BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE
February 2, 2017

IN RE:	)	
	)	
PETITION OF ATMOS ENERGY FOR APPROVAL OF 2106 ANNUAL RECONCILIATION FILING	))	**DOCKET NO. 16-00105**

ORDER APPROVING SETTLEMENT AGREEMENT

This matter came before Chairman David F. Jones, Vice Chairman Robin L. Morrison, and Director Kenneth C. Hill of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, during a regularly scheduled Authority Conference held on January 17, 2017, to hear and consider the *Settlement Agreement*, which is attached as Exhibit 1, and was filed on December 16, 2016 by Atmos Energy Corporation ("Atmos" or the "Company") and the Consumer Protection and Advocate Division of the Tennessee Attorney General and Reporter ("CPAD") (collectively the "Parties").

BACKGROUND AND *PETITION*

On May 11, 2015, the Authority approved, in TRA Docket No. 14-00146, a general rate increase and an Annual Rate Review Mechanism ("ARM," "ARM Tariff" or the "mechanism") for Atmos pursuant to the *Stipulation and Settlement Agreement* filed by the Parties on April 29, 2015. The *Stipulation and Settlement Agreement* provided that Atmos could opt into an annual review of its rates pursuant to Tenn. Code Ann. § 65-5-103(d)(6), with Atmos' tariff outlining the specific methodologies for the ARM.[1] The mechanism requires the Company to submit a rate adjustment in February of each year based upon its forward looking test year.[2] Subsequently, by September 1 of each year, the Company shall file with the Authority a reconciliation of actual results of its calculated authorized Return on Equity ("ROE") to the forward looking test year just completed.[3] The actual cost of service shall be compared to actual booked revenues to determine the revenue requirement adjustment necessary in order to achieve the authorized ROE.[4]

On September 1, 2016, Atmos filed the *Petition of Atmos Energy for Approval of 2016 Annual Reconciliation Filing* in the present docket, its first annual reconciliation under the Company's approved ARM. As a component of the Company's ARM, this filing reconciles actual operating results to those previously forecasted for the forward looking test year ending May 31, 2016.[5] Pursuant to the ARM, any approved annual reconciliation revenue requirement will be included in the February 1, 2017 ARM Filing.[6]

On September 21, 2016, the CPAD filed a *Petition to Intervene*, which was granted by the Hearing Officer in an Order dated September 28, 2016. No other parties petitioned to intervene in this matter. The parties engaged in discovery, and the *Settlement Agreement* was filed on December 16, 2016.

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[1] *See In re: Petition of Atmos Energy Corporation for a General Rate Increase Under T.C.A. 65-5-103(a) and Adoption of an Annual Rate Review Mechanism Under T.C.A. 65-5-103(d)(6)*, Docket No. 14-00146, *Stipulation and Settlement Agreement*, pp. 4-6 (April 29, 2015) ("*Atmos ARM Settlement Agreement*").
[2] *Id.* at 4.
[3] *Id.* at 26.
[4] *Id.*
[5] *Petition*, p. 2 (September 1, 2016).
[6] *Atmos ARM Settlement Agreement*, p. 27 (April 29, 2015).

THE HEARING

The Hearing in this matter was held before the voting panel of Directors during the regularly scheduled Authority Conference on January 17, 2017, as noticed by the Authority on January 6, 2017. Participating in the Hearing were:

> Atmos Energy Corporation – Scott Ross, Esq., Neal & Harwell, PLC, 1201 Demonbreun Street, Suite 1000, Nashville, Tennessee 37203.
>
> Consumer Protection and Advocate Division – Wayne M. Irvin, Esq., Office of the Tennessee Attorney General and Reporter, Post Office Box 20207, Nashville, Tennessee 37202-0207.

During the Hearing, Gregory Waller, manager of rates and regulatory affairs for Atmos, presented the *Settlement Agreement* and was subject to questioning before the panel. Members of the public were given an opportunity to offer comments, but no one sought recognition to do so.

STANDARD FOR AUTHORITY APPROVAL

Tenn. Code Ann. § 65-5-103(d) (2015) provides, in pertinent part:

> (6)(A) A public utility may opt to file for an annual review of its rates based upon the methodology adopted in its most recent rate case pursuant to § 65-5-101 and subsection (a), if applicable.
>
> (B) In order for a public utility to be eligible to make an election to opt into an annual rate review, the public utility must have engaged in a general rate case pursuant to § 65-5-101 and subsection (a) within the last five (5) years; provided, however, that the authority may waive such requirement or increase the eligibility period upon a finding that doing such would be in the public interest.
>
> (C) Pursuant to the procedures set forth in subdivision (d)(1), the authority shall review the annual filing by the public utility within one hundred twenty (120) days of receipt and order the public utility to make the adjustments to its tariff rates to provide that the public utility earns the authorized return on equity established in the public utility's most recent general rate case pursuant to § 65-5-101 and subsection (a).

Findings and Conclusions

In their proposed *Settlement Agreement*, the Parties asked the Authority to approve Atmos' annual reconciliation filing of its approved ARM tariff as revised by the *Settlement Agreement*. After review and consideration of the evidentiary record in this proceeding, including all testimony, data responses and the supporting schedules and workpapers submitted with the *Settlement Agreement*, the voting panel found that the methodologies used by the parties in calculating the Revenue Deficiency pursuant to the ARM are consistent with those established by the Authority in TRA Docket No. 14-00146.

Further, the voting panel found that the ARM continues to allow the Company to recover operating expenses in a timely manner while avoiding the expense and time necessary for preparing and filing a general rate case. The panel also found that the ARM helps to ensure that Atmos earns its fair and reasonable return on equity as established in TRA Docket No. 14-00146 which, in turn, allows the Company to invest and recover the capital necessary to provide safe and reliable service to its customers.

For the foregoing reasons, the panel found that Atmos' ARM remains in the public interest and voted unanimously to approve the *Settlement Agreement* between the CPAD and the Company as filed on December 16, 2016, with its supporting schedules and workpapers. Specifically, the panel voted unanimously to approve a Revenue Deficiency of $3,985,975 and Carrying Costs of $626,318, as calculated by the parties on Schedule 1 of Attachment A to the *Settlement Agreement*, resulting in a total revenue deficiency of $4,612,293 to be added in Atmos' February 1, 2017 ARM.

IT IS THEREFORE ORDERED THAT:

1. The *Settlement Agreement*, filed by Atmos Energy Corporation and the Consumer Protection and Advocate Division of the Tennessee Attorney General and Reporter on December 16, 2016, a copy of which is attached to this Order as Exhibit 1, is approved, adopted and incorporated in this Order as if fully rewritten herein.

2. Any person who is aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen days from the date of this Order.

3. Any person who is aggrieved by the Authority's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty days from the date of this Order.

Chairman David F. Jones, Vice Chairman Robin L. Morrison, and Director Kenneth C. Hill concur.

ATTEST:

Earl Taylor

Earl R. Taylor, Executive Director

EXHIBIT 1

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE:

ATMOS ENERGY CORPORATION	)	
ANNUAL RECONCILIATION	)	**DOCKET NO. 16-00105**
OF ANNUAL REVIEW MECHANISM	)	

SETTLEMENT AGREEMENT

For the purpose of settling this case, Tennessee Regulatory Authority (TRA) Docket No. 16-00105, Herbert H. Slatery III, the Tennessee Attorney General and Reporter, by and through the Consumer Protection and Advocate Division (CPAD) and Atmos Energy Corporation (Atmos Energy) respectfully submit this Settlement Agreement (Settlement Agreement). Subject to TRA approval, the CPAD and Atmos Energy (individually, a Party and, collectively, the Parties) agree to the following:

BACKGROUND

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

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

3. On September 1, 2016, Atmos Energy filed the Petition in this Docket. The Annual Reconciliation, as prescribed in Section VII of Atmos Energy's annual review mechanism (ARM) tariff, reconciles actual results to the originally-filed Forward Looking Test Year. The resulting Annual Reconciliation Revenue Requirement (ARRR) is the amount of additional revenue or refund required for Atmos Energy to earn its authorized return on equity for the Test Year ending May 31, 2016, in accordance with the Approved Methodologies as defined in Atmos Energy's approved ARM tariff. Pursuant to these provisions, Atmos Energy's Petition requested approval of the ARRR. Atmos Energy submitted testimony from Gregory K. Waller in support of its Petition.

4. On September 21, 2016, the CPAD filed a Petition to Intervene, which was granted by the TRA in an order dated September 28, 2016.

5. On November 30, 2016, the CPAD submitted direct expert testimony from William H. Novak.

6. Atmos Energy has responded to both formal and informal discovery requests from the CPAD, and the Parties' accounting experts have engaged in multiple direct communications concerning the issues covered in this Docket.

7. The Parties have engaged in settlement discussions and have resolved all issues raised by the Parties in this Docket. For the purpose of avoiding further litigation and resolving this proceeding upon acceptable terms, the Parties have agreed to the settlement terms set forth below, subject to TRA Approval, which the Parties jointly request.

SETTLEMENT

Annual Reconciliation Revenue Requirement

8. The revised Revenue Requirement Model attached hereto as Exhibit A calculates the appropriate ARRR equaling $4,612,293. This is the amount of additional revenue required for Atmos Energy to earn its authorized return on equity for the Test Year ending May 31, 2016, in accordance with the Approved Methodologies, except as noted in paragraphs 9 through 11, as defined in Atmos Energy's approved ARM tariff. The attached model includes the below-described adjustments from Atmos Energy's filed position.

Description of Adjustment	**Revenue Requirement Impact**
The adjustments discussed in the requests and response to CPAD 2-01 and 2-13 relating to the non-regulated asset imputation and disallowed O&M items.	$(6,404)
The adjustment to depreciation and amortization expense (specifically related to the pension regulated asset amortization approved in Docket No. 14-00146) discussed in the requests and responses to Staff 1-05 and 1-08.	$(757,100)
An adjustment to replace the calculated amount of interest on customer deposits on Schedule 1 and WP1-1 with the actual amount in Atmos Energy's general ledger, as stated in the CPAD's testimony.	$16,808
Two adjustments to correct the average storage gas balance: 1) to correct for one storage field incorrectly booked to Virginia rather than Tennessee in April and May 2016; and 2) to update the allocations of shared storage fields to reflect those in place following Atmos Energy's recent ACA audit, as stated in Atmos Energy's response to the CPAD's informal data request.	$1,271
An adjustment to remove the amortization of gas plant acquisition from cost of service, as stated in the CPAD's testimony.	$(48,387)
An adjustment to remove capitalized incentive compensation from rate base, as stated in the CPAD's testimony, and as discussed below.	$(107,618)
Total Reduction in Revenue Requirement	**$(901,430)**

Pursuant to Atmos Energy's approved ARM tariff, Atmos Energy shall incorporate the ARRR into its February 1st ARM filing by adding it to the revenue requirement calculated for the

Forward Looking Test Year ending May 31, 2018 that will be the subject of that filing. Exhibit A is incorporated by reference as if fully set forth herein.

Capitalized Incentive Compensation

9. The methodologies applied to and treatment of incentive compensation in this Docket have been used by Atmos Energy since at least 2012 (Docket No. 12-00064) and are part of the Approved Methodologies in Docket No. 14-00146. Specifically, paragraph 13(h)(v) "Disallowances", which begins on page 14 of the Settlement Agreement from Docket No. 14-00146 states:

> The Company shall remove from O&M amounts related to incentive compensation, spousal and dependent travel, and non-deductible dues. Specifically, the Company shall remove allocated net expense amounts for incentive compensation, spousal and dependent travel, and non-deductible dues budgeted in the following sub accounts: 07452, 07458, 07460, 07463, 07454, 07450, 05416, and 05412, as well as any subaccounts that in form or substance could constitute a successor or replacement for such subaccount.

In its Petition in this Docket, Atmos Energy complied reasonably with the Approved Methodologies as they relate to the removal of incentive compensation. Atmos Energy used MFR 38 (in this instance, the version from Docket No. 14-00146 updated with actuals) to calculate the appropriate amounts to remove. The requirement to include MFR 38 in each ARM filing originated in the need to make this calculation for each ARM.

10. In the direct expert testimony of William H. Novak, on behalf the CPAD and as filed in this Docket, Mr. Novak stated on pages 5 and 6 that:

> The TRA has traditionally disallowed the recovery of incentive compensation on the basis that it would be inappropriate to provide prefunding for incentives through increased rates rather than from incrementally efficient operations. In fact, the Company's recovery of incentive compensation was specifically disallowed within the Settlement Agreement of Docket 14-00146 . . . [beginning on page 14, as quoted above.]

> In this reconciliation filing, the Company has appropriately removed all the incentive compensation that was ultimately charged to O&M expense. However, in my review, I also discovered an additional $10,623,003 . . . that was capitalized to plant in service and therefore included in Rate Base. Of this $10,623,003 in capitalized incentive compensation, approximately $467,283 is allocable to Tennessee operations.

Direct Testimony of William H. Novak, as filed on November 30, 2016 in TRA Docket No. 14-00146 on pages 5 and 6. Mr. Novak concluded that:

> The correct accounting procedure is to capitalize any portion of O&M expense that is appropriately related to capital projects, which the Company has done. However, the Company has inappropriately converted certain O&M incentive expenses which are specifically disallowable for rate setting purposes into plant in service which it is now seeking to earn a return on and recover in future years.
>
> Since the origin of these O&M expenses was for incentive compensation, which is specifically disallowed for rate setting purposes, I am recommending to the TRA that any capitalization of these incentives also be disallowed for rate setting purposes. I have therefore excluded capitalized incentive compensation allocated to Tennessee operations of $467,283 from rate base as shown on CPAD Exhibit, Schedule 2, Line 10. In addition, because this is a permanent ongoing adjustment from the amounts recorded on the Company's books, I would recommend that the TRA direct the Company to include the future impact of capitalized incentive compensation in future reconciliation filings.

Mr. Novak further recommended in a footnote that the TRA require that future filings by Atmos under the Docket No. No. 14-00146 annual review mechanism should specifically show the impact of book depreciation as well as accumulated deferred income taxes.

11. In compromise and settlement of this issue concerning the treatment of incentive compensation, however, Atmos Energy has made an adjustment to remove capitalized incentive compensation (CIC) from rate base in this Docket for the test year ending May 31, 2016, by removing the appropriate amount of allocable cost from plant in service (and therefore rate base). This adjustment is reflected in the revised Revenue Requirement Model attached hereto as Exhibit A and in the ARRR of $4,612,293. Going forward, Atmos Energy will propose a change

in methodology to remove CIC from rate base on a prospective basis, accounting for the cumulative impact and changes in balance to reflect amortization of prior years' removals, with the goal that this would be included in Atmos Energy's February 1, 2017 ARM filing. Atmos Energy agrees to provide a proposed change in methodology to CPAD no later than January 17, 2017.

Implementation of the Annual Review Mechanism and Methodologies

12. In the Stipulation and Settlement Agreement in Docket No. 14-00146 (14-00146 SA), which was incorporated in its entirety into the TRA's Order in that Docket, Section 19 provides:

> 19. The Parties acknowledge that Atmos Energy brought this matter, inter alia, to determine rates in a general rate case and to establish adopted ratemaking methodologies sufficient to enable implementation of the annual review mechanism established by Tenn. Code Ann. § 65-5-103(d)(6). The Parties jointly request that the Authority adopt the ratemaking methodologies set forth in this Settlement Agreement for the limited purpose of implementing an annual review mechanism under Tenn. Code Ann. § 65-5-103(d)(6) under this Docket, and approve the annual review mechanism and ARM Tariff consistent with the terms and requirements established by this Settlement Agreement. The methodologies adopted by the Authority as a result of the above request shall be utilized in preparing and evaluating each Annual ARM Filing and Annual Reconciliation filing contemplated under this Docket.

Further, Section 22 of that 14-00146 SA provides:

> 22. Except to the limited extent necessary to allow the Authority to implement an annual review mechanism under Tenn. Code Ann. § 65-5-103(d)(6) in this Docket (and, for the avoidance of doubt, only in this Docket 14-00146), the Parties acknowledge and agree as follows:
>
> > a. This Settlement Agreement shall not have any precedential effect in any other proceeding or be binding upon any of the Parties in this or any other jurisdiction;
> >
> > b. None of the signatories hereto shall be deemed to have acquiesced in any ratemaking or procedural principle, including

without limitation, any cost of service determination or cost allocation or revenue related methodology,

c. No provision of this Settlement Agreement shall be deemed an admission of any Party.

13. In its Order Approving 2016 Annual Rate Review Filing, Docket No. 16-00013 (June 13, 2016), the TRA ruled as follows:

> 1. The methodologies adopted by the Authority in the Company's most recent general rate case, Docket No. 14-00146, are applicable to the Company's ARM filing made in this docket. The Stipulation and Settlement Agreement, approved by the Authority in Docket No. 14-00146, stated "The Parties jointly request that the Authority adopt the ratemaking methodologies set forth in this Settlement Agreement for the limited purpose of implementing an annual review mechanism under Tenn. Code Ann. § 65-5-103(d)(6) under this Docket, and approve the annual review mechanism and ARM tariff consistent with the terms and requirements established by this Settlement Agreement." The methodologies adopted in Docket No. 14-00146 are applicable for the purpose of implementing the Company's approved ARM. The Petition is an annual ARM filing made pursuant to the Stipulation and Settlement Agreement, as approved by the Authority, and the docket number assigned to it is not controlling or of consequence to the issue.

14. In light of Sections 19 and 22 of the 14-00146 SA and the TRA's ruling in Docket No. 16-00013, the Parties have agreed that the phrases "for the limited purpose of implementing an annual review mechanism under Tenn. Code Ann. § 65-5-103(d)(6) under this Docket," in Section 19, and "[e]xcept to the limited extent necessary to allow the Authority to implement an annual review mechanism under Tenn. Code Ann. § 65-5-103(d)(6) in this Docket (and, for the avoidance of doubt, only in this Docket 14-00146)" in such Section 22 will be interpreted to allow the implementation of an annual review mechanism and the use by Atmos of the methodologies approved in the 14-00146 SA in dockets other than Docket No. 14-00146 so long as (A) in each docket in which the 14-00146 SA methodologies are to be used by Atmos to implement the annual review mechanism, there is a clear reference to all prior filings by

Atmos in which the methodologies have been used and (B) each time the 14-00146 SA methodologies are used, a notice is filed in Docket No. 14-00146 that identifies for reference purposes all of the filings by Atmos Energy in which the methodologies have been or are being used by Atmos to implement the annual review mechanism. For the avoidance of doubt, the agreement set out in this Section 14 does not amend or modify any of the consequences set out in Section 22 of the SA 14-00146, other than as specifically set out in Section 14 of this Settlement Agreement in order to accommodate the use of additional dockets in the implementation of the SA 14-00146 annual review mechanism.

Prudency Review

15. Atmos Energy, through testimony, will affirmatively attest to the prudence of its cost of service items in future filings made in accordance with its ARM tariff. Notwithstanding any such attestation, the CPAD and TRA shall continue to have the right to review and contest the prudence of items in any filing under Atmos Energy's ARM tariff.

Concluding Provisions

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

17. The Parties agree to support this Settlement Agreement before the TRA and in any hearing, proposed order, or brief conducted or filed in this proceeding. The provisions of this Settlement Agreement are agreements reached in compromise and solely for the purpose of settlement of this matter. The provisions in this Settlement Agreement do not necessarily reflect

the positions asserted by any Party. None of the Parties to this Settlement Agreement shall be deemed to have acquiesced in or agreed to any ratemaking or accounting methodology or procedural principle, including without limitation, any cost of service determination or cost allocation or revenue-related methodology; provided, however, for the avoidance of doubt, that this sentence will not supersede or modify any ratemaking or accounting methodology or procedural principle, including without limitation, any cost of service determination or cost allocation or revenue-related methodology adopted in TRA Docket No. 14-00146 or the implementation of the annual review mechanism approved by that Docket.

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

19. The Parties agree and request the TRA to order that the settlement of any issue pursuant to this Settlement Agreement shall not be cited by the Parties or any other entity as binding precedent in any other proceeding before the TRA or any court, state or federal except to the limited extent necessary to implement the provisions hereof.

20. The terms of this Settlement Agreement have resulted from extensive negotiations between the signatories and the terms hereof are interdependent. The Parties jointly recommend that the TRA issue an order adopting this Settlement Agreement in its entirety without modification.

21. If the TRA does not accept the settlement in whole, the Parties are not bound by any position or term set forth in this Settlement Agreement. In the event that the TRA does not approve this Settlement Agreement in its entirety, each of the signatories to this Settlement Agreement will retain the right to terminate this Settlement Agreement by giving notice of the

exercise of such right within ten business days of the date of such nonapproval; provided, however, that the signatories to this Settlement Agreement could, by unanimous consent, elect to modify this Settlement Agreement to address any modification required by, or issues raised by, the TRA within the same time frame. Should this Settlement Agreement terminate, it would be considered void and have no binding precedential effect, and the signatories to this Settlement Agreement would reserve their rights to fully participate in all relevant proceedings notwithstanding their agreement to the terms of this Settlement Agreement.

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

23. No provision of this Settlement Agreement shall be deemed an admission of any Party. No provision of this Settlement Agreement shall be deemed a waiver of any position asserted by a Party in this Docket.

24. Except as specifically agreed in this Settlement Agreement, any request made by Atmos Energy in the Petition shall be deemed to have been withdrawn upon the approval of this Settlement Agreement by the TRA.

25. The Parties agree that this Settlement Agreement constitutes the complete understanding among the Parties concerning the resolution of issues and matters under this TRA Docket No. 16-00105, and any oral statements, representations or agreements concerning such issues and matters made prior to the execution of this Settlement Agreement have been merged into this Settlement Agreement.

26. All exhibits and schedules attached to or referenced in this Settlement Agreement are hereby incorporated by reference into this Settlement Agreement.

27. The CPAD's agreement to this Settlement Agreement is expressly premised upon the truthfulness, accuracy and completeness of the information provided by Atmos Energy to the CPAD throughout the course of this Docket, which information was relied upon by the CPAD in negotiating and agreeing to the terms and conditions of this Settlement Agreement.

28. The acceptance of this Settlement Agreement by the Attorney General shall not be deemed approval by the Attorney General of any of Atmos Energy's acts or practices.

29. Each signatory to this Settlement Agreement represents and warrants that it/he/she has informed, advised and otherwise consulted with the Party for whom it/he/she signs regarding the contents and significance of this Settlement Agreement and has obtained authority to sign on behalf of such Party, and based upon those communications, each signatory represents and warrants that it/he/she is authorized to execute this Settlement Agreement on behalf of its/his/her respecting Party.

30. This Settlement Agreement shall be governed by and construed under the law of the State of Tennessee, Tennessee choice of law rules notwithstanding.

31. Nothing herein limits or alters the Sovereign Immunity of the State of Tennessee or any of its entities or subdivisions.

The foregoing is agreed and stipulated to this ____ day of December, 2016.

STIPULATION AND SETTLEMENT AGREEMENT
IN TRA DOCKET 16-00105
SIGNATURE PAGE

ATMOS ENERGY CORPORATION

A. Scott Ross, #15634
Blind Akrawi, #23213
Neal & Harwell, PLC
2000 One Nashville Place
150 Fourth Avenue, North
Nashville, TN 37219-2498
(615) 244-1713 – Telephone

Dated: December 12, 2016

STIPULATION AND SETTLEMENT AGREEMENT
IN TRA DOCKET 16-00105
SIGNATURE PAGE

CONSUMER PROTECTION AND ADVOCATE DIVISION

Herbert H. Slatery III

Herbert H. Slatery III, #09077
Attorney General and Reporter

Wayne M. Irvin

Wayne M. Irvin, #30946 by Vance Broemel
Assistant Attorney General
Office of the Attorney General
Public Protection Section
Consumer Advocate and Protection Division
P. O. Box 20207
Nashville, TN 37202-0207

Dated: December 16th, 2016

Exhibit A

Schedule 1

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

Line No.	Description	Reference	Amount	As Filed	Difference
	(a)	(b)	(c)	(d)	(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	11,498,891	12,353,190	(854,298)
8					
9	Return	Schedule 7	19,155,133	19,167,175	(12,042)
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	167,831	118,049	49,782
16					
17	Total Cost of Service		$ 110,569,620	$ 153,315,828	$ (42,746,207)
18					
19	Cost of Service w/o Gas Cost		68,464,216	65,837,389	2,626,827
20					
21	Non-Gas Revenues in Attrition Year (Gross Margin)		64,478,241		
22					
23	Additional Revenue Required to Earn Authorized Rate of Return		3,985,975		
24					
25	Carrying Cost		626,318		
26					
27	*Amount to be added to revenue sufficiency / deficiency*		$ 4,612,293		
28	*in February 1, 2017 ARM filing*				

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

Line No.	Description		Amount
	(a)		(b)
1	Average Customer Deposit Balance	$	4,717,109
2			
3	Interest Rate on Customer Deposits		3.25%
4			
5	Adjusted Customer Deposit Interest	$	153,306
6			
7	Per Book Customer Deposit Interest	$	167,831

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

Line No.	Description	Amount
	(a)	(b)
1	Base Period AFUDC per books - Div 093 (1)	$ (108,959)
2		
3	Less State Excise Tax Effect	(7,082)
4		
5		$ (101,877)
6		
7	Less Federal Tax Effect	(35,657)
8		
9	Net AFUDC - Base Period	$ (66,220)
10		
11	Change from Base Period to Attrition Year	25,049
12		
13	Attrition Year AFUDC per books - Div 093 (2)	$ (67,742)
14		
15	Less State Excise Tax Effect	(4,403)
16		
17		$ (63,339)
18		
19	Less Federal Tax Effect	(22,169)
20		
21	Net AFUDC - Attrition Period	$ (41,170)
22		
23	Note:	
24	1. Twelve months ended June 30, 2014 - Account 432	
25	2. Twelve months ended May 31, 2016	

Schedule 2

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		(43,999,556)
4			
5	Attrition Year Revenue:		
6	Gross Margin	$ 64,478,241	
7	Gas cost	42,105,404	
8	Total		$ 106,583,645
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		Amount
	(a)		(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	$	87,478,439
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		(1,254,170)
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	$	42,105,404
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)

Schedule 4

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

Line No.	Description		Amount
	(b)		(c)
1	Base period per books O&M Expense (1)	$	20,691,412
2			
3	Change from Base Period to Attrition Year		2,441,116
4			
5	Attrition Year O&M Expenses - Before Eliminations (2)	$	23,132,528
6			
7	Adjustments to O&M		
8	Elimination of Intercompany Leased Property - Rent	$	(532,000)
9	Inclusion of Barnsley Storage Operating Expense	$	410,907
10			
11	Total Adjustments	$	(121,093)
12			
13	Total Adjusted Operation and Maintenance Expenses	$	23,011,435
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

Line No.	FERC Account	Division 093 Historic Base 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

Line No.	FERC Account	Division 091 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 No.	FERC Account	Historic Base 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 No.	FERC Account	Historic Base 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)

Atmos Energy Corp - Tennessee Distribution System
Attrition Year Period Bad Debt Calculation
Twelve Months Ended May 31, 2016

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	1.316	10,179,347	0.5%	$ 50,897
2	210 Residential Gas Service (Winter) (weather sensitive)	826,242	6,878,880	25,717	214,108	851,959	7,092,988	18.00	1.316	24,668,776	0.5%	$ 123,344
3	210 Residential Gas Service Senior Citizen (Summer)	714	521	22	16	736	537	0.00	1.316	707	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	1.316	11,912	0.5%	$ 60
5												
6	211 Residential/Sm. Commercial/Industrial Heating & Cooling Service	24	448	1	14	25	462	15.00	0.764	724	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	2.489	20,385,217	0.5%	$ 101,926
9												
10	221 Experimental School Gas Service	61	69,270	1	1,314	62	70,584	38.00	1.217	88,245	0.5%	$ 441
11												
12	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0	0	0	0	0.00	1.316	0	0.5%	$ -
13	225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather Sensitive)	0	0	0	0	0	0	0.00	1.316	0	0.5%	$ -
14	225 Public Authority Gas Service (Summer)	2,983	9,107	93	283	3,076	9,391	15.00	1.316	58,495	0.5%	$ 292
15	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,142	43,257	129	1,346	4,271	44,603	18.00	1.316	135,569	0.5%	$ 678
16												
17	230 Large Commercial Gas Service (weather sensitive)	15	29,701	0	564	15	30,265	400.00	2.191	72,427	0.5%	$ 362
18												
19	Total											278,007

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 Upons\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]	$ 1,292,306	$ 2,091,640	$ 799,334	$ 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)	$ 1,572,035	$ 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	$ 682,788	$ 538,121	$ (144,667)	$ 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	$ 74,963	$ (33,257)	$ 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	$ 138,780	$ (118,369)	$ 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	$ 22,906	$ 49,998	$ 27,092	$ 17,675	$ 21,923	$ 4,248	$ 75,421	$ 44,956	$ (30,465)	$ 125,992	$ 126,917	$ 925
13	Print & Postage	$ 14,549	$ 7,286	$ (7,263)	$ 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	$ 2,804,370	$ 3,447,393	$ 643,023	$ 531,667	$ 637,091	$ 105,424	$ 1,342,248	$ 1,095,234	$ (247,014)	$ 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[2]	$ 20,126	$ 345,240	$ 325,114	$ (2,877,843)	$ (2,674,579)	$ 203,264	$ (10,383)	$ (277,162)	$ (266,779)	$ (2,867,960)	$ (2,516,881)	$ 351,079
19	Total O&M Expenses	$ 9,147,152	$ 11,385,389	$ 2,238,237	$ 5,930,270	$ 6,700,449	$ 770,179	$ 4,892,347	$ 3,973,425	$ (918,922)	$ 19,969,769	$ 22,059,263	$ 2,089,794
20													
21	Disallowed Items												
22	Other (Sub 09416 and 09412)	$ (2,243)	$ (6,609)	$ (4,366)	$ (2,691)	$ (1,386)	$ 1,305	$ (213)	$ (819)	$ (606)	$ (5,147)	$ (8,814)	$ (3,667)
23	Incentive Comp (MFR 38)	$ -	$ -	$ -	$ (647,942)	$ (710,905)	$ (62,963)	$ (340,228)	$ (602,653)	$ (262,425)	$ (988,170)	$ (1,311,558)	$ (323,388)
24	Benefits (FAS 87 Accrual)		$ (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	$ 14,058,295	$ 4,738,386	$ 5,279,637	$ 5,751,851	$ 472,214	$ 4,551,906	$ 3,325,182	$ (1,226,724)	$ 19,151,452	$ 23,135,328	$ 3,983,876

1 FAS 87 accrual removed from "Benefits" in Forecast and on line 24 for Actuals
2 Rate Case Expense Amortization included in "Miscellaneous" in Actual

Schedule 5

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

Line No.	Description	Total
	(a)	(b)
1	Base period per books Other Taxes Expense (1)	$ 6,190,722
2		
3	Change from Base Period to Attrition Year	1,325,771
4		
5	Attrition Year per books Other Taxes Expense (2)	$ 7,516,492
6		
7	Inclusion of Barnsley Storage Other taxes	34,832
8		
9	Attrition Year Adjusted Taxes Other Than Income Taxes	$ 7,551,324
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.	Descripton	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	**Division 093**													
2	FICA	13,058	14,714	17,506	11,261	53,163	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	(1,767)	(79)	(97)	3	11	6,901
4	SUTA	34	17	13	(21)	69	18	2,354	1,251	(252)	(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	45,132	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 93 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	$ 446,463	$ 447,192	$ 450,234	$ 568,644	$ 448,978	$ 669,422	$ 587,641	$ 575,301	$ 544,957	$ 501,338	$ 505,458	$ 6,190,723
15														
16	**Division 002**													
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	**Division 012**													
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	85	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	38,000	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	$ 2,527,387
30														
31	**Division 091**													
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	$ 19,629	$ 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	Division 093													
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	138,959	219,903	262,085	202,641	171,911	94,924	66,627	1,447,204
9	30104 State Sups & 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	$ 686,045	$ 711,465	$ 704,381	$ 798,494	$ 714,736	$ 676,900	$ 642,272	$ 572,204	$ 7,516,492
15														
16	Division 002													
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	Division 012													
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	Division 091													
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	367	(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

Schedule 6

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

Line No.	Description	Reference	Amount
	(a)	(b)	(c)
1	Base period per books Depreciation Expense (1)		$ 10,441,142
2			
3	Change from Base Period to Attrition Year		791,879
4			
5	Attrition Year per books Depreciation Expense (2)	Wp 6-2	$ 11,233,021
6			
7	Adjustment to reflect Proposed Depreciation Rates		-
8			
9	Attrition Year per books Depreciation Expense	Wp 6-1	11,233,021
10			
11	Amortization of Deferred Pension Regulated Asset*	Wp 7-3	0
12			
13	Net Elimination of Intercompany Leased Property	Wp 3-1	265,870
14			
15	Total Depreciation and Amortization Expense, As Adjusted		$ 11,498,891
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	Allocated Amount
	(a)	(d)
1	Proforma Depreciation	
2	Tennessee Operations	$ 10,241,077
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	$ 11,233,021
	Attrition Period Per Books Depreciation Expense	$ 11,233,021

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

Line No.	Description		Allocated
	(a)		(d)
1	Proforma Depreciation		
2	Tennessee Operations	$	10,241,077
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	$	11,233,021
	Attrition Period Per Books Depreciation Expense	$	11,233,021

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	$ 44,074,111	$ 476,544,061	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	(1,797,916)	4,684,648	Wp 7-1 Wp7-2
8					
9	Cash Working Capital	955,030	111,952	1,066,982	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	$ 19,342,021	$ 247,265,897	
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	$ 233,746,110	$ 19,293,951	$ 253,040,061	
30					
31	Return at Overall Cost of Capital on Rate Base	$ 18,068,574	$ 1,460,552	$ 19,155,133	
32					
33	Note:				
34	1 Twelve months ended June 30, 2014				

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

								Division 093	Division 091 40.69%	Division 012 4.41%	CKV 0.84%	Division 002 4.36%	Greenville 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	147,380,834	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	4,753,093	146,432,452	12,955,099	179,570,339	9,263,141	462,660,091	2,054,950	6,533,656	125,056	7,948,863	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	461,951,592	4,312,465	147,130,905	12,953,546	184,518,460	9,237,608	459,829,937	1,818,251	6,535,761	118,601	8,120,258	121,253	476,544,061
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)	92,558	0	964,780	0	7,583,382
27	Dec-15	7,184,583	104,199	754,112	0	19,265,368	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														

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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	Division 093 100%	Division 091 40.69% 43.23%	Division 012 4.41% 4.46%	CKV 0.84% 0.97%	Division 002 4.36% 4.43%	Greenville 1.28% 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	7,380,676	0	0	0	0	0	7,380,676	0	0	0	0	0	7,380,676
61	Dec-15	6,977,997	0	0	0	0	0	6,977,997	0	0	0	0	0	6,977,997
62	Jan-16	4,746,006	0	0	0	0	0	4,746,006	0	0	0	0	0	4,746,006
63	Feb-16	3,353,418	0	0	0	0	0	3,353,418	0	0	0	0	0	3,353,418
64	Mar-16	1,679,327	0	0	0	0	0	1,679,327	0	0	0	0	0	1,679,327
65	Apr-16	1,719,928	0	0	0	0	0	1,719,928	0	0	0	0	0	1,719,928
66	May-16	2,268,451	0	0	0	0	0	2,268,451	0	0	0	0	0	2,268,451
67	Average	4,684,648	0	0	0	0	0	4,684,648	0	0	0	0	0	4,684,648
68														

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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	Division 093 100%	Division 091 40.69% 43.23%	Division 012 4.41% 4.46%	CKV 0.84% 0.97%	Division 002 4.36% 4.43%	Greenville 1.28% 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	619,896,244	0	(76,874,173)	(1,953,113)	(1,327,301)	0	27,439,892	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														

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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	Division 093	Division 091 40.69%	Division 012 4.41%	CKV 0.84%	Division 002 4.36%	Greenville 1.28%	Total Tennessee
								100%	43.23%	4.46%	0.97%	4.43%	1.33%	
	(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)	(3,601,475)	(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)	(3,057,036)	(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)	(4,998,586)	(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)	(2,168,325)	(51,553,153)	(2,270,173)	(119,024,629)	(2,410,271)	(182,469,509)	(937,452)	(2,300,243)	(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)	(5,316,916)	(32,927)	(191,716,849)
117	Apr-16	(183,629,710)	(2,177,135)	(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)	(2,188,593)	(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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	Division 093 100%	Division 091 40.69% 43.23%	Division 012 4.41% 4.46%	CKV 0.84% 0.97%	Division 002 4.36% 4.43%	Greenville 1.28% 1.33%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
139	**Interest on Customer Deposits (Account 2370-26919)**													
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	**Net elimination of intercompany leased property**													
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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
								FY13	100.00%	41.10%	4.32%	1.52%	4.56%	1.31%	
								FY14	100.00%	41.48%	4.36%	1.53%	4.50%	1.31%	
	(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	(6,663)	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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
								FY13	100.00%	41.10%	4.32%	1.52%	4.56%	1.31%	
								FY14	100.00%	41.48%	4.36%	1.53%	4.50%	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	Jan-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	*Includes Tennessee stored gas in Dvivision 93 and an allocated portion of Tennessee stored gas in Division 96*														
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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
								FY13	100.00%	41.10%	4.32%	1.52%	4.56%	1.31%	
								FY14	100.00%	41.48%	4.36%	1.53%	4.50%	1.31%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)		(h)	(i)	(j)	(k)	(l)	(m)	(n)
69															
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	$ -	$ (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	(28,420,909)
92	Aug-13	$ (58,952,525)	$ 39,086,232	$ (23,586,174)	$ -	$ 336,785,660	$ -		(58,952,525)	16,064,572	(1,019,767)	0	15,364,616	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	(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	(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	(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	(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	(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	(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	(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	17,374,316	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	(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	(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	$ -	$ (40,562,870)

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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
								FY13	100.00%	41.10%	4.32%	1.52%	4.56%	1.31%	
								FY14	100.00%	41.48%	4.36%	1.53%	4.50%	1.31%	
	(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)	$ (36,165,800)	$ (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)	$ (39,579,651)	$ (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	$ (72,538)
126	Jul-13	$ (72,538)	$ -	$ -	$ -	$ -	$ -		(72,538)	0	0	0	0	0	(72,538)
127	Aug-13	$ (72,538)	$ -	$ -	$ -	$ -	$ -		(72,538)	0	0	0	0	0	(72,538)
128	Sep-13	$ (73,888)	$ -	$ -	$ -	$ -	$ -		(73,888)	0	0	0	0	0	(73,888)
129	Oct-13	$ (73,888)	$ -	$ -	$ -	$ -	$ -		(73,888)	0	0	0	0	0	(73,888)
130	Nov-13	$ (73,888)	$ -	$ -	$ -	$ -	$ -		(73,888)	0	0	0	0	0	(73,888)
131	Dec-13	$ (73,888)	$ -	$ -	$ -	$ -	$ -		(73,888)	0	0	0	0	0	(73,888)
132	Jan-14	$ (73,888)	$ -	$ -	$ -	$ -	$ -		(73,888)	0	0	0	0	0	(73,888)
133	Feb-14	$ (73,888)	$ -	$ -	$ -	$ -	$ -		(73,888)	0	0	0	0	0	(73,888)
134	Mar-14	$ (75,078)	$ -	$ -	$ -	$ -	$ -		(75,078)	0	0	0	0	0	(75,078)
135	Apr-14	$ (75,078)	$ -	$ -	$ -	$ -	$ -		(75,078)	0	0	0	0	0	(75,078)
136	May-14	$ (75,078)	$ -	$ -	$ -	$ -	$ -		(75,078)	0	0	0	0	0	(75,078)
137	Jun-14	$ (75,078)	$ -	$ -	$ -	$ -	$ -		(75,078)	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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
								FY13	100.00%	41.10%	4.32%	1.52%	4.56%	1.31%	
								FY14	100.00%	41.48%	4.36%	1.53%	4.50%	1.31%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)		(h)	(i)	(j)	(k)	(l)	(m)	(n)
139															
140	**Interest on Customer Deposits (Account 2370-26919)**														
141															
142	Jun-13	$ (32,937)	$ 12,646	$ -	$ -	$ -	$ -		$ (32,937)	5,198	0	0	0	0	$ (27,739)
143	Jul-13	$ (43,807)	$ 12,646	$ -	$ -	$ -	$ -		(43,807)	5,197	0	0	0	0	(38,610)
144	Aug-13	$ (54,559)	$ 12,646	$ -	$ -	$ -	$ -		(54,559)	5,197	0	0	0	0	(49,362)
145	Sep-13	$ (73,804)	$ -	$ -	$ -	$ -	$ -		(73,804)	0	0	0	0	0	(73,804)
146	Oct-13	$ (81,802)	$ -	$ -	$ -	$ -	$ -		(81,802)	0	0	0	0	0	(81,802)
147	Nov-13	$ (89,866)	$ -	$ -	$ -	$ -	$ -		(89,866)	0	0	0	0	0	(89,866)
148	Dec-13	$ (98,712)	$ -	$ -	$ -	$ -	$ -		(98,712)	0	0	0	0	0	(98,712)
149	Jan-14	$ (107,835)	$ -	$ -	$ -	$ -	$ -		(107,835)	0	0	0	0	0	(107,835)
150	Feb-14	$ (2,455)	$ -	$ -	$ -	$ -	$ -		(2,455)	0	0	0	0	0	(2,455)
151	Mar-14	$ (17,056)	$ -	$ -	$ -	$ -	$ -		(17,056)	0	0	0	0	0	(17,056)
152	Apr-14	$ (40,547)	$ -	$ -	$ -	$ -	$ -		(40,547)	0	0	0	0	0	(40,547)
153	May-14	$ (61,671)	$ -	$ -	$ -	$ -	$ -		(61,671)	0	0	0	0	0	(61,671)
154	Jun-14	$ (50,328)	$ -	$ -	$ -	$ -	$ -		(50,328)	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	5,951,905
161	Jul-13	5,930,298	0	0	0	0	0		5,930,298	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	5,908,691
163	Sep-13	5,887,084	0	0	0	0	0		5,887,084	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	5,865,478
165	Nov-13	5,843,871	0	0	0	0	0		5,843,871	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	5,822,264
167	Jan-14	5,800,657	0	0	0	0	0		5,800,657	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	5,779,051
169	Mar-14	5,757,444	0	0	0	0	0		5,757,444	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	5,735,837
171	May-14	5,714,099	0	0	0	0	0		5,714,099	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	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			Contribution	Benchmark	Difference
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					

Line No			Amortization Expense	Regulated Asset Balance	
16			Amortization Expense	Regulated Asset Balance	
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 Utilty 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	Reveune Lag	37.50	37.50
2			
3	Expense Lag	35.19	33.97
4			
5	Net Lag	2.31	3.53
6			
7	Daily Cost of Service	413,499	302,685
8			
9	Cash Working Capital	955,030	1,066,982

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		11,498,891	-	-
36					
37	Interest on Customer Deposits		153,306	182.50	27,978,355
38					
39	Interest Expense - LTD		5,693,401	91.25	519,522,875
40					
41	Interest Expense - STD		227,736	24.05	5,476,749
42					
43	Return on Equity		13,420,561	-	-
44					
45					
46	TOTAL		110,782,832	33.97	3,763,840,959
47					
48	Daily Cost of Service		302,685		
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	$	(2,124,007)	$	476,544,061	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	$	(1,699,835)	$	4,684,648	Wp 7-1 Wp7-2
8								
9	Cash Working Capital	$	777,582	$	289,400	$	1,066,982	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	$	4,630,432	$	247,265,897	
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	$	247,958,276	$	5,081,784	$	253,040,061	
30								
31	Return at Overall Cost of Capital on Rate Base	$	19,167,175	$	(12,042)	$	19,155,133	
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	$ 19,155,133	$ 1,086,559
1	Current Return		$ 17,842,299	$ 15,894,248	$ (1,948,051)
4					
5	Pre-Tax Deficiency from Current Return		226,275	3,260,885	3,034,610
6	Tax Expansion Factor		1.6343	1.6319	
7	After-Tax Deficiency from Current Return		369,801	5,321,438	4,951,637
8					
9	Tax Liability Increase / Decrease (Ln 7 - Ln 3)		143,526	2,060,553	1,917,027
10	Current Tax Liability		$ 7,669,966	$ 6,410,207	$ (1,259,759)
11					
12	Income Tax Liability		$ 7,813,493	$ 8,470,760	$ 657,268
13					
14	Less: ITC Amortization		735		(735)
15					
16	Total Income Tax Liability		7,812,758	8,470,760	658,002
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

Line No.		Attrition Year Amount	Balance
1	Operating Revenues		1.000000
2			
3	Add: Forfeited Discounts	0.010971	0.010971
4			
5	Balance		1.010971
6			
7	Uncollectible Ratio	0.002682	0.002712
8			
9	Balance		1.008260
10			
11	State Excise Tax	0.065000	0.065537
12			
13	Balance		0.942723
14			
15	Federal Income Tax	0.350000	0.329953
16			
17	Balance		0.612770
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	53.34%	9.80%	5.23%
4				
5	Total Capital	100.0%		7.57%

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

Line No.	Description	May 31, 2016 $	%
	(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	$ 6,443,448,324	100.00%

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

		Atmos Consolidated Balances			12 Month Avg Atmos Consolidated - calc of STD rate	12 Month Avg		Interest on CP or Interest on Draws on Credit Facilitiy	Commitment Fees on Credit Facility	Bank Fees on AEC Credit Facility With RBS
								Detail of Colm (f) Consolidated Int Exp & Fees		30121
Line No	Date	Long-Term Debt	Short-Term Debt	Equity	STD Avg Daily Bal	STD Int Exp & fees	STD avg rate	Int Exp	Commit fees	Utility Bank Admin
	(a)	(b)	(c)	(d)	(e)	(f)	(g)			
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)
1	9.40% First Mortgage Bond I 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
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
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
10	3.95% 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
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
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
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
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
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
19										
20	Atmos Leasing Inc									
21	Industrial Develop Revenue Bond 07/13	1993	-	-	-	-	-	-	-	-
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
23	Less Unamortized Debt Discount		$ 4,725,958	$ 4,697,435	$ 4,668,911	$ 4,640,388	$ 4,611,864	$ 4,583,340	$ 4,554,817	$ 4,526,293
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

Line No	Debt Series (a)	Issued (b)	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
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
9	(1) 4.125% Sr Note due 10/15/2044	10/15/2014	500,000,000
10	5.95% Sr Note due 10/15/2034	10/22/04	200,000,000
11	6.35% Sr Note due 6/15/2017	6/2007	250,000,000
12	Sr Note 5.50% Due 06/15/2041	6/10/2011	400,000,000
13	8.50% Sr Note due 3/15/2019	03/23/09	450,000,000
14	4.15% Sr Note due 1/15/2043	01/15/13	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
19			
20	Atmos Leasing, Inc		
21	Industrial Develop Revenue Bond 07/13	1991	-
22	**Total Long-Term Debt**		2,460,000,000
23	Less Unamortized Debt Discount		$ 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 2

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&Disc (x)	Exp 1810 Penalty 1890 Decs 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	2,759,285
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	1,322,161
6	9.32% First Mortgage Bond T due June 2021/RET 2005	06/01/91	-	-	-	-	9.32%	0		0	302,746	1,813,732
7	8.77% First Mortgage Bond U due May 2022/RET 2005	05/01/92	-	-	-	-	8.77%	0		0	368,719	2,161,588
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	2,127,865
11	6.35% Sr Note due 6/15/2017	6/29/07	250,000,000	250,000,000	250,000,000	250,000,000	6.35%	15,875,000		(474,985)	307,042	332,679
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		(659,302)	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)	1,161,168	3,288,980
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	10,065,000
15	Debt Issuance Cost - Amort is pending new debt issue [1]	10/2014	-	-	-	-		0		(445,478)	215,407	8,110,882
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		$ 4,468,246	$ 4,440,722	$ 4,412,188	$ 4,383,875				$ 546,316	$ 4,135,278	$ 36,046,672
24	Annualized Amortization of T-Lock Settlement, Debt Exp. & Debt Disct							$ 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 2

Schedule 10

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	798,205	11,498,891	-	11,498,891
10							
11	Federal Income and State Excise Tax	Wp 10-1	7,669,966	(1,206,026)	6,463,941	(53,734)	6,410,207
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	$ (2,001,785)	$ 15,840,514	$ 53,734	$ 15,894,248
18							
19	Total Rate Base	Sch. 7	$ 233,746,110	$ 13,519,787	$ 247,265,897	$ 5,774,164	$ 253,040,061
20							
21	Rate of Return on Rate Base		7.63%		6.41%		6.28%
22							
23	Interest Expense	Sch. 8	5,890,402	(104,380)	5,786,022	135,115	5,921,137
24							
25							
26	Return on Equity		$ 11,951,897		$ 10,054,492		$ 9,973,111
27							
28	Rate of Return on Equity		9.62%		7.62%		7.39%
29							
30	Note:						
31	1. Twelve months ended June 30, 2014						
32	2. Twelve months ended May 31, 2016						

Wp 10-1

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	$ 22,263,285	$ 22,263,285
2					
3	Interest Deduction		5,890,402	5,786,022	5,921,137
4					
5	Equity Portion of Return		$ 19,555,644	$ 16,477,263	$ 16,342,147
6					
7	Application of Tax Rate to Equity Return - Tennessee	6.5%	1,271,117	1,071,022	1,062,240
8					
9	Application of Tax Rate to Equity Return - Federal	35%	6,399,584	5,392,184	5,347,967
10					
11	Income Tax Expense		$ 7,670,701	$ 6,463,206	$ 6,410,207
12					
13	Less: ITC Amortization		735	(735)	-
14					
15	Total Income Tax Liability		$ 7,669,966	$ 6,463,941	$ 6,410,207
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 Base Count	12 Mths Ended Jun 14 Volumes Mcf	Rates effective Jun 14 Monthly Customer chg	Rates effective Jun 14 Commodity Charge/Mcf	12 mths Jun14 Margin at Jun14 rates	Weather Adjustment Volumes Mcf	12 mths Jun14 WNA Adjusted Volumes Mcf	12 mths Jun14 Weather adj Margin at Jun14 rates	12 mths Jun14 WNA $ Adj at Jun14 rates
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	**RESIDENTIAL**									
2	210 Residential Gas Service (Summer)	584,807	835,236	$13.85	$1.227	9,125,242		835,236	9,125,242	$0
3	210 Residential Gas Service (Winter) (weather sensitive)	826,242	7,536,096	16.85	$1.227	23,158,967	(657,216)	6,878,880	22,352,563	($806,404)
4	210 Residential Gas Service Senior Citizen (Summer)	714	521	0.00	$1.227	540		521	540	$0
5	210 Residential Gas Service Senior Citizen (Winter) (wea	1,027	8,779	0.00	$1.227	10,772		8,779	10,772	$0
6	211 Residential/Sm. Commercial/Industrial Heating & Co	12	278	13.85	$0.719	366	(38)	239	338	($27)
7	Total Residential	1,412,862	8,380,910			32,305,987	(657,254)	7,723,655	31,499,555	(806,432)
8										
9	**COMMERCIAL**									
10	211 Residential/Sm. Commercial/Industrial Heating & Co	12	209	13.85	0.719	316		209	316	$0
11	220 Commercial Gas Service (weather sensitive)	190,262	5,429,449	35.00	2.332	19,320,644	(296,219)	5,133,229	18,629,860	($690,784)
12	230 Large Commercial Gas Service (weather sensitive)	15	31,415	375.00	2.036	69,586	(1,714)	29,701	66,097	($3,490)
13	250 Commercial Interruptible Gas Service			425.00		0		0	0	
14	Block 1 Volumes				1.141	0		0	0	
15	Block 2 Volumes				0.755	0		0	0	
16	Block 3 Volumes				0.349	0		0	0	
17	293 Large Tonnage Air Conditioning Gas Service	12		35.00		420		0	420	
18	Block 1 Volumes		14,318		1.141	16,337		14,318	16,337	
19	Block 2 Volumes		2,111		0.755	1,594		2,111	1,594	
20	Block 3 Volumes		0		0.349	0		0	0	
21	Total Commercial	190,301	5,477,502			19,408,897	(297,933)	5,179,568	18,714,624	(694,273)
22										
23	**INDUSTRIAL**									
24	220 Industrial Gas Service (weather sensitive)	3,883	572,879	35.00	2.332	1,471,158	(31,255)	541,624	1,398,272	($72,887)
25	230 Large Industrial Gas Service	108	290,206	375.00	2.036	631,360		290,206	631,360	
26	240 DEMAND/COMM GS	0		425.00		0		0	0	
27	Block 1 Volumes		0		1.141	0		0	0	
28	Block 2 Volumes		0		0.755	0		0	0	
29	Block 3 Volumes		0		0.349	0		0	0	
30	Demand Volumes		0		16.283	0		0	0	
31	250 Industrial Interruptible Gas Service	295		425.00		125,375		0	125,375	
32	Block 1 Volumes		301,042		1.141	343,489		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	
47										
48	**PUBLIC AUTHORITY**									
49	211 Residential/Sm. Commercial/Industrial Heating & Co	0	0	13.85	$0.719	0		0	0	$0
50	221 Experimental School Gas Service	61	73,267	35.00	1.134	85,220	(3,997)	69,270	80,687	($4,533)
51	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0.00	1.227	0		0	0	$0
52	225 Public Authority Gas Service (Sr. Citizen) (Winter)	0	0	0.00	1.227	0		0	0	$0
53	225 Public Authority Gas Service (Summer)	2,963	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	7,166	130,087			266,045	(8,453)	121,634	256,045	(10,000)
56										
57	**TRANSPORTATION**									
58	260 - TRANSP (220 SML COM/INDG)	132	142,224	425.00	2.332	387,767		142,224	387,767	
59	260 - TRANSP (230 LRG COM/INDG)	487	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		203,300		0.755	153,537		203,300	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	1,356	8,461,723			8,792,543	0	8,461,723	8,792,543	
78										
79	TOTALS	1,615,993	23,895,057			$63,558,349	(994,896)	22,900,161	$61,974,757	($1,510,705)
80										
81	4870 - Forfeited Discount					$811,372			$811,372	
82	4880 - Miscellaneous Service charges					$427,876			427,876	
83	TOTAL MARGIN REVENUES					$64,797,597			$63,214,005	

Tennessee Distribution System
Proof of Revenues and Calculation of Rates
Forward Looking Test Year Margin at Present Rates
Historic Base Period Ended June 30, 2014 and Forward Looking Test Year Ended May 31, 2016

										210,211,235	1.63%	0.00%			
										220,231,230C	0.99%	0.00%			
		12 Mths Ended Jun 14		Rates effective Jun 14		12 mths Jun 14	C	Customer Changes		Customer Growth		Declining	Adjusted	Adjusted	Total
Line		Base	Weather Adj	Monthly	Commodity	Weather adj Margin	T	Base	Volumes	Base	Volumes	Usage	Base	Volumes	Adjusted
No.	Description	Count	Vol Mcf	Customer chg	Charge/Mcf	at Jun14 rates	&	Count	Mcf	Count	Mcf	Volumes Mcf	Count	Mcf	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)	584,467	835,236	$13.85	$1.227	$6,125,242				15,204	25,897	0	503,671	861,133	$8,409,210
3	210 Residential Gas Service (Winter) (weather sensitive)	826,242	6,878,880	$18.85	$1.227	22,362,563				25,717	214,108	0	551,959	7,092,988	23,658,668
4	210 Residential Gas Service Senior Citizen (Summer)	714	521	$0.00	$1.227	640				22	16	0	736	537	659
5	210 Residential Gas Service Senior Citizen (Winter) (weather	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	334				0	7	0	12	247	349
7	Total Residential	1,412,662	7,723,655			31,499,555		0	0	43,976	240,402	0	1,456,938	7,964,058	32,479,894
8															
9	COMMERCIAL														
10	211 Residential/Sm. Commercial/Industrial Heating & Cooling	12	209	13.85	0.719	316				0	6		12	215	326
11	220 Commercial Gas Service (weather sensitive)	190,262	5,133,229	35.00	2.332	18,628,860				3,610	97,389	0	193,872	5,230,618	18,983,312
12	230 Large Commercial Gas Service (weather sensitive)	15	29,701	375.00	2.036	65,097				0	564		15	30,265	67,251
13	250 Commercial Interruptible Gas Service	0		425.00		0							0	0	0
14	Block 1 Volumes		0		1.141	0							0	0	0
15	Block 2 Volumes		0		0.755	0							0	0	0
16	Block 3 Volumes		0		0.349	0							0	0	0
17	280 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
21	Total Commercial	190,301	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	1,398,272				73	10,275		3,936	551,900	1,424,800
25	230 Large Industrial Gas Service	108	290,208	375.00	2.036	631,300		(12)	(225,328)				96	64,878	168,032
26	240 DEMAND/COMM GS	0		425.00		0							0	0	0
27	Block 1 Volumes		0		1.141	0							0	0	0
28	Block 2 Volumes		0		0.755	0							0	0	0
29	Block 3 Volumes		0		0.349	0							0	0	0
30	Demand Volumes		0		16.283	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	343,489			(3,503)				0	297,539	339,492
33	Block 2 Volumes		277,758		0.755	209,707			(55,616)				0	222,142	167,717
34	Block 3 Volumes		0		0.349	0							0	0	0
35	260/250 Economic Development Gas Service	-		425.00		0		12					12	0	5,100
36	Block 1 Volumes		0		1.141	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	99,655
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
42	292 Cogeneration, CNG, 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
45	Block 3 Volumes		0		0.349	0							0	0	0
46	Total Industrial	4,278	1,413,580			2,711,989		0	(84,458)	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	69,270	35.00	1.184	80,687				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) (weathe	0	0	0.00	1.227	0							0	0	0
53	225 Public Authority Gas Service (Summer)	2,983	9,107	13.85	1.227	52,489				93	283		3,076	9,391	54,127
54	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,142	43,257	18.85	1.227	122,869				129	1,346		4,271	44,603	126,623
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 (220 SML COMMNDG)	132	142,224	425.00	2.332	387,767							132	142,224	387,767
59	260 - TRANSP (230 LRG COMMNDG)	497	1,121,093	425.00	2.036	2,493,770		0	205,468				497	1,326,561	2,912,103
60	290 - TRANSP (240 DEMAND)	46		425.00		20,400							48	0	20,400
61	Block 1 Volumes		96,000		1.141	109,536							0	96,000	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	290 - TRANSP (250 OPT GS)	641		425.00		272,425		(12)					629	0	267,325
66	Block 1 Volumes		1,217,594		1.141	1,389,274			(24,000)				0	1,193,594	1,361,890
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	290 - TRANSP (290/250 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	0
72	Block 2 Volumes		200,360		0.755	151,037			398,616				0	599,076	452,302
73	Block 2 Volumes @ Discount Rate		6,000		0.566	3,396			106,000				0	112,000	63,470
74	Block 3 Volumes		0		0.349	0			0				0	0	0
75	Block 3 Volumes @ Discount Rate		165,165		0.262	43,273			21,722				0	186,887	48,916
76	SPECIAL CONTRACTS	43	1,294,299			460,017		5	1,166,485				48	2,460,784	811,933
77	Total Transportation	1,366	8,461,723			8,792,543		12	1,775,335	0	0	0	1,378	10,237,058	9,822,407
78															
79	TOTALS	1,615,593	22,900,161			$61,974,757		12	1,690,878	47,883	351,582	0	1,663,488	24,942,622	$63,989,229
80															
81	4870 - Forfeited Discount					811,372									$706,749
82	4880 - Miscellaneous Service charges					427,876									429,939
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: 4,612,293

Line No	Description (a)	Rates effective Jun14 Monthly Customer chg (b)	Rates effective Jun14 Commodity Charge/Mcf (c)	Adjusted Base Count (d)	Adjusted Volumes Mcf (e)	Total Adjusted Margin Rev (f)	Cost Charge Rev (g)	Commodity Charge Rev (h)
1	Rate Schedule 210/225							
2	210/225 SUMMER	$13.85	$1.227	605,147	870,824	$9,463,393	$8,395,137	$1,068,255
3	210/225 WINTER (weather sensitive)	$16.85	$1.227	856,230	7,137,591	23,185,301	$14,427,477	$8,757,824
4	210/225 SR CIT	$0.00	$1.227	1,795	9,590	11,767	$0	$11,767
5	Total 210/225			1,464,172	8,017,505	32,660,461	22,822,614	9,837,846
6								
7	Rate Schedule 211							
8	211 HVAC	$13.85	$0.719	25	462	675	$343	$332
9								
10	Rate Schedule 220							
11	220 Commercial / Industrial Gas Service	$35.00	$2.332	197,808	5,782,518	20,408,112	$6,923,280	$13,484,832
12	220 Transportation	$425.00	$2.332	132	142,224	387,767	$56,100	$331,667
13	Total 220			197,940	5,924,742	20,795,879	6,979,380	13,816,499
14								
15	Rate Schedule 221							
16	221 Experimental School Gas Service	$35.00	$1.134	62	70,584	82,218	$2,176	$80,042
17								
18	Rate Schedule 230							
19	230 Large Commercial / Industrial Gas Service	$375.00	$2.035	111	95,143	235,443	$41,732	$193,711
20	230 Transportation	$425.00	$2.039	497	1,326,561	2,912,103	$211,225	$2,700,876
21	Total 230			608	1,421,704	3,147,546	252,957	2,894,589
22								
23	Rate Schedule 240/250/280/292/293							
24	240 Demand/Commodity Gas Service	$425.00		48		20,400	$20,400	
25	Block 1 Volumes		$1.141		96,000	109,536		$109,536
26	Block 2 Volumes		$0.755		237,929	179,637		$179,637
27	Block 3 Volumes		$0.349		0	0		$0
28	250 Interruptible Gas Service	$425.00		924		392,700	$392,700	
29	Block 1 Volumes		$1.141		1,491,133	1,701,382		$1,701,382
30	Block 2 Volumes		$0.756		4,035,245	3,046,610		$3,046,610
31	Block 3 Volumes		$0.349		0	0		$0
32	280 ECON DEV - OPT GS	$425.00		36		15,300	$15,300	
33	Block 1 Volumes		$1.141		48,000	54,768		$54,768
34	Block 1 Volumes @ Discount Rate		$0.856		24,000	20,538		$20,538
35	Block 2 Volumes		$0.755		599,976	452,982		$452,982
36	Block 2 Volumes @ Discount Rate		$0.566		287,992	163,075		$163,075
37	Block 3 Volumes		$0.349		0	0		$0
38	Block 3 Volumes @ Discount Rate		$0.262		186,887	48,918		$48,918
39	292 Cogeneration, CNG, Prime Movers Service	$35.00		12		420	$420	
40	Block 1 Volumes		$1.141		2,949	3,365		$3,365
41	Block 2 Volumes		$0.755		0	0		$0
42	Block 3 Volumes		$0.349		0	0		$0
43	293 Large Tonnage Air Conditioning Gas Service	$35.00		12		420	$420	
44	Block 1 Volumes		$1.141		14,318	16,337		$16,337
45	Block 2 Volumes		$0.755		2,111	1,594		$1,594
46	Block 3 Volumes		$0.349		0	0		$0
47	Total 240/250/280/292/293			1,032	7,026,541	6,227,982	429,240	5,798,742
48								
49	TOTALS			1,663,840	22,461,838	62,914,761	30,486,709	32,428,051

Line No	Description (a)	Cost Charge % (i)	Commodity Charge % (j)	% of Total Rev (k)	Allocated Amount of Increase (l)	Proposed Cust Charge (m)	Proposed Commodity Charge (n)	Proposed Cost Rev (o)	Proposed Commodity Rev (p)	Total (q)	Cost Charge % (r)	Commodity Charge % (s)	% of Total Rev (t)
1	Rate Schedule 210/225												
2	210/225 SUMMER					15.00	1.318	$9,092,207	$1,145,635	10,237,842			
3	210/225 WINTER (weather sensitive)					18.00	1.318	$15,412,142	$9,392,203	24,804,345			
4	210/225 SR CIT					0.00	1.318	$0	$12,619	12,619			
5	Total 210/225	70%	30%	51.91%	2,394,344			24,504,348	10,550,457	35,054,805	70%	30%	51.91%
6													
7	Rate Schedule 211												
8	211 HVAC	51%	49%	0.00%	49	15.00	0.764	$371	$353	724	51%	49%	0.00%
9													
10	Rate Schedule 220												
11	220 Commercial / Industrial Gas Service	34%	66%			38.00	2.489	$7,516,704	$14,391,673	21,908,377	34%	66%	
12	220 Transportation	14%	86%			440.00	2.489	$58,080	$353,971	412,051	14%	86%	
13	Total 220	34%	66%	33.05%	1,524,550			7,574,784	14,745,645	22,320,429	34%	66%	33.05%
14													
15	Rate Schedule 221												
16	221 Experimental School Gas Service	3%	97%	0.13%	6,027	38.00	1.217	$2,362	$85,883	88,245	3%	97%	0.13%
17													
18	Rate Schedule 230												
19	230 Large Commercial / Industrial Gas Service	18%	82%			400.00	2.191	$44,514	$208,468	252,982	18%	82%	
20	230 Transportation	7%	93%			440.00	2.191	$218,680	$2,906,631	3,125,311	7%	93%	
21	Total 230	8%	92%	5.00%	230,747			263,194	3,115,099	3,378,293	8%	92%	5.00%
22													
23	Rate Schedule 240/250/280/292/293												
24	240 Demand/Commodity Gas Service					440.00		$21,120		21,120			
25	Block 1 Volumes						1.228		$117,871	117,871			
26	Block 2 Volumes						0.813		$193,318	193,318			
27	Block 3 Volumes						0.378		$0	0			
28	250 Interruptible Gas Service					440.00		$406,560		406,560			
29	Block 1 Volumes						1.228		$1,830,845	1,830,845			
30	Block 2 Volumes						0.813		$3,278,637	3,278,637			
31	Block 3 Volumes						0.378		$0	0			
32	280 ECON DEV - OPT GS					440.00		$15,840		15,840			
33	Block 1 Volumes						1.228		$58,935	58,935			
34	Block 1 Volumes @ Discount Rate						0.921		$22,101	22,101			
35	Block 2 Volumes						0.813		$487,480	487,480			
36	Block 2 Volumes @ Discount Rate						0.609		$175,495	175,495			
37	Block 3 Volumes						0.378		$0	0			
38	Block 3 Volumes @ Discount Rate						0.282		$52,643	52,643			
39	292 Cogeneration, CNG, Prime Movers Service					38.00		$456		456			
40	Block 1 Volumes						1.228		$3,621	3,621			
41	Block 2 Volumes						0.813		$0	0			
42	Block 3 Volumes						0.378		$0	0			
43	293 Large Tonnage Air Conditioning Gas Service					38.00		$456		456			
44	Block 1 Volumes						1.228		$17,580	17,580			
45	Block 2 Volumes						0.813		$1,716	1,716			
46	Block 3 Volumes						0.378		$0	0			
47	Total 240/250/280/292/293	7%	93%	9.90%	456,575			$444,432	$6,240,242	6,684,674	7%	93%	9.90%
48													
49	TOTALS	48%	52%	100.00%	4,612,293			32,789,491	34,737,680	67,527,171	49%	51%	100.00%

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

Line No.	Description	Filed Base Count	Filed Volumes Mcf	Filed Margin Rev	Actual Base Count	Actual Volumes Mcf	Actual Margin Rev	Variance: Base Count	Volume Difference Mcf	Margin Difference $
1	RESIDENTIAL									
2	210 Residential Gas Service (Summer)	603,071	861,233	$9,582,740	601,011	810,747	$ 9,494,670	(2,060)	(50,486)	$ (88,070)
3	210 Residential Gas Service (Winter) (weather sensitive)	851,939	7,092,988	23,252,826	853,797	5,514,947	$ 22,782,160	1,858	(1,578,041)	$ (470,666)
4	210 Residential Gas Service Senior Citizen (Summer)	738	537	655	705	519	$ 633	(31)	(18)	$ (22)
5	210 Residential Gas Service Senior Citizen (Winter) (weather sensitive)	1,050	9,052	11,029	1,011	6,211	$ 9,680	(48)	(2,841)	$ (1,349)
6	211 Residential/Sm. Commercial/Industrial Heating & Cooling Service	12	247	353	12	174	$ 318	(0)	(73)	$ (35)
7	Total Residential	1,456,838	7,964,057	32,847,902	1,456,536	6,332,598	32,287,760	(302)	(1,631,459)	$ (560,142)
8										
9	COMMERCIAL									
10	211 Residential/Sm. Commercial/Industrial Heating & Cooling Service	12	215	339	12	112	$ 265	(0)	(103)	$ (74)
11	220 Commercial Gas Service (weather sensitive)	193,872	5,230,018	19,211,889	193,248	4,561,937	$ 18,950,392	(624)	(668,081)	$ (261,497)
12	230 Large Commercial Gas Service (weather sensitive)	15	30,265	68,132	3	(228)	$ 707	(12)	(30,493)	$ (67,425)
13	250 Commercial Interruptible Gas Service	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)	$ (3,660)
15	Total Commercial	193,911	5,277,527	19,298,902	193,275	4,574,591	18,966,256	(636)	(702,936)	$ (332,646)
16										
17	INDUSTRIAL									
18	220 Industrial Gas Service (weather sensitive)	3,936	551,900	1,429,920	3818	551,584	$ 1,581,167	(118)	(316)	$ 151,247
19	230 Large Industrial Gas Service	86	64,878	170,300	59	39,525	$ 107,767	(27)	(25,353)	$ (62,533)
20	240 DEMAND/COMM GS	0	0	0	4	5,118	$ 19,170	4	5,118	$ 19,170
21	250 Industrial Interruptible Gas Service	295	519,881 2194	640,797	314	546,733	$ 666,514	19	27,052	$ 25,717
22	280/256 Economic Development Gas Service	12	199,992	126,657	0	-	$ -	(12)	(199,992)	$ (126,657)
23	292 Cogeneration, CNG, Prime Movers Service	12	2,949	3,834	12	-	$ 3,679	0	(2,949)	$ (155)
24	Total Industrial	4,351	1,339,401	2,371,607	4,217	1,142,960	2,378,385	(134)	(196,440)	$ 6,778
25										
26	PUBLIC AUTHORITY									
27	211 Residential/Sm. Commercial/Industrial Heating & Cooling Service	0	0	0	-	-	$ -	0	0	$ -
28	221 Experimental School Gas Service	67	70,584	83,148	58	71,707	$ 84,201	(9)	1,123	$ 1,053
29	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0	-	-	$ -	0	0	$ -
30	225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather Sensitive)	0	0	0	-	-	$ -	0	0	$ -
31	225 Public Authority Gas Service (Summer)	3,077	9,391	54,965	2,976	7,915	$ 51,742	(101)	(1,476)	$ (3,223)
32	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,271	44,603	127,588	4,166	33,526	$ 122,779	(105)	(11,077)	$ (4,809)
33	Total Public Authority	7,409	124,578	265,701	7,197	113,148	258,722	(212)	(11,430)	$ (6,979)
34										
35	TRANSPORTATION									
36	260 - TRANSP (220 SML COMM/IND)	132	142,224	389,240	144	137,120	$ 382,412	12	(5,105)	$ (6,828)
37	260 - TRANSP (230 LRG COMM/IND)	497	1,320,561	2,944,609	508	1,365,334	$ 3,029,055	11	44,773	$ 84,446
38	260 - TRANSP (240 DEMAND)	48	333,929	575,627	58	387,787	$ 715,778	10	53,858	$ 140,151
39	260 - TRANSP (250 OPT GS)	629	5,006,697	4,558,301	631	5,023,634	$ 4,573,442	2	16,937	$ 15,142
40	260 - TRANSP (280/259 ECON DEV - OPT GS)	24	946,862	636,937	24	677,981	$ 508,107	0	(268,881)	$ (128,830)
41	Special Contracts	48	2,480,784	811,988	38	910,873	$ 338,521	(10)	(1,569,911)	$ (473,467)
42	Total Transportation	1,378	10,237,058	9,916,703	1,403	8,503,729	9,547,317	25	(1,733,330)	$ (369,386)
43										
44	TOTALS	1,663,888	24,942,622	64,700,513	1,662,628	20,667,027	63,437,551	(1,260)	(4,275,595)	(1,262,962)
45										
46		Rate Strike Rounding Error	$	288	Unbilled Entry / Other	$	72,412		$	72,124
47		4870 - Forfeited Discount	$	706,749	4870 - Forfeited Discount	$	550,854		$	(155,895)
48		4880 - Miscellaneous Service charges	$	429,839	4880 - Miscellaneous Service charges	$	417,424		$	(12,415)
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	(4,612,293)
2			
3	**Cost of Service**		
4	Actual Cost of Service	5/31/2014	110,569,620
5			
6	**Revenue**		
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	3,985,975
12			
13	Cost of Capital	5/31/2014	626,318
14			
15	True - Up Incl. Cost of Capital	5/31/2014	4,612,293
16			
17	Deficiency Net of True - Up		0

Docket 14-00146
Schedule 1

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

Line No.		Company	Reference
1	Rate Base	253,040,061	See 2RB
2	Operating Income at Present Rates	15,885,420	See 3 IS
3	Earned Rate of Return (L 2 / L 1)	6.28%	
4	Fair Rate of Return	7.57%	See 8 CC
5	Required Operating Income (L 1 x L 4)	19,155,133	
6	Operating Income Deficiency (Surplus) (L 5 - L 2)	3,269,712	
7	Gross Revenue Conversion Factor	1.631900	See 7 GU
9	Additional Revenue Required to Earn Authorized Rate of Return	5,335,844	
10	Calculated Income Tax Expense on Deficiency		2,066,131
11	Calculated Income Tax Expense on Current Operating Income		6,404,510
12	Subtract Calculated Income Taxes	(8,470,641)	8,470,641
13	Add Actual per book Income Tax Expense	7,120,772	
14	Additional Revenue Required to Earn Authorized Rate of Return	3,985,975	
15	Carrying Cost	626,318	
16	*Amount to be added to revenue sufficiency / deficiency in February 1, 2017 ARM filing*	4,612,293	

Docket 14-00146
Schedule 2

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

Line No.		Company	Reference
1	Utility Plant in Service	476,544,061	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	4,691,985	2015 revenue requirement schedules.xls, Sch 7, Col (d), Ln 11
4	Working Capital/Deferred Rate Case	1,066,982	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	973,866	2015 revenue requirement schedules.xls, Sch 7, Col (d), Ln 13
7	Total Additions	497,544,141	
	Deductions:		
8	Accumulated Depreciation	159,995,951	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	244,504,081	
14	Rate Base	253,040,061	

Docket 14-00146
Schedule 3

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	167,831	2015 revenue requirement schedules xls, Sch 1, Col (c), Ln 13
8	Depreciation and Amortization Exp	11,498,891	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	1,061,295	See 6 FIT
11	Federal Income Tax	5,343,214	See 6 FIT
12	Total Operating Expense	48,633,991	
13	Net Operating Income for Return	15,885,420	
14	Plus amortization-Gain	-	
15	Plus adjustments	-	
16	Adjusted Net Operating Income	15,885,420	

Docket 14-00146
Schedule 4

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	7,710,404	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	1,098,213	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	435,890	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	285,963	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	21,299	2015 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 13
14	Travel & Entertainment	556,134	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	5,921,137	2015 revenue requirement schedules.xls, Sch 8, Col (e), Ln 3
23	Disallowed Items	(1,913,825)	
24	Actual Allocable Pension Contribution	2,986,730	
25			
26	Total O&M Expense	28,932,573	

Docket 14-00146
Schedule 5

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	7,551,324	

Docket 14-00146
Schedule 6

Atmos Energy Corporation
Federal and Excise Taxes
For the Twleve 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	11,498,891
4	Taxes Other Than Income	7,551,324
5	NOI Before Excise and Income Taxes	22,416,590
6	less Interest on Customer Deposits	167,831
7	less Interest Expense	5,921,137
8	Pre-tax Book Income	16,327,622
9	Schedule M Adjustments	-
10	Excise Taxable Income	16,327,622
11	Excise Tax Rate	6.50%
12	Excise Tax	1,061,295
13	Pre-tax Book Income	16,327,622
14	Excise Tax	1,061,295
15	Schedule M Adjustments	-
16	FIT Taxable Income	15,266,327
17	FIT Rate	35.00%
18	Subtotal FIT	5,343,214
19	Less: ITC Amortization	-
20	Federal Income Tax Expense	5,343,214

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	0.002682	B/	0.002712
5	Balance			1.008260
6	State Excise Tax	0.065000	C/	0.065537
7	Balance			0.942723
8	Federal Income Tax	0.350000	C/	0.329953
9	Balance			0.612770
10	Revenue Conversion Factor (1 / Line 9)			1.631900

A/ Forfeited discounts on gross revenues = forfeited discounts/gross revenues (excluding forfeited discounts)
B/ Uncolletible 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	53.34%	9.80%	5.2%
5	Total	100.00% A/		7.57%

A/ Should be 100%