64	Demand Volumes		16,126		16.283	262,580							0	16,126	262,580
65	280 - TRANSP (250 OPT GS)	641		425.00		272,425		(12)					629	0	267,325
66	Block 1 Volumes		1,217,594		1.141	1,388,274			(24,000)				0	1,193,594	1,381,890
67	Block 2 Volumes		3,978,062		0.755	3,003,437			(164,959)				0	3,813,103	2,878,893
68	Block 3 Volumes		0		0.349	0							0	0	0
69	280 - TRANSP (280/290 ECON DEV - OPT GS)	5		425.00		2,125		19					24	0	10,200
70	Block 1 Volumes		10,000		1.141	11,410			38,000				0	48,000	54,768
71	Block 1 Volumes @ Discount Rate		0		0.856	0							0	0	0
72	Block 2 Volumes		203,390		0.755	153,537			396,616				0	599,676	452,982
73	Block 2 Volumes @ Discount Rate		0,000		0.566	3,396			106,060				0	112,000	63,420
74	Block 3 Volumes		0		0.349	0							0	0	0
75	Block 3 Volumes @ Discount Rate		165,165		0.262	43,232			21,722				0	186,887	46,918
76	SPECIAL CONTRACTS	43	1,284,296			480,617		5	1,196,468				48	2,480,784	811,989
77	Total Transportation	1,398	8,461,723			8,792,543		12	1,775,335	0	0	0	1,378	10,237,058	8,822,407
78															
79	TOTALS	1,815,893	22,800,161			\$61,974,757		12	1,680,879	47,883	351,562	0	1,863,886	24,942,622	\$63,988,529
80															
81	4870 - Forfeited Discount					811,372									\$706,749
82	4880 - Miscellaneous Service charges					427,876									429,839
83	TOTAL MARGIN REVENUES					\$63,214,005									\$65,125,917

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 May 31, 2016

Additional Revenue: 4,750,219

Line No.	Description	Rates effective Jun14		Adjusted Base Count	Adjusted Volumes Mof	Total Adjusted Margin Rev	Cust Charge Rev	Commodity Charge Rev	Cust Charge %	Commodity Charge %	% of Total Rev	Allocated Amount of Increase	Proposed Cust Charge	Proposed Commodity Charge	Proposed Cust Rev	Proposed Commodity Rev	Total	Cust Charge %	Commodity Charge %	% of Total Rev
		Monthly Customer chg	Commodity Charge/Mof																	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	
1	Rate Schedule 210/225																			
2	210/225 SUMMER	\$13.85	\$1.227	606,147	870,624	\$9,463,393	\$8,395,137	\$1,068,255					15.00	1.325	\$9,092,207	\$1,153,410	10,245,617			
3	210/225 WINTER (weather sensitive)	\$16.85	\$1.227	656,230	7,137,591	23,185,301	\$14,427,477	\$8,767,824					18.00	1.325	\$15,412,142	\$9,455,943	24,868,085			
4	210/225 SR CIT	\$0.00	\$1.227	1,795	9,590	11,767	\$0	\$11,767					0.00	1.325	\$0	\$12,704	12,704			
5	Total 210/225			1,464,172	8,017,805	32,660,461	22,822,614	9,837,646	70%	30%	51.91%	2,465,945			24,504,348	10,622,058	35,126,406	70%	30%	51.91%
7	Rate Schedule 211																			
8	211 HVAC	\$13.85	\$0.719	25	462	675	\$343	\$332	51%	49%	0.00%	51	15.00	0.768	\$371	\$355	726	51%	49%	0.00%
10	Rate Schedule 220																			
11	220 Commercial / Industrial Gas Service	\$35.00	\$2.332	197,808	5,782,618	20,408,112	\$6,823,280	\$13,464,832	34%	66%			38.00	2.497	\$7,516,704	\$14,436,169	21,952,873	34%	66%	
12	220 Transportation	\$425.00	\$2.332	132	142,224	337,767	\$56,100	\$331,667	14%	86%			440.00	2.497	\$58,080	\$355,066	413,146	14%	86%	
13	Total 220			197,940	5,924,742	20,795,879	6,979,380	13,816,499	34%	66%	33.05%	1,570,140			7,574,784	14,791,235	22,366,019	34%	66%	33.05%
15	Rate Schedule 221																			
16	221 Experimental School Gas Service	\$35.00	\$1.134	62	70,584	82,218	\$2,175	\$80,042	3%	97%	0.13%	6,208	38.00	1.219	\$2,362	\$86,063	88,425	3%	97%	0.13%
18	Rate Schedule 230																			
19	230 Large Commercial / Industrial Gas Service	\$375.00	\$2.036	111	95,143	235,443	\$41,732	\$193,711	18%	82%			400.00	2.196	\$44,514	\$208,930	253,444	18%	82%	
20	230 Transportation	\$425.00	\$2.036	497	1,326,561	2,912,103	\$211,225	\$2,700,878	7%	93%			440.00	2.196	\$218,680	\$2,913,070	3,131,750	7%	93%	
21	Total 230			608	1,421,704	3,147,546	262,957	2,894,589	8%	92%	5.00%	237,947			263,194	3,122,000	3,385,194	8%	92%	5.00%
23	Rate Schedule 240/250/260/292/293																			
24	240 Demand/Commodity Gas Service	\$425.00		48		20,400	\$20,400						440.00		\$21,120		21,120			
25	Block 1 Volumes		\$1.141		96,000	109,536		\$109,536						1.231		\$118,132	118,132			
26	Block 2 Volumes		\$0.755		237,929	179,637		\$179,637						0.814		\$193,722	193,722			
27	Block 3 Volumes		\$0.349		0	0		\$0						0.376		\$0	0			
28	250 Interruptible Gas Service	\$425.00		924		392,700	\$392,700						440.00		\$406,560		406,560			
29	Block 1 Volumes		\$1.141		1,491,133	1,701,382		\$1,701,382						1.231		\$1,834,902	1,834,902			
30	Block 2 Volumes		\$0.755		4,035,245	3,046,610		\$3,046,610						0.814		\$3,285,497	3,285,497			
31	Block 3 Volumes		\$0.349		0	0		\$0						0.376		\$0	0			
32	280 ECON DEV - OPT GS	\$425.00		36		15,300	\$15,300						440.00		\$15,840		15,840			
33	Block 1 Volumes		\$1.141		48,000	54,768		\$54,768						1.231		\$59,066	59,066			
34	Block 1 Volumes @ Discount Rate		\$0.856		24,000	20,538		\$20,538						0.923		\$22,150	22,150			
35	Block 2 Volumes		\$0.755		599,976	452,982		\$452,982						0.814		\$488,500	488,500			
36	Block 2 Volumes @ Discount Rate		\$0.566		287,992	163,075		\$163,075						0.811		\$175,862	175,862			
37	Block 3 Volumes		\$0.349		0	0		\$0						0.376		\$0	0			
38	Block 3 Volumes @ Discount Rate		\$0.262		186,887	48,918		\$48,918						0.262		\$52,753	52,753			
39	292 Cogeneration, CNG, Prime Movers Service	\$35.00		12		420	\$420						38.00		\$456		456			
40	Block 1 Volumes		\$1.141		2,949	3,365		\$3,365						1.231		\$3,629	3,629			
41	Block 2 Volumes		\$0.755		0	0		\$0						0.814		\$0	0			
42	Block 3 Volumes		\$0.349		0	0		\$0						0.376		\$0	0			
43	293 Large Tonnage Air Conditioning Gas Service	\$35.00		12		420	\$420						38.00		\$456		456			
44	Block 1 Volumes		\$1.141		14,318	16,337		\$16,337						1.231		\$17,619	17,619			
45	Block 2 Volumes		\$0.755		2,111	1,594		\$1,594						0.814		\$1,719	1,719			
46	Block 3 Volumes		\$0.349		0	0		\$0						0.376		\$0	0			
47	Total 240/250/260/292/293			1,032	7,026,541	6,227,962	429,240	5,798,742	7%	93%	9.90%	470,228			\$444,432	\$6,253,551	6,697,983	7%	93%	9.90%
49	TOTALS			1,663,640	22,461,638	62,914,761	30,486,709	32,428,051	46%	52%	100.00%	4,750,219			32,789,491	34,875,262	67,664,753	46%	52%	100.00%

**Tennessee Distribution System
Summary of Revenues
12 Months Ending May 31, 2016**

Line No.	Description	Filed			Actual			Variance		
		Base Count	Volumes Mcf	Margin Rev	Base Count	Volumes Mcf	Margin Rev	Base Count	Volume Difference Mcf	Margin Difference \$
1	RESIDENTIAL									
2	210 Residential Gas Service (Summer)	693,071	861,233	\$5,582,740	691,011	810,747	\$ 9,484,870	(2,060)	(\$9,486)	\$ (88,070)
3	210 Residential Gas Service (Winter) (weather sensitive)	851,950	7,092,968	23,252,826	863,797	6,514,947	\$ 22,782,169	1,838	(1,878,041)	\$ (470,596)
4	210 Residential Gas Service Senior Citizen (Summer)	736	537	655	705	519	\$ 633	(31)	(19)	\$ (22)
5	210 Residential Gas Service Senior Citizen (Winter) (weather sensitive)	1,069	9,052	11,029	1,011	8,211	\$ 9,080	(48)	(2,841)	\$ (1,948)
6	211 Residential/Comm. Commercial/Industrial Heating & Cooling Service	12	247	353	12	174	\$ 318	(6)	(73)	\$ (35)
7	Total Residential	1,455,638	7,964,658	32,847,602	1,456,536	6,332,588	\$ 32,266,866	(902)	(1,931,459)	\$ (560,742)
8										
9	COMMERCIAL									
10	211 Residential/Comm. Commercial/Industrial Heating & Cooling Service	12	215	330	12	112	\$ 265	(9)	(103)	\$ (95)
11	220 Commercial Gas Service (weather sensitive)	190,872	5,230,618	19,211,680	193,248	4,561,908	\$ 18,962,393	(924)	(668,651)	\$ (261,496)
12	230 Large Commercial Gas Service (weather sensitive)	15	30,265	68,132	3	(228)	\$ 797	(12)	(30,493)	\$ (67,325)
13	250 Commercial Interchangeable Gas Service	0	0	0	0	0	\$ 0	0	0	\$ 0
14	293 Large Tonnage Air Conditioning Gas Service	12	16,429	18,551	12	12,770	\$ 14,891	0	(3,659)	\$ (8,659)
15	Total Commercial	193,911	5,277,527	18,299,962	193,279	4,574,581	\$ 18,964,256	(630)	(702,938)	\$ (332,846)
16										
17	INDUSTRIAL									
18	220 Industrial Gas Service (weather sensitive)	3,506	591,900	1,429,926	3818	551,884	\$ 1,581,187	(118)	(316)	\$ (151,267)
19	230 Large Industrial Gas Service	96	64,878	170,399	69	38,655	\$ 107,867	(27)	(26,254)	\$ (62,532)
20	240 DEMAND/COMM GAS	0	0	0	4	6,118	\$ 19,170	4	6,118	\$ 19,170
21	250 Industrial Interchangeable Gas Service	295	319,681,2194	640,787	314	546,733	\$ 668,514	19	27,052	\$ 25,717
22	280/290 Economic Development Gas Service	12	199,992	126,657	0	-	\$ -	(12)	(199,992)	\$ (126,657)
23	292 Cogeneration, CHG, Prime Movers Service	12	2,849	3,834	12	-	\$ 3,670	0	(2,849)	\$ (156)
24	Total Industrial	4,351	1,339,491	2,371,657	4,217	1,142,680	\$ 2,378,386	(134)	(196,449)	\$ (6,780)
25										
26	PUBLIC AUTHORITY									
27	211 Residential/Comm. Commercial/Industrial Heating & Cooling Service	0	0	0	-	-	\$ -	0	0	\$ -
28	221 Experimental School Gas Service	62	70,694	83,148	56	71,707	\$ 84,201	(6)	1,123	\$ 1,093
29	225 Public Authority Gas Service (Sr. Citizens) (Summer)	0	0	0	-	-	\$ -	0	0	\$ -
30	225 Public Authority Gas Service (Sr. Citizens) (Winter) (weather Sensitive)	0	0	0	-	-	\$ -	0	0	\$ -
31	225 Public Authority Gas Service (Summer)	3,876	9,391	54,965	2,975	7,915	\$ 51,742	(901)	(1,476)	\$ (3,223)
32	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,271	44,620	127,588	4,106	33,526	\$ 122,779	(165)	(11,097)	\$ (4,809)
33	Total Public Authority	7,409	124,578	285,701	7,197	113,148	\$ 258,722	(212)	(111,430)	\$ (6,979)
34										
35	TRANSPORTATION									
36	260 - TRANSP (250 SML COMMAND)	132	142,224	389,240	144	137,120	\$ 382,412	12	(5,105)	\$ (6,828)
37	260 - TRANSP (250 LRG COMMAND)	497	1,320,561	2,944,600	508	1,368,334	\$ 3,028,055	11	38,773	\$ 84,446
38	260 - TRANSP (250 DEMAND)	48	333,920	575,627	58	387,787	\$ 715,776	10	53,868	\$ 140,161
39	260 - TRANSP (250 OPT GS)	629	5,006,697	4,558,301	631	5,029,634	\$ 4,574,442	2	16,937	\$ 16,142
40	260 - TRANSP (280/290 ECON DEV - OPT GS)	24	948,862	638,937	24	677,981	\$ 508,107	0	(280,881)	\$ (128,830)
41	Special Contracts	48	2,489,784	811,582	38	910,873	\$ 338,521	(10)	(1,569,911)	\$ (473,467)
42	Total Transportation	1,378	10,237,058	9,916,703	1,403	8,960,729	\$ 9,547,317	25	(1,733,336)	\$ (669,386)
43										
44	TOTALS	1,663,898	24,942,622	64,706,513	1,662,628	20,667,027	\$ 63,497,551	(1,268)	(4,275,595)	\$ (1,208,963)
45										
46	Rate Strike Rounding Error			\$ 288			\$ 72,412			\$ 72,124
47	4870 - Forfeited Discount			\$ 706,749			\$ 650,854			\$ (156,895)
48	4880 - Miscellaneous Service charges			\$ 429,850			\$ 417,424			\$ (12,426)
49	TOTAL MARGIN REVENUES			\$65,837,389			\$ 64,478,241			\$ (1,359,148)

**Tennessee Distribution System
Cost of Service True - Up
Twelve Months Ended May 31, 2016**

Line No.	Description	Attrition Year	Amount
	(a)	(b)	(c)
1	Schedule 1 Net Revenue Deficiency	5/31/2016	(4,750,219)
2			
3	<u>Cost of Service</u>		
4	Actual Cost of Service	5/31/2014	110,688,817
5			
6	<u>Revenue</u>		
7	Total Book Revenues	5/31/2014	106,583,645
8	Less: Prior True - Up revenues	5/31/2013	0
9	Total Attrition Year Revenues	5/31/2014	106,583,645
10			
11	True - Up	5/31/2014	4,105,172
12			
13	Cost of Capital	5/31/2014	645,048
14			
15	True - Up Incl. Cost of Capital	5/31/2014	4,750,219
16			
17	Deficiency Net of True - Up		0

Atmos Energy Corporation
Revenue Deficiency (Surplus)
For the Twelve Months Ended May 31, 2016

Line No.		Company	Reference
1	Rate Base	254,254,144	See 2RB
2	Operating Income at Present Rates	15,879,978	See 3 IS
3	Earned Rate of Return (L 2 / L 1)	6.25%	
4	Fair Rate of Return	7.57%	See 8 CC
5	Required Operating Income (L 1 x L 4)	19,247,039	
6	Operating Income Deficiency (Surplus) (L 5 - L 2)	3,367,061	
7	Gross Revenue Conversion Factor	1.631900	See 7 GU
9	Additional Revenue Required to Earn Authorized Rate of Return	5,494,707	
10	Calculated Income Tax Expense on Deficiency		2,127,646
11	Calculated Income Tax Expense on Current Operating Income		6,382,661
12	Subtract Calculated Income Taxes	(8,510,307)	8,510,307
13	Add Actual per book Income Tax Expense	7,120,772	
14	Additional Revenue Required to Earn Authorized Rate of Return	4,105,172	
15	Carrying Cost	645,048	
16	Amount to be added to revenue sufficiency / deficiency in February 1, 2017 ARM filing	4,750,220	

Almos Energy Corporation
Rate Base
For the Twelve Months Ended May 31, 2016

Line No.		Company	Reference
1	Utility Plant in Service	477,765,715	2015 revenue requirement schedules.xls, Sch 7, Col (d), Ln 1
2	Construction Work in Progress	8,493,083	2015 revenue requirement schedules.xls, Sch 7, Col (d), Ln 5
3	Materials and Supplies / Storage Gas	4,677,482	2015 revenue requirement schedules.xls, Sch 7, Col (d), Ln 11
4	Working Capital/Deferred Rate Case	1,073,912	2015 revenue requirement schedules.xls, Sch 7, Col (d), Ln 9
5	Net Elimination of Intercompany Leased Property	5,774,164	2015 revenue requirement schedules.xls, Sch 7, Col (d), Ln 27
6	Deferred Pension Regulated Asset	973,868	2015 revenue requirement schedules.xls, Sch 7, Col (d), Ln 13
7	Total Additions	<u>498,758,224</u>	
Deductions:			
8	Accumulated Depreciation	189,995,951	2015 revenue requirement schedules.xls, Sch 7, Col (d), Ln 3
9	Customer Deposits	4,717,109	2015 revenue requirement schedules.xls, Sch 7, Col (d), Ln 19
10	Contributions and Advances in Aid of Construction	76,428	2015 revenue requirement schedules.xls, Sch 7, Col (d), Ln 17
11	Accumulated Deferred Tax-Accel. Depreciation	49,647,283	2015 revenue requirement schedules.xls, Sch 7, Col (d), Ln 15
12	Accrued Interest on Customer Deposits	67,310	2015 revenue requirement schedules.xls, Sch 7, Col (d), Ln 21
13	Total Deductions	<u>244,504,081</u>	
14	Rate Base	<u>254,254,144</u>	

Atmos Energy Corporation
Income Statement
For the Twelve Months Ended May 31, 2016

Line No.		Company	Reference
1	Revenues - Sales, forfeited discounts & other	106,583,645	2015 revenue requirement schedules.xls, Sch 2, Col (d), Ln 8
2	Cost of Gas	42,105,404	2015 revenue requirement schedules.xls, Sch 1, Col (c), Ln 1
3	Gross margin on sales and service	64,478,241	
4	AFUDC	41,170	2015 revenue requirement schedules.xls, Sch 1, Col (c), Ln 13
5	Operating Margin	64,519,412	
6	Other Operation and Maintenance	23,011,435	See 4 O&M
7	Interest on Customer Deposits	153,306	2015 revenue requirement schedules.xls, Sch 1, Col (c), Ln 13
8	Depreciation and Amortization Exp.	11,540,707	2015 revenue requirement schedules.xls, Sch 1, Col (c), Ln 13
9	Taxes Other Than Income	7,551,324	See 5 Tax
10	State Excise Tax	1,057,675	See 6 FIT
11	Federal Income Tax	5,324,986	See 6 FIT
12	Total Operating Expense	48,639,434	
13	Net Operating Income for Return	15,879,978	
14	Plus amortization-Gain	-	
15	Plus adjustments	-	
16	Adjusted Net Operating Income	15,879,978	

Atmos Energy Corporation
Operations and Maintenance Expenses
For the Twelve Months Ended May 31, 2016

Line No.		Company	Reference
1	Salaries and Wages		
1	Labor	7,710,464	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 1
2	Benefits	3,575,958	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 2
3	Employee Welfare	2,233,176	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 3
4	Insurance	1,195,114	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 4
5	Rent, Maint., & Utilities	1,066,213	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 5
6	Vehicles & Equip	573,401	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 6
7	Materials and Supplies	522,781	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 7
8	Information Technologies	823,354	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 8
9	Telecom	438,890	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 9
10	Marketing	242,272	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 10
11	Directors & Shareholders & PR	285,983	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 11
12	Dues & Donations	126,877	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 12
13	Print & Postage	21,289	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 13
14	Travel & Entertainment	566,134	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 14
15	Training	103,346	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 15
16	Outside Services	4,879,718	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 16
17	Provision for Bad Debt	181,114	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 17
18	Miscellaneous	(2,516,501)	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 18
19	Rate Case Expense	-	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 21
20	Elimination of Intercompany Leased Property - Rent	(532,000)	2015 revenue requirement schedules.xls, WP 4-1, Excel Col C, Ln 14
21	Inclusion of Barnsley Storage Operating Expense	410,907	2015 revenue requirement schedules.xls, WP 4-1, Excel Col D, Ln 14
22	Interest Expense	5,949,547	2015 revenue requirement schedules.xls, Sch 8, Col (e), Ln 3
23	Disallowed Items	(1,913,825)	
24	Actual Allocable Pension Contribution	2,986,790	
25			
26	Total O&M Expense	<u>28,960,982</u>	

Atmos Energy Corporation
Operations and Maintenance Expense
For the Twelve Months Ended May 31, 2016

Line No.		Company	Reference
1	Property Taxes	4,156,162	2015 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 11+Ln19+Ln23
2	State Gross Receipts Tax	1,447,204	2015 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 12
3	Payroll Taxes	579,317	2015 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 13+Ln20+Ln24
4	State Franchise Tax	707,000	2015 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 14
5	Other General Taxes	20,299	2015 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 16
6	TRA Inspection Fee	641,342	2015 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 15
7	Total Taxes Other Than Income Taxes	<u>7,551,324</u>	

Atmos Energy Corporation
Federal and Excise Taxes
For the Twelve Months Ended May 31, 2016

Line No.		Company
1	Operating Margin	64,478,241
2	Other Operation and Maintenance	23,011,435
3	Depreciation and Amortization Expense	11,540,707
4	Taxes Other Than Income	7,551,324
5	NOI Before Excise and Income Taxes	22,374,775
6	less Interest on Customer Deposits	153,306
7	less Interest Expense	5,949,547
8	Pre-tax Book Income	16,271,922
9	Schedule M Adjustments	-
10	Excise Taxable Income	16,271,922
11	Excise Tax Rate	6.50%
12	Excise Tax	1,057,675
13	Pre-tax Book Income	16,271,922
14	Excise Tax	1,057,675
15	Schedule M Adjustments	-
16	FIT Taxable Income	15,214,247
17	FIT Rate	35.00%
18	Subtotal FIT	5,324,986
19	Less: ITC Amortization	-
20	Federal Income Tax Expense	5,324,986

Atmos Energy Corporation
Gross Revenue Conversion Factor
For the Twelve Months Ended May 31, 2016

Line No.		Amount	Balance
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.010971 A/	0.010971
3	Balance		1.010971
4	Uncollectible Ratio	0.002677 B/	0.002706
5	Balance		1.008265
6	State Excise Tax	0.065000 C/	0.065537
7	Balance		0.942728
8	Federal Income Tax	0.350000 C/	0.329955
9	Balance		0.612773
10	Revenue Conversion Factor (1 / Line 9)		1.631900

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

B/ Uncollectible expense/Gross margin on sales

C/ Statutory Rate

Atmos Energy Corporation
Cost of Capital

Line No.		Ratio	Cost	Weighted Cost
1	Short Term Debt	8.55%	1.07%	0.1%
2	Long Term Debt	38.11%	5.90%	2.3%
3	Preferred Stock			
4	Stockholder's Equity	<u>53.34%</u>	9.80%	<u>5.2%</u>
5	Total	<u>100.00% A/</u>		<u>7.57%</u>

A/ Should be 100%