BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE

IN RE:

PETITION OF ATMOS ENERGY CORPORATION FOR APPROVAL OF ITS 2017 ANNUAL RATE REVIEW FILING PURSUANT TO TENN. CODE ANN. § 65-5-103(D)(6)	)))))	**DOCKET NO. 17-00012**

REBUTTAL TESTIMONY OF GREGORY K. WALLER ON BEHALF OF ATMOS ENERGY CORPORATION

I. INTRODUCTION OF WITNESS

Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A. My name is Gregory K. Waller. I am Manager, Rates and Regulatory Affairs with Atmos Energy Corporation ("Atmos Energy" or "Company"). My business address is 5420 LBJ Freeway, Ste. 1600, Dallas, Texas 75240.

Q. PLEASE STATE YOUR EDUCATION AND PROFESSIONAL BACKGROUND.

A. I received a Bachelor of Arts degree in economics from Dartmouth College in 1994 and an MBA degree from the University of Texas in 2000. I worked as a management consultant from 1994 to 2003 at Harbor Research in Boston, MA (1994-1996) and Towers Perrin in Dallas, TX (1997-2003). I joined Atmos Energy in 2003 in the Planning and Budgeting Department in Dallas. In November of 2005 I became Vice President of Finance for the Kentucky/Mid-States Division, which includes the Company's regulated Tennessee operations. I assumed my current role in Dallas, TX in July 2012.

Q. WHAT ARE YOUR RESPONSIBILITIES AT ATMOS ENERGY?

I am responsible for managing rate proceedings filed primarily with state regulatory bodies on behalf of the Company. My responsibilities include execution of applications for changes to rates and tariffs as part of traditional rate cases, tariff language change proposals, and annual rate making mechanisms that the Company files in the eight states in which it has regulated operations.

Q. HAVE YOU TESTIFIED BEFORE THIS OR ANY OTHER REGULATORY COMMISSION?

A. Yes. I testified before the Tennessee Regulatory Authority ("Authority") in Docket No. 05-00258 I also submitted testimony in Docket Nos. 07-00105, 08-00197, 12-00064, 14-00081, 14-00146 and 17-00012. I testified before the Kentucky Public Service Commission in 2014 and the Georgia Public Service Commission in 2008, 2009 and 2011. And I submitted direct testimony in the Company's rate proceedings in Kentucky (2006, 2009, 2013 and 2015) and Virginia (2008, 2013 and 2014).

Q. HAVE YOU REVIEWED THE TESTIMONY OF THE INTERVENING PARTY?

A. Yes. I have reviewed the testimony of the Consumer Protection and Advocate Division ("CPAD") including that of CPAD witness Mr. William H. Novak.

II. PURPOSE OF REBUTTAL TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is twofold:

1. Concur with Mr. Novak regarding the reasonableness and completeness of the

Company's 2017 ARM filing and request that the Commission approve the revenue requirement and rates submitted by the Company in its response to CPAD data request 2-1 which comprises a total revenue increase of $6,740,135 including the Annual Reconciliation Revenue Requirement previously approved by the Authority in Docket No. 16-00105. I have attached the revenue requirement schedules from that response to my testimony as Exhibit GKW-R-1.

2. Respond to and clarify comments made by Mr. Novak regarding the new allocation factors proposed by the Company for two unique pools of shared assets.

III. REVENUE DEFICIENCY

Q. DO YOU AGREE THAT THE TOTAL REVENUE DEFICIENCY PROPOSED BY THE COMPANY FOR ITS 2017 ARM IS $6,740,135?

A. Yes. The Company amended the revenue deficiency amount in its response to CPAD data request 2-1 following discussions with and discovery from CPAD regarding the treatment of capitalized incentive compensation. Mr. Novak states in his testimony that the Company has addressed his concerns[1] and he agrees that the revenue deficiency calculated in that response is proper. The $6,740,135 amount is composed of $4,612,293 approved by the Authority in Docket No. 16-00105 plus the deficiency in the instant docket of $2,127,842. I have attached the

[1] *In re: Petition of Atmos Energy Corporation for Approval of Its 2017 Annual Rate Review Filing Pursuant to Tenn. Code Ann. § 65-5-103(D)(6)*, Docket No. 17-00012, *Direct Testimony of William H. Novak*, p. 10 (April 25, 2017).

amended revenue requirement schedules as Exhibit GKW-R-1 and request that the Authority approve the rates summarized on Schedule 11-4.

IV. ALLOCATION FACTORS

Q. PLEASE RESPOND TO MR. NOVAK'S RECOMMENDATION THAT THE COMMISSION REVIEW THE ATMOS ENERGY/ATMOS MARKETING ("AEAM") AND ALIGNE SYSTEM ("ALGN") ALLOCATION FACTORS IN THE RELEVANT ARM RECONCILIATION FILING?[2]

A. The ARM Tariff, in Section V., requires that proposed deviations from Approved Methodologies be disclosed in the Certificate required by the tariff. The Company complied with this section of the ARM Tariff by disclosing, among other things, proposed changes to the allocation methodology for certain pools of unique shared assets. I believe that the February 1st ARM filing is the proper proceeding for consideration and resolution of such issues. However, in this instance, the Company will not object to Mr. Novak's recommendation that the Commission withhold consideration of this issue until a future reconciliation filing. Because the Company complied with the ARM Tariff in the instant docket, however, the Company does intend to make any subsequent ARM filings (pursuant to the ARM tariff) with the proposed changes intact unless and until the Commission rules otherwise.

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[2] *Id.* at 14.

Q. DO YOU AGREE WITH MR. NOVAK'S ASSERTION THAT THE COMPANY'S ANALYSIS OF THE EFFECT OF ADOPTING THE AEAM AND ALGN FACTORS APPEARS TO BE FLAWED BECAUSE IT ASSUMES THAT THE ALGN COSTS THAT ARE NOT APPLICABLE TO TENNESSEE WOULD BE ALLOCATED AT 4.33% WITHOUT THE ADOPTION OF THE ALGN ALLOCATION FACTOR[3]?

A. No. In the absence of a unique allocator for the Aligne System assets, the Company would have no other means by which to account for these unique assets. The Aligne assets would be Shared Services assets in Division 2 ("002") and would receive the Division 002 allocation factor[4]. The unique nature of the assets in question is precisely the reason the Company established the new allocation pool which allows for an allocation methodology that is consistent with their function. In an effort to ensure an equitable allocation now and in the future, the new allocation pool is necessary.

V. CONCLUSION

Q. HAS THE COMPANY FULLY COMPLIED WITH THE PROVISIONS OF THE ARM TARIFF APPROVED BY THE AUTHORITY?

A. Yes.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

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[3] *Id.* at 13-14.

[4] In calculating what the impact on revenue requirement would be in the absence of the methodology change, I simply allocated AEAM and ALGN assets at the Division 002 rate and recalculated the overall revenue requirement. The result was an increase of $109,066 compared to the Company's originally filed deficiency.

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

IN RE:

PETITION OF ATMOS ENERGY CORPORATION FOR APPROVAL OF ITS 2017 ANNUAL RATE REVIEW FILING PURSUANT TO TENN. CODE ANN. § 65-5-103(D)(6)	)))))	**DOCKET NO. 17-00012**

VERIFICATION

STATE OF TEXAS)

COUNTY OF DALLAS)

I, Gregory K. Waller, being first duly sworn, state that I am the Manager of Rates and Regulatory Affairs for Atmos Energy Corporation, that I am authorized to testify on behalf of Atmos Energy Corporation in the above referenced docket, that the Rebuttal Testimony of Gregory K. Waller in Support of Atmos Energy Corporation's Petition and the Exhibits thereto pre-filed in this docket on the date of filing on this Petition are true and correct to the best of my knowledge, information and belief.

G. Waller

Gregory K. Waller

Sworn and subscribed before me this 3rd day of May, 2017

NOTARY PUBLIC STATE OF TEXAS
PAMELA L PERRY
Notary ID # 125102271
My Commission Expires
October 29, 2020

Pamela L. Perry

Notary Public

My Commission Expires: 10-29-20

Schedule 1

Tennessee Distribution System
Cost of Service
Twelve Months Ended May 31, 2018

Line No.	Description	Reference	Amount
	(a)	(b)	(c)
1	Cost of Gas	Schedule 3	$40,904,923
2			
3	Operation & Maintenance Expense	Schedule 4	20,384,327
4			
5	Taxes Other Than Income Taxes	Schedule 5	7,704,182
6			
7	Depreciation & Amortization Expense	Schedule 6	12,516,189
8			
9	Return	Schedule 7	22,691,145
10			
11	Federal Income and State Excise Tax	Schedule 8	10,064,573
12			
13	AFUDC	Wp 1-2	(50,693)
14			
15	Interest on Customer Deposits	Wp 1-1	165,200
16			
17	Total Cost of Service		$ 114,379,845
18			
19			
20	Revenue at Present Rates	Schedule 2	$ 112,252,003
21			
22	Net Revenue Deficiency		$ 2,127,842
23			
24	ARM Reconciliation Amount, Docket No. 16-00105		$ 4,612,293
25			
26	Total Revenue Deficiency		$ 6,740,135
27			

Tennessee Distribution System
Interest on Customer Deposits
Twelve Months Ended May 31, 2018

Line No.	Description	Amount
	(a)	(b)
1	Average Customer Deposit Balance	$ 4,720,013
2		
3	Interest Rate on Customer Deposits	3.50%
4		
5	Adjusted Customer Deposit Interest	$ 165,200

Tennessee Distribution System
Allowance for Funds Used During Construction
Twelve Months Ended May 31, 2018

Line No.	Description		Amount
	(a)		(b)
1	Base Period AFUDC per books - Div 093 (1)	$	(83,411)
2			
3	Less State Excise Tax Effect		(5,422)
4			
5		$	(77,989)
6			
7	Less Federal Tax Effect		(27,296)
8			
9	Net AFUDC - Base Period	$	(50,693)
10			
11	Change from Base Period to Attrition Year		-
12			
13	Projected Attrition Year Net AFUDC	$	(50,693)
14			
15	Note:		
16	1. Twelve months ended September 30, 2016 - Account 432		

Tennessee Distribution System
Summary of Revenue at Present Rates
Twelve Months Ended May 31, 2018

Line	Description		Amount
	(a)	(b)	(c)
1	Base period per books revenue (1)		$ 106,935,939
2			
3	Change from Base Period to Attrition Year		5,316,064
4			
5	Projected Attrition Year Revenue:		
6	Margin at proposed WNA	$ 71,347,080	
7	Gas cost	40,904,923	
8	Total		$ 112,252,003
9			
10	Note:		
11	1. Twelve months ended September 30, 2016		

Schedule 3

Tennessee Distribution System
Cost of Gas
Twelve Months Ended May 31, 2018

Line No.	Description	Amount
	(a)	(b)
1	Base period per books cost of gas (1)	$ 42,120,941
2		
3	Adjustments	
4	Net Elimination of Intercompany Leased Storage Property	(1,216,018)
5		
6	Total Adjusted Gas Cost	$ 40,904,923
7		
8	Change from Base Period to Attrition Year	-
9		
10	Projected Attrition Year Gas Cost	$ 40,904,923
11		
12	Note:	
13	1. Twelve months ended September 30, 2016	

Tennessee Distribution System
ELIMINATION OF LEASED PROPERTY-RENT
Twelve Months Ended May 31, 2018

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	October-15	$ (44,333)	$ 24,993	$ 15,274	$ 3,750	$ (110,078)
2	November-15	(44,333)	22,372	15,161	3,750	(110,078)
3	December-15	(44,333)	32,820	15,161	3,750	(91,002)
4	January-16	(44,333)	25,064	15,161	3,750	(100,540)
5	February-16	(44,333)	11,442	15,161	3,750	(100,540)
6	March-16	(44,333)	40,360	15,161	3,750	(100,540)
7	April-16	(44,333)	25,892	15,161	3,750	(100,540)
8	May-16	(44,333)	20,467	15,161	3,750	(100,540)
9	June-16	(44,333)	20,278	15,161	3,750	(100,540)
10	July-16	(44,333)	21,714	15,161	3,750	(100,540)
11	August-16	(44,333)	25,066	15,161	3,750	(100,540)
12	September-16	(44,333)	17,280	16,894	3,750	(100,540)
13						
14	Total Per Books	$ (532,000)	$ 287,747	$ 183,781	$ 45,000	$ (1,216,018)

Schedule 4

Tennessee Distribution System
Operation and Maintenance Expenses
Twelve Months Ended May 31, 2018

Line No.	Description		Amount
	(b)		(c)
1	Base period per books O&M Expense (1)	$	21,828,328
2			
3	Change from Base Period to Attrition Year		(1,199,749)
4			
5	Attrition Year O&M Expenses - Before Eliminations	$	20,628,580
6			
7	Adjustments to O&M		
8	Elimination of Intercompany Leased Property - Rent	$	(532,000)
9	Inclusion of Barnsley Storage Operating Expense	$	287,747
10			
11	Total Adjustments	$	(244,253)
12			
13	Total Adjusted Operation and Maintenance Expenses	$	20,384,327
14			
15	Note:		
16	1. Twelve months ended September 30, 2016		

EXHIBIT GKW-R-1

WP 4-1

Tennessee Distribution System
Operation and Maintenance Expenses
Twelve Months Ended May 31, 2018

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	$ 3,555,037	$ 3,535,688	$ (19,349)	$ 3,318,537	$ 3,468,899	$ 150,362	$ 915,953	$ 1,099,492	$ 183,539	$ 7,789,527	$ 8,104,079	$ 314,552
2	Benefits	1,340,603	1,375,104	34,501	1,134,962	1,230,090	95,128	312,042	540,273	228,231	2,787,606	3,145,467	357,861
3	Employee Welfare	33,262	41,542	8,279	1,387,685	1,385,338	(2,347)	635,376	548,644	(86,733)	2,056,323	1,975,523	(80,800)
4	Insurance	178,945	31,117	(147,827)	927,349	897,083	(30,266)	20,638	178,415	157,778	1,126,932	1,106,616	(20,316)
5	Rent, Maint., & Utilities	590,232	587,888	(2,344)	373,165	349,634	(23,531)	153,665	159,910	6,245	1,117,063	1,097,432	(19,630)
6	Vehicles & Equip	507,567	671,676	164,109	6,780	4,771	(2,009)	28,804	29,574	770	543,151	706,021	162,870
7	Materials & Supplies	389,975	355,327	(34,648)	43,399	52,610	9,211	71,745	67,344	(4,402)	505,119	475,281	(29,838)
8	Information Technologies	9,358	-	(9,358)	793,487	811,863	18,376	39,334	50,701	11,366	842,179	862,563	20,384
9	Telecom	190,673	197,698	7,024	114,742	128,302	13,560	145,346	220,326	74,979	450,762	546,325	95,563
10	Marketing	89,851	75,863	(13,988)	11,700	12,023	323	138,954	169,324	30,370	240,505	257,210	16,705
11	Directors & Shareholders &PR	3,633	2,412	(1,221)	273,215	281,828	8,613	4	-	(4)	276,852	284,240	7,388
12	Dues & Donations	73,045	33,210	(39,836)	25,822	25,110	(712)	46,643	77,604	30,961	145,510	135,923	(9,587)
13	Print & Postages	8,695	10,632	1,937	8,137	11,610	3,473	5,600	5,689	89	22,432	27,932	5,499
14	Travel & Entertainment	291,917	208,521	(83,397)	112,851	151,118	38,267	173,488	245,512	72,025	578,256	605,151	26,895
15	Training	11,875	24,291	12,416	75,243	63,888	(11,356)	20,414	27,877	7,463	107,532	116,056	8,524
16	Outside Services	3,486,914	2,801,780	(685,134)	721,496	685,856	(35,641)	1,247,270	1,587,634	340,364	5,455,681	5,075,270	(380,410)
17	Provision for Bad Debt	286,637	313,245	26,608	-	-	-	-	-	-	286,637	313,245	26,608
18	Miscellaneous	195,719	46,558	(149,161)	(2,655,742)	(2,671,813)	(16,072)	(43,717)	4,937	48,653	(2,503,739)	(2,620,318)	(116,579)
19	Total O&M Expenses	$ 11,243,940	$ 10,312,553	$ (931,387)	$ 6,672,828	$ 6,888,208	$ 215,380	$ 3,911,561	$ 5,013,256	$ 1,101,695	$ 21,828,328	$ 22,214,016	$ 385,688
20													
21	Disallowed Items												
22	Other (Sub 05416 and 05412)		(7,764)			(3,722)			(668)			(12,154)	(12,154)
23	Incentive Comp (MFR 38)		0			(557,390)			(458,689)			(1,016,079)	(1,016,079)
24	Benefits (FAS 87 Accrual)		(267,333)			(208,998)			(80,872)			(557,203)	(557,203)
25													
26	Rate Case Expense		-	-							-	-	-
27													
28	Pension Benchmark		-	-							-	-	-
29													
30	Total O&M	$ 11,243,940	$ 10,037,456	$ (931,387)	$ 6,672,828	$ 6,118,098	$ 215,380	$ 3,911,561	$ 4,473,026	$ 1,101,695	$ 21,828,328	$ 20,628,580	$ (1,199,749)

Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2018

Division 093			
Line No.	FERC Account	Historic Base Period	Attrition Year
1	7350	1,504	1,498
2	8560	44,801	37,347
3	8600	6,308	5,326
4	8630	5,775	4,640
5	8700	1,614,281	1,446,591
6	8711	5,762	5,250
7	8720	65	64
8	8740	3,656,775	3,359,111
9	8750	474,888	457,553
10	8760	7	6
11	8770	2,615	2,101
12	8780	681,638	673,693
13	8800	130,271	129,485
14	8810	493,974	489,616
15	8860	4,457	4,440
16	8870	34,771	34,642
17	8890	3,247	2,673
18	8920	8,229	8,155
19	8930	11,094	10,824
20	8940	(56)	377
21	9010	212	210
22	9020	947,850	823,543
23	9030	316,230	310,793
24	9040	286,637	313,537
25	9090	152,522	143,869
26	9110	302,849	277,348
27	9120	42,872	34,740
28	9130	100	84
29	9200	99,887	99,343
30	9210	20,297	14,298
31	9220	10,554,992	11,901,464
32	9230	160,931	129,310
33	9240	139,178	24,202
34	9250	27,773	13,088
35	9260	1,352,964	1,389,480
36	9280	180,833	44,275
37	9302	21,871	10,841
38	9310	10,531	10,490
41	Total	21,798,932	22,214,308

Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2018

Division 091			
Line No.	FERC Account	Historic Base Period	Attrition Year
42	8170	521	560
43	8180	544	584
44	8190	7,490	8,046
45	8210	2,213	2,377
46	8250	12,765	13,713
47	8500	151	220
48	8560	1,026	1,156
49	8570	1,060	1,137
50	8650	93	94
51	8700	3,100,485	4,291,150
52	8710	140	147
53	8711	54,105	52,437
54	8740	90,489	97,991
55	8750	113,036	133,876
56	8760	70	72
57	8770	1,036	1,004
58	8780	478	338
59	8800	1,610	2,352
60	8810	309,396	332,368
61	9030	2,765,198	3,622,499
62	9040	-	
63	9090	388	488
64	9100	753	947
65	9110	131,544	169,694
66	9120	3,933	5,106
67	9130	8,759	11,018
68	9200	(104,066)	12,131
69	9210	69,126	90,813
70	9220	(8,980,256)	(11,971,243)
71	9230	175,505	230,613
72	9240	(11,528)	(102,883)
73	9250	371,198	839,331
74	9260	1,837,731	1,974,946
75	9302	103,010	176,921
78	Total	68,000	-

Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2018

Division 002			
Line No.	FERC Account	Historic Base Period	Attrition Year
79	8560	463	776
80	8700	4,341	8,911
81	8740	112,666	75,534
82	8800	(3,799)	(2,519)
83	9010	17,340	21,781
84	9030	1,883,902	2,088,492
85	9120	7,034	8,207
86	9200	(15,850,637)	(16,886,630)
87	9210	22,631,682	31,524,226
88	9220	(91,705,860)	(108,345,268)
89	9230	9,093,724	11,015,307
90	9240	126,521	110,075
91	9250	21,484,805	21,205,755
92	9260	41,979,578	46,836,489
93	9280	-	
94	9302	5,798,774	6,565,992
95	9310	5,260,633	5,361,641
96	9320	304,218	411,230
100	Total	1,145,384	0

Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2018

Division 012			
Line No.	FERC Account	Historic Base Period	Attrition Year
101	8700	824	790
102	8740	21,423	25,292
103	8800	54	48
104	9010	5,191,977	5,263,945
105	9020	76	58
106	9030	22,338,905	22,996,750
107	9200	4,339,176	4,477,498
108	9210	9,667,656	2,264,506
109	9220	(55,357,052)	(48,505,051)
110	9230	576,465	173,319
111	9240	121,818	-
112	9260	11,150,347	11,641,405
113	9301	66	50
114	9302	88,362	11,865
115	9310	1,849,962	1,649,464
116	9320	9,942	62
117	Total	0	0

Atmos Energy Corp - Tennessee Distribution System
Attrition Year Period Bad Debt Calculation
Twelve Months Ended May 31, 2018

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)	613,707	810,777	19,113	25,250	632,820	836,027	17.75	1.409	12,410,768	0.5%	$ 62,054
2	210 Residential Gas Service (Winter) (weather sensitive)	853,797	6,668,956	26,590	207,694	880,387	6,876,650	19.75	1.409	27,078,919	0.5%	$ 135,395
3	210 Residential Gas Service Senior Citizen (Summer)	709	553	22	17	731	570	0.00	1.409	803	0.5%	$ 4
4	210 Residential Gas Service Senior Citizen (Winter) (weather sensitive)	1,011	6,211	31	193	1,042	6,405	0.00	1.409	9,026	0.5%	$ 45
5												
6	211 Residential/Sm. Commericial/Industrial Heating & Cooling Service	24	342	1	11	25	353	16.75	0.848	714	0.5%	$ 4
7												
8	220 Commercial Gas Service (weather sensitive)	194,355	5,146,491	3,267	86,498	197,622	5,232,989	42.00	2.779	22,841,548	0.5%	$ 114,208
9												
10	221 Experimental School Gas Service	53	69,275	1	1,164	54	70,439	42.00	1.354	97,609	0.5%	$ 488
11												
12	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0	0	0	0	0.00	1.409	0	0.5%	$ -
13	225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather Sensitive)	0	0	0	0	0	0	0.00	1.409	0	0.5%	$ -
14	225 Public Authority Gas Service (Summer)	2,974	7,439	93	232	3,067	7,671	17.75	1.409	65,243	0.5%	$ 326
15	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,166	40,992	130	1,277	4,296	42,268	19.75	1.409	144,410	0.5%	$ 722
16												
17	230 Large Commercial Gas Service (weather sensitive)	0	0	0	0	0	0	445.00	2.450	0	0.5%	$ -
18												
19	Total											313,245

Atmos Energy Corp - Tennessee Distribution System
Attrition Year Pension Benchmark Calculation
Twelve Months Ended May 31, 2018

Line No.	Description	Number of Participants	Estimated Liability	Percent of Contribution	Estimated 2015 Contribution	Allocation Factor to Tennessee	Amount Allocable to Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	All Other (not allocable to Tennessee)	5,078	$ 354,513,000	76.4%	$ -	0.00%	$ -
2	Co 010 - Shared Services	574	50,472,000	10.9%	-	4.36%	-
3	Co 010 - CSO	448	13,252,000	2.9%	-	4.41%	-
4	Active Tennessee Jurisdiction Employees	123	13,714,000	3.0%	-	100.00%	-
5	Inactive Tennessee Jurisdiction Employees	242	18,153,000	3.9%	-	100.00%	-
6	Active Division General Office Employees	28	4,620,000	1.0%	-	41.48%	-
7	Inactive Division General Office Employees (pre-merger	72	8,090,000	1.7%	-	26.55%	-
8	Inactive Division General Office Employees (post-merg	5	1,374,000	0.3%	-	41.48%	-
9							
10	Total Amount of Contribution Allocable to Tennessee	6,570	$ 464,188,000	100.00%	$ -		$ -

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.pdf

Schedule 5

Tennessee Distribution System
Taxes Other Than Income Taxes
Twelve Months Ended May 31, 2018

Line No.	Description	Total
	(a)	(b)
1	Base period per books Other Taxes Expense (1)	$ 7,811,449
2		
3	Change from Base Period to Attrition Year	(152,267)
4		
5	Attrition Year Other Taxes Expense	$ 7,659,182
6		
7	Inclusion of Barnsley Storage Other taxes	45,000
8		
9	Attrition Year Adjusted Taxes Other Than Income Taxes	$ 7,704,182
10		
11	Note:	
12	1. Twelve months ended September 30, 2016 - Account 408	

Tennessee Distribution System
Taxes Other Than Income Taxes
Twelve Months Ended September 30, 2016

Line No.	Descripton	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Base Period
1	Division 093													
2	FICA	33,910	42,678	2,556	28,602	18,153	12,192	37,419	15,206	13,758	16,235	10,522	31,968	263,198
3	FUTA	15	35	(8)	2,445	132	(248)	(24)	6	(2)	-	-	-	2,350
4	SUTA	24	97	(23)	2,961	994	(269)	(59)	3	(5)	-	-	-	3,724
5	Ad Valorem	344,854	344,854	344,854	344,854	344,854	344,854	344,854	344,854	344,854	384,854	384,854	384,854	4,258,248
6	30105 Corp/State Franchise Tax	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	720,000
7	30107 City Franchise	167	167	167	167	167	167	167	167	167	167	167	167	2,000
8	30109 State Gross Receipts	76,927	130,959	219,903	262,085	202,641	171,911	94,924	66,627	63,521	51,441	72,780	68,801	1,482,520
9	30104 State Supv & Inspection	54,674	54,674	54,674	54,674	54,674	54,674	47,302	47,302	47,302	47,302	47,302	47,302	611,854
10	30108 Dot Transmission User Tax	-	-	-	-	-	-	20,299	-	-	-	-	-	20,299
11	Division 91 Allocations	12,378	13,192	3,993	11,352	7,998	6,258	12,498	7,282	6,714	7,419	6,071	11,656	106,811
12	Division 12 Allocations	9,805	26,736	8,022	13,560	10,955	11,957	10,815	12,939	9,651	10,050	10,271	9,814	144,575
13	Division 02 Allocations	13,292	38,075	10,245	17,794	14,168	15,404	14,078	17,818	13,683	13,750	14,324	13,241	195,871
14	Total	$ 606,045	$ 711,465	$ 704,381	$ 798,494	$ 714,736	$ 676,900	$ 642,272	$ 572,204	$ 559,643	$ 591,216	$ 606,290	$ 627,803	$ 7,811,449
15														
16	Division 002													
17	FICA	227,631	718,162	159,532	261,021	239,161	273,924	247,866	330,985	237,783	239,325	226,736	226,630	3,388,758
18	FUTA	447	544	199	24,163	1,812	402	(550)	186	73	96	100	525	27,996
19	SUTA	922	1,194	703	45,522	8,077	2,649	(594)	342	237	181	211	957	60,401
20	Ad Valorem	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	852,000
21	30105 Corp/State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Total	$ 300,000	$ 790,901	$ 231,434	$ 401,707	$ 320,050	$ 347,975	$ 317,723	$ 402,513	$ 309,093	$ 310,602	$ 298,047	$ 299,112	$ 4,329,155
23														
24	Division 012													
25	FICA	163,784	542,963	124,111	196,246	182,879	210,608	188,319	234,683	161,124	170,059	174,987	163,894	2,513,656
26	FUTA	326	411	154	18,271	1,426	325	(426)	126	48	68	77	384	21,191
27	SUTA	670	904	542	34,421	6,239	2,070	(471)	220	157	129	163	699	45,743
28	Ad Valorem	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	660,000
29	Total	$ 219,779	$ 599,278	$ 179,807	$ 303,938	$ 245,543	$ 268,003	$ 242,422	$ 290,029	$ 216,330	$ 225,256	$ 230,228	$ 219,977	$ 3,240,590
30														
31	Division 091													
32	FICA	21,108	22,944	1,755	15,762	10,354	7,255	21,460	9,340	8,036	9,661	6,544	19,449	153,667
33	FUTA	9	19	(5)	1,355	80	(137)	(14)	4	(1)	-	-	-	1,310
34	SUTA	15	52	(13)	1,641	567	(142)	(35)	2	(3)	-	-	-	2,084
35	Ad Valorem	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
36	30105 Corp/State Franchise Tax	0	0	0	0	0	0	0	0	0	0	0	0	-
37	Total	$ 28,633	$ 30,515	$ 9,238	$ 26,259	$ 18,500	$ 14,475	$ 28,910	$ 16,846	$ 15,531	$ 17,161	$ 14,044	$ 26,949	$ 247,061

Tennessee Distribution System
Taxes Other Than Income Taxes
Twelve Months Ended May 31, 2018

Line No.	Descripton	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Attrition Year
1	Division 093													
2	FICA	14,171	16,722	10,838	32,927	35,975	45,277	2,711	30,344	19,259	12,934	39,697	16,132	276,987
3	FUTA	(2)	-	-	-	16	37	(9)	2,594	140	(263)	(26)	6	2,493
4	SUTA	(5)	-	-	-	25	103	(25)	3,142	1,055	(285)	(62)	3	3,951
5	Ad Valorem	347,929	347,929	347,929	347,929	347,929	347,929	347,929	347,929	347,929	347,929	347,929	347,929	4,175,148
6	30105 Corp/State Franchise Tax	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	720,000
7	30107 City Franchise	167	167	167	167	167	167	167	167	167	167	167	167	2,000
8	30109 State Gross Receipts	65,299	52,685	53,475	56,712	79,079	134,624	226,057	269,420	208,313	176,723	97,581	68,491	1,488,460
9	30104 State Supv & Inspection	47,302	47,302	47,302	47,302	47,302	47,302	47,302	47,302	47,302	47,302	47,302	47,302	567,621
10	30108 Dot Transmission User Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Division 91 Allocations	5,558	6,261	4,917	10,483	11,483	12,319	2,866	10,428	6,981	5,193	11,606	6,246	94,340
12	Division 12 Allocations	9,499	9,914	10,146	9,668	9,889	28,085	7,973	13,924	11,125	12,201	10,975	13,258	146,657
13	Division 02 Allocations	12,536	12,604	12,043	12,091	12,437	35,010	9,284	17,114	13,359	14,643	13,252	17,151	181,525
14	Total	$ 562,453	$ 553,583	$ 546,815	$ 577,279	$ 604,302	$ 710,851	$ 704,255	$ 802,364	$ 715,629	$ 676,544	$ 628,421	$ 576,685	$ 7,659,182
15														
16	Division 002													
17	FICA	244,916	246,505	233,538	233,429	241,493	761,899	169,248	276,918	253,726	290,606	262,961	351,142	3,566,382
18	FUTA	76	99	103	541	474	577	211	25,635	1,922	426	(583)	197	29,676
19	SUTA	244	186	217	985	978	1,267	745	48,295	8,568	2,810	(630)	363	64,030
20	Ad Valorem	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	528,000
21	30105 Corp/State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Total	$ 289,236	$ 290,790	$ 277,859	$ 278,955	$ 286,946	$ 807,742	$ 214,204	$ 394,847	$ 308,217	$ 337,843	$ 305,748	$ 395,702	$ 4,188,088
23														
24	Division 012													
25	FICA	165,958	175,160	180,237	168,811	173,758	576,029	131,670	208,197	194,016	223,434	199,787	248,975	2,646,033
26	FUTA	50	70	79	395	346	436	163	19,384	1,513	345	(452)	134	22,463
27	SUTA	162	133	168	720	711	959	575	36,517	6,619	2,196	(500)	234	48,493
28	Ad Valorem	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	528,000
29	Total	$ 210,170	$ 219,364	$ 224,484	$ 213,926	$ 218,814	$ 621,425	$ 176,407	$ 308,099	$ 246,148	$ 269,975	$ 242,836	$ 293,343	$ 3,244,990
30														
31	Division 091													
32	FICA	8,277	9,951	6,741	20,032	22,394	24,341	1,862	16,722	10,984	7,697	22,767	9,909	161,675
33	FUTA	(1)	-	-	-	10	20	(5)	1,438	85	(146)	(15)	4	1,390
34	SUTA	(3)	-	-	-	16	56	(14)	1,741	601	(151)	(37)	3	2,211
35	Ad Valorem	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
36	30105 Corp/State Franchise Tax	0	0	0	0	0	0	0	0	0	0	0	0	-
37	Total	$ 13,272	$ 14,951	$ 11,741	$ 25,032	$ 27,420	$ 29,416	$ 6,844	$ 24,901	$ 16,670	$ 12,400	$ 27,714	$ 14,915	$ 225,276

Schedule 6

Tennessee Distribution System
Depreciation and Amortization Expense
Twelve Months Ended May 31, 2018

Line No.	Description (a)	Reference (b)	Amount (c)
1	Base period per books Depreciation Expense (1)		$ 11,358,190
2			
3	Change from Base Period to Attrition Year		1,045,553
4			
5	Attrition Year Depreciation Expense at current Depreciation Rates	Wp 6-2	$ 12,403,743
6			
7	Adjustment to reflect Proposed Depreciation Rates		-
8			
9	Attrition Year Depreciation Expense at proposed Depreciation Rates	Wp 6-1	12,403,743
10			
11	Amortization of Deferred Pension Regulated Asset	Wp 7-3	0
12			
13	Net Elimination of Intercompany Leased Property	Wp 3-1	183,781
14			
15	Adjustment for Depreciation Expense on Capitalized Incentive Comp	Wp 7-8	(71,335)
16			
17	Total Depreciation and Amortization Expense, As Adjusted		$ 12,516,189
18			
19	Note:		
20	1. Twelve months ended September 30, 2016		

Tennessee Distribution System
Depreciation Expense Adjustment
Proforma SSU Depreciation at Proposed Depreciation Rates
Twelve Months Ended May 31, 2018

Line No.	Description	Amount	Allocation	Allocated
	(a)	(b)	(c)	(d)
1	Proforma Depreciation			
2	Tennessee Operations	$ 11,527,945	100.00%	$ 11,527,945
3	Mid-States General Office	48,742	41.88%	20,412
4	SSU Div 12 - Customer Service	7,285,913	4.52%	329,286
5	SSU Div 02 - General Office	12,138,017	4.33%	526,101
6				
7	Proforma Depreciation Adjustment			$ 12,403,743

Tennessee Distribution System
Depreciation Expense Adjustment
Proforma SSU Depreciation at Current Depreciation Rates
Twelve Months Ended May 31, 2018

Line No.	Description	Amount	Allocation	Allocated
	(a)	(b)	(c)	(d)
1	Proforma Depreciation			
2	Tennessee Operations	$ 11,527,945	100.00%	$ 11,527,945
3	Mid-States General Office	48,742	41.88%	20,412
4	SSU Div 12 - Customer Service	7,285,913	4.52%	329,286
5	SSU Div 02 - General Office	12,138,017	4.33%	526,101
6				
7	Proforma Depreciation Expense			$ 12,403,743

Schedule 7

Tennessee Distribution System
Rate Base & Return
Twelve Months Ended May 31, 2018
Thirteen Month Average

Line No.	Description	Historic Base Period (1)	Change	Attrition Year	Reference
	(a)	(b)	(c)	(d)	(e)
1	Original Cost of Plant	$ 486,264,877	$ 67,650,326	$ 553,915,203	Wp 7-1 Wp7-2
2					
3	Accumulated Depreciation and Amortization	(191,843,738)	(10,753,318)	(202,597,056)	Wp 7-1 Wp7-2
4					
5	Construction Work in Progress per Books	9,936,947	(3,039,247)	6,897,700	Wp 7-1 Wp7-2
6					
7	Storage Gas Investment	4,708,124	1,235,588	5,943,713	Wp 7-1 Wp7-2
8					
9	Cash Working Capital	1,035,838	509,993	1,545,831	Wp 7-5
10					
11	Material & Supplies	15,835	16,038	31,873	Wp 7-1 Wp7-2
12					
13	Deferred Pension Regualted Asset Balance	757,453	(757,453)	-	Wp 7-3
14					
15	Accumulated Deferred Income Tax	(50,220,519)	(10,064,573)	(60,285,092)	Wp 7-1
16					
17	Customer Advances for Construction	(76,428)	-	(76,428)	Wp 7-1 Wp7-2
18					
19	Customer Deposits	(4,770,726)	50,714	(4,720,013)	Wp 7-1 Wp7-2
20					
21	Accumulated Interest on Customer Deposits	(71,237)	(18,028)	(89,264)	Wp 7-1 Wp7-2
22					
23	Unadjusted Rate Base	$ 255,736,427	$ 44,830,041	$ 300,566,468	
24					
25	Adjustments:	(1,221,654)	$ (1,705,458)	(2,927,113)	
26					
27	Net Elimination of Intercompany Leased Property	$ 5,806,952	$ (493,766)	$ 5,313,186	Wp 7-1 Wp7-2
28					
29	Total Rate Base	$ 260,321,724	$ 42,630,817	$ 302,952,541	
30					
31	Return at Overall Cost of Capital on Rate Base	$ 19,498,097	$ 3,193,048	$ 22,691,145	
32					
33	Note:				
34	1. Twelve months ended September 30, 2016				

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended May 31, 2018

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	Division 093 100%	Division 091 41.88%	Division 012 4.52%	CKV 1.86%	Division 002 4.33%	Greenville 1.29%	AEAM 5.36%	ALGN 0.00%	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-17	$ 518,887,081	$ 3,837,592	$ 116,023,941	$ 15,067,448	$ 121,834,336	$ 9,162,730	$ 22,216,977	$ 26,678,030	$ 518,887,081	$ 1,607,087	$ 5,243,681	$ 280,082	$ 5,280,690	$ 118,101	$ 1,191,831	$ -	$ 532,608,553
4	Jun-17	522,824,044	3,837,592	114,196,035	15,067,448	121,299,839	9,161,159	22,228,377	27,095,384	522,824,044	1,607,087	5,161,069	280,082	5,257,523	118,080	1,192,443	0	$ 536,440,329
5	Jul-17	526,257,593	3,837,592	111,978,739	15,067,448	120,679,913	9,159,337	22,241,600	27,579,444	526,257,593	1,607,087	5,060,859	280,082	5,230,654	118,057	1,193,152	0	$ 539,747,483
6	Aug-17	529,310,348	3,837,592	110,467,498	15,067,448	120,233,295	9,158,024	22,251,126	27,928,178	529,310,348	1,607,087	4,992,559	280,082	5,211,296	118,040	1,193,663	0	$ 542,713,074
7	Sep-17	532,447,874	3,837,592	109,664,968	15,067,448	119,470,177	9,155,782	22,267,403	28,524,048	532,447,874	1,607,087	4,956,288	280,082	5,178,220	118,011	1,194,536	0	$ 545,782,099
8	Oct-17	536,881,800	3,837,592	109,196,108	15,067,448	117,978,416	9,151,397	22,299,221	29,688,866	536,881,800	1,607,087	4,935,098	280,082	5,113,562	117,955	1,196,243	0	$ 550,131,827
9	Nov-17	542,389,833	3,837,592	108,015,088	15,067,448	115,613,650	9,144,448	22,349,660	31,535,357	542,389,833	1,607,087	4,881,722	280,082	5,011,066	117,865	1,198,949	0	$ 555,486,604
10	Dec-17	545,400,130	3,837,592	106,547,480	15,067,448	114,696,722	9,141,753	22,369,218	32,251,327	545,400,130	1,607,087	4,815,394	280,082	4,971,323	117,830	1,199,998	0	$ 558,391,845
11	Jan-18	547,975,770	3,837,592	105,617,626	15,067,448	113,392,209	9,137,919	22,397,042	33,269,936	547,975,770	1,607,087	4,773,370	280,082	4,914,781	117,781	1,201,491	0	$ 560,870,362
12	Feb-18	551,111,276	3,837,592	104,332,242	15,067,448	111,614,934	9,132,696	22,434,951	34,657,694	551,111,276	1,607,087	4,715,277	280,082	4,837,748	117,714	1,203,524	0	$ 563,872,708
13	Mar-18	554,413,949	3,836,894	102,977,005	15,067,448	110,011,574	9,127,984	22,469,149	35,909,653	554,413,949	1,606,795	4,654,027	280,082	4,768,254	117,653	1,205,359	0	$ 567,046,119
14	Apr-18	559,496,625	3,836,894	101,831,631	15,067,448	108,691,033	9,124,103	22,497,316	36,940,777	559,496,625	1,606,795	4,602,262	280,082	4,711,017	117,603	1,206,870	0	$ 572,021,254
15	May-18	563,350,435	3,836,894	100,593,516	15,067,448	107,892,605	9,121,756	22,514,346	37,564,217	563,350,435	1,606,795	4,546,306	280,082	4,676,411	117,573	1,207,783	0	$ 575,785,384
16	Average	$ 540,826,674	$ 3,837,431	$ 107,803,221	$ 15,067,448	$ 115,646,823	$ 9,144,545	$ 22,348,953	$ 31,509,455	$ 540,826,674	$ 1,607,020	$ 4,872,147	$ 280,082	$ 5,012,503	$ 117,866	$ 1,198,911	$ -	$ 553,915,203
17																		
18	**Construction Work in Process (Account 1070)**																	
19																		
20	May-17	$ 5,923,408	$ 478,270	$ 3,463,699	$ -	$ 14,245,888	$ -	$ -	$ -	$ 5,923,408	$ 200,288	$ 156,541	$ -	$ 617,462	$ -	$ -	$ -	$ 6,897,700
21	Jun-17	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0	5,923,408	200,288	156,541	0	617,462	0	0	0	$ 6,897,700
22	Jul-17	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0	5,923,408	200,288	156,541	0	617,462	0	0	0	$ 6,897,700
23	Aug-17	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0	5,923,408	200,288	156,541	0	617,462	0	0	0	$ 6,897,700
24	Sep-17	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0	5,923,408	200,288	156,541	0	617,462	0	0	0	$ 6,897,700
25	Oct-17	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0	5,923,408	200,288	156,541	0	617,462	0	0	0	$ 6,897,700
26	Nov-17	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0	5,923,408	200,288	156,541	0	617,462	0	0	0	$ 6,897,700
27	Dec-17	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0	5,923,408	200,288	156,541	0	617,462	0	0	0	$ 6,897,700
28	Jan-18	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0	5,923,408	200,288	156,541	0	617,462	0	0	0	$ 6,897,700
29	Feb-18	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0	5,923,408	200,288	156,541	0	617,462	0	0	0	$ 6,897,700
30	Mar-18	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0	5,923,408	200,288	156,541	0	617,462	0	0	0	$ 6,897,700
31	Apr-18	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0	5,923,408	200,288	156,541	0	617,462	0	0	0	$ 6,897,700
32	May-18	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0	5,923,408	200,288	156,541	0	617,462	0	0	0	$ 6,897,700
33	Average	$ 5,923,408	$ 478,270	$ 3,463,699	$ -	$ 14,245,888	$ -	$ -	$ -	$ 5,923,408	$ 200,288	$ 156,541	$ -	$ 617,462	$ -	$ -	$ -	$ 6,897,700
34																		

EXHIBIT GKW-R-1

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended May 31, 2018

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	Division 093 100%	Division 091 41.88%	Division 012 4.52%	CKV 1.86%	Division 002 4.33%	Greenville 1.29%	AEAM 5.36%	ALGN 0.00%	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-17	$ -	$ 76,110	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,873	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,873
38	Jun-17	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	$ 31,873
39	Jul-17	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	$ 31,873
40	Aug-17	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	$ 31,873
41	Sep-17	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	$ 31,873
42	Oct-17	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	$ 31,873
43	Nov-17	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	$ 31,873
44	Dec-17	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	$ 31,873
45	Jan-18	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	$ 31,873
46	Feb-18	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	$ 31,873
47	Mar-18	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	$ 31,873
48	Apr-18	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	$ 31,873
49	May-18	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	$ 31,873
50	Average	$ -	$ 76,110	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,873	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,873
51																		
52	Inventories- Gas Stored (Account 1641)																	
53	*Includes Tennessee stored gas in Dvivision 93 and an allocated portion of Tennessee stored gas in Division 96*																	
54	May-17	$ 2,354,227	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,354,227	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,354,227
55	Jun-17	3,809,889	0	0	0	0	0	0	0	3,809,889	0	0	0	0	0	0	0	$ 3,809,889
56	Jul-17	5,277,053	0	0	0	0	0	0	0	5,277,053	0	0	0	0	0	0	0	$ 5,277,053
57	Aug-17	6,739,957	0	0	0	0	0	0	0	6,739,957	0	0	0	0	0	0	0	$ 6,739,957
58	Sep-17	8,192,637	0	0	0	0	0	0	0	8,192,637	0	0	0	0	0	0	0	$ 8,192,637
59	Oct-17	9,652,133	0	0	0	0	0	0	0	9,652,133	0	0	0	0	0	0	0	$ 9,652,133
60	Nov-17	11,126,539	0	0	0	0	0	0	0	11,126,539	0	0	0	0	0	0	0	$ 11,126,539
61	Dec-17	10,237,303	0	0	0	0	0	0	0	10,237,303	0	0	0	0	0	0	0	$ 10,237,303
62	Jan-18	7,885,422	0	0	0	0	0	0	0	7,885,422	0	0	0	0	0	0	0	$ 7,885,422
63	Feb-18	5,338,221	0	0	0	0	0	0	0	5,338,221	0	0	0	0	0	0	0	$ 5,338,221
64	Mar-18	2,791,066	0	0	0	0	0	0	0	2,791,066	0	0	0	0	0	0	0	$ 2,791,066
65	Apr-18	1,328,684	0	0	0	0	0	0	0	1,328,684	0	0	0	0	0	0	0	$ 1,328,684
66	May-18	2,535,133	0	0	0	0	0	0	0	2,535,133	0	0	0	0	0	0	0	$ 2,535,133
67	Average	$ 5,943,713	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,943,713	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,943,713
68																		

EXHIBIT GKW-R-1

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended May 31, 2018

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN	Total Tennessee
										100%	41.88%	4.52%	1.86%	4.33%	1.29%	5.36%	0.00%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)			(h)	(i)	(j)	(k)	(l)	(m)			(n)
69	**Customers Deposits (Account 2350)**																	
70																		
71	May-17	$ (4,711,758)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,711,758)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,711,758)
72	Jun-17	(4,713,133)	0	0	0	0	0	0	0	(4,713,133)	0	0	0	0	0	0	0	$ (4,713,133)
73	Jul-17	(4,714,507)	0	0	0	0	0	0	0	(4,714,507)	0	0	0	0	0	0	0	$ (4,714,507)
74	Aug-17	(4,715,882)	0	0	0	0	0	0	0	(4,715,882)	0	0	0	0	0	0	0	$ (4,715,882)
75	Sep-17	(4,717,258)	0	0	0	0	0	0	0	(4,717,258)	0	0	0	0	0	0	0	$ (4,717,258)
76	Oct-17	(4,718,634)	0	0	0	0	0	0	0	(4,718,634)	0	0	0	0	0	0	0	$ (4,718,634)
77	Nov-17	(4,720,010)	0	0	0	0	0	0	0	(4,720,010)	0	0	0	0	0	0	0	$ (4,720,010)
78	Dec-17	(4,721,387)	0	0	0	0	0	0	0	(4,721,387)	0	0	0	0	0	0	0	$ (4,721,387)
79	Jan-18	(4,722,764)	0	0	0	0	0	0	0	(4,722,764)	0	0	0	0	0	0	0	$ (4,722,764)
80	Feb-18	(4,724,141)	0	0	0	0	0	0	0	(4,724,141)	0	0	0	0	0	0	0	$ (4,724,141)
81	Mar-18	(4,725,519)	0	0	0	0	0	0	0	(4,725,519)	0	0	0	0	0	0	0	$ (4,725,519)
82	Apr-18	(4,726,897)	0	0	0	0	0	0	0	(4,726,897)	0	0	0	0	0	0	0	$ (4,726,897)
83	May-18	(4,728,276)	0	0	0	0	0	0	0	(4,728,276)	0	0	0	0	0	0	0	$ (4,728,276)
84	Average	$ (4,720,013)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,720,013)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,720,013)
85																		
86																		
87	**Accumulated Deferred FIT (Total Accounts 1900, 2820, 2830) adjusted to remove a non-utility item**																	
88																		
89	May-17	$ (92,795,323)	$ 9,398,286	$ (27,421,984)	$ -	$ 847,910,209	$ -	$ -	$ -	$ (92,795,323)	$ 3,935,766	$ (1,239,332)	$ -	$ 36,751,142	$ -	$ -	$ -	$ (53,347,747)
90	Jun-17	(93,735,810)	9,280,217	(27,717,580)	0	849,005,479	0	0	0	(93,735,810)	3,886,322	(1,252,691)	0	36,798,614	0	0	0	$ (54,303,565)
91	Jul-17	(94,561,578)	9,162,148	(28,247,281)	0	849,951,385	0	0	0	(94,561,578)	3,836,877	(1,276,631)	0	36,839,613	0	0	0	$ (55,161,719)
92	Aug-17	(95,300,563)	9,044,079	(28,386,220)	0	851,201,502	0	0	0	(95,300,563)	3,787,433	(1,282,910)	0	36,893,797	0	0	0	$ (55,902,243)
93	Sep-17	(96,059,146)	8,926,010	(28,128,572)	0	851,887,897	0	0	0	(96,059,146)	3,737,989	(1,271,266)	0	36,923,548	0	0	0	$ (56,668,876)
94	Oct-17	(97,071,681)	8,920,919	(27,926,564)	0	851,712,110	0	0	0	(97,071,681)	3,735,857	(1,262,136)	0	36,915,928	0	0	0	$ (57,682,032)
95	Nov-17	(98,283,483)	8,915,827	(27,834,621)	0	851,100,476	0	0	0	(98,283,483)	3,733,724	(1,257,981)	0	36,889,418	0	0	0	$ (58,918,321)
96	Dec-17	(99,037,304)	8,910,735	(27,789,296)	0	851,212,353	0	0	0	(99,037,304)	3,731,592	(1,255,932)	0	36,894,267	0	0	0	$ (59,667,377)
97	Jan-18	(99,712,149)	8,905,643	(27,665,129)	0	851,129,119	0	0	0	(99,712,149)	3,729,460	(1,250,321)	0	36,890,660	0	0	0	$ (60,342,350)
98	Feb-18	(100,490,962)	8,900,552	(27,598,418)	0	850,810,255	0	0	0	(100,490,962)	3,727,327	(1,247,306)	0	36,876,839	0	0	0	$ (61,134,101)
99	Mar-18	(101,301,640)	8,938,308	(27,545,407)	0	850,576,870	0	0	0	(101,301,640)	3,743,139	(1,244,910)	0	36,866,723	0	0	0	$ (61,936,687)
100	Apr-18	(102,441,170)	8,931,561	(27,463,460)	0	850,485,655	0	0	0	(102,441,170)	3,740,313	(1,241,206)	0	36,862,770	0	0	0	$ (63,079,293)
101	May-18	(103,356,227)	8,926,397	(27,398,388)	0	850,654,140	0	0	0	(103,356,227)	3,738,151	(1,238,265)	0	36,870,073	0	0	0	$ (63,986,269)
102	Average	$ (98,011,310)	$ 9,012,360	$ (27,778,686)	$ -	$ 850,587,496	$ -	$ -	$ -	$ (98,011,310)	$ 3,774,150	$ (1,255,453)	$ -	$ 36,867,184	$ -	$ -	$ -	$ (58,625,429)
103																		
104														Forecasted Change in NOLC				-1,659,663
105																		$ (60,285,092)
106																		

EXHIBIT GKW-R-1

WP 7-1

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended May 31, 2018

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	Division 093 100%	Division 091 41.88%	Division 012 4.52%	CKV 1.86%	Division 002 4.33%	Greenville 1.29%	AEAM 5.36%	ALGN 0.00%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)			(h)	(i)	(j)	(k)	(l)	(m)			(n)
107	**Accumulated Depreciation (Account 1080)**																	
108																		
109	May-17	$ (194,033,377)	$ (2,198,023)	$ (25,136,450)	$ (2,970,644)	$ (78,928,600)	$ (2,991,853)	$ (2,407,679)	$ (1,953,744)	$ (194,033,377)	$ (920,477)	$ (1,136,037)	$ (55,220)	$ (3,421,018)	$ (38,563)	$ (129,160)	$ -	$ (199,733,852)
110	Jun-17	(194,539,598)	(2,201,969)	(23,313,568)	(3,024,608)	(78,850,351)	(3,014,854)	(2,534,109)	(2,103,106)	(194,539,598)	(922,129)	(1,053,652)	(56,223)	(3,417,627)	(38,859)	(135,942)	0	$ (200,164,031)
111	Jul-17	(195,108,461)	(2,205,915)	(20,964,567)	(3,078,573)	(78,644,243)	(3,037,763)	(2,660,389)	(2,255,136)	(195,108,461)	(923,782)	(947,490)	(57,226)	(3,408,693)	(39,154)	(142,717)	0	$ (200,627,523)
112	Aug-17	(195,724,531)	(2,209,860)	(19,540,119)	(3,132,538)	(78,691,225)	(3,060,671)	(2,786,718)	(2,409,089)	(195,724,531)	(925,434)	(883,112)	(58,229)	(3,410,729)	(39,450)	(149,494)	0	$ (201,190,980)
113	Sep-17	(196,336,506)	(2,213,806)	(19,047,505)	(3,186,502)	(78,264,991)	(3,083,580)	(2,913,133)	(2,566,326)	(196,336,506)	(927,086)	(860,849)	(59,232)	(3,392,255)	(39,745)	(156,275)	0	$ (201,771,948)
114	Oct-17	(196,812,674)	(2,217,751)	(18,993,122)	(3,240,467)	(76,750,606)	(3,106,489)	(3,039,715)	(2,729,985)	(196,812,674)	(928,739)	(858,391)	(60,236)	(3,326,617)	(40,040)	(163,066)	0	$ (202,189,761)
115	Nov-17	(197,179,404)	(2,221,697)	(17,991,804)	(3,294,432)	(73,931,599)	(3,129,397)	(3,166,563)	(2,903,822)	(197,179,404)	(930,391)	(813,136)	(61,239)	(3,204,432)	(40,336)	(169,870)	0	$ (202,398,808)
116	Dec-17	(197,826,987)	(2,225,643)	(16,604,141)	(3,348,396)	(73,256,082)	(3,152,306)	(3,293,514)	(3,081,606)	(197,826,987)	(932,043)	(750,421)	(62,242)	(3,175,153)	(40,631)	(176,681)	0	$ (202,964,158)
117	Jan-18	(198,526,972)	(2,229,588)	(15,921,824)	(3,402,361)	(71,997,374)	(3,175,215)	(3,420,611)	(3,265,005)	(198,526,972)	(933,695)	(719,584)	(63,245)	(3,120,597)	(40,926)	(183,499)	0	$ (203,588,518)
118	Feb-18	(199,170,411)	(2,233,534)	(14,763,069)	(3,454,332)	(70,030,677)	(3,198,123)	(3,547,908)	(3,456,054)	(199,170,411)	(935,348)	(667,214)	(64,211)	(3,035,354)	(41,221)	(190,328)	0	$ (204,104,087)
119	Mar-18	(199,800,984)	(2,209,169)	(13,504,843)	(3,506,302)	(68,312,325)	(3,221,032)	(3,675,384)	(3,654,004)	(199,800,984)	(925,144)	(610,349)	(65,177)	(2,960,875)	(41,517)	(197,166)	0	$ (204,601,212)
120	Apr-18	(200,243,487)	(2,214,397)	(12,517,721)	(3,558,273)	(67,009,131)	(3,243,941)	(3,803,009)	(3,857,638)	(200,243,487)	(927,334)	(565,736)	(66,143)	(2,904,390)	(41,812)	(204,013)	0	$ (204,952,915)
121	May-18	(200,828,324)	(2,218,399)	(11,401,517)	(3,610,243)	(66,474,700)	(3,266,849)	(3,930,724)	(4,064,709)	(200,828,324)	(929,010)	(515,289)	(67,109)	(2,881,226)	(42,107)	(210,864)	0	$ (205,473,930)
122	Average	$ (197,394,747)	$ (2,215,365)	$ (17,669,250)	$ (3,292,898)	$ (73,933,993)	$ (3,129,390)	$ (3,167,650)	$ (2,946,171)	$ (197,394,747)	$ (927,739)	$ (798,559)	$ (61,210)	$ (3,204,536)	$ (40,335)	$ (169,929)	$ -	$ (202,597,056)
123																		
124																		
125	**Customers Advances (Account 2520)**																	
126																		
127	May-17	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (76,428)
128	Jun-17	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	$ (76,428)
129	Jul-17	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	$ (76,428)
130	Aug-17	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	$ (76,428)
131	Sep-17	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	$ (76,428)
132	Oct-17	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	$ (76,428)
133	Nov-17	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	$ (76,428)
134	Dec-17	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	$ (76,428)
135	Jan-18	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	$ (76,428)
136	Feb-18	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	$ (76,428)
137	Mar-18	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	$ (76,428)
138	Apr-18	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	$ (76,428)
139	May-18	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	$ (76,428)
140	Average	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (76,428)
141																		

EXHIBIT GKW-R-1

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended May 31, 2018

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	Division 093 100%	Division 091 41.88%	Division 012 4.52%	CKV 1.86%	Division 002 4.33%	Greenville 1.29%	AEAM 5.36%	ALGN 0.00%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)			(h)	(i)	(j)	(k)	(l)	(m)			(n)
142	**Interest on Customer Deposits (Account 2370-26919)**																	
143																		
144	May-17	$ (89,108)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (89,108)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (89,108)
145	Jun-17	(89,134)	0	0	0	0	0	0	0	(89,134)	0	0	0	0	0	0	0	$ (89,134)
146	Jul-17	(89,160)	0	0	0	0	0	0	0	(89,160)	0	0	0	0	0	0	0	$ (89,160)
147	Aug-17	(89,186)	0	0	0	0	0	0	0	(89,186)	0	0	0	0	0	0	0	$ (89,186)
148	Sep-17	(89,212)	0	0	0	0	0	0	0	(89,212)	0	0	0	0	0	0	0	$ (89,212)
149	Oct-17	(89,238)	0	0	0	0	0	0	0	(89,238)	0	0	0	0	0	0	0	$ (89,238)
150	Nov-17	(89,264)	0	0	0	0	0	0	0	(89,264)	0	0	0	0	0	0	0	$ (89,264)
151	Dec-17	(89,290)	0	0	0	0	0	0	0	(89,290)	0	0	0	0	0	0	0	$ (89,290)
152	Jan-18	(89,316)	0	0	0	0	0	0	0	(89,316)	0	0	0	0	0	0	0	$ (89,316)
153	Feb-18	(89,342)	0	0	0	0	0	0	0	(89,342)	0	0	0	0	0	0	0	$ (89,342)
154	Mar-18	(89,368)	0	0	0	0	0	0	0	(89,368)	0	0	0	0	0	0	0	$ (89,368)
155	Apr-18	(89,394)	0	0	0	0	0	0	0	(89,394)	0	0	0	0	0	0	0	$ (89,394)
156	May-18	(89,420)	0	0	0	0	0	0	0	(89,420)	0	0	0	0	0	0	0	$ (89,420)
157	Average	$ (89,264)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (89,264)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (89,264)
158																		
159	**Net elimination of intercompany leased property**																	
160																		
161	May-17	$ 5,414,551	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,414,551	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,414,551
162	Jun-17	5,397,657	0	0	0	0	0	0	0	5,397,657	0	0	0	0	0	0	0	$ 5,397,657
163	Jul-17	5,380,763	0	0	0	0	0	0	0	5,380,763	0	0	0	0	0	0	0	$ 5,380,763
164	Aug-17	5,363,868	0	0	0	0	0	0	0	5,363,868	0	0	0	0	0	0	0	$ 5,363,868
165	Sep-17	5,346,974	0	0	0	0	0	0	0	5,346,974	0	0	0	0	0	0	0	$ 5,346,974
166	Oct-17	5,330,080	0	0	0	0	0	0	0	5,330,080	0	0	0	0	0	0	0	$ 5,330,080
167	Nov-17	5,313,186	0	0	0	0	0	0	0	5,313,186	0	0	0	0	0	0	0	$ 5,313,186
168	Dec-17	5,296,292	0	0	0	0	0	0	0	5,296,292	0	0	0	0	0	0	0	$ 5,296,292
169	Jan-18	5,279,397	0	0	0	0	0	0	0	5,279,397	0	0	0	0	0	0	0	$ 5,279,397
170	Feb-18	5,262,503	0	0	0	0	0	0	0	5,262,503	0	0	0	0	0	0	0	$ 5,262,503
171	Mar-18	5,245,609	0	0	0	0	0	0	0	5,245,609	0	0	0	0	0	0	0	$ 5,245,609
172	Apr-18	5,228,715	0	0	0	0	0	0	0	5,228,715	0	0	0	0	0	0	0	$ 5,228,715
173	May-18	5,211,820	0	0	0	0	0	0	0	5,211,820	0	0	0	0	0	0	0	$ 5,211,820
174	Average	$ 5,313,186	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,313,186	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,313,186
175																		

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended May 31, 2018

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	Division 093 100%	Division 091 41.88%	Division 012 4.52%	CKV 1.86%	Division 002 4.33%	Greenville 1.29%	AEAM 5.36%	ALGN 0.00%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)			(h)	(i)	(j)	(k)	(l)	(m)			(n)
176	**Calculation of Change in NOLC**																	
177	**(from 13-month average Base Period to 13-month average Forecasted Period**																	
178																		
179	13-month average Rate Base (Forecast)					302,952,541												
180																		
181	Required Operating Income					22,691,145												
182																		
183	Interest Deduction					7,028,499												
184																		
185	Return on Equity Portion of Rate Base					15,662,646												
186																		
187	Return, grossed up for Income Tax					25,727,219												
188																		
189	Tax Expense on Return					10,064,573												
190																		
191	Change In ADIT, excluding forecasted change in NOLC					(8,404,910)												
192	Required Change in NOLC					(1,659,663)												
193																		
194	**Total Required Change in Accumulated Deferred Income Taxes**[1]					(10,064,573)												
195																		
196																		
197	**ADIT Reconciliation**																	
198	**13-Month Average ADIT, Base Period**					(50,220,519)												
199																		
200	13-Month Average ADIT, Forecasted Period, excl. Change in NOLC					(58,625,429)												
201	Change in NOLC					(1,659,663)												
202	**Forecasted 13-month Average ADIT in Rate Base**					(60,285,092)												
203																		
204	**Total Required Change in Accumulated Deferred Income Taxes**					(10,064,573)												
205																		
206																		
207	1Because the Company is in a NOLC position, the total change in ADIT must equal the tax expenses included in revenue requirement																	

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended September 30, 2016

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	AEAM	ALGN	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN	Total Tennessee
										FY15	100%	40.68%	4.41%	0.84%	4.36%	1.28%	0.00%	0.00%	
										FY16	100%	43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)				(h)	(i)	(j)	(k)	(l)	(m)			(n)
1	Gas Plant in Service (Account 101)																		
2																			
3	Sep-15	$ 459,640,793	$ 4,746,113	$ 143,900,780	$ 12,955,099	$ 179,508,845	$ 9,263,141	$ -	$ -		$ 459,640,793	$ 1,930,694	$ 6,345,948	$ 108,312	$ 7,820,791	$ 118,330	$ -	$ -	$ 475,964,868
4	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	0	0	477,512,001
5	Nov-15	462,660,091	4,753,091	146,432,452	12,955,099	179,570,339	9,263,141	-	-		462,660,091	2,054,950	6,533,656	125,056	7,949,863	123,634	0	0	479,447,251
6	Dec-15	463,898,281	3,822,932	148,392,553	12,955,099	165,810,802	9,263,141	21,681,034	-		463,898,281	1,652,805	6,621,114	125,056	7,340,706	123,634	1,151,074	0	480,912,671
7	Jan-16	464,583,688	3,822,821	148,421,275	12,955,099	165,865,384	9,196,755	21,681,034	-		464,583,688	1,652,757	6,622,396	125,056	7,343,123	122,748	1,151,074	0	481,600,842
8	Feb-16	465,934,928	3,822,821	148,453,724	12,955,099	165,899,953	9,196,755	21,681,034	-		465,934,928	1,652,757	6,623,843	125,056	7,344,653	122,748	1,151,074	0	482,955,061
9	Mar-16	468,424,248	3,821,715	148,987,856	12,955,099	165,973,519	9,196,755	21,720,201	-		468,424,248	1,652,279	6,647,676	125,056	7,347,910	122,748	1,153,154	0	485,473,071
10	Apr-16	469,795,847	3,821,715	148,981,307	12,955,099	166,017,098	9,196,755	21,720,201	-		469,795,847	1,652,279	6,647,384	125,056	7,349,839	122,748	1,153,154	0	486,846,307
11	May-16	471,781,613	3,844,890	149,321,871	12,955,099	166,700,805	9,196,755	21,720,201	-		471,781,613	1,662,298	6,662,579	125,056	7,380,108	122,748	1,153,154	0	488,887,557
12	Jun-16	472,633,989	3,837,561	149,400,613	12,955,099	166,749,207	9,196,755	21,720,201	-		472,633,989	1,659,130	6,666,093	125,056	7,382,251	122,748	1,153,154	0	489,742,421
13	Jul-16	475,718,600	3,838,277	149,406,119	12,955,099	167,413,171	9,196,755	21,720,201	-		475,718,600	1,659,439	6,666,338	125,056	7,411,646	122,748	1,153,154	0	492,856,982
14	Aug-16	479,025,599	3,838,277	149,325,218	15,056,078	165,513,148	9,196,755	21,694,056	-		479,025,599	1,659,439	6,662,728	145,337	7,327,529	122,748	1,151,766	0	496,095,147
15	Sep-16	488,567,203	3,838,257	125,095,393	15,067,448	133,411,908	9,196,755	21,970,034	17,637,860		488,567,203	1,659,431	5,581,620	145,447	5,906,356	122,748	1,166,418	0	503,149,223
16	Average	$ 469,491,827	$ 4,042,660	$ 146,348,036	$ 13,279,201	$ 166,769,936	$ 9,217,182	$ 16,716,015	$ 1,356,758		$ 469,491,827	$ 1,738,476	$ 6,524,140	$ 126,897	$ 7,373,449	$ 122,613	$ 887,475	$ -	$ 486,264,877
17																			
18	Construction Work in Process (Account 1070)																		
19																			
20	Sep-15	$ 3,636,428	$ (31,787)	$ 3,289,307	$ -	$ 22,140,326	$ -	$ -	$ -		$ 3,636,428	$ (12,931)	$ 145,057	$ -	$ 964,604	$ -	$ -	$ -	$ 4,733,158
21	Oct-15	5,466,732	15,967	1,946,758	0	20,458,782	0	0	0		5,466,732	6,903	86,862	0	905,743	0	0	0	6,466,240
22	Nov-15	6,563,188	(86,146)	2,076,650	0	21,792,320	0	0	0		6,563,188	(37,244)	92,658	0	964,780	0	0	0	7,583,382
23	Dec-15	7,184,583	104,199	754,112	0	19,265,568	0	0	0		7,184,583	45,049	33,648	0	852,917	0	0	0	8,116,197
24	Jan-16	7,763,425	291,405	865,209	0	19,014,421	0	0	0		7,763,425	125,986	38,605	0	841,798	0	0	0	8,769,815
25	Feb-16	8,350,180	226,541	1,600,331	0	19,801,001	0	0	0		8,350,180	97,943	71,405	0	876,622	0	0	0	9,396,149
26	Mar-16	9,552,085	657,200	1,375,485	0	24,496,289	0	0	0		9,552,085	284,134	61,373	0	1,084,489	0	0	0	10,982,081
27	Apr-16	10,297,463	683,333	1,880,317	0	25,393,188	0	0	0		10,297,463	295,432	83,898	0	1,124,197	0	0	0	11,800,989
28	May-16	11,228,471	750,911	1,873,986	0	25,332,896	0	0	0		11,228,471	324,649	83,615	0	1,121,527	0	0	0	12,758,262
29	Jun-16	13,124,282	663,366	2,120,281	0	28,458,555	0	0	0		13,124,282	286,800	94,605	0	1,259,905	0	0	0	14,765,591
30	Jul-16	11,983,706	846,475	2,281,485	0	28,786,709	0	0	0		11,983,706	365,965	101,797	0	1,274,433	0	0	0	13,725,901
31	Aug-16	11,534,764	479,088	2,699,372	0	29,472,446	0	0	0		11,534,764	207,129	120,443	0	1,304,792	0	0	0	13,167,127
32	Sep-16	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0		5,923,408	206,775	154,546	0	630,688	0	0	0	6,915,418
33	Average	$ 8,662,209	$ 390,679	$ 2,017,461	$ -	$ 22,973,722	$ -	$ -	$ -		$ 8,662,209	$ 168,968	$ 89,885	$ -	$ 1,015,884	$ -	$ -	$ -	$ 9,936,947

EXHIBIT GKW-R-1

WP 7-2

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended September 30, 2016

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	AEAM	ALGN	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN	Total Tennessee
										FY15	100%	40.68%	4.41%	0.84%	4.36%	1.28%	0.00%	0.00%	
										FY16	100%	43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)				(h)	(i)	(j)	(k)	(l)	(m)			(n)
34																			
35	**Inventories- Plant Materials (Account 1540)**																		
36																			
37	Sep-15	$ -	$ 12,038	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ 4,897	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,897
38	Oct-15	-	12,038	0	0	0	0	0	0		0	5,205	0	0	0	0	0	0	5,205
39	Nov-15	-	12,038	0	0	0	0	0	0		0	5,205	0	0	0	0	0	0	5,205
40	Dec-15	-	12,038	0	0	0	0	0	0		0	5,205	0	0	0	0	0	0	5,205
41	Jan-16	-	12,038	0	0	0	0	0	0		0	5,205	0	0	0	0	0	0	5,205
42	Feb-16	-	12,038	0	0	0	0	0	0		0	5,205	0	0	0	0	0	0	5,205
43	Mar-16	-	12,038	0	0	0	0	0	0		0	5,205	0	0	0	0	0	0	5,205
44	Apr-16	-	12,038	0	0	0	0	0	0		0	5,205	0	0	0	0	0	0	5,205
45	May-16	-	76,110	0	0	0	0	0	0		0	32,906	0	0	0	0	0	0	32,906
46	Jun-16	-	76,110	0	0	0	0	0	0		0	32,906	0	0	0	0	0	0	32,906
47	Jul-16	-	76,110	0	0	0	0	0	0		0	32,906	0	0	0	0	0	0	32,906
48	Aug-16	-	76,110	0	0	0	0	0	0		0	32,906	0	0	0	0	0	0	32,906
49	Sep-16	-	76,110	0	0	0	0	0	0		0	32,906	0	0	0	0	0	0	32,906
50	Average	$ -	$ 36,681	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ 15,835	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,835
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	Sep-15	$ 6,991,712	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ 6,991,712	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,991,712
56	Oct-15	7,900,453	0	0	0	0	0	0	0		7,900,453	0	0	0	0	0	0	0	7,900,453
57	Nov-15	7,356,415	0	0	0	0	0	0	0		7,356,415	0	0	0	0	0	0	0	7,356,415
58	Dec-15	6,956,958	0	0	0	0	0	0	0		6,956,958	0	0	0	0	0	0	0	6,956,958
59	Jan-16	4,731,251	0	0	0	0	0	0	0		4,731,251	0	0	0	0	0	0	0	4,731,251
60	Feb-16	3,343,955	0	0	0	0	0	0	0		3,343,955	0	0	0	0	0	0	0	3,343,955
61	Mar-16	1,671,951	0	0	0	0	0	0	0		1,671,951	0	0	0	0	0	0	0	1,671,951
62	Apr-16	1,703,976	0	0	0	0	0	0	0		1,703,976	0	0	0	0	0	0	0	1,703,976
63	May-16	2,231,950	0	0	0	0	0	0	0		2,231,950	0	0	0	0	0	0	0	2,231,950
64	Jun-16	2,959,949	0	0	0	0	0	0	0		2,959,949	0	0	0	0	0	0	0	2,959,949
65	Jul-16	4,122,035	0	0	0	0	0	0	0		4,122,035	0	0	0	0	0	0	0	4,122,035
66	Aug-16	5,150,603	0	0	0	0	0	0	0		5,150,603	0	0	0	0	0	0	0	5,150,603
67	Sep-16	6,084,410	0	0	0	0	0	0	0		6,084,410	0	0	0	0	0	0	0	6,084,410
68	Average	$ 4,708,124	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ 4,708,124	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,708,124

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended September 30, 2016

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	AEAM	ALGN	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN	Total Tennessee
										FY15	100%	40.68%	4.41%	0.84%	4.36%	1.28%	0.00%	0.00%	
										FY16	100%	43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)				(h)	(i)	(j)	(k)	(l)	(m)			(n)
69																			
70	**Customers Deposits (Account 2350)**																		
71																			
72	Sep-15	$ (4,648,844)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ (4,648,844)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,648,844)
73	Oct-15	(4,735,437)	0	0	0	0	0	0	0		(4,735,437)	0	0	0	0	0	0	0	(4,735,437)
74	Nov-15	(4,812,967)	0	0	0	0	0	0	0		(4,812,967)	0	0	0	0	0	0	0	(4,812,967)
75	Dec-15	(4,823,925)	0	0	0	0	0	0	0		(4,823,925)	0	0	0	0	0	0	0	(4,823,925)
76	Jan-16	(4,846,090)	0	0	0	0	0	0	0		(4,846,090)	0	0	0	0	0	0	0	(4,846,090)
77	Feb-16	(4,854,041)	0	0	0	0	0	0	0		(4,854,041)	0	0	0	0	0	0	0	(4,854,041)
78	Mar-16	(4,867,719)	0	0	0	0	0	0	0		(4,867,719)	0	0	0	0	0	0	0	(4,867,719)
79	Apr-16	(4,790,060)	0	0	0	0	0	0	0		(4,790,060)	0	0	0	0	0	0	0	(4,790,060)
80	May-16	(4,760,196)	0	0	0	0	0	0	0		(4,760,196)	0	0	0	0	0	0	0	(4,760,196)
81	Jun-16	(4,740,792)	0	0	0	0	0	0	0		(4,740,792)	0	0	0	0	0	0	0	(4,740,792)
82	Jul-16	(4,737,015)	0	0	0	0	0	0	0		(4,737,015)	0	0	0	0	0	0	0	(4,737,015)
83	Aug-16	(4,701,580)	0	0	0	0	0	0	0		(4,701,580)	0	0	0	0	0	0	0	(4,701,580)
84	Sep-16	(4,700,779)	0	0	0	0	0	0	0		(4,700,779)	0	0	0	0	0	0	0	(4,700,779)
85	Average	$ (4,770,726)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ (4,770,726)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,770,726)
86																			
87																			
88	**Accumulated Deferred FIT (Total Accounts 1900, 2820, 2830)**																		
89																			
90	Sep-15	$ (77,010,365)	$ 8,011,333	$ (29,747,509)	$ -	$ 585,362,725	$ -	$ -	$ -		$ (77,010,365)	$ 3,258,969	$ (1,311,849)	$ -	$ 25,502,919	$ -	$ -	$ -	$ (49,560,326)
91	Oct-15	(77,010,364)	8,011,333	(29,747,509)	-	583,793,934	-	-	-		(77,010,364)	3,463,617	(1,327,301)	0	25,845,480	0	0	0	(49,028,568)
92	Nov-15	(77,010,363)	8,011,333	(29,747,509)	-	585,380,979	-	-	-		(77,010,363)	3,463,617	(1,327,301)	0	25,915,741	0	0	0	(48,958,306)
93	Dec-15	(77,010,362)	863,370	(29,747,509)	-	618,167,022	-	-	-		(77,010,362)	373,269	(1,327,301)	0	27,367,231	0	0	0	(50,597,164)
94	Jan-16	(77,010,361)	863,370	(29,747,509)	-	639,069,178	-	-	-		(77,010,361)	373,269	(1,327,301)	0	28,292,602	0	0	0	(49,671,791)
95	Feb-16	(77,010,360)	863,370	(29,747,509)	-	653,780,034	-	-	-		(77,010,360)	373,269	(1,327,301)	0	28,943,875	0	0	0	(49,020,517)
96	Mar-16	(77,010,359)	(4,517,544)	(29,747,509)	-	618,078,371	-	-	-		(77,010,359)	(1,953,113)	(1,327,301)	0	27,363,306	0	0	0	(52,927,468)
97	Apr-16	(77,010,358)	(4,517,544)	(29,747,509)	-	615,706,495	-	-	-		(77,010,358)	(1,953,113)	(1,327,301)	0	27,258,299	0	0	0	(53,032,473)
98	May-16	(77,010,357)	(4,517,544)	(29,747,509)	-	619,806,244	-	-	-		(77,010,357)	(1,953,113)	(1,327,301)	0	27,439,802	0	0	0	(52,850,970)
99	Jun-16	(77,010,356)	(5,155,095)	(29,747,509)	-	668,737,418	-	-	-		(77,010,356)	(2,228,752)	(1,327,301)	0	29,606,062	0	0	0	(50,960,347)
100	Jul-16	(77,010,355)	(5,155,095)	(29,747,509)	-	677,286,857	-	-	-		(77,010,355)	(2,228,752)	(1,327,301)	0	29,984,559	0	0	0	(50,581,849)
101	Aug-16	(77,010,354)	(5,155,095)	(29,747,509)	-	681,942,595	-	-	-		(77,010,354)	(2,228,752)	(1,327,301)	0	30,190,676	0	0	0	(50,375,731)
102	Sep-16	(86,042,609)	9,861,808	(27,916,938)	-	852,089,534	-	-	-		(86,042,609)	4,263,651	(1,245,623)	0	37,723,350	0	0	0	(45,301,232)
103	Average	$ (77,705,148)	$ 574,462	$ (29,606,696)	$ -	$ 646,092,414	$ -	$ -	$ -		$ (77,705,148)	$ 232,620	$ (1,319,830)	$ -	$ 28,571,839	$ -	$ -	$ -	$ (50,220,519)

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended September 30, 2016

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	AEAM	ALGN	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN	Total Tennessee
										FY15	100%	40.68%	4.41%	0.84%	4.36%	1.28%	0.00%	0.00%	
										FY16	100%	43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)				(h)	(i)	(j)	(k)	(l)	(m)			(n)
104																			
105	**Accumulated Depreciation (Account 1080)**																		
106																			
107	Sep-15	$ (180,472,042)	$ (3,057,056)	$ (46,569,104)	$ (3,304,478)	$ (111,860,017)	$ (3,979,038)	$ (0)	$ -		$ (180,472,042)	$ (1,243,595)	$ (2,053,673)	$ (27,627)	$ (4,873,486)	$ (50,829)	$ -	$ -	$ (188,721,251)
108	Oct-15	(181,166,582)	(3,069,581)	(47,321,628)	(3,337,584)	(112,907,554)	(4,036,223)	(0)	-		(181,166,582)	(1,327,101)	(2,111,439)	(32,218)	(4,998,596)	(53,871)	(0)	0	(189,689,807)
109	Nov-15	(181,857,880)	(3,080,857)	(48,074,187)	(3,370,691)	(113,935,077)	(4,093,408)	(0)	-		(181,857,880)	(1,331,977)	(2,145,018)	(32,537)	(5,044,971)	(54,634)	(0)	0	(190,467,017)
110	Dec-15	(181,679,454)	(2,158,416)	(48,834,173)	(3,403,797)	(114,387,785)	(4,150,593)	(636,173)	-		(181,679,454)	(933,169)	(2,178,928)	(32,857)	(5,064,128)	(55,398)	(33,775)	0	(189,977,708)
111	Jan-16	(181,895,145)	(2,163,369)	(50,793,309)	(2,237,354)	(116,725,558)	(2,353,511)	(1,226,454)	-		(181,895,145)	(935,310)	(2,266,342)	(21,597)	(5,167,625)	(31,412)	(65,114)	0	(190,382,546)
112	Feb-16	(182,469,509)	(2,168,323)	(51,553,153)	(2,270,173)	(117,777,240)	(2,410,271)	(1,247,390)	-		(182,469,509)	(937,452)	(2,300,245)	(21,914)	(5,214,184)	(32,170)	(66,226)	0	(191,041,700)
113	Mar-16	(183,071,403)	(2,172,166)	(52,315,508)	(2,302,992)	(118,829,197)	(2,467,032)	(1,268,482)	-		(183,071,403)	(939,113)	(2,334,261)	(22,231)	(5,260,756)	(32,927)	(67,345)	0	(191,728,037)
114	Apr-16	(183,629,710)	(2,177,115)	(53,071,720)	(2,335,795)	(119,874,836)	(2,523,780)	(1,289,471)	-		(183,629,710)	(941,253)	(2,368,002)	(22,548)	(5,307,048)	(33,685)	(68,460)	0	(192,370,706)
115	May-16	(184,221,743)	(2,186,573)	(53,830,113)	(2,368,597)	(120,925,442)	(2,580,529)	(1,310,445)	-		(184,221,743)	(945,342)	(2,401,841)	(22,864)	(5,353,560)	(34,442)	(69,573)	0	(193,049,366)
116	Jun-16	(184,880,822)	(2,175,475)	(54,589,147)	(2,401,400)	(121,976,451)	(2,637,278)	(1,331,418)	-		(184,880,822)	(940,544)	(2,435,708)	(23,181)	(5,400,090)	(35,199)	(70,687)	0	(193,786,232)
117	Jul-16	(185,444,983)	(2,180,633)	(55,348,241)	(2,434,203)	(123,035,521)	(2,694,026)	(1,352,391)	-		(185,444,983)	(942,774)	(2,469,578)	(23,498)	(5,446,977)	(35,957)	(71,800)	0	(194,435,567)
118	Aug-16	(186,040,732)	(2,185,790)	(56,386,812)	(2,503,278)	(123,781,577)	(2,750,734)	(1,377,247)	-		(186,040,732)	(945,004)	(2,515,918)	(24,164)	(5,480,006)	(36,714)	(73,120)	0	(195,115,657)
119	Sep-16	(186,693,147)	(2,190,947)	(32,133,930)	(2,538,926)	(90,181,594)	(2,807,442)	(1,400,838)	(935,438)		(186,693,147)	(947,233)	(1,433,781)	(24,508)	(3,992,482)	(37,471)	(74,372)	0	(193,202,994)
120	Average	$ (183,347,935)	$ (2,382,023)	$ (50,063,156)	$ (2,677,636)	$ (115,862,911)	$ (3,037,221)	$ (956,947)	$ (71,957)		$ (183,347,935)	$ (1,023,836)	$ (2,231,903)	$ (25,519)	$ (5,123,378)	$ (40,362)	$ (50,806)	$ -	$ (191,843,738)
121																			
122																			
123	**Customers Advances (Account 2520)**																		
124																			
125	Sep-15	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (76,428)
126	Oct-15	(76,428)	-	-	-	-	-	-	-		(76,428)	0	0	0	0	0	0	0	(76,428)
127	Nov-15	(76,428)	-	-	-	-	-	-	-		(76,428)	0	0	0	0	0	0	0	(76,428)
128	Dec-15	(76,428)	-	-	-	-	-	-	-		(76,428)	0	0	0	0	0	0	0	(76,428)
129	Jan-16	(76,428)	-	-	-	-	-	-	-		(76,428)	0	0	0	0	0	0	0	(76,428)
130	Feb-16	(76,428)	-	-	-	-	-	-	-		(76,428)	0	0	0	0	0	0	0	(76,428)
131	Mar-16	(76,428)	-	-	-	-	-	-	-		(76,428)	0	0	0	0	0	0	0	(76,428)
132	Apr-16	(76,428)	-	-	-	-	-	-	-		(76,428)	0	0	0	0	0	0	0	(76,428)
133	May-16	(76,428)	-	-	-	-	-	-	-		(76,428)	0	0	0	0	0	0	0	(76,428)
134	Jun-16	(76,428)	-	-	-	-	-	-	-		(76,428)	0	0	0	0	0	0	0	(76,428)
135	Jul-16	(76,428)	-	-	-	-	-	-	-		(76,428)	0	0	0	0	0	0	0	(76,428)
136	Aug-16	(76,428)	-	-	-	-	-	-	-		(76,428)	0	0	0	0	0	0	0	(76,428)
137	Sep-16	(76,428)	-	-	-	-	-	-	-		(76,428)	0	0	0	0	0	0	0	(76,428)
138	Average	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (76,428)

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended September 30, 2016

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	AEAM	ALGN	Factors FY15 / FY16	Division 093 100% / 100%	Division 091 40.68% / 43.23%	Division 012 4.41% / 4.46%	CKV 0.84% / 0.97%	Division 002 4.36% / 4.43%	Greenville 1.28% / 1.33%	AEAM 0.00% / 5.31%	ALGN 0.00% / 0.00%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)				(h)	(i)	(j)	(k)	(l)	(m)			(n)
139																			
140	**Interest on Customer Deposits (Account 2370-26919)**																		
141																			
142	Sep-15	$ (85,557)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ (85,557)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (85,557)
143	Oct-15	(96,005)	0	0	0	0	0	0	0		(96,005)	0	0	0	0	0	0	0	(96,005)
144	Nov-15	(106,207)	0	0	0	0	0	0	0		(106,207)	0	0	0	0	0	0	0	(106,207)
145	Dec-15	(116,603)	0	0	0	0	0	0	0		(116,603)	0	0	0	0	0	0	0	(116,603)
146	Jan-16	(132,121)	0	0	0	0	0	0	0		(132,121)	0	0	0	0	0	0	0	(132,121)
147	Feb-16	(1,231)	0	0	0	0	0	0	0		(1,231)	0	0	0	0	0	0	0	(1,231)
148	Mar-16	(19,225)	0	0	0	0	0	0	0		(19,225)	0	0	0	0	0	0	0	(19,225)
149	Apr-16	(35,587)	0	0	0	0	0	0	0		(35,587)	0	0	0	0	0	0	0	(35,587)
150	May-16	(43,837)	0	0	0	0	0	0	0		(43,837)	0	0	0	0	0	0	0	(43,837)
151	Jun-16	(55,351)	0	0	0	0	0	0	0		(55,351)	0	0	0	0	0	0	0	(55,351)
152	Jul-16	(67,262)	0	0	0	0	0	0	0		(67,262)	0	0	0	0	0	0	0	(67,262)
153	Aug-16	(78,189)	0	0	0	0	0	0	0		(78,189)	0	0	0	0	0	0	0	(78,189)
154	Sep-16	(88,900)	0	0	0	0	0	0	0		(88,900)	0	0	0	0	0	0	0	(88,900)
155	Average	$ (71,237)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ (71,237)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (71,237)
156																			
157																			
158	**Net elimination of intercompany leased property**																		
159																			
160	Sep-15	$ 5,791,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ 5,791,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,791,400
161	Oct-15	5,814,029	0	0	0	0	0	0	0		5,814,029	0	0	0	0	0	0	0	5,814,029
162	Nov-15	5,791,734	0	0	0	0	0	0	0		5,791,734	0	0	0	0	0	0	0	5,791,734
163	Dec-15	5,769,439	0	0	0	0	0	0	0		5,769,439	0	0	0	0	0	0	0	5,769,439
164	Jan-16	5,747,143	0	0	0	0	0	0	0		5,747,143	0	0	0	0	0	0	0	5,747,143
165	Feb-16	5,724,848	0	0	0	0	0	0	0		5,724,848	0	0	0	0	0	0	0	5,724,848
166	Mar-16	5,702,553	0	0	0	0	0	0	0		5,702,553	0	0	0	0	0	0	0	5,702,553
167	Apr-16	5,680,258	0	0	0	0	0	0	0		5,680,258	0	0	0	0	0	0	0	5,680,258
168	May-16	5,657,963	0	0	0	0	0	0	0		5,657,963	0	0	0	0	0	0	0	5,657,963
169	Jun-16	5,813,349	0	0	0	0	0	0	0		5,813,349	0	0	0	0	0	0	0	5,813,349
170	Jul-16	5,791,054	0	0	0	0	0	0	0		5,791,054	0	0	0	0	0	0	0	5,791,054
171	Aug-16	5,768,759	0	0	0	0	0	0	0		5,768,759	0	0	0	0	0	0	0	5,768,759
172	Sep-16	6,437,841	0	0	0	0	0	0	0		6,437,841	0	0	0	0	0	0	0	6,437,841
173	Average	$ 5,806,952	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ 5,806,952	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,806,952

Tennessee Distribution System
Pension Regulated Asset
Twelve Months Ended May 31, 2018

Line No.					
1	Annual benchmark per Docket 12-00064	2,086,819			
2	Quarterly benchmark	521,705			
3					
4		Contribution	Benchmark	Difference	
5	Quarter ended 3/31/13	521,705	521,705	-	
6	Quarter ended 6/30/13	641,911	521,705	120,206	
7	Quarter ended 9/30/13	1,038,413	521,705	516,708	
8	Quarter ended 12/31/13	417,671	521,705	(104,034)	
9	Quarter ended 3/30/14	390,181	521,705	(131,524)	
10	Quarter ended 6/30/14	1,418,839	521,705	897,134	
11		$ 4,428,719	$ 3,130,229	$ 1,298,490	
12					
13	Monthly Amortization				
14	2 years amortization			$ 54,104	
15					
16		Amortization Expense	Regulated Asset Balance		
17	Sep-15		1,082,075		
18	Oct-15	54,104	1,027,971		
19	Nov-15	54,104	973,868		
20	Dec-15	54,104	919,764		
21	Jan-16	54,104	865,660		
22	Feb-16	54,104	811,556		
23	Mar-16	54,104	757,453		
24	Apr-16	54,104	703,349		
25	May-16	54,104	649,245		
26	Jun-16	54,104	595,141		
27	Jul-16	54,104	541,038		
28	Aug-16	54,104	486,934		
29	Sep-16	54,104	432,830		
30	Oct-16	54,104	378,726		
31	Nov-16	54,104	324,623		
32	Dec-16	54,104	270,519		
33	Jan-17	54,104	216,415		
34	Feb-17	54,104	162,311		
35	Mar-17	54,104	108,208		
36	Apr-17	54,104	54,104		
37	May-17	54,104	-		
38	Jun-17		-		
39	Jul-17		-		
40	Aug-17		-		
41	Sep-17		-		
42	Oct-17		-		
43	Nov-17		-		
44	Dec-17		-		
45	Jan-18		-		
46	Feb-18		-		
47	Mar-18		-		
48	Apr-18		-		
49	May-18		-		
50	Annual Amortization	$ -	$ -	13 month average	

Tennessee Distribution System
Accumulated Deferred Income Tax
Shared Services Division 002
Twelve Months Ended May 31, 2018

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	Sep-15	353,265,598	(232,097,127)	530,457,730	54,904,995	585,362,725
2	Oct-15	351,696,807	(232,097,127)	530,457,730	53,336,204	583,793,934
3	Nov-15	353,283,852	(232,097,127)	530,457,730	54,923,249	585,380,979
4	Dec-15	386,239,047	(231,927,975)	554,535,985	63,631,037	618,167,022
5	Jan-16	407,141,203	(231,927,975)	554,535,985	84,533,193	639,069,178
6	Feb-16	421,852,059	(231,927,975)	554,535,985	99,244,049	653,780,034
7	Mar-16	396,520,892	(221,557,479)	541,564,884	76,513,487	618,078,371
8	Apr-16	394,149,016	(221,557,479)	542,923,119	72,783,376	615,706,495
9	May-16	398,248,765	(221,557,479)	542,923,119	76,883,125	619,806,244
10	Jun-16	442,366,792	(226,370,626)	570,484,105	98,253,313	668,737,418
11	Jul-16	450,916,231	(226,370,626)	570,484,105	106,802,752	677,286,857
12	Aug-16	455,571,969	(226,370,626)	570,484,105	111,458,490	681,942,595
13	Sep-16	620,407,979	(231,681,555)	725,716,695	126,372,839	852,089,534
14	Oct-16	619,809,025	(231,681,555)	725,716,695	125,773,885	851,490,580
15	Nov-16	617,654,899	(231,681,555)	725,716,695	123,619,759	849,336,454
16	Dec-16	618,079,547	(231,681,555)	725,716,695	124,044,407	849,761,102
17	Jan-17	617,813,560	(231,681,555)	725,716,695	123,778,420	849,495,115
18	Feb-17	616,701,316	(231,681,555)	725,716,695	122,666,176	848,382,871
19	Mar-17	615,900,866	(231,681,555)	725,716,695	121,865,726	847,582,421
20	Apr-17	615,602,504	(231,681,555)	725,716,695	121,567,364	847,284,059
21	May-17	616,228,654	(231,681,555)	725,716,695	122,193,514	847,910,209
22	Jun-17	617,323,924	(231,681,555)	725,716,695	123,288,784	849,005,479
23	Jul-17	618,269,830	(231,681,555)	725,716,695	124,234,690	849,951,385
24	Aug-17	619,519,947	(231,681,555)	725,716,695	125,484,807	851,201,502
25	Sep-17	620,206,342	(231,681,555)	725,716,695	126,171,202	851,887,897
26	Oct-17	620,030,555	(231,681,555)	725,716,695	125,995,415	851,712,110
27	Nov-17	619,418,921	(231,681,555)	725,716,695	125,383,781	851,100,476
28	Dec-17	619,530,798	(231,681,555)	725,716,695	125,495,658	851,212,353
29	Jan-18	619,447,564	(231,681,555)	725,716,695	125,412,424	851,129,119
30	Feb-18	619,128,700	(231,681,555)	725,716,695	125,093,560	850,810,255
31	Mar-18	618,895,315	(231,681,555)	725,716,695	124,860,175	850,576,870
32	Apr-18	618,804,100	(231,681,555)	725,716,695	124,768,960	850,485,655
33	May-18	618,972,585	(231,681,555)	725,716,695	124,937,445	850,654,140

[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, 2018

Line No.		Base Period	Attrition Year
1	Reveune Lag	37.50	37.50
2			
3	Expense Lag	34.04	32.57
4			
5	Net Lag	3.46	4.93
6			
7	Daily Cost of Service	299,133	313,424
8			
9	Cash Working Capital	1,035,838	1,545,831

Atmos Energy Corporation-Tennessee
Cash Working Capital Lead/Lag Analysis
For Forward Looking Attrition Year Twelve Months Ended May 31, 2018

Line No.	Description		Attrition Year Expenses	Expense Lag	CWC Requirement (b) x (c)
	(a)		(b)	(c)	(d)
1	Gas Supply Expense				
2	Purchased Gas		40,904,923	39.33	1,608,790,612
3					
4	Operation and Maintenance Expense				
5	O&M, Labor		8,104,079	14.07	114,024,391
6	O&M, Non-Labor		12,280,248	29.44	361,530,503
7	Total O&M Expense		20,384,327		475,554,894
8					
9					
10	Taxes Other Than Income				
11	Ad Valorem		4,220,148	241.50	1,019,165,742
12	State Gross Receipts Tax		1,488,460	(151.50)	(225,501,757)
13	Payroll Taxes		283,431	15.41	4,367,577
14	Franchise Tax		722,000	37.50	27,075,002
15	TRA Inspection Fee		567,621	272.50	154,676,723
16	DOT		-	59.00	-
17					
18	Allocated Taxes-Shared Services				
19	Ad Valorem	14%	46,624	241.50	11,259,703
20	Payroll Taxes	86%	281,558	15.41	4,338,712
21					
22	Allocated Taxes-Business Unit				
23	Ad Valorem	27%	25,126	241.50	6,068,048
24	Payroll Taxes	73%	69,214	15.41	1,066,558
25	Total Taxes Other Than Income		7,704,182		1,002,516,308
26					
27	Federal Income Tax		*8,396,766*		
28	Current Taxes		-	37.50	-
29	Deferred Taxes		8,396,766	-	-
30					
31	State Excise Tax		*1,667,807*		
32	Current Taxes		-	37.50	-
33	Deferred Taxes		1,667,807	-	-
34					
35	Depreciation		12,516,189	-	-
36					
37	Interest on Customer Deposits		165,200	182.50	30,149,082
38					
39	Interest Expense - LTD		6,695,251	91.25	610,941,668
40					
41	Interest Expense - STD		333,248	24.05	8,014,166
42					
43	Return on Equity		15,945,200	-	-
44					
45					
46	TOTAL		114,713,094	32.57	3,735,966,730
47					
48	Daily Cost of Service		313,424		
49					
50					

Atmos Energy Corporation-Tennessee
Cash Working Capital Lead/Lag Analysis
For Historic Base Period September 30, 2016

Line No.	Description		Histori Base Period	Expense Lag	CWC Requirement (b) x (c)
	(a)		(b)	(c)	(d)
1	Gas Supply Expense				
2	Purchased Gas		40,904,923	39.33	1,608,790,612
3					
4	Operation and Maintenance Expense				
5	O&M, Labor		7,789,527	14.07	109,598,638
6	O&M, Non-Labor		13,794,549	29.44	406,111,511
7	Total O&M Expense		21,584,075		515,710,149
8					
9					
10	Taxes Other Than Income				
11	Ad Valorem		4,303,248	241.50	1,039,234,392
12	State Gross Receipts Tax		1,482,520	(151.50)	(224,601,780)
13	Payroll Taxes		269,272	15.41	4,149,389
14	Franchise Tax		722,000	37.50	27,075,002
15	TRA Inspection Fee		611,854	272.50	166,730,090
16	DOT		20,299	59.00	1,197,639
17					
18	Allocated Taxes-Shared Services				
19	Ad Valorem	0%	-	241.50	-
20	Payroll Taxes	100%	340,446	15.41	5,246,153
21					
22	Allocated Taxes-Business Unit				
23	Ad Valorem	36%	38,909	241.50	9,396,624
24	Payroll Taxes	64%	67,902	15.41	1,046,343
25	Total Taxes Other Than Income		7,856,449		1,029,473,851
26					
27	Federal Income Tax		*6,169,974*		
28	Current Taxes		-	37.50	-
29	Deferred Taxes		6,169,974	-	-
30					
31	State Excise Tax		*1,225,511*		
32	Current Taxes		-	37.50	-
33	Deferred Taxes		1,225,511	-	-
34					
35	Depreciation		11,541,971	-	-
36					
37	Interest on Customer Deposits		166,975	182.50	30,473,015
38					
39	Interest Expense - LTD		5,753,110	91.25	524,971,297
40					
41	Interest Expense - STD		286,354	24.05	6,886,430
42					
43	Return on Equity		13,694,294	-	-
44					
45					
46	TOTAL		109,183,636	34.04	3,716,305,354
47					
48	Daily Cost of Service		299,133		
49					
50					

Tennessee Distribution System
Amortization Schedule of Capitalized Incentive Compensation Adjustment
For Forward Looking Attrition Year Twelve Months Ended May 31, 2018

Line No.	Description		Amounts		Amounts
1	(a)		(b)		(c)
2	Forward Looking Test Year		Rate Base		Depreciation Expense
3	Docket No. 16-00013, 2016 TN ARM Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-17	$	856,138	$	20,881
4	Docket No. 16-00105, 2016 TN ARM Reconciliation Filing Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-16		1,162,062		29,796
5	Docket No. 17-00012, 2017 TN ARM Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-18		908,913		20,657
6					
7	Total	$	2,927,113	$	71,335
8					
9	Historic Base Period				
10	Docket No. 16-00013, 2016 TN ARM Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-16	$	1,221,654	$	29,796
11					
12	Total	$	1,221,654	$	29,796
13					
14					
15	*Forward Looking Test Year Amounts are for the period of 2018				
16	*Historic Base Period Amounts for the period of 2016				

Schedule 8

Tennessee Distribution System
Computation of State Excise & Income Taxes
Twelve Months Ended May 31, 2018

Line No.	Description	Tax Rate	Base Period (1)	Attrition Year	Change
	(a)	(b)	(c)	(d)	
2					
3	Required Return		$ 19,498,097	$ 22,691,145	$ 3,193,048
1	Current Return		$ 17,548,681	$ 21,390,905	$ 3,842,224
4					
5	Pre-Tax Deficiency from Current Return		1,949,416	1,300,240	(649,176)
6	Tax Expansion Factor		1.6365	1.6365	
7	After-Tax Deficiency from Current Return		3,190,220	2,127,843	(1,062,376)
8					
9	Tax Liability Increase / Decrease (Ln 7 - Ln 3)		1,240,803	827,603	(413,200)
10	Current Tax Liability		$ 7,395,485	$ 9,236,970	$ 1,841,485
11					
12	Income Tax Liability		$ 8,636,288	$ 10,064,573	$ 1,428,285
13					
14	Less: ITC Amortization		-		-
15					
16	Total Income Tax Liability		8,636,288	10,064,573	1,428,285
17					
18	Note:				
19	1. Twelve months ended September 30, 2016				

Tennessee Distribution System
Amortization of UCG Deferred Utility ITC
Twelve Months Ended May 31, 2018

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 September 30, 2016	-		-
7				
8	Attrition Year ended May 31, 2018	-		-
9				
10	[1] Division 091 - Mid-States General Office allocation factor excluding Kentucky			

Tennessee Distribution System
Revenue Conversion Factor
Twelve Months Ended May 31, 2018

		Attrition Year	
Line No.		Amount	Balance
1	Operating Revenues		1.000000
2			
3	Add: Forfeited Discounts	0.009604	0.009604
4			
5	Balance		1.009604
6			
7	Uncollectible Ratio	0.004119	0.004158
8			
9	Balance		1.005446
10			
11	State Excise Tax	0.065000	0.065354
12			
13	Balance		0.940092
14			
15	Federal Income Tax	0.350000	0.329032
16			
17	Balance		0.611060
18			
19	Revenue Conversion Factor (Line 1/Line 9)		1.636500

Schedule 9

Tennessee Distribution System
Overall Cost of Capital
Twelve Months Ended May 31, 2018

Line No.	Description	Percent	Cost Rate	Overall Cost of Capital
	(a)	(b)	(c)	(d)
1	Long Term Debt Capital	37.17%	5.95%	2.21%
2	Short Term Debt	10.05%	1.05%	0.11%
3	Equity Capital	52.78%	9.80%	5.17%
4				
5	Total Capital	100.0%		7.49%

Tennessee Distribution System
Cost of Capital
Twelve Months Ended May 31, 2018

		September 30, 2016	
Line No.	**Description**	**$**	**%**
	(a)	(b)	(c)
1	LT Debt	$ 2,438,778,635	37.17%
2	ST Debt	659,216,467	10.05%
3	Equity	3,463,058,963	52.78%
4			
5	Total Capital	$ 6,561,054,066	100.00%

Tennessee Distribution System
Cost of Capital- Short Term Debt Rate
Twelve Months Ended May 31, 2018

Line No.	Date	Atmos Consolidated Balances: Long-Term Debt	Short-Term Debt	Equity	12 Month Avg Atmos Consolidated - calc of STD rate: STD Avg Daily Bal	12 Month Avg STD Int Exp & fees	STD avg rate
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Sep-15	2,455,388,136	457,926,707	3,194,798,013			
2	Oct-15	2,455,416,660	550,811,805	3,210,543,634	485,451,613	361,118	
3	Nov-15	2,455,445,183	732,768,859	3,203,963,674	604,993,867	406,545	
4	Dec-15	2,455,473,707	763,235,622	3,272,109,653	749,693,484	575,981	
5	Jan-16	2,455,502,231	708,711,351	3,299,031,455	697,200,581	647,000	
6	Feb-16	2,455,530,754	666,441,027	3,267,084,384	645,617,793	586,490	
7	Mar-16	2,455,559,278	626,928,501	3,344,565,075	635,937,097	623,945	
8	Apr-16	2,455,587,801	600,119,181	3,383,622,256	595,514,133	579,526	
9	May-16	2,455,616,325	588,760,748	3,436,952,412	586,496,258	586,696	
10	Jun-16	2,455,644,849	670,465,758	3,466,723,837	599,167,000	539,956	
11	Jul-16	2,455,673,372	660,469,447	3,472,256,616	642,466,903	564,898	
12	Aug-16	2,455,701,896	713,363,904	3,438,592,539	685,968,968	594,036	
13	Sep-16	2,438,778,635	829,811,164	3,463,058,963	792,821,200	667,351	
14						6,733,542	
15							
16	Average	2,454,255,294	659,216,467	3,342,561,732	643,444,075		1.05%

Detail of Colm (f) Consolidated Int Exp & Fees

Line No.	Interest on CP or Interest on Draws on Credit Facilitiy: Int Exp	Commitment Fees on Credit Facility: Commit fees	Bank Fees on AEC Credit Facility With RBS (30121): Utility Bank Admin
2	168,958	110,293	81,867
3	217,943	106,735	81,867
4	383,821	110,293	81,867
5	454,840	110,293	81,867
6	401,445	103,177	81,867
7	431,785	110,293	81,867
8	390,924	106,735	81,867
9	394,536	110,293	81,867
10	351,354	106,735	81,867
11	372,738	110,293	81,867
12	401,876	110,293	81,867
13	479,474	106,735	81,142
14	4,449,693.07	1,302,166.59	981,682.24
16	per STD rpts:	6,733,542	

Tennessee Distribution System
Cost of Capital- Long Term Debt Rate
Twelve Months Ended May 31, 2018

Line No.	Debt Series (a)	Issued (b)	Outstanding 9/30/2015 (c)	Outstanding 10/31/2015 (d)	Outstanding 11/30/2015 (e)	Outstanding 12/31/2015 (f)	Outstanding 1/31/2016 (g)	Outstanding 2/29/2016 (h)	Outstanding 3/31/2016 (i)	Outstanding 4/30/2016 (j)	Outstanding 5/31/2016 (k)
1	9.40% First Mortgage Bond J due May 2021/RET 2005	04/01/91	-	-	-	-	-	-	-	-	-
2	6.75% Debentures Unsecured due July 2028	07/27/98	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
3	5.125% Senior Notes due Jan 2013	01/13/03	-	-	-	-	-	-	-	-	-
4	10.43% First Mortgage Bond P due 2017 (eff 2012)	11/01/87	-	-	-	-	-	-	-	-	-
5	9.75% First Mortgage Bond Q due Apr 2020/RET 2005	04/01/90	-	-	-	-	-	-	-	-	-
6	9.32% First Mortgage Bond T due June 2021/RET 2005	06/01/91	-	-	-	-	-	-	-	-	-
7	8.77% First Mortgage Bond U due May 2022/RET 2005	05/01/92	-	-	-	-	-	-	-	-	-
8	6.67% MTN A1 due Dec 2025	12/15/95	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
9	4.95% Sr Note due 10/15/2014	10/22/04	-	-	-	-	-	-	-	-	-
10	5.95% Sr Note due 10/15/2034	10/22/04	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
11	6.35% Sr Note due 6/15/2017	6/2007	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
12	Sr Note 5.50% Due 06/15/2041	6/10/2011	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000
13	8.50% Sr Note due 3/15/2019	03/23/09	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000
14	4.15% Sr Note due 1/15/2043	01/15/13	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
15	4.125% Sr Note due 10/15/2044	10/15/2014	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
16	Debt Issuance Cost - Amort is pending new debt issue	06/2017	-	-	-	-	-	-	-	-	-
17	March 2019 - Swap Position	03/2019	-	-	-	-	-	-	-	-	-
18	$200MM 3YR. Sr Credit Facility (Established 9/22/16)		-	-	-	-	-	-	-	-	-
19	Subtotal -- Utility Long-Term Debt		$ 2,460,000,000	$ 2,460,000,000	$ 2,460,000,000	$ 2,460,000,000	$ 2,460,000,000	$ 2,460,000,000	$ 2,460,000,000	$ 2,460,000,000	$ 2,460,000,000
20											
21	Atmos Leasing, Inc.										
22	Industrial Develop Revenue Bond 07/13	1991	-	-	-	-	-	-	-	-	-
23	**Total Long-Term Debt**		2,460,000,000	2,460,000,000	2,460,000,000	2,460,000,000	2,460,000,000	2,460,000,000	2,460,000,000	2,460,000,000	2,460,000,000
24	Less Unamortized Debt Discount		$ 4,611,864	$ 4,583,340	$ 4,554,817	$ 4,526,293	$ 4,497,769	$ 4,469,246	$ 4,440,722	$ 4,412,199	$ 4,383,675
	Less Unamortized Debt Expense										
25	Annualized Amortization of T-Lock Settlement, Debt Exp. & Debt Disct.										
26											
27	Effective Avg Cost of Consol Debt										

EXHIBIT GKW-R-1

WP 9-3

Tennessee Distribution System
Cost of Capital- Long Term Debt Rate
Twelve Months Ended May 31, 2018

Line No.	Debt Series (a)	Issued (b)	Outstanding 6/30/2016 (l)	Outstanding 7/31/2016 (m)	Outstanding 8/31/2016 (n)	Outstanding 9/30/2016 (o)	End Int Rate (p)	Annual Int at 9/30/2016 (q)	(r) (v)	Annualized 4270 Amort for T-lock (w)	Annualized 4280-81 Amort Debt Exp&Dsct (x)	Exp 1810 Penalty 1890 Dsct 2260 9/30/2016 (y)
1	9.40% First Mortgage Bond J due May 2021/RET 2005	04/01/91	-	-	-	-	9.40%	0		0	560,397	2,568,488
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	1,178,915
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	36,657
5	9.75% First Mortgage Bond Q due Apr 2020/RET 2005	04/01/90	-	-	-	-	9.75%	0		0	337,581	1,209,664
6	9.32% First Mortgage Bond T due June 2021/RET 2005	06/01/91	-	-	-	-	9.32%	0		0	362,746	1,692,817
7	8.77% First Mortgage Bond U due May 2022/RET 2005	05/01/92	-	-	-	-	8.77%	0		0	368,719	2,058,682
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	71,613
9	4.95% Sr Note due 10/15/2014	10/22/04	-	-	-	-	4.950%	0		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	2,089,291
11	6.35% Sr Note due 6/15/2017	6/2007	250,000,000	250,000,000	250,000,000	250,000,000	6.35%	15,875,000		(474,980)	307,042	230,281
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		(669,302)	186,860	4,609,203
13	8.50% Sr Note due 3/15/2019	03/23/09	450,000,000	450,000,000	450,000,000	450,000,000	8.50%	38,250,000		(77,734)	1,161,169	2,902,923
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	9,939,053
15	4.125% Sr Note due 10/15/2044	10/15/2014	500,000,000	500,000,000	500,000,000	500,000,000	4.13%	20,625,000		(445,478)	215,407	6,039,079
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	$200MM 3YR. Sr Credit Facility (Established 9/22/16)		-	-	-	-		200,000		0	34,700	324,108
19	Subtotal -- Utility Long-Term Debt		$ 2,460,000,000	$ 2,460,000,000	$ 2,460,000,000	$ 2,460,000,000		$ 140,392,000		$ 546,316	$ 4,169,978	$ 34,992,354
20												
21	Atmos Leasing, Inc.											
22	Industrial Develop Revenue Bond 07/13	1991	-	-	-	-	7.90%	-		0	0	0
23	**Total Long-Term Debt**		2,460,000,000	2,460,000,000	2,460,000,000	2,460,000,000		$ 140,392,000				
24	Less Unamortized Debt Discount		$ 4,355,151	$ 4,326,628	$ 4,298,104	$ 4,269,581				$ 546,316	$ 4,169,978	$ 34,992,354
	Less Unamortized Debt Expense					$ 16,951,784						
25	Annualized Amortization of T-Lock Settlement. Debt Exp. & Debt Disct.							$ 4,716,294				
26						$ 2,438,778,635		$ 145,108,294				
27	Effective Avg Cost of Consol Debt						5.95%	end of period				

Schedule 10

Tennessee Distribution System
Rate of Return
Twelve Months Ended May 31, 2018

Line No.	Description	Reference	Historic Base Period (1)	Change	Attrition Year	Ratemaking Adjustments	Current Rate of Return
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Total Revenues	Sch. 2	$ 106,935,939	$ 5,316,064	$ 112,252,003	$ -	$ 112,252,003
2							
3	Gas Cost	Sch. 3	40,904,923	-	40,904,923	-	40,904,923
4							
5	Operation & Maintenance Expense	Sch. 4	21,584,075	(1,199,748)	20,384,327	-	20,384,327
6							
7	Taxes Other Than Income Taxes	Sch. 5	7,856,449	(152,267)	7,704,182	-	7,704,182
8							
9	Depreciation & Amortization Expense	Sch. 6	11,541,971	1,045,553	12,587,524	(71,335)	12,516,189
10							
11	Federal Income and State Excise Tax	Wp 10-1	7,395,485	1,835,218	9,230,703	6,267	9,236,970
12							
13	Interest on Customer Deposits	Wp 1-1	155,049	10,152	165,200	-	165,200
14							
15	AFUDC Interest credit	Wp 1-2	(50,693)	-	(50,693)	-	(50,693)
16							
17	Return on Rate Base		$ 17,548,681	$ 3,777,156	$ 21,325,837	$ 65,068	$ 21,390,905
18							
19	Total Rate Base	Sch. 7	$ 260,321,724	$ 40,244,744	$ 300,566,468	$ 2,386,073	$ 302,952,541
20							
21	Rate of Return on Rate Base		6.74%		7.10%		7.06%
22							
23	Interest Expense		6,039,464	933,678	6,973,142	55,357	7,028,499
24							
25							
26	Return on Equity		$ 11,509,217		$ 14,352,695		$ 14,362,406
27							
28	Rate of Return on Equity		8.38%		9.05%		8.98%
29							
30	Note:						
31	1. Twelve months ended September 30, 2016						

Tennessee Distribution System
Computation of State Excise and Federal Income Taxes for Sch 10
Twelve Months Ended May 31, 2018

Line	Description (a)	Tax Rate (b)	Historic Base Period (1) (c)	Projected Amount (d)	Adjusted Amount (e)
1	Net Operating Income Before Income Tax		$ 24,893,472	$ 30,505,846	$ 30,577,181
2					
3	Interest Deduction		6,039,464	6,973,142	7,028,499
4					
5	Equity Portion of Return		$ 18,854,008	$ 23,532,704	$ 23,548,682
6					
7	Application of Tax Rate to Equity Return - Tennessee	6.5%	1,225,511	1,529,626	1,530,664
8					
9	Application of Tax Rate to Equity Return - Federal	35%	6,169,974	7,701,077	7,706,306
10					
11	Income Tax Expense		$ 7,395,485	$ 9,230,703	$ 9,236,970
12					
13	Less: ITC Amortization		-	-	-
14					
15	Total Income Tax Liability		$ 7,395,485	$ 9,230,703	$ 9,236,970
16					
17	Note:				
18	1. Twelve months ended September 30, 2016				

Tennessee Distribution System
Proof of Revenues and Calculation of Rates
Historic Base Period Margin at Present Rates
Actual Twelve Months Ended September 30, 2016

Line No.	Description	12 Mths Ended Sep 16 Base Count	12 Mths Ended Sep 16 Volumes Mcf	Rates effective Sep 16 Monthly Customer chg	Rates effective Sep 16 Commodity Charge/Mcf	12 mths Sep16 Margin at Sep16 rates	Weather Adjustment Volumes Mcf	12 mths Sep16 WNA Adjusted Volumes Mcf	12 mths Sep16 Weather adj Margin at Sep16 rates	12 mths Sep16 WNA $ Adj at Sep16 rates
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	**RESIDENTIAL**									
2	210 Residential Gas Service (Summer)	613,707	810,777	$15.30	$1.322	10,461,564		810,777	10,461,564	$0
3	210 Residential Gas Service (Winter) (weather sensitive)	853,797	5,514,947	$18.30	$1.322	22,915,245	1,154,009	6,668,956	24,440,845	$1,525,599
4	210 Residential Gas Service Senior Citizen (Summer)	709	553	$0.00	$1.322	731		553	731	$0
5	210 Residential Gas Service Senior Citizen (Winter) (wea	1,011	6,211	$0.00	$1.322	8,211		6,211	8,211	$0
6	211 Residential/Sm. Commericial/Industrial Heating & Co	12	178	$15.30	$0.769	320	53	231	361	$41
7	Total Residential	1,469,236	6,332,666			33,386,072	1,154,061	7,486,727	34,911,712	1,525,640
8										
9	**COMMERCIAL**									
10	211 Residential/Sm. Commericial/Industrial Heating & Co	12	112	15.30	0.769	269		112	269	$0
11	220 Commercial Gas Service (weather sensitive)	194,355	4,584,814	37.80	2.548	19,028,725	561,677	5,146,491	20,459,877	$1,431,152
12	230 Large Commercial Gas Service (weather sensitive)	0	0	405.00	2.224	0	0	0	0	$0
13	250 Commercial Interruptible Gas Service			440.00		0		0	0	
14	Block 1 Volumes				1.246	0		0	0	
15	Block 2 Volumes				0.825	0		0	0	
16	Block 3 Volumes				0.382	0		0	0	
17	293 Large Tonnage Air Conditioning Gas Service	12		37.80		454		0	454	
18	Block 1 Volumes		12,501		1.246	15,577		12,501	15,577	
19	Block 2 Volumes		683		0.825	563		683	563	
20	Block 3 Volumes		0		0.382	0		0	0	
21	Total Commercial	194,379	4,598,110			19,045,588	561,677	5,159,786	20,476,740	1,431,152
22										
23	**INDUSTRIAL**									
24	220 Industrial Gas Service (weather sensitive)	3,823	543,069	37.80	2.548	1,528,250	66,530	609,600	1,697,770	$169,519
25	230 Large Industrial Gas Service	72	41,070	405.00	2.224	120,500		41,070	120,500	
26	240 DEMAND/COMM GS	0		440.00		0		0	0	
27	Block 1 Volumes		0		1.246	0		0	0	
28	Block 2 Volumes		0		0.825	0		0	0	
29	Block 3 Volumes		0		0.382	0		0	0	
30	Demand Volumes		0		16.283	0		0	0	
31	250 Industrial Interruptible Gas Service	312		440.00		137,280		0	137,280	
32	Block 1 Volumes		289,442		1.246	360,644		289,442	360,644	
33	Block 2 Volumes		288,058		0.825	237,648		288,058	237,648	
34	Block 3 Volumes		0		0.382	0		0	0	
35	250/240/280 Industrial/Demand/Economic Dev	4		440.00		1,760		0	1,760	
36	Block 1 Volumes		0		1.246	0		0	0	
37	Block 1 Volumes @ Discount Rate		5,119		0.935	4,783		5,119	4,783	
38	Block 2 Volumes		0		0.825	0		0	0	
39	Block 2 Volumes @ Discount Rate		0		0.619	0		0	0	
40	Block 3 Volumes		0		0.382	0		0	0	
41	Block 3 Volumes @ Discount Rate		0		0.287	0		0	0	
42	Demand Volumes		0		16.283	0		0	0	
43	Demand Volumes @ Discount Rate		425		12.212	5,184		425	5,184	
44	280/250 Economic Development Gas Service	5		440.00		2,200		0	2,200	
45	Block 1 Volumes		0		1.246	0		0	0	
46	Block 1 Volumes @ Discount Rate		10,000		0.935	9,345		10,000	9,345	
47	Block 2 Volumes		0		0.825	0		0	0	
48	Block 2 Volumes @ Discount Rate		8,195		0.619	5,071		8,195	5,071	
49	Block 3 Volumes		0		0.382	0		0	0	
50	Block 3 Volumes @ Discount Rate		0		0.287	0		0	0	
51	292 Cogeneration, CNG, Prime Movers Service	12		37.80		454		0	454	
52	Block 1 Volumes		0		1.246	0		0	0	
53	Block 2 Volumes		0		0.825	0		0	0	
54	Block 3 Volumes		0		0.382	0		0	0	
55	Total Industrial	4,228	1,184,962			2,413,119	66,530	1,251,483	2,582,638	169,519
56										
57	**PUBLIC AUTHORITY**									
58	211 Residential/Sm. Commericial/Industrial Heating & Co	0	0	15.30	$0.769	0		0	0	$0
59	221 Experimental School Gas Service	53	61,714	37.80	1.234	78,159	7,560	69,275	87,488	$9,330
60	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0.00	1.322	0		0	0	$0
61	225 Public Authority Gas Service (Sr. Citizen) (Winter)	0	0	0.00	1.322	0		0	0	$0
62	225 Public Authority Gas Service (Summer)	2,974	7,439	15.30	1.322	55,337		7,439	55,337	$0
63	225 Public Authority Gas Service (Winter)	4,166	33,526	18.30	1.322	120,560	7,465	40,992	130,429	9,869
64	Total Public Authority	7,193	102,680			254,055	15,026	117,706	273,254	19,199
65										
66	**TRANSPORTATION**									
67	260 - TRANSP (220 SML COM/INDG)	144	138,035	440.00	2.548	415,074		138,035	415,074	
68	260 - TRANSP (230 LRG COM/INDG)	515	1,366,542	440.00	2.224	3,265,790		1,366,542	3,265,790	
69	260 - TRANSP (240 DEMAND)	54		440.00		23,760		0	23,760	
70	Block 1 Volumes		108,000		1.246	134,568		108,000	134,568	
71	Block 2 Volumes		276,281		0.825	227,931		276,281	227,931	
72	Block 3 Volumes		0		0.382	0		0	0	
73	Demand Volumes		20,660		16.283	336,410		20,660	336,410	
74	260 - TRANSP (250 OPT GS)	631		440.00		277,640		0	277,640	
75	Block 1 Volumes		1,200,990		1.246	1,496,434		1,200,990	1,496,434	
76	Block 2 Volumes		3,810,515		0.825	3,143,675		3,810,515	3,143,675	
77	Block 3 Volumes		0		0.382	0		0	0	
78	260 - TRANSP (280/240 ECON DEV/DEMAND)	4		440.00		1,760		0	1,760	
79	Block 1 Volumes		0		1.246	0		0	0	
80	Block 1 Volumes @ Discount Rate		2,109		0.935	1,971		2,109	1,971	
81	Block 2 Volumes		0		0.825	0		0	0	
82	Block 2 Volumes @ Discount Rate		0		0.619	0		0	0	
83	Block 3 Volumes		0		0.382	0		0	0	
84	Block 3 Volumes @ Discount Rate		0		0.287	0		0	0	
85	Demand Volumes		0		16.283	0		0	0	
86	Demand Volumes @ Discount Rate		348		12.212	4,252		348	4,252	
87	260 - TRANSP (280/250 ECON DEV - OPT GS)	24		440.00		10,560		0	10,560	
88	Block 1 Volumes		48,000		1.246	59,808		48,000	59,808	
89	Block 1 Volumes @ Discount Rate		0		0.935	0		0	0	
90	Block 2 Volumes		547,461		0.825	451,655		547,461	451,655	
91	Block 2 Volumes @ Discount Rate		84,438		0.619	52,246		84,438	52,246	
92	Block 3 Volumes		0		0.382	0		0	0	
93	Block 3 Volumes @ Discount Rate		41,217		0.287	11,809		41,217	11,809	
94	SPECIAL CONTRACTS	38	1,002,197			368,140		1,002,197	368,140	
95	Total Transportation	1,410	8,625,785			10,283,484	0	8,625,785	10,283,484	0
96										
97	TOTALS	1,676,446	20,844,193			$65,382,317	1,797,294	22,641,487	$68,527,828	$3,145,511
98										
99	4870 - Forfeited Discount					$554,280			$554,280	
100	4880 - Miscellaneous Service charges					$413,789			413,789	
101	TOTAL MARGIN REVENUES					$66,350,387			$69,495,897	

Tennessee Distribution System
Proof of Revenues and Calculation of Rates
Forward Looking Test Year Margin at Present Rates
Historic Base Period Ended September 30, 2016 and Forward Looking Test Year Ended May 31, 2018

										210,211,225	1.87%	0.00%			
										220,221,230C	1.01%	0.00%			
		12 Mths Ended Sep 16		Rates effective Sep 16		12 mths Sep16	N	Customer Changes		Customer Growth		Declining	Adjusted	Adjusted	Total
Line		Base	Weather Adj.	Monthly	Commodity	Weather adj Margin	O T	Base	Volumes	Base	Volumes	Usage	Base	Volumes	Adjusted
No.	Description	Count	Vol Mcf	Customer chg	Charge/Mcf	at Sep16 rates	E	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)	613,707	810,777	$15.30	$1.322	$10,461,564				19,113	25,250	0	632,820	836,027	$10,787,373
3	210 Residential Gas Service (Winter) (weather sensitive)	853,797	6,668,956	$18.30	$1.322	24,440,845				26,590	207,694	0	880,387	6,876,650	25,202,017
4	210 Residential Gas Service Senior Citizen (Summer)	709	553	$0.00	$1.322	731				22	17	0	731	570	754
5	210 Residential Gas Service Senior Citizen (Winter) (weather se	1,011	6,211	$0.00	$1.322	8,211				31	193	0	1,042	6,405	8,467
6	211 Residential/Sm. Commericial/Industrial Heating & Cooling S	12	231	$15.30	$0.769	361				0	7	0	12	238	372
7	Total Residential	1,469,236	7,486,727			34,911,712		0	0	45,757	233,162	0	1,514,993	7,719,890	35,998,982
8															
9	**COMMERCIAL**														
10	211 Residential/Sm. Commericial/Industrial Heating & Cooling S	12	112	15.30	0.769	269				0	3		12	115	278
11	220 Commercial Gas Service (weather sensitive)	194,355	5,146,491	37.80	2.548	20,459,877				3,267	86,498	0	197,622	5,232,989	20,803,750
12	230 Large Commercial Gas Service (weather sensitive)	0	0	405.00	2.224	0							0	0	0
13	250 Commercial Interruptible Gas Service	0		440.00		0							0	0	0
14	Block 1 Volumes		0		1.246	0							0	0	0
15	Block 2 Volumes		0		0.825	0							0	0	0
16	Block 3 Volumes		0		0.382	0							0	0	0
17	293 Large Tonnage Air Conditioning Gas Service	12		37.80		454							12	0	454
18	Block 1 Volumes		12,501		1.246	15,577							0	12,501	15,577
19	Block 2 Volumes		683		0.825	563							0	683	563
20	Block 3 Volumes		0		0.382	0							0	0	0
21	Total Commercial	194,379	5,159,786			20,476,740		0	0	3,267	86,501	0	197,646	5,246,288	20,820,621
22															
23	**INDUSTRIAL**														
24	220 Industrial Gas Service (weather sensitive)	3,823	609,600	37.80	2.548	1,697,770		0	0	64	10,246		3,887	619,845	1,726,304
25	230 Large Industrial Gas Service	72	41,070	405.00	2.224	120,500		(1)	(30)				71	41,040	120,028
26	240 DEMAND/COMM GS	0		440.00		0							0	0	0
27	Block 1 Volumes		0		1.246	0							0	0	0
28	Block 2 Volumes		0		0.825	0							0	0	0
29	Block 3 Volumes		0		0.382	0							0	0	0
30	Demand Volumes		0		16.283	0							0	0	0
31	250 Industrial Interruptible Gas Service	312		440.00		137,280		(4)					308	0	135,520
32	Block 1 Volumes		289,442		1.246	360,644			(6,859)				0	282,582	352,098
33	Block 2 Volumes		288,058		0.825	237,648			0				0	288,058	237,648
34	Block 3 Volumes		0		0.382	0			0				0	0	0
35	250/240/280 Industrial/Demand/Economic Dev	4		440.00		1,760		(4)					0	0	0
36	Block 1 Volumes		0		1.246	0			0				0	0	0
37	Block 1 Volumes @ Discount Rate		5,119		0.935	4,783			(5,119)				0	0	0
38	Block 2 Volumes		0		0.825	0			0				0	0	0
39	Block 2 Volumes @ Discount Rate		0		0.619	0			0				0	0	0
40	Block 3 Volumes		0		0.382	0			0				0	0	0
41	Block 3 Volumes @ Discount Rate		0		0.287	0			0				0	0	0
42	Demand Volumes		0		16.283	0			0				0	0	0
43	Demand Volumes @ Discount Rate		425		12.212	5,184			(425)				0	0	0
44	280/250 Economic Development Gas Service	5		440.00		2,200		7					12	0	5,280
45	Block 1 Volumes		0		1.246	0			0				0	0	0
46	Block 1 Volumes @ Discount Rate		10,000		0.935	9,345			14,000				0	24,000	22,428
47	Block 2 Volumes		0		0.825	0			0				0	0	0
48	Block 2 Volumes @ Discount Rate		8,195		0.619	5,071			7,405				0	15,600	9,653
49	Block 3 Volumes		0		0.382	0			0				0	0	0
50	Block 3 Volumes @ Discount Rate		0		0.287	0			0				0	0	0
51	292 Cogeneration, CNG, Prime Movers Service	12		37.80		454		0					12	0	454
52	Block 1 Volumes		0		1.246	0			0				0	0	0
53	Block 2 Volumes		0		0.825	0			0				0	0	0
54	Block 3 Volumes		0		0.382	0			0				0	0	0
55	Total Industrial	4,228	1,251,483			2,582,638		(2)	9,397	64	10,246	0	4,290	1,271,126	2,609,412
56															
57	**PUBLIC AUTHORITY**														
58	211 Residential/Sm. Commericial/Industrial Heating & Cooling S	0	0	15.30	0.769	0							0	0	0
59	221 Experimental School Gas Service	53	69,275	37.80	1.234	87,488				1	1,164		54	70,439	88,959
60	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0.00	1.322	0							0	0	0
61	225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather	0	0	0.00	1.322	0							0	0	0
62	225 Public Authority Gas Service (Summer)	2,974	7,439	15.30	1.322	55,337				93	232		3,067	7,671	57,060
63	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,166	40,992	18.30	1.322	130,429				130	1,277		4,296	42,268	134,491
64	Total Public Authority	7,193	117,706			273,254		0	0	223	2,673	0	7,416	120,378	280,510
65															
66	**TRANSPORTATION**														
67	260 - TRANSP (220 SML COM/INDG)	144	138,035	440.00	2.548	415,074		0	0				144	138,035	415,074
68	260 - TRANSP (230 LRG COM/INDG)	515	1,366,542	440.00	2.224	3,265,790		1	10,665				516	1,377,207	3,289,948
69	260 - TRANSP (240 DEMAND)	54		440.00		23,760		(6)					48	0	21,120
70	Block 1 Volumes		108,000		1.246	134,568			(12,000)				0	96,000	119,616
71	Block 2 Volumes		276,281		0.825	227,931			(10,130)				0	266,150	219,574
72	Block 3 Volumes		0		0.382	0			0				0	0	0
73	Demand Volumes		20,660		16.283	336,410			(1,011)				0	19,649	319,941
74	260 - TRANSP (250 OPT GS)	631		440.00		277,640		5					636	0	279,840
75	Block 1 Volumes		1,200,990		1.246	1,496,434			11,263				0	1,212,253	1,510,467
76	Block 2 Volumes		3,810,515		0.825	3,143,675			10,130				0	3,820,645	3,152,032
77	Block 3 Volumes		0		0.382	0			0				0	0	0
78	260 - TRANSP (280/240 ECON DEV/DEMAND)	4		440.00		1,760		8					12	0	5,280
79	Block 1 Volumes		0		1.246	0			0				0	0	0
80	Block 1 Volumes @ Discount Rate		2,109		0.935	1,971			6,691				0	8,800	8,224
81	Block 2 Volumes		, 0		0.825	0			0				0	0	0
82	Block 2 Volumes @ Discount Rate		0		0.619	0			0				0	0	0
83	Block 3 Volumes		0		0.382	0			0				0	0	0
84	Block 3 Volumes @ Discount Rate		0		0.287	0			0				0	0	0
85	Demand Volumes		0		16.283	0			0				0	0	0
86	Demand Volumes @ Discount Rate		348		12.212	4,252			1,275				0	1,624	19,828
87	260 - TRANSP (280/250 ECON DEV - OPT GS)	24		440.00		10,560		0					24	0	10,560
88	Block 1 Volumes		48,000		1.246	59,808			0				0	48,000	59,808
89	Block 1 Volumes @ Discount Rate		0		0.935	0			0				0	0	0
90	Block 2 Volumes		547,461		0.825	451,655			0				0	547,461	451,655
91	Block 2 Volumes @ Discount Rate		84,438		0.619	52,246			0				0	84,438	52,246
92	Block 3 Volumes		0		0.382	0			0				0	0	0
93	Block 3 Volumes @ Discount Rate		41,217		0.287	11,809			0				0	41,217	11,809
94	SPECIAL CONTRACTS	38	1,002,197			368,140		(2)	659,423				36	1,661,620	572,170
95	Total Transportation	1,410	8,625,765			10,283,484		6	676,041	0	0	0	1,416	9,301,826	10,519,192
96															
97	TOTALS	1,676,446	22,641,467			$68,527,828		4	685,438	49,311	332,582	0	1,725,761	23,659,507	$70,228,717
98															
99	4870 - Forfeited Discount					554,280									$678,714
100	4880 - Miscellaneous Service charges					413,789									439,649
101	TOTAL MARGIN REVENUES					$69,495,897									$71,347,080

EXHIBIT GKW-R-1

Schedule 11-3

Tennessee Distribution System
Proof of Revenues and Calculation of Rates
Rate Design
Historic Base Period Ended September 30, 2016 and Forward Looking Test Year Ended May 31, 2018

Additional Revenue: 6,740,135

Line No.	Description	Rates effective Sep15 Monthly Customer chg	Commodity Charge/Mcf	Adjusted Base Count	Adjusted Volumes Mcf	Total Adjusted Margin Rev	Cust Charge Rev	Commodity Charge Rev	Cust Charge %	Commodity Charge %	% of Total Rev	Allocated Amount of Increase	Proposed Cust Charge	Proposed Commodity Charge	Proposed Cust Rev	Proposed Commodity Rev	Total	Cust Charge %	Commodity Charge %	% of Total Rev
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
1	Rate Schedule 210/225																			
2	210/225 SUMMER	$15.30	$1.322	635,887	843,698	$10,844,433	$9,729,064	$1,115,369					17.75	1.409	$11,286,986	$1,189,025	12,476,011			
3	210/225 WINTER (weather sensitive)	$18.30	$1.322	884,683	6,918,918	25,336,507	$16,189,697	$9,146,810					19.75	1.409	$17,472,488	$9,750,842	27,223,329			
4	210/225 SR CIT	$0.00	$1.322	1,774	6,975	9,221	$0	$9,221					0.00	1.409	$0	$9,830	9,830			
5	Total 210/225			1,522,343	7,769,591	36,190,161	25,918,762	10,271,400	72%	28%	52.21%	3,519,012			28,759,474	10,949,696	39,709,170	72%	28%	52.21%
6																				
7	Rate Schedule 211																			
8	211 HVAC	$15.30	$0.769	25	353	650	$379	$271	58%	42%	0.00%	63	16.75	0.848	$415	$299	714	58%	42%	0.00%
9																				
10	Rate Schedule 220																			
11	220 Commercial / Industrial Gas Service	$37.80	$2.548	201,509	5,852,834	22,530,054	$7,617,033	$14,913,021	34%	66%			42.00	2.779	$8,463,370	$16,263,871	24,727,241	34%	66%	
12	220 Transportation	$440.00	$2.548	144	138,035	415,074	$63,360	$351,714	15%	85%			455.00	2.779	$65,520	$383,573	449,093	15%	85%	
13	Total 220			201,653	5,990,869	22,945,128	7,680,393	15,264,735	33%	67%	33.10%	2,231,109			8,528,890	16,647,444	25,176,334	34%	66%	33.10%
14																				
15	Rate Schedule 221																			
16	221 Experimental School Gas Service	$37.80	$1.234	54	70,439	88,959	$2,037	$86,922	2%	98%	0.13%	8,650	42.00	1.354	$2,263	$95,346	97,609	2%	98%	0.13%
17																				
18	Rate Schedule 230																			
19	230 Large Commercial / Industrial Gas Service	$405.00	$2.224	71	41,040	120,028	$28,755	$91,273	24%	76%			445.00	2.450	$31,595	$100,562	132,157	24%	76%	
20	230 Transportation	$440.00	$2.224	516	1,377,207	3,289,948	$227,040	$3,062,908	7%	93%			455.00	2.450	$234,780	$3,374,628	3,609,408	7%	93%	
21	Total 230			587	1,418,247	3,409,976	255,795	3,154,181	8%	92%	4.92%	331,575			266,375	3,475,190	3,741,565	7%	93%	4.92%
22																				
23	Rate Schedule 240/250/280/292/293																			
24	240 Demand/Commodity Gas Service	$440.00		48		21,120	$21,120						455.00		$21,840		21,840			
25	Block 1 Volumes		$1.246		96,000	119,616		$119,616						1.373		$131,802	131,802			
26	Block 2 Volumes		$0.825		266,150	219,574		$219,574						0.909		$241,931	241,931			
27	Block 3 Volumes		$0.382		0	0		$0						0.421		$0	0			
28	250 Interruptible Gas Service	$440.00		944		415,360	$415,360						455.00		$429,520		429,520			
29	Block 1 Volumes		$1.246		1,494,836	1,862,565		$1,862,565						1.373		$2,052,320	2,052,320			
30	Block 2 Volumes		$0.825		4,108,703	3,389,680		$3,389,680						0.909		$3,734,811	3,734,811			
31	Block 3 Volumes		$0.382		0	0		$0						0.421		$0	0			
32	280 ECON DEV - OPT GS	$440.00		48		21,120	$21,120						455.00		$21,840		21,840			
33	Block 1 Volumes		$1.246		48,000	59,808		$59,808						1.373		$65,901	65,901			
34	Block 1 Volumes @ Discount Rate		$0.935		32,800	30,652		$30,652						1.030		$33,774	33,774			
35	Block 2 Volumes		$0.825		547,461	451,655		$451,655						0.909		$497,642	497,642			
36	Block 2 Volumes @ Discount Rate		$0.619		100,036	61,899		$61,899						0.682		$68,201	68,201			
37	Block 3 Volumes		$0.382		0	0		$0						0.421		$0	0			
38	Block 3 Volumes @ Discount Rate		$0.29		41,217	11,809		$11,809						0.316		$13,011	13,011			
39	292 Cogeneration, CNG, Prime Movers Service	$37.80		12		454	$454						42.00		$504		504			
40	Block 1 Volumes		$1.246		0	0		$0						1.373		$0	0			
41	Block 2 Volumes		$0.825		0	0		$0						0.909		$0	0			
42	Block 3 Volumes		$0.382		0	0		$0						0.421		$0	0			
43	293 Large Tonnage Air Conditioning Gas Service	$37.80		12		454	$454						42.00		$504		504			
44	Block 1 Volumes		$1.246		12,501	15,577		$15,577						1.373		$17,164	17,164			
45	Block 2 Volumes		$0.825		683	563		$563						0.909		$621	621			
46	Block 3 Volumes		$0.382		0	0		$0						0.421		$0	0			
47	Total 240/250/280/292/293			1,064	6,748,389	6,681,904	458,507	6,223,397	7%	93%	9.64%	649,726			$474,208	$6,857,177	7,331,385	6%	94%	9.64%
48																				
49	TOTALS			1,725,725	21,997,888	69,316,778	34,315,873	35,000,906	50%	50%	100.00%	6,740,135			38,031,625	38,025,152	76,056,777	50%	50%	100.00%

Schedule 11-4

Atmos Energy Corp - Tennessee Distribution System
Proof of Revenues and Calculation of Rates
Summary Of Present And Proposed Rates
Forward Looking Test Year Ended May 31, 2018

	Current Rate Monthly	Proposed Rate Monthly
Sales and Transportation Revenues:		
210 Residential Gas Service (WINTER)		
Customer Charge	$18.30	$19.75
Commodity Charge	$1.322	$1.409
210 Residential Gas Service (SUMMER)		
Customer Charge	$15.30	$17.75
Commodity Charge	$1.322	$1.409
211 Residential & Small Commercial/Industrial Heating & Cooling		
Customer Charge	$15.30	$16.75
Commodity Charge	$0.769	$0.848
220 Commercial & Industrial Gas Service		
Customer Charge	$37.80	$42.00
Commodity Charge	$2.548	$2.779
221 Experimental School Gas Service		
Customer Charge	$37.80	$42.00
Commodity Charge	$1.234	$1.354
225 Public Housing Authority Gas Service (WINTER)		
Customer Charge	$18.30	$19.75
Commodity Charge	$1.322	$1.409
225 Public Housing Authority Gas Service (SUMMER)		
Customer Charge	$15.30	$17.75
Commodity Charge	$1.322	$1.409
230 Large Commercial & Industrial Gas Service		
Customer Charge	$405.00	$445.00
Commodity Charge	$2.224	$2.450
240 Demand/Commodity Gas Service		
Customer Charge	$440.00	$455.00
1 - 2,000 Mcf	$1.246	$1.373
Next 48,000 Mcf	$0.825	$0.909
Over 50,000 Mcf	$0.382	$0.421
Demand Charge	$16.283	$16.283
250 Interruptible Gas Service		
Customer Charge	$440.00	$455.00
1 - 2,000 Mcf	$1.246	$1.373
Next 48,000 Mcf	$0.825	$0.909
Over 50,000 Mcf	$0.382	$0.421
260 Transportation Service / 250 Interruptible Gas Service		
Customer Charge	$440.00	$455.00
1 - 2,000 Mcf	$1.246	$1.373
Next 48,000 Mcf	$0.825	$0.909
Over 50,000 Mcf	$0.382	$0.421
260 Transportation Service / 220 Commercial & Industrial Gas Service		
Customer Charge	$440.00	$455.00
Commodity Charge	$2.548	$2.779
260 Transportation Service / 230 Large Commercial & Industrial Gas Service		
Customer Charge	$440.00	$455.00
Commodity Charge	$2.224	$2.450
Schedule 280 Economic Development Gas Service		
Customer Charge	$440.00	$455.00
1 - 2,000 Mcf	$1.246	$1.373
1 - 2,000 Mcf @ Discount Rate	$0.935	$1.030
Next 48,000 Mcf	$0.825	$0.909
Next 48,000 Mcf @ Discount Rate	$0.619	$0.682
Over 50,000 Mcf	$0.382	$0.421
Over 50,000 Mcf@ Discount Rate	$0.287	$0.316
Schedule 292 Cogeneration, CNG. Prime Movers, Fuel Cell Service		
Customer Charge	$37.80	$42.00
1 - 2,000 Mcf	$1.246	$1.373
Next 48,000 Mcf	$0.825	$0.909
Over 50,000 Mcf	$0.382	$0.421
Schedule 293 Large Tonnage Air Conditioning Gas Service		
Customer Charge	$37.80	$42.00
1 - 2,000 Mcf	$1.246	$1.373
Next 48,000 Mcf	$0.825	$0.909
Over 50,000 Mcf	$0.382	$0.421

Docket 14-00146
Schedule 1

Atmos Energy Corporation
Revenue Deficiency (Surplus)
Twelve Months Ended May 31, 2018

Line No.		Company	Reference
1	Rate Base	302,952,541	See 2RB
2	Operating Income at Present Rates	21,390,905	See 3 IS
3	Earned Rate of Return (L 2 / L 1)	7.06%	
4	Fair Rate of Return	7.49%	See 8 CC
5	Required Operating Income (L 1 x L 4)	22,691,145	
6	Operating Income Deficiency (Surplus) (L 5 - L 2)	1,300,241	
7	Gross Revenue Conversion Factor	1.636500	See 7 GU
8	**Revenue Deficiency (Surplus)**	**2,127,844**	

Docket 14-00146
Schedule 2

Atmos Energy Corporation
Rate Base
Twelve Months Ended May 31, 2018

Line No.		Company	Reference
1	Utility Plant in Service	553,915,203	Sch 7, Col (d), Ln 1
2	Construction Work in Progress	6,897,700	Sch 7, Col (d), Ln 5
3	Materials and Supplies / Storage Gas	5,975,586	Sch 7, Col (d), Ln 11
4	Working Capital/Deferred Rate Case	1,545,831	Sch 7, Col (d), Ln 9
5	Net Elimination of Intercompany Leased Property	5,313,186	Sch 7, Col (d), Ln 27
6	Deferred Pension Regulated Asset	-	Sch 7, Col (d), Ln 13
7	Total Additions	573,647,506	
	Deductions:		
8	Accumulated Depreciation	202,597,056	Sch 7, Col (d), Ln 3
9	Customer Deposits	4,720,013	Sch 7, Col (d), Ln 19
10	Contributions and Advances in Aid of Construction	76,428	Sch 7, Col (d), Ln 17
11	Accumulated Deferred Tax-Accel. Depreciation	60,285,092	Sch 7, Col (d), Ln 15
12	Accrued Interest on Customer Deposits	89,264	Sch 7, Col (d), Ln 21
13	Adjustment for Capitalized Incentive Compensation	2,927,113	
14	Total Deductions	270,694,965	
15	Rate Base	302,952,541	

Docket 14-00146
Schedule 3

Atmos Energy Corporation
Income Statement
Twelve Months Ended May 31, 2018

Line No.		Company	Reference
1	Revenues - Sales, forfeited discounts & other	112,252,003	Sch 1, Col (c), Ln 20
2	Cost of Gas	40,904,923	Sch 1, Col (c), Ln 1
3	Gross margin on sales and service	71,347,080	
4	AFUDC	50,693	Sch 1, Col (c), Ln 13
5	Operating Margin	71,397,773	
6	Other Operation and Maintenance	20,384,326	See 4 O&M
7	Interest on Customer Deposits	165,200	Sch 1, Col (c), Ln 13
8	Depreciation and Amortization Exp.	12,516,189	Sch 1, Col (c), Ln 13
9	Taxes Other Than Income	7,704,182	See 5 Tax
10	State Excise Tax	1,530,664	See 6 FIT
11	Federal Income Tax	7,706,307	See 6 FIT
12	Total Operating Expense	50,006,869	
13	Net Operating Income for Return	21,390,905	
14	Plus amortization-Gain	-	
15	Plus adjustments	-	
16	Adjusted Net Operating Income	21,390,905	

EXHIBIT GKW-R-1

Docket 14-00146
Schedule 4

Atmos Energy Corporation
Operations and Maintenance Expenses
Twelve Months Ended May 31, 2018

Line No.		Company	Reference
1	Labor	8,104,079	WP 4-1, Excel Col Q, Ln 1
2	Benefits	3,145,467	WP 4-1, Excel Col Q, Ln 2
3	Employee Welfare	1,975,523	WP 4-1, Excel Col Q, Ln 3
4	Insurance	1,106,616	WP 4-1, Excel Col Q, Ln 4
5	Rent, Maint., & Utilities	1,097,432	WP 4-1, Excel Col Q, Ln 5
6	Vehicles & Equip	706,021	WP 4-1, Excel Col Q, Ln 6
7	Materials and Supplies	475,281	WP 4-1, Excel Col Q, Ln 7
8	Information Technologies	862,563	WP 4-1, Excel Col Q, Ln 8
9	Telecom	546,325	WP 4-1, Excel Col Q, Ln 9
10	Marketing	257,210	WP 4-1, Excel Col Q, Ln 10
11	Directors & Shareholders & PR	284,240	WP 4-1, Excel Col Q, Ln 11
12	Dues & Donations	135,923	WP 4-1, Excel Col Q, Ln 12
13	Print & Postage	27,932	WP 4-1, Excel Col Q, Ln 13
14	Travel & Entertainment	605,151	WP 4-1, Excel Col Q, Ln 14
15	Training	116,056	WP 4-1, Excel Col Q, Ln 15
16	Outside Services	5,075,270	WP 4-1, Excel Col Q, Ln 16
17	Provision for Bad Debt	313,245	WP 4-1, Excel Col Q, Ln 17
18	Miscellaneous	(2,620,318)	WP 4-1, Excel Col Q, Ln 18
19	Rate Case Expense	-	WP 4-1, Excel Col Q, Ln 21
20	Elimination of Intercompany Leased Property - Rent	(532,000)	WP 4-1, Excel Col C, Ln 14
21	Inclusion of Barnsley Storage Operating Expense	287,747	WP 4-1, Excel Col D, Ln 14
22	Interest Expense	7,028,499	Sch 8, Col (e), Ln 3
23	Disallowed Items	(1,585,436)	
24			
25			
26	Total O&M Expense	27,412,825	

Docket 14-00146
Schedule 5

Atmos Energy Corporation
Operations and Maintenance Expense
Twelve Months Ended May 31, 2018

Line No.		Company	Reference
1	Property Taxes	4,291,899	WP 7-6, Col (b), Ln 11+Ln19+Ln23
2	State Gross Receipts Tax	1,488,460	WP 7-6, Col (b), Ln 12
3	Payroll Taxes	634,202	WP 7-6, Col (b), Ln 13+Ln20+Ln24
4	State Franchise Tax	722,000	WP 7-6, Col (b), Ln 14
5	Other General Taxes		
6	TRA Inspection Fee	567,621	WP 7-6, Col (b), Ln 15
7	Total Taxes Other Than Income Taxes	7,704,182	

EXHIBIT GKW-R-1

Docket 14-00146
Schedule 6

Atmos Energy Corporation
Federal and Excise Taxes
Twelve Months Ended May 31, 2018

Line No.		Company	Reference
1	Operating Margin	71,347,080	See 3 IS
2	Other Operation and Maintenance	20,384,326	See 3 IS
3	Depreciation and Amortization Expense	12,516,189	See 3 IS
4	Taxes Other Than Income	7,704,182	See 3 IS
5	NOI Before Excise and Income Taxes	30,742,382	
6	less Interest on Customer Deposits	165,200	See 3 IS
7	less Interest Expense	7,028,499	See 3 IS
8	Pre-tax Book Income	23,548,683	
9	Schedule M Adjustments	-	
10	Excise Taxable Income	23,548,683	
11	Excise Tax Rate	6.50%	
12	Excise Tax	1,530,664	
13	Pre-tax Book Income	23,548,683	
14	Excise Tax	1,530,664	
15	Schedule M Adjustments	-	
16	FIT Taxable Income	22,018,019	
17	FIT Rate	35.00%	
18	Subtotal FIT	7,706,307	
19	Less: ITC Amortization	-	
20	Federal Income Tax Expense	7,706,307	

Docket 14-00146
Schedule 7

Atmos Energy Corporation
Gross Revenue Conversion Factor
Twelve Months Ended May 31, 2018

Line No.		Amount		Balance	Reference
1	Operating Revenues			1.000000	
2	Add: Forfeited Discounts	0.009604	A/	0.009604	WP 8-2, Excel Col D, Ln 3
3	Balance			1.009604	
4	Uncollectible Ratio	0.004119	B/	0.004158	WP 8-2, Excel Col D, Ln 7
5	Balance			1.005446	
6	State Excise Tax	0.065000	C/	0.065354	WP 8-2, Excel Col D, Ln 11
7	Balance			0.940092	
8	Federal Income Tax	0.350000	C/	0.329032	WP 8-2, Excel Col D, Ln 15
9	Balance			0.611060	
10	Revenue Conversion Factor (1 / Line 9)			1.636500	

A/ Forfeited discounts on gross revenues = forfeited discounts/gross revenues (excluding forfeited discounts)
B/ Uncolletible expense/Gross margin on sales
C/ Statutory Rate

EXHIBIT GKW-R-1

Docket 14-00146
Schedule 8

Atmos Energy Corporation
Cost of Capital
Twelve Months Ended May 31, 2018

Line No.		Ratio	Cost	Weighted Cost	Reference
1	Short Term Debt	10.05%	1.05%	0.1%	Sch 9, Ln 2
2	Long Term Debt	37.17%	5.95%	2.2%	Sch 9, Ln 1
3	Preferred Stock				
4	Stockholder's Equity	52.78%	9.80%	5.2%	Sch 9, Ln 3
5	Total	100.00% A/		7.49%	

A/ Should be 100%