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March 1, 2018

Sharla Dillon
Dockets Manager
Tennessee Public Utility Commission
500 Deaderick Street, 4th Floor
Nashville, TN 37242

VIA E-MAIL AND HAND DELIVERY

RE: Atmos Energy Corporation – 2017 Reconciliation Filing
TPUC Docket No. 17-00091

Dear Ms. Dillon:

Enclosed for filing in the referenced docket is a corrected version of Atmos Energy's February 14, 2018 filing in this docket. This filing is being made to correct an error in the prior filing.

In accordance with TPUC rules, an original and four copies are enclosed, along with the electronic PDF version for the TPUC docket website. I have also provided a live Excel version for use by TPUC staff.

Best regards.

Sincerely,



A. Scott Ross

ASR:prd

Enclosures

cc: Wayne M. Irvin, Esq.

Schedule 1

Tennessee Distribution System
Cost of Service
Twelve Months Ended May 31, 2017

Line No.	Description	Reference	Amount	As Filed	Difference
	(a)	(b)	(c)	(d)	(e)
1	Cost of Gas	Schedule 3	\$49,958,064	\$84,136,217	(\$34,178,153)
2					
3	Operation & Maintenance Expense	Schedule 4	21,722,726	20,193,081	1,529,645
4					
5	Taxes Other Than Income Taxes	Schedule 5	7,743,266	7,712,787	30,479
6					
7	Depreciation & Amortization Expense	Schedule 6	11,858,675	12,795,981	(937,306)
8					
9	Return	Schedule 7	20,788,775	21,198,710	(409,935)
10					
11	Federal Income and State Excise Tax	Schedule 8	6,579,767	9,225,758	(2,645,991)
12					
13	AFUDC	Wp 1-2	(69,679)	(31,243)	(38,436)
14					
15	Interest on Customer Deposits	Wp 1-1	132,163	151,706	(19,543)
16					
17	Total Cost of Service		<u>\$ 118,713,757</u>	<u>\$ 155,382,997</u>	<u>\$ (36,669,240)</u>
18					
19	Cost of Service w/o Gas Cost		<u>68,755,693</u>	<u>71,246,780</u>	<u>(2,491,087)</u>
20					
21	Non-Gas Revenues in Attrition Year (Gross Margin)		71,300,579		
22					
23	Per Books Interest Expense Adjustment		(465,947)		
24					
25	Additional Revenue Required to Earn Authorized Rate of Return		(3,010,833)		
26					
27	Carrying Cost		(466,619)		
28					
29	Amount to be added to revenue sufficiency / deficiency		<u>\$ (3,477,452)</u>		
30	in February 1, 2018 ARM filing				

Tennessee Distribution System
Interest on Customer Deposits
Twelve Months Ended May 31, 2017

Line No.	Description (a)	Amount (b)
1	Average Customer Deposit Balance	\$ 3,596,656
2		
3	Interest Rate on Customer Deposits	<u>3.25%</u>
4		
5	Adjusted Customer Deposit Interest	<u>\$ 116,891</u>
6		
7	Per Book Customer Deposit Interest	<u>\$ 132,163</u>

Tennessee Distribution System
Allowance for Funds Used During Construction
Twelve Months Ended May 31, 2017

Line No.	Description (a)	Amount (b)
1	Base Period AFUDC per books - Div 093 (1)	\$ (51,407)
2		
3	Less State Excise Tax Effect	<u>(3,341)</u>
4		
5		\$ (48,066)
6		
7	Less Federal Tax Effect	<u>(16,823)</u>
8		
9	Net AFUDC - Base Period	\$ (31,243)
10		
11	Change from Base Period to Attrition Year	<u>(38,436)</u>
12		
13	Attrition Year AFUDC per books - Div 093 (2)	<u>\$ (114,651)</u>
14		
15	Less State Excise Tax Effect	<u>(7,452)</u>
16		
17		\$ (107,199)
18		
19	Less Federal Tax Effect	<u>(37,520)</u>
20		
21	Net AFUDC - Attrition Period	<u>\$ (69,679)</u>
22		
23	Note:	
24	1. Twelve months ended September 30, 2015 - Account 432	
25	2. Twelve months ended May 31, 2017	

Tennessee Distribution System
Summary of Revenue at Present Rates
Twelve Months Ended May 31, 2017

Line	Description	Amount
	(a)	(b) (c)
1	Base period per books revenue (1)	\$ 148,220,137
2	Attrition Period per books revenue (2)	121,258,643
3	Change from Base Period to Attrition Year	<u>(26,961,494)</u>
4		
5	Attrition Year Revenue:	
6	Gross Margin	\$ 71,300,579
7	Gas cost	<u>49,958,064</u>
8	Total	<u>\$ 121,258,643</u>
9		
10	Note:	
11	1. Twelve months ended September 30, 2015	
12	2. Twelve months ended May 31, 2017	

Tennessee Distribution System
Cost of Gas
Twelve Months Ended May 31, 2017

Line No.	Description	Amount
	(a)	(b)
1	Base period per books cost of gas (1)	\$ 85,443,497
2	Adjustments	
3	Base Period Net Elimination of Intercompany Leased Storage Property	\$ (1,307,280)
4		
5	Total Adjusted Gas Cost Base Period	<u>\$ 84,136,217</u>
6		
7	Attrition Period per books cost of gas (2)	\$ 51,067,286
8	Adjustments	
9	Attrition Period Net Elimination of Intercompany Leased Storage Property	<u>(1,109,222)</u>
10		
11	Total Adjusted Gas Cost	\$ 49,958,064
12		
13	Change from Base Period to Attrition Year	\$ (34,178,153)
14		
15	Attrition Year Gas Cost	<u>\$ 49,958,064</u>
16		
17	Note:	
18	1. Twelve months ended September 30, 2015	
19	2. Twelve months ended May 31, 2017	

Tennessee Distribution System
ELIMINATION OF LEASED PROPERTY-RENT
Twelve Months Ended May 31, 2017

Line No.	Description	Building Rent O&M	Storage Expense O&M	Leased Property Depreciation	Storage Expense Other Taxes	Storage Rent Gas Cost
	(a)	(b)				(c)
1	June-16	\$ (44,333)	\$ 20,263	\$ 22,295	\$ 3,750	\$ (100,540)
2	July-16	\$ (44,333)	\$ 21,714	\$ 22,295	\$ 3,750	\$ (100,540)
3	August-16	\$ (44,333)	\$ 22,753	\$ 22,295	\$ 3,750	\$ (100,540)
4	September-16	\$ (44,333)	\$ 18,387	\$ 24,028	\$ 3,750	\$ (100,540)
5	October-16	\$ (44,333)	\$ 6,199	\$ 24,028	\$ 2,750	\$ (100,540)
6	November-16	\$ (44,333)	\$ 4,663	\$ 18,287	\$ 2,750	\$ (100,540)
7	December-16	\$ 44,333	\$ 36,643	\$ 17,359	\$ 2,750	\$ (72,752)
8	January-17	\$ -	\$ 10,363	\$ 17,359	\$ 3,050	\$ (86,646)
9	February-17	\$ -	\$ 45,089	\$ 17,359	\$ 3,050	\$ (86,646)
10	March-17	\$ -	\$ 38,711	\$ 17,359	\$ 3,050	\$ (86,646)
11	April-17	\$ -	\$ 27,578	\$ 17,359	\$ 3,050	\$ (86,646)
12	May-17	\$ -	\$ 23,262	\$ 17,359	\$ 3,050	\$ (86,646)
13						
14	Total Per Books	<u>\$ (221,667)</u>	<u>\$ 275,624</u>	<u>\$ 237,381</u>	<u>\$ 38,500</u>	<u>\$ (1,109,222)</u>

Tennessee Distribution System
Operation and Maintenance Expenses
Twelve Months Ended May 31, 2017

Line No.	Description (b)	Amount (c)
1	Base period per books O&M Expense (1)	\$ 21,711,287
2		
3	Change from Base Period to Attrition Year	<u>(42,518)</u>
4		
5	Attrition Year O&M Expenses - Before Eliminations (2)	\$ 21,668,769
6		
7	<u>Adjustments to O&M</u>	
8	Elimination of Intercompany Leased Property - Rent	\$ (221,667)
9	Inclusion of Barnsley Storage Operating Expense	\$ 275,624
10		
11	Total Adjustments	<u>\$ 53,957</u>
12		
13	Total Adjusted Operation and Maintenance Expenses	<u><u>\$ 21,722,726</u></u>
14		
15	Note:	
16	1. Twelve months ended September 30, 2015	
17	2. Twelve months ended May 31, 2017	

**Tennessee Distribution System
Operation and Maintenance Expenses
Twelve Months Ended May 31, 2017**

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	\$ 3,580,059	\$ 3,557,424	\$ (22,636)	\$ 3,143,034	\$ 3,424,575	\$ 281,541	\$ 888,627	\$ 1,028,810	\$ 140,184	\$ 7,611,720	\$ 8,010,809	\$ 399,089
2 Benefits	\$ 2,268,522	\$ 1,316,876	(951,645)	\$ 1,171,819	\$ 1,095,373	(76,446)	\$ 286,010	\$ 297,954	11,944	3,726,350	2,710,203	(1,016,147)
3 Employee Welfare	\$ 32,181	\$ 34,113	1,933	\$ 1,450,127	\$ 1,825,326	375,198	\$ 708,546	\$ 764,111	55,566	2,190,854	2,623,550	432,697
4 Insurance	\$ 182,606	\$ 170,923	(11,683)	\$ 847,401	\$ 915,069	67,668	\$ 19,584	\$ 18,955	(629)	1,049,591	1,104,948	55,357
5 Rent, Maint., & Utilities	\$ 573,404	\$ 494,364	(79,040)	\$ 365,902	\$ 385,549	19,647	\$ 147,511	\$ 140,405	(7,105)	1,086,816	1,020,318	(66,499)
6 Vehicles & Equip	\$ 560,373	\$ 508,066	(52,307)	\$ 6,086	\$ 4,530	(1,556)	\$ 30,931	\$ 32,809	1,879	597,389	545,405	(51,984)
7 Materials & Supplies	\$ 393,277	\$ 392,756	(521)	\$ 36,728	\$ 42,347	5,619	\$ 82,689	\$ 67,090	(15,598)	512,693	502,193	(10,500)
8 Information Technologies	\$ 1,002	\$ 8,910	7,908	\$ 717,572	\$ 868,359	150,787	\$ 44,471	\$ 41,310	(3,161)	763,045	918,579	155,534
9 Telecom	\$ 163,576	\$ 211,057	47,481	\$ 136,333	\$ 108,911	(27,423)	\$ 137,425	\$ 128,122	(9,303)	437,334	448,089	10,755
10 Marketing	\$ 75,058	\$ 105,729	30,671	\$ 16,306	\$ 12,762	(3,544)	\$ 137,812	\$ 107,400	(30,411)	229,176	225,891	(3,285)
11 Directors & Shareholders & PR	\$ 816	\$ 2,616	1,800	\$ 230,028	\$ 307,008	76,980	\$ 86	\$ -	(86)	230,930	309,624	78,694
12 Dues & Donations	\$ 60,562	\$ 119,701	59,139	\$ 20,429	\$ 26,660	6,231	\$ 46,565	\$ 19,274	(27,292)	127,556	165,634	38,078
13 Print & Postages	\$ 8,602	\$ 9,284	683	\$ 8,037	\$ 8,088	51	\$ 3,539	\$ 5,466	1,927	20,178	22,838	2,660
14 Travel & Entertainment	\$ 246,696	\$ 245,931	(766)	\$ 112,989	\$ 112,758	(232)	\$ 186,160	\$ 166,930	(19,230)	545,846	525,619	(20,227)
15 Training	\$ 9,206	\$ 10,018	812	\$ 70,054	\$ 69,457	(597)	\$ 20,016	\$ 27,058	7,042	99,276	106,533	7,257
16 Outside Services	\$ 2,786,264	\$ 4,269,789	1,483,525	\$ 619,946	\$ 753,531	133,585	\$ 1,417,679	\$ 731,216	(686,463)	4,823,889	5,754,536	930,647
17 Provision for Bad Debt	\$ 246,500	\$ 306,783	60,283	\$ -	\$ -	-	\$ -	\$ -	-	246,500	306,783	60,283
18 Miscellaneous	\$ 72,077	\$ 124,331	52,254	\$ (2,598,304)	\$ (3,167,283)	(568,980)	\$ (61,631)	\$ (86,736)	(25,105)	(2,587,858)	(3,129,688)	(541,831)
19 Total O&M Expenses	\$ 11,260,780	\$ 11,888,671	\$ 627,891	\$ 6,354,488	\$ 6,793,017	\$ 438,529	\$ 4,096,018	\$ 3,490,176	\$ (605,842)	\$ 21,711,287	\$ 22,171,864	\$ 460,577
20												
21 Disallowed Items												
22 Other (Sub 05416 and 05412)		(3,666)			(2,235)			(1,355)			(7,256)	(7,256)
23 Incentive Comp (MFR 38)		0			(780,149)			(664,685)			(1,444,834)	(1,444,834)
24 Benefits (FAS 87 Accrual)		398,279			(205,060)			(79,222)			113,997	113,997
25												
26 Rate Case Expense		-	-							-	-	-
27												
28 Actual Allocable Pension Contribution		834,998	834,998							-	834,998	834,998
29												
30 Total O&M	\$ 11,260,780	\$ 13,118,282	\$ 1,462,888	\$ 6,354,488	\$ 5,805,573	\$ 438,529	\$ 4,096,018	\$ 2,744,914	\$ (605,842)	\$ 21,711,287	\$ 21,668,769	\$ (42,518)

**Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2017**

Division 093			
Line No.	FERC Account	Historic Base Period	Attrition Year
1	7350	2,881	1,665
2	8400	45	-
3	8560	(57)	120,514
4	8600	5,514	2,622
5	8630	-	5,775
6	8650	-	1,258
7	8700	2,157,273	1,756,256
8	8711	63,781	5,910
9	8740	2,875,742	3,954,498
10	8750	132,759	452,652
11	8760	5	-
12	8770	12,227	5,370
13	8780	669,116	695,264
14	8800	146,689	66,585
15	8810	463,188	379,987
16	8860	3,569	3,560
17	8870	18,084	18,769
18	8890	43,090	3,461
19	8910	3,116	596
20	8920	8,198	757
21	8930	20,328	15,738
22	8940	(316)	282
23	9010	110	181
24	9020	884,962	693,416
25	9030	187,333	746,559
26	9040	246,500	306,783
27	9090	136,533	143,427
28	9110	315,446	305,800
29	9120	41,308	43,893
30	9130	100	100
31	9160	541	-
32	9200	120,693	99,159
33	9210	16,350	14,553
34	9220	10,450,507	10,283,195
35	9230	98,616	367,932
36	9240	146,556	140,453
37	9250	68,364	30,520
38	9260	2,279,323	1,328,146
39	9270	104	-
40	9280	61,299	98,608
41	9302	21,252	66,999
42	9310	10,158	10,621
43	Total	21,711,287	22,171,866

**Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2017**

Division 091			
Line No.	FERC Account	Historic Base Period	Attrition Year
44	8170	496	501
45	8180	506	522
46	8190	8,037	4,378
47	8210	2,796	2,569
48	8240	377	-
49	8250	21,228	12,930
50	8500	586	8,438
51	8560	5,711	864
52	8570	992	1,002
53	8640	185	
54	8650	31	5,474
55	8700	3,420,994	2,888,974
56	8711	80,888	66,600
57	8740	98,645	104,070
58	8750	19,234	122,628
59	8760	720	(580)
60	8770	6,515	397
61	8780		1,101
62	8800	1,058	225
63	8810	308,242	287,014
64	8860	500	
65	8940	77	14,345
66	9010	5,000	(90)
67	9020		1,986,132
68	9030	2,899,440	-
69	9090		377
70	9100	2,709	1,220
71	9110	124,041	132,859
72	9120	2,859	5,348
73	9130	4,500	6,968
74	9200	(57,282)	(138,448)
75	9210	385,023	69,414
76	9220	(10,068,875)	(8,232,775)
77	9230	180,143	163,693
78	9240	(9,464)	(12,457)
79	9250	236,429	221,440
80	9260	2,218,911	2,300,158
81	9302	98,675	42,706
82	9310	73	-
83	Total	0	68,000

**Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2017**

Division 002			
Line	FERC	Historic Base	
No.	Account	Period	Attrition Year
84	8210	1,191	1,500
85	8560	1,110	463
86	8700	52,232	3,648
87	8740	97,562	67,833
88	8780	2,004	-
89	8800	1,069	(3,085)
90	8900		248
91	9010	8,337	5,067
92	9030	43,970	1,063,413
93	9100	3,476	10,969
94	9120	5,590	5,959
95	9200	(19,750,288)	(18,337,536)
96	9210	17,733,580	24,052,668
97	9220	(81,630,752)	(99,140,498)
98	9230	7,204,978	9,741,406
99	9240	160,684	153,520
100	9250	19,089,824	18,781,943
101	9260	44,661,867	51,091,625
102	9301	53,360	-
103	9302	4,696,813	6,335,912
104	9310	5,234,699	5,377,345
105	9320	519,762	334,563
106	Total	(1,808,933)	(453,036)

**Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2017**

Division 012			
Line	FERC	Historic Base	
No.	Account	Period	Attrition Year
107	8700	219	221
108	8740	19,524	20,729
109	8800	87	-
110	9010	6,062,109	4,522,380
111	9020	648	19,015
112	9030	23,423,255	19,984,910
113	9100	74,545	-
114	9200	4,402,153	4,668,314
115	9210	10,975,235	9,083,841
116	9220	(60,304,577)	(51,770,548)
117	9230	664,562	1,118,501
118	9240	127,709	113,775
119	9250	263	314
120	9260	12,706,535	10,187,598
121	9301		66
122	9310	1,812,369	1,857,568
123	9320	35,366	11,792
124	Total	0	(181,522)

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)	598,013	798,233	16,489	22,009	614,502	820,242	13.25	1.159	9,092,964	0.5%	\$ 45,465
2	210 Residential Gas Service (Winter) (weather sensitive)	838,351	6,860,281	23,115	189,155	861,466	7,049,437	16.25	1.159	22,170,468	0.5%	\$ 110,852
3	210 Residential Gas Service Senior Citizen (Summer)	699	518	19	14	718	532	0.00	1.159	617	0.5%	\$ 3
4	210 Residential Gas Service Senior Citizen (Winter) (weather sensitive)	1,019	8,261	28	228	1,047	8,488	0.00	1.159	9,840	0.5%	\$ 49
5												
6	211 Residential/Sm. Commercial/Industrial Heating & Cooling Service	24	346	1	10	25	356	13.25	0.689	572	0.5%	\$ 3
7												
8	220 Commercial Gas Service (weather sensitive)	192,775	5,203,155	2,924	78,923	195,699	5,282,078	34.00	2.212	18,338,966	0.5%	\$ 91,695
9												
10	221 Experimental School Gas Service	59	74,130	1	1,124	60	75,254	34.00	1.084	83,616	0.5%	\$ 418
11												
12	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0	0	0	0	0.00	1.159	0	0.5%	\$ -
13	225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather Sensitive)	0	0	0	0	0	0	0.00	1.159	0	0.5%	\$ -
14	225 Public Authority Gas Service (Summer)	2,972	8,276	82	228	3,054	8,504	13.25	1.159	50,322	0.5%	\$ 252
15	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,157	41,762	115	1,151	4,272	42,914	16.25	1.159	119,159	0.5%	\$ 596
16												
17	230 Large Commercial Gas Service (weather sensitive)	11	23,007	0	349	11	23,356	375.00	1.935	49,388	0.5%	\$ 247
18												
19	Total											249,580

Atmos Energy Corp - Tennessee Distribution System
Attrition Year Pension Benchmark Calculation
Twelve Months Ended May 31, 2017

Line No.	Description	Number of Participants	Estimated Liability	Percent of Contribution Applicable to Group	Actual Attrition Year Contribution	Allocation Factor to Tennessee	Amount Allocable to Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	All Other (not allocable to Tennessee)	4,532	\$ 423,603,000	77.7%	\$ 11,648,538.90	0.00%	\$ -
2	Co 010 - Shared Services	498	57,139,000	10.5%	1,571,249	4.43%	69,562
3	Co 010 - CSO	410	19,077,000	3.5%	524,593	4.46%	23,407
4	Active Tennessee Jurisdiction Employees	115	15,990,000	2.9%	439,704	100.00%	439,704
5	Inactive Tennessee Jurisdiction Employees	193	16,325,000	3.0%	448,917	100.00%	448,917
6	Active Division General Office Employees	26	5,367,000	1.0%	147,586	43.23%	63,807
7	Inactive Division General Office Employees (pre-merger)(1)	47	6,476,000	1.2%	178,082	26.55%	47,281
8	Inactive Division General Office Employees (post-merger)	5	1,503,000	0.3%	41,331	43.23%	17,869
9							
10	Total Amount of Contribution Allocable to Tennessee	5,826	\$ 545,480,000	100.00%	\$ 15,000,000		\$ 1,110,546

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

Source: Relied Upons\TN-FYE2015-AcctAllocation

Tennessee Distribution System
Operation and Maintenance Expenses, Forecast vs. Actuals
Twelve Months Ended May 31, 2017

Line No.	Tennessee			SSU			General Office			Total		
	Attrition Forecast	Attrition Actual	Difference	Attrition Forecast	Attrition Actual	Difference	Attrition Forecast	Attrition Actual	Difference	Attrition Forecast	Attrition Actual	Difference
1 Labor	\$ 3,401,087	\$ 3,557,424	\$ 156,337	\$ 3,429,841	\$ 3,424,575	\$ (5,266)	\$ 1,152,838	\$ 1,028,810	\$ (124,028)	\$ 7,983,766	\$ 8,010,809	\$ 27,043
2 Benefits ¹	\$ 1,018,618	\$ 1,316,876	\$ 298,258	\$ 952,609	\$ 1,095,373	\$ 142,764	\$ 471,025	\$ 297,954	\$ (173,071)	\$ 2,442,252	\$ 2,710,203	\$ 267,951
3 Employee Welfare	\$ 48,840	\$ 34,113	\$ (14,727)	\$ 1,444,739	\$ 1,825,326	\$ 380,586	\$ 520,414	\$ 764,111	\$ 243,697	\$ 2,013,994	\$ 2,623,550	\$ 609,556
4 Insurance	\$ 36,753	\$ 170,923	\$ 134,170	\$ 916,223	\$ 915,069	\$ (1,153)	\$ 191,761	\$ 18,955	\$ (172,806)	\$ 1,144,737	\$ 1,104,948	\$ (39,790)
5 Rent, Maint., & Utilities	\$ 505,632	\$ 494,364	\$ (11,268)	\$ 355,497	\$ 385,549	\$ 30,051	\$ 169,449	\$ 140,405	\$ (29,043)	\$ 1,030,577	\$ 1,020,318	\$ (10,260)
6 Vehicles & Equip	\$ 683,577	\$ 508,066	\$ (175,512)	\$ 7,769	\$ 4,530	\$ (3,239)	\$ 34,956	\$ 32,809	\$ (2,147)	\$ 726,303	\$ 545,405	\$ (180,897)
7 Materials & Supplies	\$ 361,436	\$ 392,756	\$ 31,320	\$ 47,886	\$ 42,347	\$ (5,539)	\$ 121,878	\$ 67,090	\$ (54,788)	\$ 531,200	\$ 502,193	\$ (29,007)
8 Information Technologies	\$ -	\$ 8,910	\$ 8,910	\$ 735,159	\$ 868,359	\$ 133,200	\$ 45,265	\$ 41,310	\$ (3,955)	\$ 780,424	\$ 918,579	\$ 138,155
9 Telecom	\$ 142,260	\$ 211,057	\$ 68,797	\$ 126,910	\$ 108,911	\$ (17,999)	\$ 272,089	\$ 128,122	\$ (143,967)	\$ 541,258	\$ 448,089	\$ (93,169)
10 Marketing	\$ 65,991	\$ 105,729	\$ 39,739	\$ 12,914	\$ 12,762	\$ (152)	\$ 189,999	\$ 107,400	\$ (82,599)	\$ 268,903	\$ 225,891	\$ (43,012)
11 Directors & Shareholders & PR	\$ -	\$ 2,616	\$ 2,616	\$ 250,816	\$ 307,008	\$ 56,192	\$ 2,229	\$ -	\$ (2,229)	\$ 253,045	\$ 309,624	\$ 56,579
12 Dues & Donations	\$ 31,580	\$ 119,701	\$ 88,121	\$ 25,094	\$ 26,660	\$ 1,566	\$ 82,964	\$ 19,274	\$ (63,690)	\$ 139,637	\$ 165,634	\$ 25,997
13 Print & Postages	\$ 10,330	\$ 9,284	\$ (1,046)	\$ 12,653	\$ 8,088	\$ (4,565)	\$ 5,382	\$ 5,466	\$ 83	\$ 28,365	\$ 22,838	\$ (5,528)
14 Travel & Entertainment	\$ 192,787	\$ 245,931	\$ 53,144	\$ 150,168	\$ 112,758	\$ (37,410)	\$ 246,304	\$ 166,930	\$ (79,373)	\$ 589,258	\$ 525,619	\$ (63,639)
15 Training	\$ 43,209	\$ 10,018	\$ (33,192)	\$ 62,154	\$ 69,457	\$ 7,303	\$ 38,665	\$ 27,058	\$ (11,607)	\$ 144,029	\$ 106,533	\$ (37,496)
16 Outside Services	\$ 2,629,246	\$ 4,269,789	\$ 1,640,543	\$ 554,147	\$ 753,531	\$ 199,384	\$ 1,649,321	\$ 731,216	\$ (918,105)	\$ 4,832,715	\$ 5,754,536	\$ 921,821
17 Provision for Bad Debt	\$ 283,922	\$ 306,783	\$ 22,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,922	\$ 306,783	\$ 22,861
18 Miscellaneous ²	\$ 196,465	\$ 124,331	\$ (72,134)	\$ (2,821,308)	\$ (3,167,283)	\$ (345,976)	\$ (2,450)	\$ (86,736)	\$ (84,286)	\$ (2,627,293)	\$ (3,129,688)	\$ (502,396)
19 Total O&M Expenses	\$ 9,651,733	\$ 11,888,671	\$ 2,236,938	\$ 6,263,271	\$ 6,793,017	\$ 529,746	\$ 5,192,089	\$ 3,490,176	\$ (1,701,913)	\$ 21,107,093	\$ 22,171,864	\$ 1,064,771
20												
21 Disallowed Items												
22 Other (Sub 05416 and 05412)	\$ (5,867)	\$ (3,666)	\$ 2,201	\$ (3,060)	\$ (2,235)	\$ 825	\$ -	\$ (1,355)	\$ (1,355)	\$ (8,927)	\$ (7,256)	\$ 1,671
23 Incentive Comp (MFR 38)	\$ -	\$ -	\$ -	\$ (511,286)	\$ (780,149)	\$ (268,862)	\$ (433,505)	\$ (664,685)	\$ (231,180)	\$ (944,792)	\$ (1,444,834)	\$ (500,042)
24 Benefits (FAS 87 Accrual)	\$ -	\$ 398,279	\$ 398,279	\$ -	\$ (205,060)	\$ (205,060)	\$ -	\$ (79,222)	\$ (79,222)	\$ -	\$ 113,997	\$ 113,997
25												
26 Rate Case Expense ²	\$ 85,222	\$ -	\$ (85,222)							\$ 85,222	\$ -	\$ (85,222)
27												
28 Actual Allocable Pension Contribution		\$ 834,998	\$ 834,998								\$ 834,998	\$ 834,998
29												
30 Total O&M	\$ 9,731,087	\$ 13,118,282	\$ 3,387,195	\$ 5,748,924	\$ 5,805,573	\$ 56,649	\$ 4,758,584	\$ 2,744,914	\$ (2,013,670)	\$ 20,238,596	\$ 21,668,769	\$ 1,430,173

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

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

**Tennessee Distribution System
Taxes Other Than Income Taxes
Twelve Months Ended May 31, 2017**

Line No.	Description (a)	Total (b)
1	Base period per books Other Taxes Expense (1)	\$ 6,919,625
2		
3	Change from Base Period to Attrition Year	<u>785,141</u>
4		
5	Attrition Year per books Other Taxes Expense (2)	<u>\$ 7,704,766</u>
6		
7	Inclusion of Barnsley Storage Other taxes	<u>38,500</u>
8		
9	Attrition Year Adjusted Taxes Other Than Income Taxes	<u>\$ 7,743,266</u>
10		
11	Note:	
12	1. Twelve months ended June 30, 2015 - Account 408	
	2. Twelve months ended May 31, 2017 - Account 408	

**Tennessee Distribution System
Taxes Other Than Income Taxes
Twelve Months Ended June 30, 2015**

Line No.	Description	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Base Period
1	<u>Division 093</u>													
2	FICA	32,917	33,384	12,870	22,107	17,869	22,001	10,710	35,896	10,274	13,861	13,823	11,326	237,037
3	FUTA	25	15	4	5,615	(910)	(151)	(58)	7	8	2	1	(1)	4,557
4	SUTA	29	24	9	2,153	887	1,295	(621)	(7)	19	8	5	15	3,816
5	Ad Valorem	304,854	304,854	304,854	312,854	312,854	312,854	312,854	312,854	312,854	312,854	312,854	312,854	3,730,248
6	Payroll Tax Projects					-	-	-	-	-	-	-	-	-
7	30105 Corp/State Franchise Tax	56,250	56,250	56,250	56,250	56,250	56,250	56,250	56,250	56,250	56,250	56,250	56,250	675,000
8	30107 City Franchise	167	167	167	167	167	167	167	167	167	167	167	167	2,000
9	30109 State Gross Receipts	62,801	108,491	178,761	219,232	166,722	140,637	74,555	54,702	52,666	54,525	55,343	58,693	1,227,128
10	30104 State Supv & Inspection	44,174	44,174	44,174	44,174	44,174	44,174	54,674	54,674	54,674	54,674	54,674	54,674	593,085
11	30108 Dot Transmission User Tax	0	0	0	0	0	0	20,364	-	-	-	-	-	20,364
12	Division 91 Allocations	12,052	11,539	7,266	11,284	8,768	8,649	7,196	12,932	6,746	7,460	7,688	7,377	108,956
13	Division 12 Allocations	10,360	24,246	7,452	14,537	11,043	12,058	10,981	12,980	10,540	10,752	9,815	10,730	145,494
14	Division 02 Allocations	11,892	27,616	8,983	19,205	11,578	12,839	11,645	15,640	13,229	14,552	12,379	12,381	171,940
15	Total	\$ 535,520	\$ 610,758	\$ 620,789	\$ 707,578	\$ 629,400	\$ 610,772	\$ 558,719	\$ 556,094	\$ 517,426	\$ 525,105	\$ 522,997	\$ 524,467	\$ 6,919,625
16														
17	<u>Division 002</u>													
18	FICA	215,175	575,882	148,451	249,118	209,729	246,064	223,116	272,952	217,850	223,831	198,393	198,278	2,978,840
19	FUTA	227	242	185	22,031	1,920	294	(298)	400	170	177	156	289	25,792
20	SUTA	490	680	539	46,529	9,099	3,331	(586)	631	628	492	569	617	63,019
21	Ad Valorem	57,000	57,000	57,000	45,000	45,000	45,000	45,000	85,000	85,000	85,000	85,000	85,000	776,000
22	Payroll Tax Projects					-	-	-	-	-	-	-	-	-
23	Taxes Property and Other					-	-	-	-	-	-	-	-	-
24	30105 Corp/State Franchise Tax	0	0	0	0	0	0	0	0	0	0	0	0	-
25	Total	\$ 272,892	\$ 633,805	\$ 206,176	\$ 362,677	\$ 265,748	\$ 294,689	\$ 267,232	\$ 358,982	\$ 303,648	\$ 309,499	\$ 284,119	\$ 284,183	\$ 3,843,651
26														
27	<u>Division 012</u>													
28	FICA	184,302	498,957	118,384	219,921	190,030	220,184	199,801	243,420	188,310	193,205	171,926	192,452	2,620,892
29	FUTA	194	210	152	19,188	1,888	265	(267)	356	146	152	135	275	22,694
30	SUTA	419	590	444	40,526	8,496	2,985	(522)	560	540	424	493	596	55,550
31	Ad Valorem	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	600,000
32	Total	\$ 234,915	\$ 549,756	\$ 168,980	\$ 329,634	\$ 250,413	\$ 273,434	\$ 249,013	\$ 294,335	\$ 238,996	\$ 243,782	\$ 222,555	\$ 243,324	\$ 3,299,137
33														
34	<u>Division 091</u>													
35	FICA	19,594	18,343	7,852	13,086	11,463	10,738	8,042	21,791	6,565	8,334	8,894	8,123	142,825
36	FUTA	15	8	3	3,273	(492)	(110)	(30)	4	5	1	0	(0)	2,677
37	SUTA	17	13	5	1,255	582	633	(321)	(5)	12	4	3	10	2,209
38	Occupational Licenses													
39	Payroll Tax Projects													
40	Ad Valorem	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
41	30105 Corp/State Franchise Tax	0	0	0	0	0	0	0	0	0	0	0	0	-
42	Total	\$ 29,627	\$ 28,364	\$ 17,860	\$ 27,615	\$ 21,553	\$ 21,260	\$ 17,690	\$ 31,790	\$ 16,582	\$ 18,339	\$ 18,898	\$ 18,133	\$ 267,711

**Tennessee Distribution System
Taxes Other Than Income Taxes
Twelve Months Ended May 31, 2017**

Line No.	Description	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Attrition Year
1	<u>Division 093</u>													
2	FICA	13,717	15,745	10,522	31,874	11,712	37,750	6,055	22,814	17,919	26,208	16,461	16,021	226,797
3	FUTA	(2)	-	-	-	1	12	(2)	2,139	39	(229)	(1)	20	1,978
4	SUTA	(5)	-	-	-	-	6	1	2,185	675	(1,577)	164	12	1,461
5	Ad Valorem	344,854	384,854	384,854	384,854	324,854	324,854	324,854	374,854	374,854	374,854	374,854	374,854	4,348,248
6	Payroll Tax Projects	41	490	-	94	63	-	547	71	30	73	127	72	1,608
7	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
8	30107 City Franchise	167	167	167	167	167	167	167	167	167	167	167	333	2,167
9	30109 State Gross Receipts	63,521	51,441	72,780	68,801	82,698	121,003	182,186	231,698	182,234	159,201	87,203	66,465	1,369,230
10	30104 State Supv & Inspection	47,302	47,302	47,302	47,302	47,302	47,302	47,302	47,302	47,302	39,858	39,858	39,858	552,733
11	30108 Dot Transmission User Tax	-	-	-	-	-	-	-	-	-	9,968	-	-	9,968
12	Division 91 Allocations	6,714	7,419	6,071	11,656	5,131	11,100	4,766	46,565	9,960	5,469	10,809	15,885	141,545
13	Division 12 Allocations	9,651	10,050	10,271	9,814	9,320	25,543	4,374	13,230	12,101	9,936	8,762	11,968	135,020
14	Division 02 Allocations	13,683	13,750	14,324	13,241	15,051	33,278	7,774	21,980	16,701	13,078	(87,806)	118,957	194,010
15	Total	\$ 559,643	\$ 591,216	\$ 606,290	\$ 627,803	\$ 556,299	\$ 661,015	\$ 638,023	\$ 823,004	\$ 721,981	\$ 704,451	\$ 510,596	\$ 704,445	\$ 7,704,766
16														
17	<u>Division 002</u>													
18	FICA	237,783	239,325	226,736	226,630	225,033	717,537	133,534	375,717	330,990	264,587	257,411	370,189	3,605,472
19	FUTA	73	96	100	525	396	558	158	29,577	(105)	(1,000)	40	663	31,080
20	SUTA	237	181	211	957	815	1,195	587	55,762	26,610	(5,864)	489	1,662	82,842
21	Ad Valorem	71,000	71,000	71,000	71,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	636,000
22	Payroll Tax Projects	-	-	-	-	-	10	(10)	1,767	-	-	-	-	1,767
23	Taxes Property and Other	-	-	25,526	-	82,691	-	-	259	(16,188)	-	(2,327,654)	2,327,847	92,480
24	30105 Corp/State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Total	\$ 309,093	\$ 310,602	\$ 323,573	\$ 299,112	\$ 352,935	\$ 763,299	\$ 178,269	\$ 507,082	\$ 385,308	\$ 301,722	\$ (2,025,714)	\$ 2,744,361	\$ 4,449,641
26														
27	<u>Division 012</u>													
28	FICA	161,124	170,059	174,987	163,894	164,335	522,900	55,389	199,727	206,662	179,394	149,612	219,423	2,367,505
29	FUTA	48	68	77	384	289	406	74	16,983	289	(479)	12	394	18,545
30	SUTA	157	129	163	699	595	870	311	32,014	16,791	(3,067)	245	985	49,893
31	Ad Valorem	55,000	55,000	55,000	55,000	41,000	41,000	41,000	44,000	44,000	44,000	44,000	44,000	563,000
32	Total	\$ 216,330	\$ 225,256	\$ 230,228	\$ 219,977	\$ 206,219	\$ 565,176	\$ 96,774	\$ 292,724	\$ 267,742	\$ 219,848	\$ 193,870	\$ 264,801	\$ 2,998,944
33														
34	<u>Division 091</u>													
35	FICA	8,011	9,637	6,544	19,432	7,239	21,476	6,244	102,722	18,098	9,389	20,668	32,894	262,353
36	FUTA	(1)	-	-	-	1	7	(1)	1,640	44	(177)	(2)	15	1,525
37	SUTA	(3)	-	-	-	-	4	1	1,675	542	(1,258)	130	9	1,099
38	Occupational Licenses	-	-	-	15	-	-	-	-	-	-	-	-	15
39	Payroll Tax Projects	25	25	-	16	34	17	136	149	98	106	13	13	631
40	Ad Valorem	7,500	7,500	7,500	7,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	70,000
41	30105 Corp/State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Total	\$ 15,531	\$ 17,161	\$ 14,044	\$ 26,964	\$ 12,273	\$ 26,504	\$ 11,380	\$ 111,186	\$ 23,781	\$ 13,060	\$ 25,809	\$ 37,930	\$ 335,623

**Tennessee Distribution System
Depreciation and Amortization Expense
Twelve Months Ended May 31, 2017**

Line No.	Description	Reference	Amount
	(a)	(b)	(c)
1	Base period per books Depreciation Expense (1)		\$ 11,106,724
2			
3	Change from Base Period to Attrition Year		<u>574,213</u>
4			
5	Attrition Year per books Depreciation Expense (2)	Wp 6-2	\$ 11,680,937
6			
7	Adjustment to reflect Proposed Depreciation Rates		<u>-</u>
8			
9	Attrition Year per books Depreciation Expense	Wp 6-1	11,680,937
10			
11	Amortization of Deferred Pension Regulated Asset*	Wp 7-3	0
12			
13	Net Elimination of Intercompany Leased Property	Wp 3-1	237,381
14			
15	Adjustment for Depreciation Expense on Capitalized Incentive Comp	Wp 7-8	<u>(59,643)</u>
16			
17	Total Depreciation and Amortization Expense, As Adjusted		<u>\$ 11,858,675</u>
18			
19	Note:		
20	1. Twelve months ended September 30, 2015		
21	2. Twelve months ended May 31, 2017		

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

**Tennessee Distribution System
Depreciation Expense Adjustment
Proforma SSU Depreciation at Proposed Depreciation Rates
Twelve Months Ended May 31, 2017**

Line No.	Description	Allocated Amount
	(a)	(d)
1	Proforma Depreciation	
2	Tennessee Operations	\$ 10,831,330
3	Mid-States General Office	19,996
4	SSU Div 12 - Customer Service	342,325
5	SSU Div 02 - General Office	487,286
6		
7	Proforma Depreciation Adjustment	<u>\$ 11,680,937</u>
	Attrition Period Per Books Depreciation Expense	<u><u>\$ 11,680,937</u></u>

**Tennessee Distribution System
Depreciation Expense Adjustment
Proforma SSU Depreciation at Current Depreciation Rates
Twelve Months Ended May 31, 2017**

Line No.	Description	Allocated
	(a)	(d)
1	Proforma Depreciation	
2	Tennessee Operations	\$ 10,831,330
3	Mid-States General Office	\$ 19,996
4	SSU Div 12 - Customer Service	\$ 342,325
5	SSU Div 02 - General Office	\$ 487,286
6		
7	Proforma Depreciation Expense	<u>\$ 11,680,937</u>
	Attrition Period Per Books Depreciation Expense	<u>\$ 11,680,937</u>

**Tennessee Distribution System
Rate Base & Return
Twelve Months Ended May 31, 2017
Thirteen Month Average**

Line No.	Description	Historic Base Period (1)	Change	Attrition Year	Reference
	(a)	(b)	(c)	(d)	(e)
1	Original Cost of Plant	\$ 463,791,108	\$ 44,928,131	\$ 508,719,239	Wp 7-1 Wp7-2
2					
3	Accumulated Depreciation and Amortization	(186,673,167)	(10,210,732)	(196,883,898)	Wp 7-1 Wp7-2
4					
5	Construction Work in Progress per Books	5,931,312	6,125,066	12,056,378	Wp 7-1 Wp7-2
6					
7	Storage Gas Investment	6,170,906	(2,206,314)	3,964,592	Wp 7-1 Wp7-2
8					
9	Cash Working Capital	867,784	257,195	1,124,979	Wp 7-5
10					
11	Material & Supplies	5,418	26,842	32,260	Wp 7-1 Wp7-2
12					
13	Deferred Pension Regualted Asset Balance	-	324,623	324,623	Wp 7-3
14					
15	Accumulated Deferred Income Tax	(46,243,573)	(4,436,901)	(50,680,474)	Wp 7-1
16					
17	Customer Advances for Construction	(76,428)	39,091	(37,337)	Wp 7-1 Wp7-2
18					
19	Customer Deposits	(4,232,288)	635,632	(3,596,656)	Wp 7-1 Wp7-2
20					
21	Accumulated Interest on Customer Deposits	(71,803)	18,667	(53,137)	Wp 7-1 Wp7-2
22					
23	Unadjusted Rate Base	\$ 239,469,269	\$ 35,501,299	\$ 274,970,568	
24					
25	Adjustments:	(1,221,654)	(1,253,609)	(2,475,263)	Wp 7-8
26					
27	Net Elimination of Intercompany Leased Property	\$ 5,725,829	\$ 75,723	\$ 5,801,552	Wp 7-1 Wp7-2
28					
29	Total Rate Base	<u>\$ 243,973,443</u>	<u>\$ 34,323,414</u>	<u>\$ 278,296,857</u>	
30					
31	Return at Overall Cost of Capital on Rate Base	<u>\$ 19,026,092</u>	<u>\$ 2,563,959</u>	<u>\$ 20,788,775</u>	
32					
33	Note:				
34	1. Twelve months ended September 30, 2015				

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34

WP 7.1

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	100%	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN	Total Tennessee
											FY16	43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%	
											Oct FY17	41.81%	4.52%	1.86%	4.26%	1.29%	5.20%	0.00%	
											Nov-Dec FY17	41.88%	4.52%	1.86%	4.36%	1.29%	5.37%	0.00%	
35	Inventories- Plant Materials (Account 1540)																		
36																			
37	May-16	0	76,110	0	0	0	0	0	0	0	32,906	0	0	0	0	0	0	0	32,906
38	Jun-16	0	76,110	0	0	0	0	0	0	0	32,906	0	0	0	0	0	0	0	32,906
39	Jul-16	0	76,110	0	0	0	0	0	0	0	32,906	0	0	0	0	0	0	0	32,906
40	Aug-16	0	76,110	0	0	0	0	0	0	0	32,906	0	0	0	0	0	0	0	32,906
41	Sep-16	0	76,110	0	0	0	0	0	0	0	32,906	0	0	0	0	0	0	0	32,906
42	Oct-16	0	76,110	0	0	0	0	0	0	0	31,824	0	0	0	0	0	0	0	31,824
43	Nov-16	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	0	31,873
44	Dec-16	0	76,075	0	0	0	0	0	0	0	31,858	0	0	0	0	0	0	0	31,858
45	Jan-17	0	76,075	0	0	0	0	0	0	0	31,858	0	0	0	0	0	0	0	31,858
46	Feb-17	0	76,075	0	0	0	0	0	0	0	31,858	0	0	0	0	0	0	0	31,858
47	Mar-17	0	76,075	0	0	0	0	0	0	0	31,858	0	0	0	0	0	0	0	31,858
48	Apr-17	0	76,075	0	0	0	0	0	0	0	31,858	0	0	0	0	0	0	0	31,858
49	May-17	0	76,075	0	0	0	0	0	0	0	31,858	0	0	0	0	0	0	0	31,858
50	Average	0	76,094	0	0	0	0	0	0	0	32,260	0	0	0	0	0	0	0	32,260
51																			
52	Inventories- Gas Stored (Account 1641)																		
53																			
54	May-16	2,183,997	0	0	0	0	0	0	0	2,183,997	0	0	0	0	0	0	0	0	2,183,997
55	Jun-16	2,793,403	0	0	0	0	0	0	0	2,793,403	0	0	0	0	0	0	0	0	2,793,403
56	Jul-16	3,802,379	0	0	0	0	0	0	0	3,802,379	0	0	0	0	0	0	0	0	3,802,379
57	Aug-16	4,707,445	0	0	0	0	0	0	0	4,707,445	0	0	0	0	0	0	0	0	4,707,445
58	Sep-16	5,650,158	0	0	0	0	0	0	0	5,650,158	0	0	0	0	0	0	0	0	5,650,158
59	Oct-16	6,878,439	0	0	0	0	0	0	0	6,878,439	0	0	0	0	0	0	0	0	6,878,439
60	Nov-16	6,356,978	0	0	0	0	0	0	0	6,356,978	0	0	0	0	0	356,000	0	0	6,356,978
61	Dec-16	5,282,069	0	0	0	0	0	0	0	5,282,069	0	0	0	0	0	0	0	0	5,282,069
62	Jan-17	4,705,093	0	0	0	0	0	0	0	4,705,093	0	0	0	0	0	0	0	0	4,705,093
63	Feb-17	2,746,492	0	0	0	0	0	0	0	2,746,492	0	0	0	0	0	0	0	0	2,746,492
64	Mar-17	1,029,938	0	0	0	0	0	0	0	1,029,938	0	0	0	0	0	0	0	0	1,029,938
65	Apr-17	2,079,000	0	0	0	0	0	0	0	2,079,000	0	0	0	0	0	0	0	0	2,079,000
66	May-17	3,324,309	0	0	0	0	0	0	0	3,324,309	0	0	0	0	0	324,309	0	0	3,324,309
67	Average	3,964,592	0	0	0	0	0	0	0	3,964,592	0	0	0	0	0	0	0	0	3,964,592
68																			

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		Division 093																	
		Division 091																	
		Division 012																	
		CKV																	
		Division 002																	
		Greenville																	
		AEAM																	
		ALGN																	
		FY16																	
		Oct FY17																	
		Nov-Dec FY17																	
		43.23%																	
		4.66%																	
		0.97%																	
		1.86%																	
		4.43%																	
		1.33%																	
		5.31%																	
		0.00%																	
		41.88%																	
		4.52%																	
		1.86%																	
		4.36%																	
		1.29%																	
		5.37%																	
		0.00%																	
Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	100%	41.88%	4.52%	1.86%	4.33%	1.29%	5.36%	0.00%	Total Tennessee	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	
69	<u>Customers Deposits (Account 2350)</u>																		
70																			
71	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)	
72	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)	
73	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)	
74	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)	
75	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)	
76	Oct-16	(4,688,575)	0	0	0	0	0	0	0	(4,688,575)	0	0	0	0	0	0	0	(4,688,575)	
77	Nov-16	(4,711,651)	0	0	0	0	0	0	0	(4,711,651)	0	0	0	0	0	0	0	(4,711,651)	
78	Dec-16	(3,316,843)	0	0	0	0	0	0	0	(3,316,843)	0	0	0	0	0	0	0	(3,316,843)	
79	Jan-17	(2,493,914)	0	0	0	0	0	0	0	(2,493,914)	0	0	0	0	0	0	0	(2,493,914)	
80	Feb-17	(2,151,848)	0	0	0	0	0	0	0	(2,151,848)	0	0	0	0	0	0	0	(2,151,848)	
81	Mar-17	(1,999,819)	0	0	0	0	0	0	0	(1,999,819)	0	0	0	0	0	0	0	(1,999,819)	
82	Apr-17	(1,897,832)	0	0	0	0	0	0	0	(1,897,832)	0	0	0	0	0	0	0	(1,897,832)	
83	May-17	(1,855,686)	0	0	0	0	0	0	0	(1,855,686)	0	0	0	0	0	0	0	(1,855,686)	
84	Average	(3,596,656)	0	0	0	0	0	0	0	(3,596,656)	0	0	0	0	0	0	0	(3,596,656)	
85																			
86	<u>Accumulated Deferred FIT (Total Accounts 1900, 2820, 2830) adjusted to remove a non-utility item</u>																		
87																			
88																			
89	May-16	(76,874,173)	(4,517,544)	(29,747,509)	0	619,806,244	0	0	0	(76,874,173)	(1,953,113)	(1,327,301)	0	27,439,802	0	0	0	(52,714,786)	
90	Jun-16	(76,874,173)	(5,155,095)	(29,747,509)	0	668,737,418	0	0	0	(76,874,173)	(2,228,752)	(1,327,301)	0	29,606,062	0	0	0	(50,824,164)	
91	Jul-16	(76,874,173)	(5,155,095)	(29,747,509)	0	677,286,857	0	0	0	(76,874,173)	(2,228,752)	(1,327,301)	0	29,984,559	0	0	0	(50,445,667)	
92	Aug-16	(76,874,173)	(5,155,095)	(29,747,509)	0	681,942,595	0	0	0	(76,874,173)	(2,228,752)	(1,327,301)	0	30,190,676	0	0	0	(50,239,550)	
93	Sep-16	(85,402,622)	9,861,808	(28,491,717)	0	852,089,534	0	0	0	(85,402,622)	4,263,651	(1,271,269)	0	37,723,350	0	0	0	(44,686,890)	
94	Oct-16	(85,402,622)	9,861,808	(28,491,717)	0	834,285,963	0	0	0	(85,402,622)	4,123,508	(1,287,678)	0	35,581,583	0	0	0	(46,985,210)	
95	Nov-16	(85,402,622)	9,861,808	(28,491,717)	0	805,188,489	0	0	0	(85,402,622)	4,129,878	(1,287,678)	0	35,101,757	0	0	0	(47,458,665)	
96	Dec-16	(85,402,622)	65,097	(28,491,717)	0	833,511,220	0	0	0	(85,402,622)	27,261	(1,287,678)	0	36,336,472	0	0	0	(50,326,568)	
97	Jan-17	(85,402,622)	65,097	(28,491,717)	0	831,184,241	0	0	0	(85,402,622)	27,261	(1,287,678)	0	36,026,185	0	0	0	(50,636,854)	
98	Feb-17	(85,402,622)	65,097	(28,491,717)	0	829,570,986	0	0	0	(85,402,622)	27,261	(1,287,678)	0	35,956,261	0	0	0	(50,706,778)	
99	Mar-17	(85,402,622)	(6,249,570)	(28,491,717)	0	793,306,676	0	0	0	(85,402,622)	(2,617,163)	(1,287,678)	0	34,384,450	0	0	0	(54,923,013)	
100	Apr-17	(85,402,622)	(6,249,570)	(28,491,717)	0	801,236,549	0	0	0	(85,402,622)	(2,617,163)	(1,287,678)	0	34,728,156	0	0	0	(54,579,307)	
101	May-17	(85,402,622)	(6,249,570)	(28,491,717)	0	807,248,913	0	0	0	(85,402,622)	(2,617,163)	(1,287,678)	0	34,988,751	0	0	0	(54,318,712)	
102	Average	(82,778,484)	(688,525)	(28,878,114)	0	771,953,506	0	0	0	(82,778,484)	(299,388)	(1,298,608)	0	33,696,005	0	0	0	(50,680,474)	
103																			

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										Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN		
										FY16	43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%		
										Oct FY17	41.81%	4.52%	1.86%	4.26%	1.29%	5.20%	0.00%		
										Nov-Dec FY17	41.88%	4.52%	1.86%	4.36%	1.29%	5.37%	0.00%		
Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	100%	41.88%	4.52%	1.86%	4.33%	1.29%	5.36%	0.00%	Total Tennessee	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	
104	Accumulated Depreciation (Account 1080)																		
105																			
106	May-16	(184,221,743)	(2,186,573)	(53,830,113)	(2,368,597)	(111,060,437)	(2,580,529)	(11,175,449)	0	(184,221,743)	(945,342)	(2,401,841)	(22,864)	(4,916,821)	(34,442)	(593,319)	0	(193,136,373)	
107	Jun-16	(184,880,822)	(2,175,475)	(54,589,147)	(2,401,400)	(112,009,383)	(2,637,278)	(11,298,485)	0	(184,880,822)	(940,544)	(2,435,708)	(23,181)	(4,958,832)	(35,199)	(599,851)	0	(193,874,139)	
108	Jul-16	(185,444,983)	(2,180,633)	(55,348,241)	(2,434,203)	(112,966,391)	(2,694,026)	(11,421,521)	0	(185,444,983)	(942,774)	(2,469,578)	(23,498)	(5,001,201)	(35,957)	(606,383)	0	(194,524,374)	
109	Aug-16	(186,040,732)	(2,185,790)	(56,097,945)	(2,792,145)	(113,610,724)	(2,750,734)	(11,548,390)	0	(186,040,732)	(945,004)	(2,503,029)	(26,953)	(5,029,726)	(36,714)	(613,119)	0	(195,195,277)	
110	Sep-16	(186,693,147)	(2,190,947)	(51,838,422)	(2,834,434)	(79,901,486)	(2,807,442)	(11,680,946)	(935,438)	(186,693,147)	(947,233)	(1,420,596)	(27,361)	(3,537,365)	(37,471)	(620,157)	0	(193,283,329)	
111	Oct-16	(187,330,245)	(2,195,012)	(32,480,695)	(2,876,312)	(80,686,229)	(2,864,132)	(11,805,436)	(1,091,052)	(187,330,245)	(917,798)	(1,467,959)	(53,466)	(3,441,199)	(36,916)	(613,569)	0	(193,861,153)	
112	Nov-16	(191,009,257)	(2,199,011)	(33,122,968)	(2,918,189)	(81,478,246)	(2,920,821)	(11,930,153)	(1,247,277)	(191,009,257)	(920,891)	(1,496,987)	(54,245)	(3,552,000)	(37,647)	(640,493)	0	(197,711,520)	
113	Dec-16	(191,611,712)	(1,896,693)	(30,010,547)	(2,960,067)	(79,041,905)	(2,977,471)	(12,055,934)	(1,404,844)	(191,611,712)	(794,288)	(1,356,321)	(55,023)	(3,445,789)	(38,377)	(647,246)	0	(197,948,757)	
114	Jan-17	(192,285,441)	(1,900,632)	(30,650,514)	(3,001,944)	(79,891,891)	(3,034,053)	(12,181,828)	(1,562,238)	(192,285,441)	(795,937)	(1,385,254)	(55,802)	(3,462,770)	(39,107)	(653,495)	0	(198,677,804)	
115	Feb-17	(193,013,288)	(1,904,570)	(31,290,956)	(3,043,870)	(80,741,787)	(3,090,635)	(12,307,705)	(1,719,908)	(193,013,288)	(797,586)	(1,414,189)	(56,581)	(3,499,607)	(39,836)	(660,248)	0	(199,481,335)	
116	Mar-17	(193,501,139)	(1,908,540)	(31,929,684)	(3,085,633)	(77,051,490)	(3,147,217)	(12,433,581)	(1,877,597)	(193,501,139)	(799,249)	(1,443,560)	(57,357)	(3,339,658)	(40,565)	(667,000)	0	(199,848,025)	
117	Apr-17	(194,188,532)	(1,912,511)	(32,570,658)	(3,127,400)	(77,878,388)	(3,203,799)	(12,559,457)	(2,035,287)	(194,188,532)	(800,912)	(1,472,025)	(58,134)	(3,375,499)	(41,295)	(673,753)	0	(200,610,148)	
118	May-17	(194,842,131)	(1,916,482)	(33,210,171)	(3,169,221)	(78,706,022)	(3,260,381)	(12,685,334)	(2,192,977)	(194,842,131)	(802,574)	(1,500,928)	(58,911)	(3,411,371)	(42,024)	(680,505)	0	(201,338,445)	
119	Average	(189,620,244)	(2,057,913)	(38,997,712)	(2,847,186)	(89,617,260)	(2,920,655)	(11,929,555)	(1,082,048)	(189,620,244)	(873,087)	(1,751,344)	(44,106)	(3,920,911)	(38,119)	(636,088)	0	(196,883,898)	
120																			
121																			
122	Customers Advances (Account 2520)																		
123																			
124	May-16	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	(76,428)	
125	Jun-16	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	(76,428)	
126	Jul-16	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	(76,428)	
127	Aug-16	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	(76,428)	
128	Sep-16	(76,428)	0	0	0	0	0	0	0	(76,428)	0	0	0	0	0	0	0	(76,428)	
129	Oct-16	(11,680)	0	0	0	0	0	0	0	(11,680)	0	0	0	0	0	0	0	(11,680)	
130	Nov-16	(11,680)	0	0	0	0	0	0	0	(11,680)	0	0	0	0	0	0	0	(11,680)	
131	Dec-16	(11,680)	0	0	0	0	0	0	0	(11,680)	0	0	0	0	0	0	0	(11,680)	
132	Jan-17	(11,680)	0	0	0	0	0	0	0	(11,680)	0	0	0	0	0	0	0	(11,680)	
133	Feb-17	(11,680)	0	0	0	0	0	0	0	(11,680)	0	0	0	0	0	0	0	(11,680)	
134	Mar-17	(11,680)	0	0	0	0	0	0	0	(11,680)	0	0	0	0	0	0	0	(11,680)	
135	Apr-17	(16,580)	0	0	0	0	0	0	0	(16,580)	0	0	0	0	0	0	0	(16,580)	
136	May-17	(16,580)	0	0	0	0	0	0	0	(16,580)	0	0	0	0	0	0	0	(16,580)	
137	Average	(37,337)	0	0	0	0	0	0	0	(37,337)	0	0	0	0	0	0	0	(37,337)	
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										Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN		
										FY16	43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%		
										Oct FY17	41.81%	4.52%	1.86%	4.26%	1.29%	5.20%	0.00%		
										Nov-Dec FY17	41.88%	4.52%	1.86%	4.36%	1.29%	5.37%	0.00%		
Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002-SSU General	Greenville	AEAM	ALGN	100%	41.88%	4.52%	1.86%	4.33%	1.29%	5.36%	0.00%	Total Tennessee	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	
139	Interest on Customer Deposits (Account 2370-26919)																		
140																			
141	May-16	(43,837)	0	0	0	0	0			(43,837)	0	0	0	0	0	0	0	(43,837)	
142	Jun-16	(55,351)	0	0	0	0	0			(55,351)	0	0	0	0	0	0	0	(55,351)	
143	Jul-16	(67,262)	0	0	0	0	0			(67,262)	0	0	0	0	0	0	0	(67,262)	
144	Aug-16	(78,189)	0	0	0	0	0			(78,189)	0	0	0	0	0	0	0	(78,189)	
145	Sep-16	(88,900)	0	0	0	0	0			(88,900)	0	0	0	0	0	0	0	(88,900)	
146	Oct-16	(99,956)	0	0	0	0	0			(99,956)	0	0	0	0	0	0	0	(99,956)	
147	Nov-16	(110,824)	0	0	0	0	0			(110,824)	0	0	0	0	0	0	0	(110,824)	
148	Dec-16	(42,541)	0	0	0	0	0			(42,541)	0	0	0	0	0	0	0	(42,541)	
149	Jan-17	(49,705)	0	0	0	0	0			(49,705)	0	0	0	0	0	0	0	(49,705)	
150	Feb-17	(871)	0	0	0	0	0			(871)	0	0	0	0	0	0	0	(871)	
151	Mar-17	(8,450)	0	0	0	0	0			(8,450)	0	0	0	0	0	0	0	(8,450)	
152	Apr-17	(14,918)	0	0	0	0	0			(14,918)	0	0	0	0	0	0	0	(14,918)	
153	May-17	(29,971)	0	0	0	0	0			(29,971)	0	0	0	0	0	0	0	(29,971)	
154	Average	(53,137)	0	0	0	0	0			(53,137)	0	0	0	0	0	0	0	(53,137)	
155																			
156	Net elimination of intercompany leased property																		
157																			
158	May-16	5,657,963	0	0	0	0	0			5,657,963	0	0	0	0	0	0	0	5,657,963	
159	Jun-16	5,813,349	0	0	0	0	0			5,813,349	0	0	0	0	0	0	0	5,813,349	
160	Jul-16	5,791,054	0	0	0	0	0			5,791,054	0	0	0	0	0	0	0	5,791,054	
161	Aug-16	5,768,759	0	0	0	0	0			5,768,759	0	0	0	0	0	0	0	5,768,759	
162	Sep-16	6,437,841	0	0	0	0	0			6,437,841	0	0	0	0	0	0	0	6,437,841	
163	Oct-16	6,413,813	0	0	0	0	0			6,413,813	0	0	0	0	0	0	0	6,413,813	
164	Nov-16	5,700,276	0	0	0	0	0			5,700,276	0	0	0	0	0	0	0	5,700,276	
165	Dec-16	5,682,917	0	0	0	0	0			5,682,917	0	0	0	0	0	0	0	5,682,917	
166	Jan-17	5,665,558	0	0	0	0	0			5,665,558	0	0	0	0	0	0	0	5,665,558	
167	Feb-17	5,648,200	0	0	0	0	0			5,648,200	0	0	0	0	0	0	0	5,648,200	
168	Mar-17	5,630,841	0	0	0	0	0			5,630,841	0	0	0	0	0	0	0	5,630,841	
169	Apr-17	5,613,483	0	0	0	0	0			5,613,483	0	0	0	0	0	0	0	5,613,483	
170	May-17	5,596,124	0	0	0	0	0			5,596,124	0	0	0	0	0	0	0	5,596,124	
171	Average	5,801,552	0	0	0	0	0			5,801,552	0	0	0	0	0	0	0	5,801,552	

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended September 30, 2015

WP 7-2

Line No.	Month	Division 091 - Mid-Tennessee							Factors FY14	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
		Division 093 - Tennessee	States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	FY15	100.00%	40.68%	4.41%	0.84%	4.36%	1.28%		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)		(h)	(i)	(j)	(k)	(l)	(m)	(n)	
1	Gas Plant in Service (Account 101)															
2																
3	Sep-14	\$ 439,125,617	\$ 5,054,276	\$ 146,135,957	\$ 12,955,099	\$ 174,001,075	\$ 9,263,141	\$	439,125,617	\$ 2,096,444	\$ 6,374,654	\$ 198,197	\$ 7,823,579	\$ 121,219	\$ 455,739,709	
4	Oct-14	\$ 440,622,676	\$ 5,047,688	\$ 146,245,471	\$ 12,955,099	\$ 174,067,445	\$ 9,263,141		440,622,676	2,093,711	6,379,431	198,197	7,826,563	121,219	457,241,797	
5	Nov-14	\$ 442,027,493	\$ 5,085,601	\$ 146,261,091	\$ 12,955,099	\$ 174,306,095	\$ 9,263,141		442,027,493	2,109,437	6,380,112	198,197	7,837,294	121,219	458,673,752	
6	Dec-14	\$ 442,643,907	\$ 5,085,472	\$ 146,261,158	\$ 12,955,099	\$ 186,307,824	\$ 9,263,141		442,643,907	2,109,384	6,380,115	198,197	8,376,925	121,219	459,829,747	
7	Jan-15	\$ 443,611,313	\$ 5,100,162	\$ 146,272,984	\$ 12,955,099	\$ 186,624,888	\$ 9,263,141		443,611,313	2,074,719	6,450,561	108,312	8,130,821	118,330	460,494,056	
8	Feb-15	\$ 445,015,699	\$ 4,723,590	\$ 146,309,685	\$ 12,955,099	\$ 186,656,775	\$ 9,263,141		445,015,699	1,921,532	6,452,180	108,312	8,132,210	118,330	461,748,262	
9	Mar-15	\$ 446,136,056	\$ 4,722,568	\$ 146,309,721	\$ 12,955,099	\$ 186,329,744	\$ 9,263,141		446,136,056	1,921,116	6,452,181	108,312	8,117,962	118,330	462,853,957	
10	Apr-15	\$ 448,467,390	\$ 4,719,783	\$ 146,309,721	\$ 12,955,099	\$ 186,338,009	\$ 9,263,141		448,467,390	1,919,983	6,452,181	108,312	8,118,322	118,330	465,184,518	
11	May-15	\$ 450,029,159	\$ 4,719,783	\$ 147,380,854	\$ 12,955,099	\$ 186,589,434	\$ 9,263,141		450,029,159	1,919,983	6,499,418	108,312	8,129,276	118,330	466,804,478	
12	Jun-15	\$ 450,749,842	\$ 4,711,286	\$ 148,192,777	\$ 12,955,099	\$ 188,364,862	\$ 9,263,141		450,749,842	1,916,526	6,535,223	108,312	8,206,628	118,330	467,634,861	
13	Jul-15	\$ 451,150,653	\$ 4,714,384	\$ 143,898,948	\$ 12,955,099	\$ 179,220,101	\$ 9,263,141		451,150,653	1,917,787	6,345,867	108,312	7,808,211	118,330	467,449,160	
14	Aug-15	\$ 454,292,685	\$ 4,714,384	\$ 143,911,859	\$ 12,955,099	\$ 179,440,142	\$ 9,263,141		454,292,685	1,917,787	6,346,437	108,312	7,817,798	118,330	470,601,349	
15	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	
16	Average	\$ 447,193,329	\$ 4,857,315	\$ 145,953,154	\$ 12,955,099	\$ 182,135,018	\$ 9,263,141	\$	447,193,329	\$ 1,988,393	\$ 6,414,947	\$ 135,969	\$ 8,011,260	\$ 119,219	\$ 463,863,116	
17																
18	Construction Work in Process (Account 1070)															
19																
20	Sep-14	\$ 4,394,536	\$ 169,137	\$ 629,930	\$ -	\$ 20,126,163	\$ -	\$	4,394,536	\$ 70,156	\$ 27,478	\$ -	\$ 904,929	\$ -	\$ 5,397,099	
21	Oct-14	\$ 3,321,924	\$ (8,906)	\$ 651,026	\$ -	\$ 19,586,445	\$ -		3,321,924	(3,694)	28,399	0	880,662	0	4,227,290	
22	Nov-14	\$ 3,739,155	\$ 119,593	\$ 979,645	\$ -	\$ 21,306,336	\$ -		3,739,155	49,606	42,733	0	957,993	0	4,789,487	
23	Dec-14	\$ 4,728,714	\$ 101,679	\$ 1,193,370	\$ -	\$ 11,744,500	\$ -		4,728,714	42,175	52,056	0	528,066	0	5,351,012	
24	Jan-15	\$ 4,856,407	\$ 191,083	\$ 1,302,531	\$ -	\$ 11,797,355	\$ -		4,856,407	77,731	57,441	0	513,984	0	5,505,563	
25	Feb-15	\$ 4,762,307	\$ 223,577	\$ 1,527,085	\$ -	\$ 12,992,260	\$ -		4,762,307	90,950	67,344	0	566,043	0	5,486,644	
26	Mar-15	\$ 5,496,343	\$ 33,759	\$ 1,754,774	\$ -	\$ 14,044,844	\$ -		5,496,343	13,733	77,385	0	611,902	0	6,199,362	
27	Apr-15	\$ 4,947,233	\$ 80,254	\$ 2,122,594	\$ -	\$ 14,118,307	\$ -		4,947,233	32,647	93,605	0	615,102	0	5,688,588	
28	May-15	\$ 5,144,282	\$ 281,417	\$ 1,972,927	\$ -	\$ 14,577,217	\$ -		5,144,282	114,479	87,005	0	635,096	0	5,980,863	
29	Jun-15	\$ 6,998,609	\$ 55,067	\$ 1,636,271	\$ -	\$ 22,323,129	\$ -		6,998,609	22,401	72,159	0	972,568	0	8,065,736	
30	Jul-15	\$ 7,451,808	\$ 506,454	\$ 1,674,517	\$ -	\$ 18,176,650	\$ -		7,451,808	206,023	73,845	0	791,915	0	8,523,592	
31	Aug-15	\$ 6,213,333	\$ 139,231	\$ 2,197,886	\$ -	\$ 19,866,704	\$ -		6,213,333	56,639	96,926	0	865,547	0	7,232,444	
32	Sep-15	\$ 3,636,428	\$ (31,787)	\$ 3,289,307	\$ -	\$ 22,140,326	\$ -		3,636,428	(12,931)	145,057	0	964,604	0	4,733,158	
33	Average	\$ 5,053,160	\$ 143,120	\$ 1,610,143	\$ -	\$ 17,138,480	\$ -	\$	5,053,160	\$ 58,455	\$ 70,879	\$ -	\$ 754,493	\$ -	\$ 5,936,987	

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended September 30, 2015

WP 7-2

Line No.	Month								Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
		Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	FY15	FY14	100.00%	41.48%	4.36%	1.53%	4.50%	1.31%	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		(h)	(i)	(j)	(k)	(l)	(m)	(n)
34																
35	Inventories- Plant Materials (Account 1540)															
36																
37	Sep-14	\$ -	\$ 14,487	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 6,009	\$ -	\$ -	\$ -	\$ -	\$ 6,009
38	Oct-14	\$ -	\$ 14,487	\$ -	\$ -	\$ -	\$ -	\$ -		0	6,009	0	0	0	0	6,009
39	Nov-14	\$ -	\$ 13,310	\$ -	\$ -	\$ -	\$ -	\$ -		0	5,521	0	0	0	0	5,521
40	Dec-14	\$ -	\$ 13,310	\$ -	\$ -	\$ -	\$ -	\$ -		0	5,521	0	0	0	0	5,521
41	Jan-15	\$ -	\$ 13,310	\$ -	\$ -	\$ -	\$ -	\$ -		0	5,415	0	0	0	0	5,415
42	Feb-15	\$ -	\$ 13,310	\$ -	\$ -	\$ -	\$ -	\$ -		0	5,415	0	0	0	0	5,415
43	Mar-15	\$ -	\$ 13,310	\$ -	\$ -	\$ -	\$ -	\$ -		0	5,415	0	0	0	0	5,415
44	Apr-15	\$ -	\$ 13,310	\$ -	\$ -	\$ -	\$ -	\$ -		0	5,415	0	0	0	0	5,415
45	May-15	\$ -	\$ 13,310	\$ -	\$ -	\$ -	\$ -	\$ -		0	5,415	0	0	0	0	5,415
46	Jun-15	\$ -	\$ 13,310	\$ -	\$ -	\$ -	\$ -	\$ -		0	5,415	0	0	0	0	5,415
47	Jul-15	\$ -	\$ 13,310	\$ -	\$ -	\$ -	\$ -	\$ -		0	5,415	0	0	0	0	5,415
48	Aug-15	\$ -	\$ 12,038	\$ -	\$ -	\$ -	\$ -	\$ -		0	4,897	0	0	0	0	4,897
49	Sep-15	\$ -	\$ 12,038	\$ -	\$ -	\$ -	\$ -	\$ -		0	4,897	0	0	0	0	4,897
50	Average	\$ -	\$ 13,296	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 5,443	\$ -	\$ -	\$ -	\$ -	\$ 5,443
51																
52																
53	Inventories- Gas Stored (Account 1641)															
54	<i>Includes Tennessee stored gas in Division 93 and an allocated portion of Tennessee stored gas in Division 96</i>															
55	Sep-14	\$ 10,977,031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 10,977,031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,977,031
56	Oct-14	\$ 12,389,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		12,389,639	0	0	0	0	0	12,389,639
57	Nov-14	\$ 11,417,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		11,417,285	0	0	0	0	0	11,417,285
58	Dec-14	\$ 9,601,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		9,601,496	0	0	0	0	0	9,601,496
59	Jan-15	\$ 5,415,338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		5,415,338	0	0	0	0	0	5,415,338
60	Feb-15	\$ 2,068,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		2,068,982	0	0	0	0	0	2,068,982
61	Mar-15	\$ 1,249,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		1,249,171	0	0	0	0	0	1,249,171
62	Apr-15	\$ 2,228,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		2,228,674	0	0	0	0	0	2,228,674
63	May-15	\$ 2,863,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		2,863,249	0	0	0	0	0	2,863,249
64	Jun-15	\$ 3,943,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		3,943,954	0	0	0	0	0	3,943,954
65	Jul-15	\$ 5,063,337	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		5,063,337	0	0	0	0	0	5,063,337
66	Aug-15	\$ 6,011,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		6,011,913	0	0	0	0	0	6,011,913
67	Sep-15	\$ 6,991,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		6,991,712	0	0	0	0	0	6,991,712
68	Average	\$ 6,170,906	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 6,170,906	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,170,906

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended September 30, 2015

WP 7-2

Line No.	Month	Division 091 - Mid-							Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
		Division 093 - Tennessee	States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	FY15	FY14	100.00%	41.48%	4.36%	1.53%	4.50%	1.31%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)			(h)	(i)	(j)	(k)	(l)	(m)	(n)
69																
70	Customers Deposits (Account 2350)															
71																
72	Sep-14	\$ (3,653,647)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (3,653,647)	0	0	0	0	0	\$ (3,653,647)
73	Oct-14	\$ (3,718,222)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		(3,718,222)	0	0	0	0	0	(3,718,222)
74	Nov-14	\$ (3,831,710)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		(3,831,710)	0	0	0	0	0	(3,831,710)
75	Dec-14	\$ (4,019,037)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		(4,019,037)	0	0	0	0	0	(4,019,037)
76	Jan-15	\$ (4,109,420)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		(4,109,420)	0	0	0	0	0	(4,109,420)
77	Feb-15	\$ (4,185,300)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		(4,185,300)	0	0	0	0	0	(4,185,300)
78	Mar-15	\$ (4,263,935)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		(4,263,935)	0	0	0	0	0	(4,263,935)
79	Apr-15	\$ (4,406,482)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		(4,406,482)	0	0	0	0	0	(4,406,482)
80	May-15	\$ (4,458,811)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		(4,458,811)	0	0	0	0	0	(4,458,811)
81	Jun-15	\$ (4,519,055)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		(4,519,055)	0	0	0	0	0	(4,519,055)
82	Jul-15	\$ (4,586,802)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		(4,586,802)	0	0	0	0	0	(4,586,802)
83	Aug-15	\$ (4,618,476)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		(4,618,476)	0	0	0	0	0	(4,618,476)
84	Sep-15	\$ (4,648,844)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		(4,648,844)	0	0	0	0	0	(4,648,844)
85	Average	\$ (4,232,288)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (4,232,288)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,232,288)
86																
87																
88	Accumulated Deferred FIT (Total Accounts 1900, 2820, 2830)															
89																
90	Sep-14	\$ (67,798,345)	\$ 8,903,021	\$ (30,894,967)	\$ -	\$ 488,132,094	\$ -	\$ -		\$ (67,798,345)	\$ 3,692,850	\$ (1,347,681)	\$ -	\$ 21,947,795	\$ -	\$ (43,505,381)
91	Oct-14	\$ (67,798,345)	\$ 8,903,021	\$ (30,894,967)	\$ -	\$ 497,045,057	\$ -	\$ -		(67,798,345)	3,692,850	(1,347,681)	0	22,348,547	0	(43,104,629)
92	Nov-14	\$ (67,798,345)	\$ 8,903,021	\$ (30,894,967)	\$ -	\$ 505,124,573	\$ -	\$ -		(67,798,345)	3,692,850	(1,347,681)	0	22,711,825	0	(42,741,351)
93	Dec-14	\$ (67,798,345)	\$ 1,621,499	\$ (30,894,967)	\$ -	\$ 543,668,629	\$ -	\$ -		(67,798,345)	672,575	(1,347,681)	0	24,444,875	0	(44,028,576)
94	Jan-15	\$ (67,798,345)	\$ 1,621,499	\$ (30,894,967)	\$ -	\$ 576,543,622	\$ -	\$ -		(67,798,345)	659,617	(1,362,452)	0	25,118,691	0	(43,382,488)
95	Feb-15	\$ (67,798,345)	\$ 1,621,499	\$ (30,894,967)	\$ -	\$ 556,168,424	\$ -	\$ -		(67,798,345)	659,617	(1,362,452)	0	24,230,990	0	(44,270,189)
96	Mar-15	\$ (67,798,345)	\$ (4,792,653)	\$ (30,894,967)	\$ -	\$ 517,310,088	\$ -	\$ -		(67,798,345)	(1,949,626)	(1,362,452)	0	22,538,021	0	(48,572,402)
97	Apr-15	\$ (67,798,345)	\$ (4,792,653)	\$ (30,894,967)	\$ -	\$ 508,622,634	\$ -	\$ -		(67,798,345)	(1,949,626)	(1,362,452)	0	22,159,528	0	(48,950,894)
98	May-15	\$ (67,798,345)	\$ (4,792,653)	\$ (30,894,967)	\$ -	\$ 503,306,374	\$ -	\$ -		(67,798,345)	(1,949,626)	(1,362,452)	0	21,927,911	0	(49,182,512)
99	Jun-15	\$ (67,798,345)	\$ 1,364,820	\$ (30,894,967)	\$ -	\$ 482,689,062	\$ -	\$ -		(67,798,345)	555,202	(1,362,452)	0	21,029,662	0	(47,575,933)
100	Jul-15	\$ (67,798,345)	\$ 1,364,820	\$ (30,894,967)	\$ -	\$ 494,351,050	\$ -	\$ -		(67,798,345)	555,202	(1,362,452)	0	21,537,748	0	(47,067,847)
101	Aug-15	\$ (67,798,345)	\$ 1,364,820	\$ (30,894,967)	\$ -	\$ 496,696,817	\$ -	\$ -		(67,798,345)	555,202	(1,362,452)	0	21,639,948	0	(46,965,647)
102	Sep-15	\$ (76,912,475)	\$ 8,011,333	\$ (29,747,509)	\$ -	\$ 585,362,725	\$ -	\$ -		(76,912,475)	3,258,969	(1,311,849)	0	25,502,919	0	(49,462,437)
103	Average	\$ (68,499,432)	\$ 2,253,953	\$ (30,806,701)	\$ -	\$ 519,617,011	\$ -	\$ -		\$ (68,499,432)	\$ 934,312	\$ (1,354,014)	\$ -	\$ 22,856,805	\$ -	\$ (46,062,330)

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended September 30, 2015

WP 7-2

Line No.	Month	Division 091 - Mid-							Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
		Division 093 - Tennessee	States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	FY15	FY14	100.00%	41.48%	4.36%	1.53%	4.50%	1.31%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)			(h)	(i)	(j)	(k)	(l)	(m)	(n)
104																
105	Accumulated Depreciation (Account 1080)															
106																
107	Sep-14	\$ (176,548,242)	\$ (3,213,890)	\$ (42,155,897)	\$ (2,907,092)	\$ (112,444,121)	\$ (3,294,146)	\$		(176,548,242)	\$ (1,333,077)	\$ (1,838,899)	\$ (44,475)	\$ (5,055,805)	\$ (43,108)	\$ (184,863,605)
108	Oct-14	\$ (176,075,083)	\$ (3,233,346)	\$ (42,912,768)	\$ (2,940,235)	\$ (113,444,667)	\$ (3,351,220)			(176,075,083)	(1,341,147)	(1,871,915)	(44,982)	(5,100,792)	(43,855)	(184,477,774)
109	Nov-14	\$ (176,675,007)	\$ (3,260,102)	\$ (43,669,701)	\$ (2,973,379)	\$ (114,439,583)	\$ (3,408,294)			(176,675,007)	(1,352,245)	(1,904,933)	(45,489)	(5,145,526)	(44,602)	(185,167,802)
110	Dec-14	\$ (176,912,856)	\$ (3,286,856)	\$ (44,412,745)	\$ (3,006,523)	\$ (113,383,288)	\$ (3,465,369)			(176,912,856)	(1,363,342)	(1,937,346)	(45,996)	(5,098,032)	(45,348)	(185,402,922)
111	Jan-15	\$ (177,282,616)	\$ (3,309,512)	\$ (45,169,812)	\$ (3,039,629)	\$ (114,443,907)	\$ (3,522,443)			(177,282,616)	(1,346,292)	(1,991,965)	(25,413)	(4,986,060)	(44,997)	(185,677,343)
112	Feb-15	\$ (177,749,400)	\$ (2,941,864)	\$ (45,927,016)	\$ (3,072,735)	\$ (115,505,113)	\$ (3,579,518)			(177,749,400)	(1,196,735)	(2,025,357)	(25,690)	(5,032,294)	(45,726)	(186,075,202)
113	Mar-15	\$ (178,406,048)	\$ (2,961,523)	\$ (46,684,220)	\$ (3,105,841)	\$ (116,206,193)	\$ (3,636,592)			(178,406,048)	(1,204,732)	(2,058,749)	(25,967)	(5,062,839)	(46,455)	(186,804,789)
114	Apr-15	\$ (179,057,157)	\$ (2,980,662)	\$ (47,441,425)	\$ (3,138,947)	\$ (117,266,210)	\$ (3,693,666)			(179,057,157)	(1,212,518)	(2,092,142)	(26,243)	(5,109,021)	(47,184)	(187,544,265)
115	May-15	\$ (179,627,702)	\$ (3,001,475)	\$ (48,205,897)	\$ (3,172,053)	\$ (118,363,390)	\$ (3,750,741)			(179,627,702)	(1,220,984)	(2,125,855)	(26,520)	(5,156,823)	(47,913)	(188,205,797)
116	Jun-15	\$ (180,221,410)	\$ (3,009,872)	\$ (48,977,071)	\$ (3,205,159)	\$ (119,469,302)	\$ (3,807,815)			(180,221,410)	(1,224,400)	(2,159,863)	(26,797)	(5,205,005)	(48,642)	(188,886,117)
117	Jul-15	\$ (179,318,670)	\$ (3,026,957)	\$ (45,118,948)	\$ (3,238,265)	\$ (109,959,353)	\$ (3,864,889)			(179,318,670)	(1,231,350)	(1,989,722)	(27,074)	(4,790,678)	(49,371)	(187,406,865)
118	Aug-15	\$ (179,907,006)	\$ (3,038,240)	\$ (45,844,622)	\$ (3,271,371)	\$ (110,908,469)	\$ (3,921,964)			(179,907,006)	(1,235,940)	(2,021,724)	(27,350)	(4,832,029)	(50,100)	(188,074,150)
119	Sep-15	\$ (180,472,042)	\$ (3,057,056)	\$ (46,569,104)	\$ (3,304,478)	\$ (111,860,017)	\$ (3,979,038)			(180,472,042)	(1,243,595)	(2,053,673)	(27,627)	(4,873,486)	(50,829)	(188,721,251)
120	Average	\$ (178,327,172)	\$ (3,101,643)	\$ (45,622,248)	\$ (3,105,824)	\$ (114,437,970)	\$ (3,636,592)	\$		(178,327,172)	\$ (1,269,720)	\$ (2,005,549)	\$ (32,279)	\$ (5,034,492)	\$ (46,779)	\$ (186,715,991)
121																
122																
123	Customers Advances (Account 2520)															
124																
125	Sep-14	\$ (76,428)	\$ -	\$ -	\$ -	\$ -	\$ -	\$		(76,428)	0	0	0	0	0	\$ (76,428)
126	Oct-14	\$ (76,428)	\$ -	\$ -	\$ -	\$ -	\$ -			(76,428)	0	0	0	0	0	(76,428)
127	Nov-14	\$ (76,428)	\$ -	\$ -	\$ -	\$ -	\$ -			(76,428)	0	0	0	0	0	(76,428)
128	Dec-14	\$ (76,428)	\$ -	\$ -	\$ -	\$ -	\$ -			(76,428)	0	0	0	0	0	(76,428)
129	Jan-15	\$ (76,428)	\$ -	\$ -	\$ -	\$ -	\$ -			(76,428)	0	0	0	0	0	(76,428)
130	Feb-15	\$ (76,428)	\$ -	\$ -	\$ -	\$ -	\$ -			(76,428)	0	0	0	0	0	(76,428)
131	Mar-15	\$ (76,428)	\$ -	\$ -	\$ -	\$ -	\$ -			(76,428)	0	0	0	0	0	(76,428)
132	Apr-15	\$ (76,428)	\$ -	\$ -	\$ -	\$ -	\$ -			(76,428)	0	0	0	0	0	(76,428)
133	May-15	\$ (76,428)	\$ -	\$ -	\$ -	\$ -	\$ -			(76,428)	0	0	0	0	0	(76,428)
134	Jun-15	\$ (76,428)	\$ -	\$ -	\$ -	\$ -	\$ -			(76,428)	0	0	0	0	0	(76,428)
135	Jul-15	\$ (76,428)	\$ -	\$ -	\$ -	\$ -	\$ -			(76,428)	0	0	0	0	0	(76,428)
136	Aug-15	\$ (76,428)	\$ -	\$ -	\$ -	\$ -	\$ -			(76,428)	0	0	0	0	0	(76,428)
137	Sep-15	\$ (76,428)	\$ -	\$ -	\$ -	\$ -	\$ -			(76,428)	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, 2015

WP 7-2

**Tennessee Distribution System
Pension Regulated Asset
Twelve Months Ended May 31, 2017**

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		<u>\$ 4,428,719</u>	<u>\$ 3,130,229</u>	<u>\$ 1,298,490</u>	
12					
13	Monthly Amortization				
14	2 years amortization			\$ 54,104	
15					
16		Amortization Expense	Regulated Asset Balance		
17	May-15	-	1,298,490		
18	Jun-15	54,104	1,244,386		
19	Jul-15	54,104	1,190,283		
20	Aug-15	54,104	1,136,179		
21	Sep-15	54,104	1,082,075		
22	Oct-15	54,104	1,027,971		
23	Nov-15	54,104	973,868		
24	Dec-15	54,104	919,764		
25	Jan-16	54,104	865,660		
26	Feb-16	54,104	811,556		
27	Mar-16	54,104	757,453		
28	Apr-16	54,104	703,349		
29	May-16	54,104	649,245		
30	Jun-16	54,104	595,141		
31	Jul-16	54,104	541,038		
32	Aug-16	54,104	486,934		
33	Sep-16	54,104	432,830		
34	Oct-16	54,104	378,726		
35	Nov-16	54,104	324,623		
36	Dec-16	54,104	270,519		
37	Jan-17	54,104	216,415		
38	Feb-17	54,104	162,311		
39	Mar-17	54,104	108,208		
40	Apr-17	54,104	54,104		
41	May-17	54,104	-		
42	Annual Amortization*	<u>\$ 649,245</u>	<u>\$ 324,623</u>	13 month average	

*This amount is included in Benefits actuals for Division 093

**Tennessee Distribution System
Accumulated Deferred Income Tax
Shared Services Division 002
Twelve Months Ended May 31, 2017**

Line No.	Month	Total SSU 002	Non-regulated NOL[1]	Regulated Utility NOL	Other ADIT	SSU Utility ADIT
	(a)	(b)	(c)	(d)	(e)	(f)
1	Jun-13	154,128,596	(200,975,728)	352,057,428	3,046,896	355,104,324
2	Jul-13	145,919,884	(200,975,728)	352,057,428	(5,161,816)	346,895,612
3	Aug-13	136,438,570	(200,347,089)	346,167,066	(9,381,406)	336,785,660
4	Sep-13	195,885,794	(204,470,954)	389,816,215	10,540,533	400,356,748
5	Oct-13	198,083,808	(204,470,954)	389,816,215	12,738,547	402,554,762
6	Nov-13	191,672,347	(204,470,954)	389,816,215	6,327,086	396,143,301
7	Dec-13	179,196,615	(207,097,743)	395,636,604	(9,342,246)	386,294,358
8	Jan-14	190,904,433	(207,097,743)	395,636,604	2,365,572	398,002,176
9	Feb-14	192,792,834	(207,097,743)	395,636,604	4,253,973	399,890,577
10	Mar-14	162,357,534	(219,167,600)	377,175,208	4,349,926	381,525,134
11	Apr-14	167,252,026	(219,167,600)	377,175,208	9,244,418	386,419,626
12	May-14	175,999,196	(219,167,600)	377,175,208	17,991,588	395,166,796
13	Jun-14	205,011,038	(219,884,627)	405,828,177	19,067,488	424,895,665
14	Jul-14	208,298,312	(219,884,627)	405,828,177	22,354,762	428,182,939
15	Aug-14	224,949,437	(219,079,036)	405,022,586	39,005,887	444,028,473
16	Sep-14	267,982,820	(220,149,274)	444,334,650	43,797,444	488,132,094
17	Oct-14	276,895,783	(220,149,274)	444,334,650	52,710,407	497,045,057
18	Nov-14	284,975,299	(220,149,274)	444,334,650	60,789,923	505,124,573
19	Dec-14	321,070,352	(222,598,277)	469,818,580	73,850,049	543,668,629
20	Jan-15	353,945,345	(222,598,277)	469,818,580	106,725,042	576,543,622
21	Feb-15	333,570,147	(222,598,277)	469,818,580	86,349,844	556,168,424
22	Mar-15	290,103,994	(227,206,094)	425,654,746	91,655,342	517,310,088
23	Apr-15	281,416,540	(227,206,094)	425,654,746	82,967,888	508,622,634
24	May-15	276,100,280	(227,206,094)	425,654,746	77,651,628	503,306,374
25	Jun-15	252,513,161	(230,175,901)	407,851,903	74,837,159	482,689,062
26	Jul-15	264,175,149	(230,175,901)	407,851,903	86,499,147	494,351,050
27	Aug-15	266,520,916	(230,175,901)	407,851,903	88,844,914	496,696,817
28	Sep-15	353,265,598	(232,097,127)	530,457,730	54,904,995	585,362,725
29	Oct-15	351,696,807	(232,097,127)	530,457,730	53,336,204	583,793,934
30	Nov-15	353,283,852	(232,097,127)	530,457,730	54,923,249	585,380,979
31	Dec-15	386,239,047	(231,927,975)	554,535,985	63,631,037	618,167,022
32	Jan-16	407,141,203	(231,927,975)	554,535,985	84,533,193	639,069,178
33	Feb-16	421,852,059	(231,927,975)	554,535,985	99,244,049	653,780,034
34	Mar-16	396,520,892	(221,557,479)	541,564,884	76,513,487	618,078,371
35	Apr-16	394,149,016	(221,557,479)	542,923,119	72,783,376	615,706,495
36	May-16	398,248,765	(221,557,479)	542,923,119	76,883,125	619,806,244
37	Jun-16	442,366,792	(226,370,626)	570,484,105	98,253,313	668,737,418
38	Jul-16	450,916,231	(226,370,626)	570,484,105	106,802,752	677,286,857
39	Aug-16	455,571,969	(226,370,626)	570,484,105	111,458,490	681,942,595
40	Sep-16	620,407,979	(231,681,555)	725,716,695	126,372,839	852,089,534
41	Oct-16	602,604,308	(231,681,555)	725,716,695	108,569,168	834,285,863
42	Nov-16	573,506,934	(231,681,555)	725,716,695	79,471,794	805,188,489
43	Dec-16	594,031,560	(239,479,660)	761,090,475	72,420,745	833,511,220
44	Jan-17	591,704,581	(239,479,660)	761,090,475	70,093,766	831,184,241
45	Feb-17	590,091,326	(239,479,660)	761,090,475	68,480,511	829,570,986
46	Mar-17	540,216,037	(253,090,639)	725,798,687	67,507,989	793,306,676
47	Apr-17	548,145,910	(253,090,639)	725,798,687	75,437,862	801,236,549
48	May-17	554,158,274	(253,090,639)	725,798,687	81,450,226	807,248,913

[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, 2017

Line No.		Base Period	Attrition Year
1	Revenue Lag	37.50	37.50
2			
3	Expense Lag	35.45	34.04
4			
5	Net Lag	2.05	3.46
6			
7	Daily Cost of Service	412,034	325,300
8			
9	Cash Working Capital	955,030	1,124,979

Atmos Energy Corporation-Tennessee
Cash Working Capital Lead/Lag Analysis
For Forward Looking Attrition Year Twelve Months Ended May 31, 2017

Line No.	Description	Attrition Year Expenses	Expense Lag	CWC Requirement (b) x (c)
	(a)	(b)	(c)	(d)
1	Gas Supply Expense			
2	Purchased Gas	49,958,064	39.33	1,964,850,669
3				
4	Operation and Maintenance Expense			
5	O&M, Labor	8,010,809	14.07	112,712,084
6	O&M, Non-Labor	13,711,917	29.44	403,678,833
7	Total O&M Expense	21,722,726		516,390,917
8				
9				
10	Taxes Other Than Income			
11	Ad Valorem	4,386,748	241.50	1,059,399,642
12	State Gross Receipts Tax	1,369,230	(151.50)	(207,438,403)
13	Payroll Taxes	231,845	16.13	3,739,016
14	Franchise Tax	722,167	37.50	27,081,252
15	TRA Inspection Fee	552,733	272.50	150,619,702
16	DOT	9,968	59.00	588,123
17				
18	Allocated Taxes-Shared Services			
19	Ad Valorem	17% 57,049	241.50	13,777,390
20	Payroll Taxes	83% 271,981	16.13	4,386,306
21				
22	Allocated Taxes-Business Unit			
23	Ad Valorem	21% 29,522	241.50	7,129,497
24	Payroll Taxes	79% 112,024	16.13	1,806,633
25	Total Taxes Other Than Income	7,743,266		1,061,089,158
26				
27	Federal Income Tax	6,263,395		
28	Current Taxes	-	37.50	-
29	Deferred Taxes	6,263,395	-	-
30				
31	State Excise Tax	316,372		
32	Current Taxes	-	37.50	-
33	Deferred Taxes	316,372	-	-
34				
35	Depreciation	11,858,675	-	-
36				
37	Interest on Customer Deposits	116,891	182.50	21,332,667
38				
39	Interest Expense - LTD	5,267,380	91.25	480,648,391
40				
41	Interest Expense - STD	361,375	24.05	8,690,588
42				
43	Return on Equity	15,451,716	-	-
44				
45				
46	TOTAL	119,059,860	34.04	4,053,002,391
47				
48	Daily Cost of Service	325,300		
49				
50				

Atmos Energy Corporation-Tennessee
Cash Working Capital Lead/Lag Analysis
For Historic Base Period September 30, 2015

Line No.	Description		Historic Base Period	Expense Lag	CWC Requirement (b) x (c)
	(a)		(b)	(c)	(d)
1	Gas Supply Expense				
2	Purchased Gas		84,136,217	39.33	3,309,077,410
3					
4	Operation and Maintenance Expense				
5	O&M, Labor		7,611,720	14.07	107,096,899
6	O&M, Non-Labor		14,054,052	29.44	413,751,295
7	Total O&M Expense		21,665,772		520,848,194
8					
9					
10	Taxes Other Than Income				
11	Ad Valorem		3,744,444	241.50	904,283,226
12	State Gross Receipts Tax		1,227,128	(151.50)	(185,909,919)
13	Payroll Taxes		245,410	16.13	3,957,782
14	Franchise Tax		677,000	37.50	25,387,502
15	TRA Inspection Fee		593,085	272.50	161,615,722
16	DOT		20,364	59.00	1,201,494
17					
18	Allocated Taxes-Shared Services				
19	Ad Valorem	0%	-	241.50	-
20	Payroll Taxes	100%	317,434	16.13	5,119,334
21					
22	Allocated Taxes-Business Unit				
23	Ad Valorem	45%	48,839	241.50	11,794,566
24	Payroll Taxes	55%	60,117	16.13	969,523
25	Total Taxes Other Than Income		6,933,821		928,419,228
26					
27	Federal Income Tax		5,846,892		
28	Current Taxes		-	37.50	-
29	Deferred Taxes		5,846,892	-	-
30					
31	State Excise Tax		1,161,338		
32	Current Taxes		-	37.50	-
33	Deferred Taxes		1,161,338	-	-
34					
35	Depreciation		11,368,027	-	-
36					
37	Interest on Customer Deposits		137,549	182.50	25,102,756
38					
39	Interest Expense - LTD		5,964,138	91.25	544,227,562
40					
41	Interest Expense - STD		147,871	24.05	3,556,105
42					
43	Return on Equity		13,030,711	-	-
44					
45					
46	TOTAL		150,392,336	35.45	5,331,231,256
47					
48	Daily Cost of Service		412,034		
49					
50					

Tennessee Distribution System
Amortization Schedule of Capitalized Incentive Compensation Adjustment
For Attrition Year Twelve Months Ended May 31, 2017

Line No.	Description	Amounts	Amounts
1	(a)	(b)	(c)
2	<u>Forward Looking Test Year</u>	<u>Rate Base</u>	<u>Depreciation Expense</u>
3	Docket No. 17-XXXXX, 2017 TN ARM Reconciliation Filing Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-17	\$ 1,283,405	\$ 29,847
4	Docket No. 16-00105, 2016 TN ARM Reconciliation Filing Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-16	1,191,858	29,796
5			
6			
7	Total	<u>\$ 2,475,263</u>	<u>\$ 59,643</u>
8			
9	<u>Historic Base Period</u>		
10	Docket No. 16-00105, 2016 TN ARM Reconciliation Filing Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-16	\$ 1,221,654	\$ 29,796
11			
12			
13	Total	<u>\$ 1,221,654</u>	<u>\$ 29,796</u>
14			

Tennessee Distribution System
Rate Base & Return Forecast vs. Actuals
Twelve Months Ended May 31, 2017
Thirteen Month Average

Line No.	Description	Attrition Year Forecast	Variance	Attrition Year Actuals	Reference
	(a)	(b)	(c)	(d)	(e)
1	Original Cost of Plant	\$ 511,833,913	\$ (3,114,674)	\$ 508,719,239	Wp 7-1 Wp7-2
2					
3	Accumulated Depreciation and Amortization	\$ (193,126,103)	\$ (3,757,795)	\$ (196,883,898)	Wp 7-1 Wp7-2
4					
5	Construction Work in Progress per Books	\$ 4,749,638	\$ 7,306,739	\$ 12,056,378	Wp 7-1 Wp7-2
6					
7	Storage Gas Investment	\$ 4,563,705	\$ (599,113)	\$ 3,964,592	Wp 7-1 Wp7-2
8					
9	Cash Working Capital	\$ 1,062,393	\$ 62,586	\$ 1,124,979	Wp 7-5
10					
11	Material & Supplies	\$ 5,205	\$ 27,055	\$ 32,260	Wp 7-1 Wp7-2
12					
13	Deferred Pension Regulated Asset Balance	\$ 324,623	\$ -	\$ 324,623	Wp 7-3
14					
15	Accumulated Deferred Income Tax	\$ (55,469,331)	\$ 4,788,857	\$ (50,680,474)	Wp 7-1
16					
17	Customer Advances for Construction	\$ (76,428)	\$ 39,091	\$ (37,337)	Wp 7-1 Wp7-2
18					
19	Customer Deposits	\$ (4,667,865)	\$ 1,071,209	\$ (3,596,656)	Wp 7-1 Wp7-2
20					
21	Accumulated Interest on Customer Deposits	\$ (85,907)	\$ 32,771	\$ (53,137)	Wp 7-1 Wp7-2
22					
23	Unadjusted Rate Base	\$ 269,113,843	\$ 5,856,725	\$ 274,970,568	
24					
25	Adjustments:	-	\$ (2,475,263)	(2,475,263)	
26					
27	Net Elimination of Intercompany Leased Property	\$ 5,480,845	\$ 320,707	\$ 5,801,552	Wp 7-1 Wp7-2
28					
29	Total Rate Base	<u>\$ 274,594,688</u>	<u>\$ 3,702,169</u>	<u>\$ 278,296,857</u>	
30					
31	Return at Overall Cost of Capital on Rate Base	<u>\$ 21,198,710</u>	<u>\$ (409,935)</u>	<u>\$ 20,788,775</u>	
32					
33					
34					
35					

Tennessee Distribution System
Computation of State Excise & Income Taxes
Twelve Months Ended May 31, 2017

Line No.	Description	Tax Rate	Base Period ⁽¹⁾	Attrition Year ⁽²⁾	Change
	(a)	(b)	(c)	(d)	
2					
3	Required Return		\$ 19,026,092	\$ 20,788,775	\$ 1,762,683
1	Current Return		\$ 17,001,765	\$ 20,597,864	\$ 3,596,099
4					
5	Pre-Tax Deficiency from Current Return		2,024,327	190,911	(1,833,416)
6	Tax Expansion Factor		1.6318	1.6333	
7	After-Tax Deficiency from Current Return		3,303,297	311,815	(2,991,483)
8					
9	Tax Liability Increase / Decrease (Ln 7 - Ln 3)		1,278,970	120,904	(1,158,066)
10	Current Tax Liability		\$ 7,008,230	\$ 9,315,564	\$ 2,307,334
11					
12	Income Tax Liability		\$ 8,287,200	\$ 9,436,468	\$ 1,149,268
13					
14	Less: ITC Amortization		-	-	-
15					
16	Total Income Tax Liability		8,287,200	9,436,468	1,149,268
17					
	Per Books Income Tax Expense			\$6,579,767	
18	Note:				
19	1. Twelve months ended September 30, 2015				
20	2. Twelve months ended May 31, 2017				

**Tennessee Distribution System
Amortization of UCG Deferred Utility ITC
Twelve Months Ended May 31, 2017**

Line No.	Description	Amortization	Allocation Factor [1]	Tennessee Allocation
	(a)	(b)	(c)	(d)
1	Fiscal year ended September 30, 2011	50,990		
2	Fiscal year ended September 30, 2012	12,229		
3	Fiscal year ended September 30, 2013	5,820		
4	Fiscal year ended September 30, 2014	-		
5				
6	Base Period ended June 30, 2014	1,455	0%	-
7				
8	Attrition Year ended May 31, 2016	-	0%	-
9				
10	[1] Division 091 - Mid-States General Office allocation factor excluding Kentucky			

**Tennessee Distribution System
Revenue Conversion Factor
Twelve Months Ended May 31, 2017**

Line No.		Attrition Year	
		Amount	Balance
1	Operating Revenues		1.000000
2			
3	Add: Forfeited Discounts	0.012535	<u>0.012535</u>
4			
5	Balance		1.012535
6			
7	Uncollectible Ratio	0.005054	<u>0.005117</u>
8			
9	Balance		1.007418
10			
11	State Excise Tax	0.065000	<u>0.065482</u>
12			
13	Balance		0.941936
14			
15	Federal Income Tax	0.350000	<u>0.329677</u>
16			
17	Balance		0.612258
18			
19	Revenue Conversion Factor (Line 1/Line 9)		1.633300

**Tennessee Distribution System
Overall Cost of Capital
Twelve Months Ended May 31, 2017**

Line No.	Description	Percent	Cost Rate	Overall Cost of Capital
	(a)	(b)	(c)	(d)
1	Long Term Debt Capital	35.74%	5.75%	2.06%
2	Short Term Debt	10.41%	1.24%	0.13%
3	Equity Capital	<u>53.85%</u>	9.80%	<u>5.28%</u>
4				
5	Total Capital	<u><u>100.0%</u></u>		<u><u>7.47%</u></u>

Tennessee Distribution System
Cost of Capital
Twelve Months Ended May 31, 2017

Line No.	Description	<u>May 31, 2017</u>	
		\$	%
	(a)	(b)	(c)
1	LT Debt	\$ 2,564,900,664	35.74%
2	ST Debt	747,411,969	10.41%
3	Equity	3,864,281,638	53.85%
4			
5	Total Capital	<u>\$ 7,176,594,271</u>	<u>100.00%</u>

Tennessee Distribution System
Cost of Capital- Short Term Debt Rate
Twelve Months Ended May 31, 2017

					12 Month Avg		12 Month Avg		Interest on CP or Interest on Draws on Credit Facility		Commitment Fees on Credit Facility		Bank Fees on AEC Credit Facility With RBS	
<u>Atmos Consolidated Balances</u>					<u>Atmos Consolidated - calc of STD rate</u>			30121						
Line		Long-Term	Short-Term		STD	STD	STD	Detail of Colm (f) Consolidated Int Exp & Fees						
No.	Date	Debt	Debt	Equity	Avg Daily Bal	Int Exp & fees	avg rate	Int Exp		Commit fees		Utility Bank Admin		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)							
1	May-16	2,455,616,325	588,760,748	3,436,952,412										
2	Jun-16	2,455,644,849	670,465,758	3,466,723,837	599,167,000	539,956		351,354		106,735		81,867		
3	Jul-16	2,455,673,372	660,469,447	3,472,256,616	642,466,903	564,898		372,738		110,293		81,867		
4	Aug-16	2,455,701,896	713,363,904	3,438,618,783	685,968,968	594,036		401,876		110,293		81,867		
5	Sep-16	2,438,778,635	829,811,164	3,463,058,963	792,821,200	667,351		479,474		106,735		81,142		
6	Oct-16	2,563,918,889	800,464,658	3,520,473,562	840,360,387	790,492		565,888		129,036		95,568		
7	Nov-16	2,564,059,143	909,674,672	3,595,033,060	831,273,067	787,920		563,057		127,561		97,301		
8	Dec-16	2,564,199,396	940,746,591	3,698,975,167	928,395,161	928,657		699,542		131,813		97,301		
9	Jan-17	2,564,339,650	775,069,471	3,778,803,299	790,401,000	887,195		658,073		131,821		97,301		
10	Feb-17	2,564,479,903	724,278,560	3,790,503,944	725,202,179	787,662		571,297		119,064		97,301		
11	Mar-17	2,564,620,157	670,606,792	3,834,864,598	694,191,935	871,975		642,853		131,821		97,301		
12	Apr-17	2,564,760,410	644,134,763	3,861,648,697	629,596,167	826,080		601,210		127,568		97,301		
13	May-17	2,564,900,664	629,857,850	3,864,281,638	625,090,516	844,132		615,010		131,821		97,301		
14						9,090,353		6,522,372.63		1,464,559.82		1,103,420.11		
15			12 Month Avg											
16	Average	2,521,284,099	747,411,969	3,632,476,506	732,077,874		1.24%	per STD rpts:		9,090,353				

**Tennessee Distribution System
Cost of Capital- Long Term Debt Rate
Twelve Months Ended May 31, 2017**

Line No.	Debt Series (a)	Issued (b)	Outstanding 5/31/2016 (c)	Outstanding 6/30/2016 (d)	Outstanding 7/31/2016 (e)	Outstanding 8/31/2016 (f)	Outstanding 9/30/2016 (g)	Outstanding 10/31/2016 (h)	Outstanding 11/30/2016 (i)	Outstanding 12/31/2016 (j)	Outstanding 1/31/2017 (k)
1	9.40% First Mortgage Bond J due May 2021/RET 2005	04/01/91	-	-	-	-	-	-	-	-	-
2	6.75% Debentures Unsecured due July 2028	07/27/98	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
3	5.125% Senior Notes due Jan 2013	01/13/03	-	-	-	-	-	-	-	-	-
4	10.43% First Mortgage Bond P due 2017 (eff 2012)	11/01/87	-	-	-	-	-	-	-	-	-
5	9.75% First Mortgage Bond Q due Apr 2020/RET 2005	04/01/90	-	-	-	-	-	-	-	-	-
6	9.32% First Mortgage Bond T due June 2021/RET 2005	06/01/91	-	-	-	-	-	-	-	-	-
7	8.77% First Mortgage Bond U due May 2022/RET 2005	05/01/92	-	-	-	-	-	-	-	-	-
8	6.67% MTN A1 due Dec 2025	12/15/95	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
9	(1) 4.125% Sr Note due 10/15/2044	10/15/2014	-	-	-	-	-	-	-	-	-
10	5.95% Sr Note due 10/15/2034	10/22/04	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
11	6.35% Sr Note due 6/15/2017	6/2007	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
12	Sr Note 5.50% Due 06/15/2041	6/10/2011	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000
13	8.50% Sr Note due 3/15/2019	03/23/09	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000
14	4.15% Sr Note due 1/15/2043	01/15/13	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
15	Debt Issuance Cost - Amort is pending new debt issue	10/2014	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)		-	-	-	-	-	125,000,000	125,000,000	125,000,000	125,000,000
19	Subtotal -- Utility Long-Term Debt		<u>\$ 2,460,000,000</u>	<u>\$ 2,460,000,000</u>	<u>\$ 2,460,000,000</u>	<u>\$ 2,460,000,000</u>	<u>\$ 2,460,000,000</u>	<u>\$ 2,585,000,000</u>	<u>\$ 2,585,000,000</u>	<u>\$ 2,585,000,000</u>	<u>\$ 2,585,000,000</u>
20											
21	Atmos Leasing, Inc.										
22	Industrial Develop Revenue Bond 07/13	1991	-	-	-	-	-	-	-	-	-
23	Total Long-Term Debt		<u>2,460,000,000</u>	<u>2,460,000,000</u>	<u>2,460,000,000</u>	<u>2,460,000,000</u>	<u>2,460,000,000</u>	<u>2,585,000,000</u>	<u>2,585,000,000</u>	<u>2,585,000,000</u>	<u>2,585,000,000</u>
24	Less Unamortized Debt Discount		\$ 4,383,675	\$ 4,355,151	\$ 4,326,628	\$ 4,298,104	\$ 4,269,581	\$ 4,241,057	\$ 4,212,533	\$ 4,184,010	\$ 4,155,486
25	Less Unamortized Debt Expense						\$ 16,951,784	\$ 16,840,054	\$ 16,728,324	\$ 16,616,594	\$ 16,504,864
26	Annualized Amortization of T-Lock Settlement, Debt Exp. & Debt Discr.										
27											
28	Effective Avg Cost of Consol Debt										

Note

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

Tennessee Distribution System
Cost of Capital- Long Term Debt Rate
Twelve Months Ended May 31, 2017

Line No.	Debt Series (a)	Issued (b)	Outstanding 2/28/2017 (l)	Outstanding 3/31/2017 (m)	Outstanding 4/30/2017 (n)	Outstanding 5/31/2017 (o)	End Int Rate (p)	Annual Int at 5/31/2017 (q)	(r) (v)	Annualized 4270 Amort for T-Lock (w)	Annualized 4280-81 Amort Debt Exp&Dsc (x)	Exp 1810 Penalty 1890 Dsc 2260 1/0/1900 (y)
1	9.40% First Mortgage Bond J due May 2021/RET 2005	04/01/91	-	-	-	-	9.40%	0		0	560,397	2,194,890
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	1,112,290
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	14,099
5	9.75% First Mortgage Bond Q due Apr 2020/RET 2005	04/01/90	-	-	-	-	9.75%	0		0	337,581	984,610
6	9.32% First Mortgage Bond T due June 2021/RET 2005	06/01/91	-	-	-	-	9.32%	0		0	362,746	1,450,986
7	8.77% First Mortgage Bond U due May 2022/RET 2005	05/01/92	-	-	-	-	8.77%	0		0	368,719	1,812,869
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	66,428
9	(1) 4.125% Sr Note due 10/15/2044	10/15/2014	-	-	-	-	4.125%	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	2,012,142
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	25,587
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	4,484,630
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	2,128,810
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	9,686,999
15	Debt Issuance Cost - Amort is pending new debt issue	10/2014	500,000,000	500,000,000	500,000,000	500,000,000	4.13%	20,625,000		(445,478)	215,407	5,895,474
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)		125,000,000	125,000,000	125,000,000	125,000,000	2.01%	2,512,500		0	115,667	246,997
19	Subtotal -- Utility Long-Term Debt		<u>\$ 2,585,000,000</u>	<u>\$ 2,585,000,000</u>	<u>\$ 2,585,000,000</u>	<u>\$ 2,585,000,000</u>		<u>\$ 142,704,500</u>		<u>\$ 546,316</u>	<u>\$ 4,250,944</u>	<u>\$ 32,158,391</u>
20												
21	Atmos Leasing, Inc.											
22	Industrial Develop Revenue Bond 07/13	1991	-	-	-	-	7.90%	-		0	0	0
23	Total Long-Term Debt		<u>2,585,000,000</u>	<u>2,585,000,000</u>	<u>2,585,000,000</u>	<u>2,585,000,000</u>		<u>\$ 142,704,500</u>				
24	Less Unamortized Debt Discount		\$ 4,126,963	\$ 4,098,439	\$ 4,069,915	\$ 4,041,392						
25	Less Unamortized Debt Expense		\$ 16,393,134	\$ 16,281,404	\$ 16,169,674	\$ 16,057,945						
26	Annualized Amortization of T-Lock Settlement, Debt Exp. & Debt Disc.							\$ 4,797,260				
27								<u>\$ 147,501,760</u>				
28	Effective Avg Cost of Consol Debt						<u>5.75%</u>	end of period				

Note

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

**Tennessee Distribution System
Rate of Return
Twelve Months Ended May 31, 2017**

Line No.	Description	Reference	Historic Base Period (1)	Change	Attrition Year (2)	Ratemaking Adjustments	Current Rate of Return
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Total Revenues	Sch. 2	\$ 148,220,137	\$ (26,961,494)	\$ 121,258,643	\$ -	\$ 121,258,643
2							
3	Gas Cost	Sch. 3	84,136,217	(34,178,153)	49,958,064	-	49,958,064
4							
5	Operation & Maintenance Expense	Sch. 4	21,665,772	56,954	21,722,726	-	21,722,726
6							
7	Taxes Other Than Income Taxes	Sch. 5	6,933,821	809,445	7,743,266	-	7,743,266
8							
9	Depreciation & Amortization Expense	Sch. 6	11,368,027	550,291	11,918,318	(59,643)	11,858,675
10							
11	Federal Income and State Excise Tax	Wp 10-1	7,008,230	2,312,512	9,320,742	(5,178)	9,315,564
12							
13	Interest on Customer Deposits	Wp 1-1	137,549	(5,386)	132,163	-	132,163
14							
15	AFUDC Interest credit	Wp 1-2	(31,243)	(38,436)	(69,679)	-	(69,679)
16							
17	Return on Rate Base		<u>\$ 17,001,765</u>	<u>\$ 3,531,278</u>	<u>\$ 20,533,043</u>	<u>\$ 64,821</u>	<u>\$ 20,597,864</u>
18							
19	Total Rate Base	Sch. 7	\$ 243,973,443	\$ 30,997,125	\$ 274,970,568	\$ 3,326,289	\$ 278,296,857
20							
21	Rate of Return on Rate Base		6.97%		7.47%		7.40%
22							
23	Interest Expense	Sch. 8	6,112,009	(90,153)	6,021,855	72,846	6,094,701
24							
25							
26	Return on Equity		<u>\$ 10,889,756</u>		<u>\$ 14,511,188</u>		<u>\$ 14,503,163</u>
27							
28	Rate of Return on Equity		8.26%		9.80%		9.68%
29							
30	Note:						
31	1. Twelve months ended June 30, 2015						
32	2. Twelve months ended May 31, 2017						

Tennessee Distribution System
Computation of State Excise and Federal Income Taxes for Sch 10
Twelve Months Ended May 31, 2017

Line	Description	Tax Rate	Historic Base Period (1)	Attrition Period Amount (2)	Adjusted Amount
	(a)	(b)	(c)	(d)	(e)
1	Net Operating Income Before Income Tax		\$ 23,978,752	\$ 29,784,106	\$ 29,843,749
2					
3	Interest Deduction		6,112,009	6,021,855	6,094,701
4					
5	Equity Portion of Return		\$ 17,866,743	\$ 23,762,250	\$ 23,749,048
6					
7	Application of Tax Rate to Equity Return - Tennessee	6.5%	1,161,338	1,544,546	1,543,688
8					
9	Application of Tax Rate to Equity Return - Federal	35%	5,846,892	7,776,196	7,771,876
10					
11	Income Tax Expense		\$ 7,008,230	\$ 9,320,742	\$ 9,315,564
12					
13	Less: ITC Amortization		-	-	-
14					
15	Total Income Tax Liability		\$ 7,008,230	\$ 9,320,742	\$ 9,315,564
16					
17	Note:				
18	1. Twelve months ended June 30, 2015				
19	2. Twelve months ended May 31, 2017				

Tennessee Distribution System
Proof of Revenues and Calculation of Rates
Historic Base Period Margin at Present Rates
Actual Twelve Months Ended September 30, 2015

Line No.	Description	12 Mths Ended Sep 15		Rates effective Sep 15		12 mths Sep15	Weather	12 mths Sep15	12 mths Sep15	12 mths Sep15
		Base Count	Volumes Mcf	Monthly Customer chg	Commodity Charge/Mcf	Margin at Sep15 rates	Adjustment Volumes Mcf	WNA Adjusted Volumes Mcf	Weather adj Margin at Sep15 rates	WNA \$ Adj at Sep15 rates
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	RESIDENTIAL									
2	210 Residential Gas Service (Summer)	598,013	798,233	\$14.15	\$1.218	9,434,131		798,233	9,434,131	\$0
3	210 Residential Gas Service (Winter) (weather sensitive)	838,351	7,346,726	17.15	\$1.218	23,326,032	(486,444)	6,860,281	22,733,542	(\$592,489)
4	210 Residential Gas Service Senior Citizen (Summer)	699	518	0.00	\$1.218	631		518	631	\$0
5	210 Residential Gas Service Senior Citizen (Winter) (weather sensitive)	1,019	8,261	0.00	\$1.218	10,062		8,261	10,062	\$0
6	211 Residential/Sm. Commercial/Industrial Heating & Cooling Service	12	218	14.15	\$0.719	327	(22)	196	311	(\$16)
7	Total Residential	1,438,094	8,153,955			32,771,182	(486,466)	7,667,489	32,178,677	(592,505)
8										
9	COMMERCIAL									
10	211 Residential/Sm. Commercial/Industrial Heating & Cooling Service	12	150	14.15	0.719	278		150	278	\$0
11	220 Commercial Gas Service (weather sensitive)	192,775	5,442,205	36.15	2.333	19,665,479	(239,049)	5,203,155	19,107,777	(\$557,702)
12	230 Large Commercial Gas Service (weather sensitive)	11	24,064	385.00	2.057	53,735	(1,057)	23,007	51,560	(\$2,174)
13	250 Commercial Interruptible Gas Service			435.00		0		0	0	
14	Block 1 Volumes				1.153	0		0	0	
15	Block 2 Volumes				0.763	0		0	0	
16	Block 3 Volumes				0.353	0		0	0	
17	293 Large Tonnage Air Conditioning Gas Service	12		36.15		434		0	434	
18	Block 1 Volumes		14,310		1.153	16,500		14,310	16,500	
19	Block 2 Volumes		932		0.763	711		932	711	
20	Block 3 Volumes		0		0.353	0		0	0	
21	Total Commercial	192,810	5,481,661			19,737,137	(240,106)	5,241,555	19,177,260	(559,877)
22										
23	INDUSTRIAL									
24	220 Industrial Gas Service (weather sensitive)	3,838	611,232	36.15	2.333	1,564,749	(26,848)	584,384	1,502,112	(\$62,637)
25	230 Large Industrial Gas Service	72	40,808	385.00	2.057	111,661		40,808	111,661	
26	240 DEMAND/COMM GS	0		435.00		0		0	0	
27	Block 1 Volumes	0	0		1.153	0		0	0	
28	Block 2 Volumes	0	0		0.763	0		0	0	
29	Block 3 Volumes	0	0		0.353	0		0	0	
30	Demand Volumes	0	0		16.283	0		0	0	
31	250 Industrial Interruptible Gas Service	294		435.00		127,890		0	127,890	
32	Block 1 Volumes		275,927		1.153	318,143		275,927	318,143	
33	Block 2 Volumes		184,957		0.763	141,122		184,957	141,122	
34	Block 3 Volumes		0		0.353	0		0	0	
35	280/250 Economic Development Gas Service	0		435.00		0		0	0	
36	Block 1 Volumes		0		1.153	0		0	0	
37	Block 1 Volumes @ Discount Rate		0		0.865	0		0	0	
38	Block 2 Volumes		0		0.763	0		0	0	
39	Block 2 Volumes @ Discount Rate		0		0.572	0		0	0	
40	Block 3 Volumes		0		0.353	0		0	0	
41	Block 3 Volumes @ Discount Rate		0		0.265	0		0	0	
42	292 Cogeneration, CNG, Prime Movers Service	12		36.15		434		0	434	
43	Block 1 Volumes		3,263		1.153	3,762		3,263	3,762	
44	Block 2 Volumes		0		0.763	0		0	0	
45	Block 3 Volumes		0		0.353	0		0	0	
46	Total Industrial	4,216	1,116,187			2,267,762	(26,848)	1,089,338	2,205,124	
47										
48	PUBLIC AUTHORITY									
49	211 Residential/Sm. Commercial/Industrial Heating & Cooling Service	0	0	14.15	\$0.719	0		0	0	\$0
50	221 Experimental School Gas Service	59	77,536	36.15	1.146	90,989	(3,406)	74,130	87,086	(\$3,903)
51	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0.00	1.218	0		0	0	\$0
52	225 Public Authority Gas Service (Sr. Citizen) (Winter)	0	0	0.00	1.218	0		0	0	\$0
53	225 Public Authority Gas Service (Summer)	2,972	8,276	14.15	1.218	52,134		8,276	52,134	\$0
54	225 Public Authority Gas Service (Winter)	4,157	44,937	17.15	1.218	126,025	(3,175)	41,762	122,159	(3,867)
55	Total Public Authority	7,188	130,748			269,148	(6,580)	124,168	261,378	(7,770)
56										
57	TRANSPORTATION									
58	260 - TRANSP (220 SML COM/INDG)	144	156,234	435.00	2.333	427,133		156,234	427,133	
59	260 - TRANSP (230 LRG COM/INDG)	495	1,388,841	435.00	2.057	3,072,171		1,388,841	3,072,171	
60	260 - TRANSP (240 DEMAND)	53		435.00		23,055		0	23,055	
61	Block 1 Volumes		106,000		1.153	122,218		106,000	122,218	
62	Block 2 Volumes		250,596		0.763	191,204		250,596	191,204	
63	Block 3 Volumes		0		0.353	0		0	0	
64	Demand Volumes		19,807		16.283	322,517		19,807	322,517	
65	260 - TRANSP (250 OPT GS)	631		435.00		274,485		0	274,485	
66	Block 1 Volumes		1,215,289		1.153	1,401,228		1,215,289	1,401,228	
67	Block 2 Volumes		3,933,809		0.763	3,001,496		3,933,809	3,001,496	
68	Block 3 Volumes		0		0.353	0		0	0	
69	260 - TRANSP (280/250 ECON DEV - OPT GS)	24		435.00		10,440		0	10,440	
70	Block 1 Volumes		48,000		1.153	55,344		48,000	55,344	
71	Block 1 Volumes @ Discount Rate		0		0.865	0		0	0	
72	Block 2 Volumes		556,672		0.763	424,740		556,672	424,740	
73	Block 2 Volumes @ Discount Rate		100,710		0.572	57,631		100,710	57,631	
74	Block 3 Volumes		0		0.353	0		0	0	
75	Block 3 Volumes @ Discount Rate		63,666		0.265	16,856		63,666	16,856	
76	SPECIAL CONTRACTS	36	1,134,922			379,871		1,134,922	379,871	
77	Total Transportation	1,383	8,954,738			9,780,390	0	8,954,738	9,780,390	
78										
79	TOTALS	1,643,691	23,837,290			\$64,825,619	(760,001)	23,077,288	\$63,602,830	(\$1,160,151)
80										
81	4870 - Forfeited Discount					\$803,147			\$803,147	
82	4880 - Miscellaneous Service charges					\$465,508			\$465,508	
83	TOTAL MARGIN REVENUES					\$66,094,275			\$64,871,486	

81	4870 - Forfeited Discount	803,147	\$821,514
82	4880 - Miscellaneous Service charges	465,508	452,961
83	TOTAL MARGIN REVENUES	<u>\$64,871,486</u>	<u>\$66,358,916</u>

Tennessee Distribution System
Proof of Revenues and Calculation of Rates
Rate Design
Historic Base Period Ended September 30, 2015 and Forward Looking Test Year Ended May 31, 2017

Additional Revenue: (3,477,452)

Line No.	Description	Rates effective Sep15		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	Check
(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	\$14.15	\$1.22	617,556	828,746	\$9,747,825	\$8,738,413	\$1,009,412					13.25	1.159	\$8,182,613	\$960,674	9,143,286				
3	210/225 WINTER (weather sensitive)	\$17.15	\$1.22	865,738	7,092,350	\$23,485,890	\$14,847,408	\$8,638,483					16.25	1.159	\$14,068,243	\$8,221,383	22,289,626				
4	210/225 SR CIT	\$0.00	\$1.22	1,765	9,021	10,987	\$0	\$10,987					0.00	1.159	\$0	\$10,457	10,457				
5	Total 210/225			1,485,059	7,930,117	33,244,702	23,585,820	9,658,882	71%	29%	51.80%	(1,801,333)			22,250,856	9,192,514	31,443,370	71%	29%	51.80%	0
6																					
7	Rate Schedule 211																				
8	211 HVAC	\$14.15	\$0.719	25	356	605	\$349	\$256	58%	42%	0.00%	(33)	13.25	0.689	\$327	\$245	572	57%	43%	0.00%	(0)
9																					
10	Rate Schedule 220																				
11	220 Commercial / Industrial Gas Service	\$36.15	\$2.333	199,595	5,875,326	20,922,504	\$7,215,369	\$13,707,135	34%	66%			34.00	2.212	\$6,786,239	\$12,997,603	19,783,842	34%	66%		
12	220 Transportation	\$435.00	\$2.333	144	156,234	427,133	\$62,640	\$364,493	15%	85%			440.00	2.212	\$63,360	\$345,625	408,985	15%	85%		
13	Total 220			199,739	6,031,559	21,349,637	7,278,009	14,071,628	34%	66%	33.27%	(1,156,810)			6,849,599	13,343,228	20,192,827	34%	66%	33.27%	(0)
14																					
15	Rate Schedule 221																				
16	221 Experimental School Gas Service	\$36.15	\$1.146	60	75,254	88,407	\$2,165	\$86,241	2%	98%	0.14%	(4,790)	34.00	1.084	\$2,036	\$81,580	83,616	2%	98%	0.14%	(0)
17																					
18	Rate Schedule 230																				
19	230 Large Commercial / Industrial Gas Service	\$385.00	\$2.057	83	64,164	164,004	\$32,019	\$131,984	20%	80%			375.00	1.935	\$31,188	\$124,174	155,361	20%	80%		
20	230 Transportation	\$435.00	\$2.057	481	1,361,598	3,010,043	\$209,235	\$2,800,808	7%	93%			440.00	1.935	\$211,640	\$2,635,062	2,846,702	7%	93%		
21	Total 230			564	1,425,762	3,174,047	241,254	2,932,792	8%	92%	4.95%	(171,983)			242,828	2,759,236	3,002,064	8%	92%	4.95%	(0)
22																					
23	Rate Schedule 240/250/280/292/293																				
24	240 Demand/Commodity Gas Service	\$435.00		72		31,320	\$31,320						440.00		\$31,680		31,680				
25	Block 1 Volumes		\$1.153		144,000	166,032		\$166,032						1.085		\$156,214	156,214				
26	Block 2 Volumes		\$0.763		281,076	214,461		\$214,461						0.718		\$201,785	201,785				
27	Block 3 Volumes		\$0.353		0	0		\$0						0.332		\$0	0				
28	250 Interruptible Gas Service	\$435.00		907		394,545	\$394,545						440.00		\$399,080		399,080				
29	Block 1 Volumes		\$1.153		1,470,291	1,695,245		\$1,695,245						1.085		\$1,595,004	1,595,004				
30	Block 2 Volumes		\$0.763		4,099,237	3,127,718		\$3,127,718						0.718		\$2,942,842	2,942,842				
31	Block 3 Volumes		\$0.353		0	0		\$0						0.332		\$0	0				
32	280 ECON DEV - OPT GS	\$435.00		36		15,660	\$15,660						440.00		\$15,840		15,840				
33	Block 1 Volumes		\$1.153		48,000	55,344		\$55,344						1.085		\$52,071	52,071				
34	Block 1 Volumes @ Discount Rate		\$0.865		24,000	20,754		\$20,754						0.814		\$19,527	19,527				
35	Block 2 Volumes		\$0.763		556,672	424,740		\$424,740						0.718		\$399,635	399,635				
36	Block 2 Volumes @ Discount Rate		\$0.572		238,710	136,602		\$136,602						0.538		\$128,528	128,528				
37	Block 3 Volumes		\$0.353		0	0		\$0						0.332		\$0	0				
38	Block 3 Volumes @ Discount Rate		\$0.26		63,666	16,856		\$16,856						0.249		\$15,859	15,859				
39	292 Cogeneration, CNG, Prime Movers Service	\$36.15		12		434	\$434						34.00		\$408		408				
40	Block 1 Volumes		\$1.153		3,263	3,762		\$3,762						1.085		\$3,540	3,540				
41	Block 2 Volumes		\$0.763		0	0		\$0						0.718		\$0	0				
42	Block 3 Volumes		\$0.353		0	0		\$0						0.332		\$0	0				
43	293 Large Tonnage Air Conditioning Gas Service	\$36.15		12		434	\$434						34.00		\$408		408				
44	Block 1 Volumes		\$1.153		14,310	16,500		\$16,500						1.085		\$15,524	15,524				
45	Block 2 Volumes		\$0.763		932	711		\$711						0.718		\$669	669				
46	Block 3 Volumes		\$0.353		0	0		\$0						0.332		\$0	0				
47	Total 240/250/280/292/293			1,039	6,944,158	6,321,118	442,393	5,878,726	7%	93%	9.85%	(342,504)			\$447,416	\$5,531,199	5,978,615	7%	93%	9.85%	(0)
48																					
49	TOTALS			1,686,486	22,407,206	64,178,516	31,549,990	32,628,525	49%	51%	100.00%	(3,477,452)			29,793,062	30,908,002	60,701,064	49%	51%	100.00%	(0)

Tennessee Distribution System
Summary of Revenues
12 Months Ending May 31, 2017

Line No.	Description	Filed Base Count	Filed Volumes Mcf	Filed Margin Rev	Actual Base Count	Actual Volumes Mcf	Actual Margin Rev	Variance Base Count	Variance Volume Difference Mcf	Variance Margin Difference \$
1	RESIDENTIAL									
2	210 Residential Gas Service (Summer)	614,502	820,242	\$ 10,486,382	616,365	800,745	\$ 10,509,963	1,863	(19,497)	\$ 23,581
3	210 Residential Gas Service (Winter) (weather sensitive)	861,466	7,049,437	\$ 25,085,444	873,592	5,202,755	\$ 25,037,934	12,126	(1,846,682)	\$ (47,510)
4	210 Residential Gas Service Senior Citizen (Summer)	718	532	\$ 704	696	551	\$ 723	(22)	18	\$ 20
5	210 Residential Gas Service Senior Citizen (Winter) (weather sensitive)	1,047	8,488	\$ 11,223	983	5,724	\$ 9,828	(64)	(2,765)	\$ (1,395)
6	211 Residential/Sm. Commercial/Industrial Heating & Cooling Service	12,330,705	202	\$ 344	12	224	\$ 381	(0)	22	\$ 47
7	Total Residential	1,477,746	7,878,801	35,584,097	1,481,648	6,009,999	35,558,840	13,902	(1,868,902)	\$ (25,257)
8										
9	COMMERCIAL									
10	211 Residential/Sm. Commercial/Industrial Heating & Cooling Service	12	154	\$ 307	12	90	\$ 269	(0)	(64)	\$ (38)
11	220 Commercial Gas Service (weather sensitive)	195,699	5,282,078	\$ 20,855,422	196,159	4,426,911	\$ 20,757,086	460	(855,166)	\$ (88,336)
12	230 Large Commercial Gas Service (weather sensitive)	11	23,356	\$ 56,459	-	0	\$ -	(11)	(23,356)	\$ (56,459)
13	250 Commercial Interruptible Gas Service	0	0	\$ 0	0	0	\$ 0	0	0	\$ 0
14	253 Large Tonnage Air Conditioning Gas Service	12	15,243	\$ 19,060	12	10,454	\$ 13,480	0	(4,789)	\$ (5,580)
15	Total Commercial	196,735	5,320,831	20,931,248	196,183	4,437,456	20,770,835	448	(883,379)	\$ (180,414)
16										
17	INDUSTRIAL									
18	220 Industrial Gas Service (weather sensitive)	3,896	593,248	\$ 1,658,790	3849	528,867	\$ 1,743,075	(47)	(64,381)	\$ 84,284
19	230 Large Industrial Gas Service	72	40,808	\$ 119,904	72	41,011	\$ 120,368	0	203	\$ 464
20	240 DEMAND/COMM GS	0	0	\$ 0	0	-	\$ -	0	0	\$ -
21	250 Industrial Interruptible Gas Service	288	440,390,8479	\$ 605,770	314	503,608	\$ 662,835	26	63,217	\$ 57,065
22	280/250 Economic Development Gas Service	12	162,000	\$ 113,963	12	47,923	\$ 42,302	0	(114,077)	\$ (70,781)
23	292 Cogeneration, CNG, Prime Movers Service	12	3,263	\$ 4,521	12	-	\$ 4,147	0	(3,263)	\$ (733)
24	Total Industrial	4,280	1,239,799	2,502,068	4,259	1,121,408	2,572,727	(21)	(118,391)	\$ 70,659
25										
26	PUBLIC AUTHORITY									
27	211 Residential/Sm. Commercial/Industrial Heating & Cooling Service	0	0	\$ 0	-	-	\$ -	0	0	\$ -
28	221 Experimental School Gas Service	60	75,254	\$ 95,140	42	28,993	\$ 44,254	(18)	(46,262)	\$ (50,886)
29	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	\$ 0	-	-	\$ -	0	0	\$ -
30	225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather Sensitive)	0	0	\$ 0	-	-	\$ -	0	0	\$ -
31	225 Public Authority Gas Service (Summer)	3,054	8,504	\$ 57,969	2,976	7,590	\$ 55,569	(78)	(914)	\$ (2,400)
32	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,272	42,814	\$ 134,910	4,178	27,791	\$ 126,880	(94)	(15,122)	\$ (8,030)
33	Total Public Authority	7,385	126,672	288,019	7,196	64,374	226,703	(189)	(62,298)	\$ (61,315)
34										
35	TRANSPORTATION									
36	260 - TRANSP (220 SML COMINDG)	144	156,234	\$ 461,421	144	134,501	\$ 404,124	0	(21,733)	\$ (57,297)
37	260 - TRANSP (230 LRG COMINDG)	481	1,361,598	\$ 3,239,420	516	1,391,314	\$ 3,286,954	35	29,716	\$ 47,533
38	260 - TRANSP (240 DEMAND)	72	425,076	\$ 839,559	71	406,217	\$ 745,533	(1)	(83,214)	\$ (94,026)
39	260 - TRANSP (250 OPT GS)	619	5,129,137	\$ 5,007,025	623	4,969,573	\$ 4,843,354	4	(162,564)	\$ (163,672)
40	260 - TRANSP (280/250 ECON DEV - OPT GS)	24	789,048	\$ 610,053	24	955,208	\$ 703,317	0	186,161	\$ 93,264
41	Special Contracts	36	1,468,110	\$ 509,369	36	1,843,071	\$ 632,597	0	374,960	\$ 123,228
42	Total Transportation	1,376	9,309,203	10,666,848	1,414	9,696,883	10,615,878	38	383,326	\$ (50,970)
43										
44	TOTALS	1,686,522	23,875,316	69,972,280	1,700,700	21,330,120	69,744,983	14,178	(2,569,550)	(227,297)
45										
46	Rate Strike Rounding Error		\$	25	Unbilled Entry / Other	\$	438,796			\$ 438,771
47	4870 - Forfeited Discount		\$	821,514	4870 - Forfeited Discount	\$	673,991			\$ (147,530)
48	4880 - Miscellaneous Service charges		\$	452,961	4880 - Miscellaneous Service charges	\$	442,820			\$ (10,141)
49	TOTAL MARGIN REVENUES			\$71,246,780			\$ 71,300,579			\$ 53,799

Tennessee Distribution System
Cost of Service True - Up
Twelve Months Ended May 31, 2017

Line No.	Description	Attrition Year	Amount
	(a)	(b)	(c)
1	Schedule 1 Net Revenue Deficiency	5/31/2017	3,477,452
2			
3	<u>Cost of Service</u>		
4	Actual Cost of Service	5/31/2017	118,713,757
5			
6	<u>Revenue</u>		
7	Total Book Revenues	5/31/2017	121,258,643
8	Less: Prior True - Up revenues	5/31/2016	0
9	Total Attrition Year Revenues	5/31/2017	121,258,643
10			
11	True - Up	5/31/2017	(2,544,886)
12			
13	Cost of Capital	5/31/2017	(394,407)
14			
15	True - Up Incl. Cost of Capital	5/31/2017	(2,939,293)
16			
17	Deficiency Net of True - Up		538,159

Atmos Energy Corporation
Revenue Deficiency (Surplus)
For the Twelve Months Ended May 31, 2017

Line No.		Company	Reference
1	Rate Base	278,296,857	See 2RB
2	Operating Income at Present Rates	20,597,865	See 3 IS
3	Earned Rate of Return (L 2 / L 1)	7.40%	
4	Fair Rate of Return	7.47%	See 8 CC
5	Required Operating Income (L 1 x L 4)	20,788,775	
6	Operating Income Deficiency (Surplus) (L 5 - L 2)	190,911	
7	Gross Revenue Conversion Factor	1.633300	See 7 GU
8	Additional Revenue Required to Earn Authorized Rate of Return	311,814	
	Calculated Income Tax Expense on Deficiency		120,904
	Calculated Income Tax Expense on Current Operating Income		9,315,564
	Subtract Calculated Income Taxes	(9,436,468)	9,436,468
	Add Actual per book Income Tax Expense	6,579,767	
	Synchronized Interest Expense		6,094,701
	Per-Books Interest Expense		5,628,755
	Per-Books Interest Expense Adjustment	(465,947)	(465,947)
	Additional Revenue Required to Earn Authorized Rate of Return	(3,010,833)	
9	Carrying Cost	(466,619)	
10	Amount to be added to revenue sufficiency / deficiency in February 1, 2018 ARM filing	(3,477,452)	

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

Line No.		Company	Reference
1	Utility Plant in Service	508,719,239	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 1
2	Construction Work in Progress	12,056,378	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 5
3	Materials and Supplies / Storage Gas	3,996,852	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 11
4	Working Capital/Deferred Rate Case	1,124,979	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 9
5	Net Elimination of Intercompany Leased Property	5,801,552	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 27
6	Deferred Pension Regulated Asset	324,623	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 13
7	Total Additions	<u>532,023,622</u>	
Deductions:			
8	Accumulated Depreciation	196,883,898	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 3
9	Customer Deposits	3,596,656	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 19
10	Contributions and Advances in Aid of Construction	37,337	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 17
11	Accumulated Deferred Tax-Accel. Depreciation	50,680,474	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 15
12	Accrued Interest on Customer Deposits	53,137	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 21
13		<u>2,475,263</u>	
14	Total Deductions	<u>253,726,765</u>	
15	Rate Base	<u>278,296,857</u>	

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

Line No.		Company	Reference
1	Revenues - Sales, forfeited discounts & other	121,258,643	2016 revenue requirement schedules.xls, Sch 2, Col (d), Ln 8
2	Cost of Gas	49,958,064	2016 revenue requirement schedules.xls, Sch 1, Col (c), Ln 1
3	Gross margin on sales and service	71,300,579	
4	AFUDC	69,679	2016 revenue requirement schedules.xls, Sch 1, Col (c), Ln 13
5	Operating Margin	71,370,258	
6	Other Operation and Maintenance	21,722,726	See 4 O&M
7	Interest on Customer Deposits	132,163	2016 revenue requirement schedules.xls, Sch 1, Col (c), Ln 13
8	Depreciation and Amortization Exp.	11,858,675	2016 revenue requirement schedules.xls, Sch 1, Col (c), Ln 13
9	Taxes Other Than Income	7,743,266	See 5 Tax
10	State Excise Tax	1,543,688	See 6 FIT
11	Federal Income Tax	7,771,876	See 6 FIT
12	Total Operating Expense	50,772,394	
13	Net Operating Income for Return	20,597,865	
14	Plus amortization-Gain	-	
15	Plus adjustments	-	
16	Adjusted Net Operating Income	20,597,865	

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

Line No.		Company	Reference
1	Salaries and Wages		
1	Labor	8,010,809	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 1
2	Benefits	2,710,203	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 2
3	Employee Welfare	2,623,550	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 3
4	Insurance	1,104,948	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 4
5	Rent, Maint., & Utilities	1,020,318	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 5
6	Vehicles & Equip	545,405	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 6
7	Materials and Supplies	502,193	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 7
8	Information Technologies	918,579	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 8
9	Telecom	448,089	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 9
10	Marketing	225,891	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 10
11	Directors & Shareholders & PR	309,624	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 11
12	Dues & Donations	165,634	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 12
13	Print & Postage	22,838	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 13
14	Travel & Entertainment	525,619	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 14
15	Training	106,533	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 15
16	Outside Services	5,754,536	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 16
17	Provision for Bad Debt	306,783	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 17
18	Miscellaneous	(3,129,688)	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 18
19	Rate Case Expense	-	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 21
20	Elimination of Intercompany Leased Property - Rent	(221,667)	2016 revenue requirement schedules.xls, WP 4-1, Excel Col C, Ln 14
21	Inclusion of Barnsley Storage Operating Expense	275,624	2016 revenue requirement schedules.xls, WP 4-1, Excel Col D, Ln 14
22	Interest Expense	6,094,701	2016 revenue requirement schedules.xls, Sch 8, Col (e), Ln 3
23	Disallowed Items	(1,338,093)	
24	Actual Allocable Pension Contribution	834,998	
25			
26	Total O&M Expense	<u>27,817,427</u>	

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

Line No.		Company	Reference
1	Property Taxes	4,473,319	2016 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 11+Ln19+Ln23
2	State Gross Receipts Tax	1,369,230	2016 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 12
3	Payroll Taxes	615,849	2016 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 13+Ln20+Ln24
4	State Franchise Tax	722,167	2016 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 14
5	Other General Taxes	9,968	2016 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 16
6	TRA Inspection Fee	552,733	2016 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 15
7	Total Taxes Other Than Income Taxes	7,743,266	

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

Line No.		Company
1	Operating Margin	71,300,579
2	Other Operation and Maintenance	21,722,726
3	Depreciation and Amortization Expense	11,858,675
4	Taxes Other Than Income	<u>7,743,266</u>
5	NOI Before Excise and Income Taxes	29,975,913
6	less Interest on Customer Deposits	132,163
7	less Interest Expense	<u>6,094,701</u>
8	Pre-tax Book Income	23,749,048
9	Schedule M Adjustments	<u>-</u>
10	Excise Taxable Income	23,749,048
11	Excise Tax Rate	<u>6.50%</u>
12	Excise Tax	<u><u>1,543,688</u></u>
13	Pre-tax Book Income	23,749,048
14	Excise Tax	1,543,688
15	Schedule M Adjustments	<u>-</u>
16	FIT Taxable Income	22,205,360
17	FIT Rate	<u>35.00%</u>
18	Subtotal FIT	7,771,876
19	Less: ITC Amortization	<u>-</u>
20	Federal Income Tax Expense	<u><u>7,771,876</u></u>

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

<u>Line No.</u>		<u>Amount</u>	<u>Balance</u>
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.012535 A/	<u>0.012535</u>
3	Balance		1.012535
4	Uncollectible Ratio	0.005054 B/	<u>0.005117</u>
5	Balance		1.007418
6	State Excise Tax	0.065000 C/	<u>0.065482</u>
7	Balance		0.941936
8	Federal Income Tax	0.350000 C/	<u>0.329677</u>
9	Balance		<u>0.612258</u>
10	Revenue Conversion Factor (1 / Line 9)		<u><u>1.633300</u></u>

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

B/ Uncollectible expense/Gross margin on sales

C/ Statutory Rate

Atmos Energy Corporation
Cost of Capital

Line No.		Ratio	Cost	Weighted Cost
1	Short Term Debt	10.41%	1.24%	0.1%
2	Long Term Debt	35.74%	5.75%	2.1%
3	Preferred Stock			
4	Stockholder's Equity	<u>53.85%</u>	9.80%	<u>5.3%</u>
5	Total	<u><u>100.00%</u></u> A/		<u><u>7.47%</u></u>

A/ Should be 100%