filed e;ectrpmoca;;u om docket office on 12/07/17

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December 7, 2017

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
TRA Docket No. 17-00091

Dear Ms. Dillon:

Attached for filing are supplements to Atmos Energy's responses to the following two CPAD discovery requests: 1-03(g) and 4-8. PDF copies of both are attached. I also attach the supplemental response to 4-8 in native Excel format, for use by TPUC Staff.

Best regards.

Sincerely,

A. Scott Ross

ASR:prd

Attachments

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	21,999,902	20,193,081	1,806,821
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	20,814,556	21,198,710	(384,154)
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		$ 119,016,714	$ 155,382,997	$ (36,366,283)
18					
19	Cost of Service w/o Gas Cost		69,058,650	71,246,780	(2,188,130)
20					
21	Non-Gas Revenues in Attrition Year (Gross Margin)		71,300,579		
22					
23	Additional Revenue Required to Earn Authorized Rate of Retur		(2,241,929)		
24					
25	Carrying Cost		(347,454)		
26					
27	*Amount to be added to revenue sufficiency / deficiency*		$ (2,589,384)		
28	*in February 1, 2018 ARM filing*				

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

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

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

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

Schedule 2

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		(26,961,494)
4			
5	Attrition Year Revenue:		
6	Gross Margin	$ 71,300,579	
7	Gas cost	49,958,064	
8	Total		$ 121,258,643
9			
10	Note:		
11	1. Twelve months ended September 30, 2015		
12	2. Twelve months ended May 31, 2017		

Schedule 3

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	$	84,136,217
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		(1,109,222)
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	$	49,958,064
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	$ (221,667)	$ 275,624	$ 237,381	$ 38,500	$ (1,109,222)

Schedule 4

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

Line No.	Description		Amount
	(b)		(c)
1	Base period per books O&M Expense (1)	$	21,711,287
2			
3	Change from Base Period to Attrition Year		234,658
4			
5	Attrition Year O&M Expenses - Before Eliminations (2)	$	21,945,945
6			
7	Adjustments to O&M		
8	Elimination of Intercompany Leased Property - Rent	$	(221,667)
9	Inclusion of Barnsley Storage Operating Expense	$	275,624
10			
11	Total Adjustments	$	53,957
12			
13	Total Adjusted Operation and Maintenance Expenses	$	21,999,902
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		Tennessee			SSU			General Office			Total		
No.		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)		(2,038)			(2,235)			(1,355)			(5,629)	(5,629)
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**		1,110,546	1,110,546							-	1,110,546	1,110,546
29													
30	**Total O&M**	$ 11,260,780	$ 13,395,458	$ 1,738,437	$ 6,354,488	$ 5,805,573	$ 438,529	$ 4,096,018	$ 2,744,914	$ (605,842)	$ 21,711,287	$ 21,945,945	$ 234,658

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 No.	FERC Account	Historic Base 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 No.	FERC Account	Historic Base 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)

Atmos Energy Corp - Tennessee Distribution System
Attrition Year Period Bad Debt Calculation
Twelve Months Ended May 31, 2017

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	13.50	1.170	9,255,816	0.5%	$ 46,279
2	210 Residential Gas Service (Winter) (weather sensitive)	838,351	6,860,281	23,115	189,155	861,466	7,049,437	16.50	1.170	22,465,127	0.5%	$ 112,326
3	210 Residential Gas Service Senior Citizen (Summer)	699	518	19	14	718	532	0.00	1.170	623	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	1.170	9,935	0.5%	$ 50
5												
6	211 Residential/Sm. Commericial/Industrial Heating & Cooling Service	24	346	1	10	25	356	13.50	0.695	581	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	2.261	18,598,942	0.5%	$ 92,995
9												
10	221 Experimental School Gas Service	59	74,130	1	1,124	60	75,254	34.00	1.100	84,840	0.5%	$ 424
11												
12	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0	0	0	0	0.00	1.170	0	0.5%	$ -
13	225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather Sensitive)	0	0	0	0	0	0	0.00	1.170	0	0.5%	$ -
14	225 Public Authority Gas Service (Summer)	2,972	8,276	82	228	3,054	8,504	13.50	1.170	51,182	0.5%	$ 256
15	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,157	41,762	115	1,151	4,272	42,914	16.50	1.170	120,709	0.5%	$ 604
16												
17	230 Large Commercial Gas Service (weather sensitive)	11	23,007	0	349	11	23,356	385.00	1.969	50,284	0.5%	$ 251
18												
19	Total											253,190

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		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)	$ (2,038)	$ 3,829	$ (3,060)	$ (2,235)	$ 825	$ -	$ (1,355)	$ (1,355)	$ (8,927)	$ (5,629)	$ 3,299
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)[1]		$ 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**		$ 1,110,546	$ 1,110,546							-	$ 1,110,546	$ 1,110,546
29													
30	**Total O&M**	$ 9,731,087	$ 13,395,458	$ 3,664,371	$ 5,748,924	$ 5,805,573	$ 56,649	$ 4,758,584	$ 2,744,914	$ (2,013,670)	$ 20,238,596	$ 21,945,945	$ 1,707,349

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	Total
	(a)	(b)
1	Base period per books Other Taxes Expense (1)	$ 6,919,625
2		
3	Change from Base Period to Attrition Year	785,141
4		
5	Attrition Year per books Other Taxes Expense (2)	$ 7,704,766
6		
7	Inclusion of Barnsley Storage Other taxes	38,500
8		
9	Attrition Year Adjusted Taxes Other Than Income Taxes	$ 7,743,266
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.	Descripton	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	**Division 093**													
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	**Division 002**													
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	**Division 012**													
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	**Division 091**													
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.	Descripton	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	**Division 093**													
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	47,302	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	**Division 002**													
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	**Division 012**													
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	**Division 091**													
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		574,213
4			
5	Attrition Year per books Depreciation Expense (2)	Wp 6-2	$ 11,680,937
6			
7	Adjustment to reflect Proposed Depreciation Rates		-
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	(59,643)
16			
17	Total Depreciation and Amortization Expense, As Adjusted		$ 11,858,675
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	$ 11,680,937
	Attrition Period Per Books Depreciation Expense	$ 11,680,937

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	$	11,680,937
	Attrition Period Per Books Depreciation Expense	$	11,680,937

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	$ 44,932,829	$ 508,723,937	Wp 7-1 Wp7-2
2					
3	Accumulated Depreciation and Amortization	(186,673,167)	(10,213,487)	(196,886,653)	Wp 7-1 Wp7-2
4					
5	Construction Work in Progress per Books	5,931,312	6,125,364	12,056,676	Wp 7-1 Wp7-2
6					
7	Storage Gas Investment	6,170,906	(2,061,392)	4,109,514	Wp 7-1 Wp7-2
8					
9	Cash Working Capital	867,784	441,792	1,309,576	Wp 7-5
10					
11	Material & Supplies	5,418	26,846	32,263	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)	(4,423,542)	(50,667,115)	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	$ 35,846,423	$ 275,315,692	
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	$ 243,973,443	$ 34,668,538	$ 278,641,981	
30					
31	Return at Overall Cost of Capital on Rate Base	$ 19,026,092	$ 2,589,740	$ 20,814,556	
32					
33	Note:				
34	1. Twelve months ended September 30, 2015				

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended May 31, 2017

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	Division 093	Division 091 43.23%	Division 012 4.46%	CKV 0.97%	Division 002 4.43%	Greenville 1.33%	AEAM 5.31%	ALGN 0.00%	Total Tennessee
										100%	41.88%	4.52%	1.86%	4.33%	1.29%	5.36%	0.00%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
1	**Gas Plant in Service (Account 101) 13 month average Balances**																	
2																		
3	May-16	471,781,613	3,844,890	149,321,871	12,955,099	166,700,805	9,196,755	21,720,201	0	471,781,613	1,662,298	6,662,579	125,056	7,380,108	122,748	1,153,154	0	488,887,557
4	Jun-16	472,633,989	3,837,561	149,400,613	12,955,099	166,749,207	9,196,755	21,720,201	0	472,633,989	1,659,130	6,666,093	125,056	7,382,251	122,748	1,153,154	0	489,742,421
5	Jul-16	475,718,600	3,838,277	149,406,119	12,955,099	167,413,171	9,196,755	21,720,201	0	475,718,600	1,659,439	6,666,338	125,056	7,411,646	122,748	1,153,154	0	492,856,982
6	Aug-16	479,025,599	3,838,277	149,325,218	15,056,078	165,513,148	9,196,755	21,694,056	0	479,025,599	1,659,439	6,662,728	145,337	7,327,529	122,748	1,151,766	0	496,095,147
7	Sep-16	488,567,203	3,838,257	125,095,393	15,067,448	133,411,908	9,196,755	21,970,034	17,637,860	488,567,203	1,659,431	5,581,620	145,447	5,906,356	122,748	1,166,418	0	503,149,223
8	Oct-16	490,955,226	3,838,257	125,312,693	15,067,448	136,534,428	9,196,755	21,970,034	17,713,576	490,955,226	1,607,365	5,663,485	280,082	5,917,839	118,539	1,178,584	0	505,721,121
9	Nov-16	497,240,207	3,838,257	125,312,554	15,067,448	138,730,739	9,196,755	21,970,034	17,840,215	497,240,207	1,607,365	5,663,478	280,082	6,013,034	118,539	1,178,584	0	512,101,291
10	Dec-16	500,874,792	3,532,066	124,480,648	15,067,448	143,947,579	9,196,755	22,527,307	18,093,299	500,874,792	1,479,140	5,625,880	280,082	6,239,149	118,539	1,208,479	0	515,826,061
11	Jan-17	502,584,981	3,569,607	124,588,243	15,229,806	145,492,815	9,196,755	22,527,307	18,115,631	502,584,981	1,494,862	5,630,743	283,100	6,306,124	118,539	1,208,479	0	517,626,828
12	Feb-17	505,104,362	3,569,607	124,606,630	15,244,500	145,505,267	9,196,755	22,527,307	18,157,511	505,104,362	1,494,862	5,631,574	283,373	6,306,664	118,539	1,208,479	0	520,147,853
13	Mar-17	506,783,305	3,582,953	124,711,811	15,250,689	140,984,161	9,196,755	22,527,307	18,160,101	506,783,305	1,500,451	5,636,328	283,488	6,110,705	118,539	1,208,479	0	521,641,295
14	Apr-17	509,204,724	3,582,953	124,756,304	15,782,343	141,006,278	9,196,755	22,527,307	18,160,101	509,204,724	1,500,451	5,638,339	293,371	6,111,663	118,539	1,208,479	0	524,075,565
15	May-17	510,667,644	3,582,953	124,532,578	15,792,825	141,266,366	9,196,755	22,527,307	18,160,101	510,667,644	1,500,451	5,628,227	293,566	6,122,936	118,539	1,208,479	0	525,539,842
16	Average	493,164,788	3,714,916	132,373,129	14,730,102	148,711,990	9,196,755	22,148,354	12,464,492	493,164,788	1,575,745	5,950,570	226,392	6,502,769	120,158	1,183,514	0	508,723,937
17																		
18	**Construction Work in Process (Account 1070)**																	
19																		
20	May-16	11,228,471	750,911	1,873,986	0	25,332,896	0	0	0	11,228,471	324,649	83,615	0	1,121,527	0	0	0	12,758,262
21	Jun-16	13,124,282	663,366	2,120,281	0	28,458,555	0	0	0	13,124,282	286,800	94,605	0	1,259,905	0	0	0	14,765,591
22	Jul-16	11,983,706	846,475	2,281,485	0	28,786,709	0	0	0	11,983,706	365,965	101,797	0	1,274,433	0	0	0	13,725,901
23	Aug-16	11,534,764	479,088	2,699,372	0	29,472,446	0	0	0	11,534,764	207,129	120,443	0	1,304,792	0	0	0	13,167,127
24	Sep-16	5,923,408	478,270	3,463,699	0	14,245,888	0	0	0	5,923,408	206,775	154,546	0	630,688	0	0	0	6,915,418
25	Oct-16	7,930,419	409,022	3,457,249	0	12,792,468	0	0	0	7,930,419	171,288	156,250	0	554,467	0	0	0	8,812,424
26	Nov-16	9,344,680	392,928	3,748,167	0	15,016,644	0	0	0	9,344,680	164,548	169,398	0	650,869	0	0	0	10,329,496
27	Dec-16	8,309,413	747,893	2,139,615	0	5,911,075	0	0	0	8,309,413	313,199	96,699	0	256,205	0	0	0	8,975,516
28	Jan-17	11,238,408	578,465	2,160,833	0	5,730,948	0	0	0	11,238,408	242,247	97,658	0	248,398	0	0	0	11,826,711
29	Feb-17	11,056,540	669,905	2,489,320	0	7,419,945	0	0	0	11,056,540	280,539	112,504	0	321,604	0	0	0	11,771,188
30	Mar-17	11,840,976	1,069,745	3,073,692	0	8,701,524	0	0	0	11,840,976	447,982	138,915	0	377,152	0	0	0	12,805,025
31	Apr-17	12,602,332	1,060,264	2,654,976	0	9,295,460	0	0	0	12,602,332	444,012	119,991	0	402,895	0	0	0	13,569,231
32	May-17	16,432,691	980,617	2,851,995	0	7,905,731	0	0	0	16,432,691	410,658	128,895	0	342,660	0	0	0	17,314,904
33	Average	10,965,392	702,073	2,693,436	0	15,313,099	0	0	0	10,965,392	297,368	121,178	0	672,738	0	0	0	12,056,676
34																		

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended May 31, 2017

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	Division 093 100%	Division 091 43.23% 41.88%	Division 012 4.46% 4.52%	CKV 0.97% 1.86%	Division 002 4.43% 4.33%	Greenville 1.33% 1.29%	AEAM 5.31% 5.36%	ALGN 0.00% 0.00%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
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	32,906
38	Jun-16	0	76,110	0	0	0	0	0	0	0	32,906	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	32,906
40	Aug-16	0	76,110	0	0	0	0	0	0	0	32,906	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	32,906
42	Oct-16	0	76,110	0	0	0	0	0	0	0	31,873	0	0	0	0	0	0	31,873
43	Nov-16	0	76,110	0	0	0	0	0	0	0	31,873	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	31,858
45	Jan-17	0	76,075	0	0	0	0	0	0	0	31,858	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	31,858
47	Mar-17	0	76,075	0	0	0	0	0	0	0	31,858	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	31,858
49	May-17	0	76,075	0	0	0	0	0	0	0	31,858	0	0	0	0	0	0	31,858
50	Average	0	76,094	0	0	0	0	0	0	0	32,263	0	0	0	0	0	0	32,263
51																		
52	**Inventories- Gas Stored (Account 1641)**																	
53																		
54	May-16	2,258,933	0	0	0	0	0	0	0	2,258,933	0	0	0	0	0	0	0	2,258,933
55	Jun-16	2,987,107	0	0	0	0	0	0	0	2,987,107	0	0	0	0	0	0	0	2,987,107
56	Jul-16	4,151,899	0	0	0	0	0	0	0	4,151,899	0	0	0	0	0	0	0	4,151,899
57	Aug-16	5,000,531	0	0	0	0	0	0	0	5,000,531	0	0	0	0	0	0	0	5,000,531
58	Sep-16	5,942,967	0	0	0	0	0	0	0	5,942,967	0	0	0	0	0	0	0	5,942,967
59	Oct-16	7,149,386	0	0	0	0	0	0	0	7,149,386	0	0	0	0	0	0	0	7,149,386
60	Nov-16	6,487,718	0	0	0	0	0	0	0	6,487,718	0	0	0	0	0	0	0	6,487,718
61	Dec-16	5,419,592	0	0	0	0	0	0	0	5,419,592	0	0	0	0	0	0	0	5,419,592
62	Jan-17	4,824,045	0	0	0	0	0	0	0	4,824,045	0	0	0	0	0	0	0	4,824,045
63	Feb-17	2,802,055	0	0	0	0	0	0	0	2,802,055	0	0	0	0	0	0	0	2,802,055
64	Mar-17	1,053,454	0	0	0	0	0	0	0	1,053,454	0	0	0	0	0	0	0	1,053,454
65	Apr-17	2,115,857	0	0	0	0	0	0	0	2,115,857	0	0	0	0	0	0	0	2,115,857
66	May-17	3,230,140	0	0	0	0	0	0	0	3,230,140	0	0	0	0	0	0	0	3,230,140
67	Average	4,109,514	0	0	0	0	0			4,109,514	0	0	0	0	0	0	0	4,109,514
68																		

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended May 31, 2017

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	Division 093 100%	Division 091 43.23% 41.88%	Division 012 4.46% 4.52%	CKV 0.97% 1.86%	Division 002 4.43% 4.33%	Greenville 1.33% 1.29%	AEAM 5.31% 5.36%	ALGN 0.00% 0.00%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
69	**Customers Deposits (Account 2350)**																	
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																		
87	**Accumulated Deferred FIT (Total Accounts 1900, 2820, 2830) adjusted to remove a non-utility item**																	
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	834,285,863	0	0	0	(85,402,622)	4,129,878	(1,287,678)	0	36,160,619	0	0	0	(46,399,803)
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	34,899,446	0	0	0	(47,660,977)
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	36,127,044	0	0	0	(50,535,996)
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)	(298,898)	(1,298,608)	0	33,708,874	0	0	0	(50,667,115)
103																		

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended May 31, 2017

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	Division 093 100%	Division 091 43.23% 41.88%	Division 012 4.46% 4.52%	CKV 0.97% 1.86%	Division 002 4.43% 4.33%	Greenville 1.33% 1.29%	AEAM 5.31% 5.36%	ALGN 0.00% 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)	(31,838,422)	(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)	(919,216)	(1,467,959)	(53,466)	(3,497,199)	(36,916)	(633,303)	0	(193,938,306)
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)	(3,531,528)	(37,647)	(639,994)	0	(197,690,548)
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)	(3,425,929)	(38,377)	(646,741)	0	(197,928,392)
114	Jan-17	(192,285,441)	(1,900,632)	(30,650,714)	(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)	(1,443,056)	(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)	(873,196)	(1,751,344)	(44,106)	(3,922,116)	(38,119)	(637,528)	0	(196,886,653)
120																		
121																		
122	**Customers Advances (Account 2520)**																	
123																		
124	May-16	(76,428)	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			(76,428)	0	0	0	0	0	0	0	(76,428)
126	Jul-16	(76,428)	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			(76,428)	0	0	0	0	0	0	0	(76,428)
128	Sep-16	(76,428)	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			(11,680)	0	0	0	0	0	0	0	(11,680)
130	Nov-16	(11,680)	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			(11,680)	0	0	0	0	0	0	0	(11,680)
132	Jan-17	(11,680)	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			(11,680)	0	0	0	0	0	0	0	(11,680)
134	Mar-17	(11,680)	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			(16,580)	0	0	0	0	0	0	0	(16,580)
136	May-17	(16,580)	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			(37,337)	0	0	0	0	0	0	0	(37,337)
138																		

Tennessee Distribution System
Reallocation of Rate Base Items at Proforma Allocation Factors
Twelve Months Ended May 31, 2017

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	Division 093 100%	Division 091 43.23% 41.88%	Division 012 4.46% 4.52%	CKV 0.97% 1.86%	Division 002 4.43% 4.33%	Greenville 1.33% 1.29%	AEAM 5.31% 5.36%	ALGN 0.00% 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 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
								FY14	100.00%	41.48%	4.36%	1.53%	4.50%	1.31%	
								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

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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
								FY14	100.00%	41.48%	4.36%	1.53%	4.50%	1.31%	
								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)
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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
								FY14	100.00%	41.48%	4.36%	1.53%	4.50%	1.31%	
								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)
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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	Total Tennessee
								FY14	100.00%	41.48%	4.36%	1.53%	4.50%	1.31%	
								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)
139															
140	**Interest on Customer Deposits (Account 2370-26919)**														
141															
142	Sep-14	$ (87,733)	$ -	$ -	$ -	$ -	$ -		$ (87,733)	0	0	0	0	0	$ (87,733)
143	Oct-14	$ (100,956)	$ -	$ -	$ -	$ -	$ -		(100,956)	0	0	0	0	0	(100,956)
144	Nov-14	$ (112,898)	$ -	$ -	$ -	$ -	$ -		(112,898)	0	0	0	0	0	(112,898)
145	Dec-14	$ (125,476)	$ -	$ -	$ -	$ -	$ -		(125,476)	0	0	0	0	0	(125,476)
146	Jan-15	$ (137,635)	$ -	$ -	$ -	$ -	$ -		(137,635)	0	0	0	0	0	(137,635)
147	Feb-15	$ (56)	$ -	$ -	$ -	$ -	$ -		(56)	0	0	0	0	0	(56)
148	Mar-15	$ (14,982)	$ -	$ -	$ -	$ -	$ -		(14,982)	0	0	0	0	0	(14,982)
149	Apr-15	$ (29,496)	$ -	$ -	$ -	$ -	$ -		(29,496)	0	0	0	0	0	(29,496)
150	May-15	$ (43,882)	$ -	$ -	$ -	$ -	$ -		(43,882)	0	0	0	0	0	(43,882)
151	Jun-15	$ (54,324)	$ -	$ -	$ -	$ -	$ -		(54,324)	0	0	0	0	0	(54,324)
152	Jul-15	$ (64,875)	$ -	$ -	$ -	$ -	$ -		(64,875)	0	0	0	0	0	(64,875)
153	Aug-15	$ (75,570)	$ -	$ -	$ -	$ -	$ -		(75,570)	0	0	0	0	0	(75,570)
154	Sep-15	$ (85,557)	$ -	$ -	$ -	$ -	$ -		(85,557)	0	0	0	0	0	(85,557)
155	Average	$ (71,803)	$ -	$ -	$ -	$ -	$ -		$ (71,803)	$ -	$ -	$ -	$ -	$ -	$ (71,803)
156															
157															
158	**Net elimination of intercompany leased property**														
159															
160	Sep-14	5,627,146	0	0	0	0	0		5,627,146	0	0	0	0	0	5,627,146
161	Oct-14	5,605,408	0	0	0	0	0		5,605,408	0	0	0	0	0	5,605,408
162	Nov-14	5,583,669	0	0	0	0	0		5,583,669	0	0	0	0	0	5,583,669
163	Dec-14	5,561,931	0	0	0	0	0		5,561,931	0	0	0	0	0	5,561,931
164	Jan-15	5,540,193	0	0	0	0	0		5,540,193	0	0	0	0	0	5,540,193
165	Feb-15	5,518,455	0	0	0	0	0		5,518,455	0	0	0	0	0	5,518,455
166	Mar-15	5,922,274	0	0	0	0	0		5,922,274	0	0	0	0	0	5,922,274
167	Apr-15	5,900,536	0	0	0	0	0		5,900,536	0	0	0	0	0	5,900,536
168	May-15	5,878,797	0	0	0	0	0		5,878,797	0	0	0	0	0	5,878,797
169	Jun-15	5,857,059	0	0	0	0	0		5,857,059	0	0	0	0	0	5,857,059
170	Jul-15	5,835,321	0	0	0	0	0		5,835,321	0	0	0	0	0	5,835,321
171	Aug-15	5,813,583	0	0	0	0	0		5,813,583	0	0	0	0	0	5,813,583
172	Sep-15	5,791,400	0	0	0	0	0		5,791,400	0	0	0	0	0	5,791,400
173	Average	$ 5,725,829	$ -	$ -	$ -	$ -	$ -		$ 5,725,829	$ -	$ -	$ -	$ -	$ -	$ 5,725,829

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			$ 4,428,719	$ 3,130,229	$ 1,298,490
12					
13	Monthly Amortization				
14	2 years amortization				$ 54,104
15					
16			Amortization Expense	Regulated Asset Balance	
17		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*		$ 649,245	$ 324,623	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 Utilty ADIT
	(a)	(b)	(c)	(d)	(e)	(f)
1	Jun-13	154,128,596	(200,975,728)	352,057,428	3,046,896	355,104,324
2	Jul-13	145,919,884	(200,975,728)	352,057,428	(5,161,816)	346,895,612
3	Aug-13	136,438,570	(200,347,089)	346,167,066	(9,381,406)	336,785,660
4	Sep-13	195,885,794	(204,470,954)	389,816,215	10,540,533	400,356,748
5	Oct-13	198,083,808	(204,470,954)	389,816,215	12,738,547	402,554,762
6	Nov-13	191,672,347	(204,470,954)	389,816,215	6,327,086	396,143,301
7	Dec-13	179,196,615	(207,097,743)	395,636,604	(9,342,246)	386,294,358
8	Jan-14	190,904,433	(207,097,743)	395,636,604	2,365,572	398,002,176
9	Feb-14	192,792,834	(207,097,743)	395,636,604	4,253,973	399,890,577
10	Mar-14	162,357,534	(219,167,600)	377,175,208	4,349,926	381,525,134
11	Apr-14	167,252,026	(219,167,600)	377,175,208	9,244,418	386,419,626
12	May-14	175,999,196	(219,167,600)	377,175,208	17,991,588	395,166,796
13	Jun-14	205,011,038	(219,884,627)	405,828,177	19,067,488	424,895,665
14	Jul-14	208,298,312	(219,884,627)	405,828,177	22,354,762	428,182,939
15	Aug-14	224,949,437	(219,079,036)	405,022,586	39,005,887	444,028,473
16	Sep-14	267,982,820	(220,149,274)	444,334,650	43,797,444	488,132,094
17	Oct-14	276,895,783	(220,149,274)	444,334,650	52,710,407	497,045,057
18	Nov-14	284,975,299	(220,149,274)	444,334,650	60,789,923	505,124,573
19	Dec-14	321,070,352	(222,598,277)	469,818,580	73,850,049	543,668,629
20	Jan-15	353,945,345	(222,598,277)	469,818,580	106,725,042	576,543,622
21	Feb-15	333,570,147	(222,598,277)	469,818,580	86,349,844	556,168,424
22	Mar-15	290,103,994	(227,206,094)	425,654,746	91,655,342	517,310,088
23	Apr-15	281,416,540	(227,206,094)	425,654,746	82,967,888	508,622,634
24	May-15	276,100,280	(227,206,094)	425,654,746	77,651,628	503,306,374
25	Jun-15	252,513,161	(230,175,901)	407,851,903	74,837,159	482,689,062
26	Jul-15	264,175,149	(230,175,901)	407,851,903	86,499,147	494,351,050
27	Aug-15	266,520,916	(230,175,901)	407,851,903	88,844,914	496,696,817
28	Sep-15	353,265,598	(232,097,127)	530,457,730	54,904,995	585,362,725
29	Oct-15	351,696,807	(232,097,127)	530,457,730	53,336,204	583,793,934
30	Nov-15	353,283,852	(232,097,127)	530,457,730	54,923,249	585,380,979
31	Dec-15	386,239,047	(231,927,975)	554,535,985	63,631,037	618,167,022
32	Jan-16	407,141,203	(231,927,975)	554,535,985	84,533,193	639,069,178
33	Feb-16	421,852,059	(231,927,975)	554,535,985	99,244,049	653,780,034
34	Mar-16	396,520,892	(221,557,479)	541,564,884	76,513,487	618,078,371
35	Apr-16	394,149,016	(221,557,479)	542,923,119	72,783,376	615,706,495
36	May-16	398,248,765	(221,557,479)	542,923,119	76,883,125	619,806,244
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	Reveune Lag	37.50	37.50
2			
3	Expense Lag	35.45	33.58
4			
5	Net Lag	2.05	3.92
6			
7	Daily Cost of Service	412,034	333,961
8			
9	Cash Working Capital	955,030	1,309,576

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		13,989,093	29.44	411,838,895
7	Total O&M Expense		21,999,902		524,550,979
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		*7,880,592*		
28	Current Taxes		-	37.50	-
29	Deferred Taxes		7,880,592	-	-
30					
31	State Excise Tax		*1,565,281*		
32	Current Taxes		-	37.50	-
33	Deferred Taxes		1,565,281	-	-
34					
35	Depreciation		11,858,675	-	-
36					
37	Interest on Customer Deposits		116,891	182.50	21,332,667
38					
39	Interest Expense - LTD		5,740,025	91.25	523,777,264
40					
41	Interest Expense - STD		362,235	24.05	8,711,259
42					
43	Return on Equity		15,004,852	-	-
44					
45					
46	TOTAL		122,229,784	33.58	4,104,311,996
47					
48	Daily Cost of Service		333,961		
49					
50					

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

Line No.	Description		Histori 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	Forward Looking Test Year	Rate Base	Depreciation Expense
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	$ 2,475,263	$ 59,643
8			
9	Historic Base Period		
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	$ 1,221,654	$ 29,796
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	$ (3,109,976)	$ 508,723,937	Wp 7-1 Wp7-2
2					
3	Accumulated Depreciation and Amortization	$ (193,126,103)	$ (3,760,551)	$ (196,886,653)	Wp 7-1 Wp7-2
4					
5	Construction Work in Progress per Books	$ 4,749,638	$ 7,307,038	$ 12,056,676	Wp 7-1 Wp7-2
6					
7	Storage Gas Investment	$ 4,563,705	$ (454,191)	$ 4,109,514	Wp 7-1 Wp7-2
8					
9	Cash Working Capital	$ 1,062,393	$ 247,183	$ 1,309,576	Wp 7-5
10					
11	Material & Supplies	$ 5,205	$ 27,059	$ 32,263	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)	$ 4,802,216	$ (50,667,115)	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	$ 6,201,849	$ 275,315,692	
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	$ 274,594,688	$ 4,047,293	$ 278,641,981	
30					
31	Return at Overall Cost of Capital on Rate Base	$ 21,198,710	$ (384,154)	$ 20,814,556	
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	$ 20,814,556	$ 1,788,464
1	Current Return		$ 17,001,765	$ 20,432,375	$ 3,430,610
4					
5	Pre-Tax Deficiency from Current Return		2,024,327	382,181	(1,642,146)
6	Tax Expansion Factor		1.6318	1.6332	
7	After-Tax Deficiency from Current Return		3,303,297	624,178	(2,679,119)
8					
9	Tax Liability Increase / Decrease (Ln 7 - Ln 3)		1,278,970	241,997	(1,036,973)
10	Current Tax Liability		$ 7,008,230	$ 9,203,877	$ 2,195,647
11					
12	Income Tax Liability		$ 8,287,200	$ 9,445,874	$ 1,158,674
13					
14	Less: ITC Amortization		-		-
15					
16	Total Income Tax Liability		8,287,200	9,445,874	1,158,674
17					
18	Booked Attrition Period Taxes (September 2016)			$6,579,767	
19					
20	Note:				
21	1. Twelve months ended September 30, 2015				
22	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	0.012535
4			
5	Balance		1.012535
6			
7	Uncollectible Ratio	0.004981	0.005044
8			
9	Balance		1.007491
10			
11	State Excise Tax	0.065000	0.065487
12			
13	Balance		0.942005
14			
15	Federal Income Tax	0.350000	0.329702
16			
17	Balance		0.612303
18			
19	Revenue Conversion Factor (Line 1/Line 9)		1.633200

Schedule 9

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	53.85%	9.80%	5.28%
4				
5	Total Capital	100.0%		7.47%

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

		May 31, 2017	
Line No.	**Description**	**$**	**%**
	(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	$ 7,176,594,271	100.00%

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

Line No.	Date	Atmos Consolidated Balances: Long-Term Debt	Short-Term Debt	Equity	12 Month Avg Atmos Consolidated - calc of STD rate: STD Avg Daily Bal	12 Month Avg STD Int Exp & fees	STD avg rate	Interest on CP or Interest on Draws on Credit Facilitiy — Detail of Colm (f) Consolidated Int Exp & Fees: Int Exp	Commitment Fees on Credit Facility: Commit fees	Bank Fees on AEC Credit Facility With RBS 30121: 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	

WP 9-3

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

Line No.	Debt Series	Issued	Outstanding 5/31/2016	Outstanding 6/30/2016	Outstanding 7/31/2016	Outstanding 8/31/2016	Outstanding 9/30/2016	Outstanding 10/31/2016	Outstanding 11/30/2016	Outstanding 12/31/2016	Outstanding 1/31/2017
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(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		$ 2,460,000,000	$ 2,460,000,000	$ 2,460,000,000	$ 2,460,000,000	$ 2,460,000,000	$ 2,585,000,000	$ 2,585,000,000	$ 2,585,000,000	$ 2,585,000,000
20											
21	Atmos Leasing, Inc.										
22	Industrial Develop Revenue Bond 07/13	1991	-	-	-	-	-	-	-	-	-
23	**Total Long-Term Debt**		2,460,000,000	2,460,000,000	2,460,000,000	2,460,000,000	2,460,000,000	2,585,000,000	2,585,000,000	2,585,000,000	2,585,000,000
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 Disct.										
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	Issued	Outstanding 2/28/2017	Outstanding 3/31/2017	Outstanding 4/30/2017	Outstanding 5/31/2017	End Int Rate	Annual Int at 5/31/2017			Annualized 4270 Amort for T-lock	Annualized 4280-81 Amort Debt Exp&Dsct	Exp 1810 Penalty 1890 Dsct 2260 1/0/1900
	(a)	(b)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(v)	(w)	(x)	(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		$ 2,585,000,000	$ 2,585,000,000	$ 2,585,000,000	$ 2,585,000,000		$ 142,704,500			$ 546,316	$ 4,250,944	$ 32,158,391
20													
21	Atmos Leasing, Inc.												
22	Industrial Develop Revenue Bond 07/13	1991	-	-	-	-	7.90%	-			0	0	0
23	**Total Long-Term Debt**		2,585,000,000	2,585,000,000	2,585,000,000	2,585,000,000		$ 142,704,500					
24	Less Unamortized Debt Discount		$ 4,126,963	$ 4,098,439	$ 4,069,915	$ 4,041,392					$ 546,316	$ 4,250,944	$ 32,158,391
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 Disct.							$ 4,797,260					
27						$ 2,564,900,664		$ 147,501,760					
28	Effective Avg Cost of Consol Debt						**5.75%**	end of period					

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

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Schedule 10

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	334,130	21,999,902	-	21,999,902
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	2,200,826	9,209,056	(5,179)	9,203,877
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		$ 17,001,765	$ 3,365,788	$ 20,367,553	$ 64,822	$ 20,432,375
18							
19	Total Rate Base	Sch. 7	$ 243,973,443	$ 31,342,248	$ 275,315,692	$ 3,326,289	$ 278,641,981
20							
21	Rate of Return on Rate Base		6.97%		7.40%		7.33%
22							
23	Interest Expense	Sch. 8	6,112,009	(82,595)	6,029,414	72,846	6,102,259
24							
25							
26	Return on Equity		$ 10,889,756		$ 14,338,139		$ 14,330,116
27							
28	Rate of Return on Equity		8.26%		9.67%		9.55%
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	$ 29,506,930	$ 29,566,573
2					
3	Interest Deduction		6,112,009	6,029,414	6,102,259
4					
5	Equity Portion of Return		$ 17,866,743	$ 23,477,516	$ 23,464,313
6					
7	Application of Tax Rate to Equity Return - Tennessee	6.5%	1,161,338	1,526,039	1,525,180
8					
9	Application of Tax Rate to Equity Return - Federal	35%	5,846,892	7,683,017	7,678,697
10					
11	Income Tax Expense		$ 7,008,230	$ 9,209,056	$ 9,203,877
12					
13	Less: ITC Amortization		-	-	-
14					
15	Total Income Tax Liability		$ 7,008,230	$ 9,209,056	$ 9,203,877
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 Base Count	12 Mths Ended Sep 15 Volumes Mcf	Rates effective Sep 15 Monthly Customer chg	Rates effective Sep 15 Commodity Charge/Mcf	12 mths Sep15 Margin at Sep15 rates	Weather Adjustment Volumes Mcf	12 mths Sep15 WNA Adjusted Volumes Mcf	12 mths Sep15 Weather adj Margin at Sep15 rates	12 mths Sep15 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. Commericial/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. Commericial/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. Commericial/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	

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

										210,211,225	1.65%	0.00%			
										220,221,230C	0.91%	0.00%			
		12 Mths Ended Sep 15		Rates effective Sep 15		12 mths Sep15	N	Customer Changes		Customer Growth		Declining	Adjusted	Adjusted	Total
Line		Base	Weather Adj.	Monthly	Commodity	Weather adj Margin	O T	Base	Volumes	Base	Volumes	Usage	Base	Volumes	Adjusted
No.	Description	Count	Vol Mcf	Customer chg	Charge/Mcf	at Sep15 rates	E	Count	Mcf	Count	Mcf	Volumes Mcf	Count	Mcf	Margin Rev
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
1	**RESIDENTIAL**														
2	210 Residential Gas Service (Summer)	598,013	798,233	14.15	1.218	$9,434,131				16,489	22,009	0	614,502	820,242	$9,694,254
3	210 Residential Gas Service (Winter) (weather sensitive)	838,351	6,860,281	17.15	1.218	22,733,542				23,115	189,155	0	861,466	7,049,437	23,360,363
4	210 Residential Gas Service Senior Citizen (Summer)	699	518	0.00	1.218	631				19	14	0	718	532	648
5	210 Residential Gas Service Senior Citizen (Winter) (weather s	1,019	8,261	0.00	1.218	10,062				28	228	0	1,047	8,488	10,339
6	211 Residential/Sm. Commericial/Industrial Heating & Cooling	12	196	14.15	0.719	311				0	5	0	12	202	320
7	Total Residential	1,438,094	7,667,489			32,178,677		0	0	39,652	211,412	0	1,477,746	7,878,901	33,065,924
8															
9	**COMMERCIAL**														
10	211 Residential/Sm. Commericial/Industrial Heating & Cooling	12	150	14.15	0.719	278				0	4		12	154	285
11	220 Commercial Gas Service (weather sensitive)	192,775	5,203,155	36.15	2.333	19,107,777				2,924	78,923	0	195,699	5,282,078	19,397,608
12	230 Large Commercial Gas Service (weather sensitive)	11	23,007	385.00	2.057	51,560				0	349		11	23,356	52,342
13	250 Commercial Interruptible Gas Service	0		435.00		0							0	0	0
14	Block 1 Volumes		0		1.153	0							0	0	0
15	Block 2 Volumes		0		0.763	0							0	0	0
16	Block 3 Volumes		0		0.353	0							0	0	0
17	293 Large Tonnage Air Conditioning Gas Service	12		36.15		434							12	0	434
18	Block 1 Volumes		14,310		1.153	16,500							0	14,310	16,500
19	Block 2 Volumes		932		0.763	711							0	932	711
20	Block 3 Volumes		0		0.353	0							0	0	0
21	Total Commercial	192,810	5,241,555			19,177,260		0	0	2,925	79,276	0	195,735	5,320,831	19,467,881
22															
23	**INDUSTRIAL**														
24	220 Industrial Gas Service (weather sensitive)	3,838	584,384	36.15	2.333	1,502,112				58	8,864		3,896	593,248	1,524,896
25	230 Large Industrial Gas Service	72	40,808	385.00	2.057	111,661							72	40,808	111,661
26	240 DEMAND/COMM GS	0		435.00		0							0	0	0
27	Block 1 Volumes		0		1.153	0							0	0	0
28	Block 2 Volumes		0		0.763	0							0	0	0
29	Block 3 Volumes		0		0.353	0							0	0	0
30	Demand Volumes		0		16.283	0							0	0	0
31	250 Industrial Interruptible Gas Service	294		435.00		127,890		(6)					288	0	125,280
32	Block 1 Volumes		275,927		1.153	318,143			(1,263)				0	274,664	316,687
33	Block 2 Volumes		184,957		0.763	141,122			(19,230)				0	165,727	126,450
34	Block 3 Volumes		0		0.353	0							0	0	0
35	280/250 Economic Development Gas Service	-		435.00		0		12					12	0	5,220
36	Block 1 Volumes		0		1.153	0			0				0	0	0
37	Block 1 Volumes @ Discount Rate		0		0.865	0			24,000				0	24,000	20,754
38	Block 2 Volumes		0		0.763	0			0				0	0	0
39	Block 2 Volumes @ Discount Rate		0		0.572	0			138,000				0	138,000	78,971
40	Block 3 Volumes		0		0.353	0			0				0	0	0
41	Block 3 Volumes @ Discount Rate		0		0.265	0			0				0	0	0
42	292 Cogeneration, CNG, Prime Movers Service	12		36.15		434							12	0	434
43	Block 1 Volumes		3,263		1.153	3,762							0	3,263	3,762
44	Block 2 Volumes		0		0.763	0							0	0	0
45	Block 3 Volumes		0		0.353	0							0	0	0
46	Total Industrial	4,216	1,089,338			2,205,124		6	141,507	58	8,864	0	4,280	1,239,709	2,314,115
47															
48	**PUBLIC AUTHORITY**														
49	211 Residential/Sm. Commericial/Industrial Heating & Cooling	0	0	14.15	0.719	0							0	0	0
50	221 Experimental School Gas Service	59	74,130	36.15	1.146	87,086				1	1,124		60	75,254	88,407
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) (weathe	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				82	228		3,054	8,504	53,571
54	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,157	41,762	17.15	1.218	122,159				115	1,151		4,272	42,914	125,527
55	Total Public Authority	7,188	124,168			261,378		0	0	197	2,504	0	7,385	126,672	267,505
56															
57	**TRANSPORTATION**														
58	260 - TRANSP (220 SML COM/INDG)	144	156,234	435.00	2.333	427,133							144	156,234	427,133
59	260 - TRANSP (230 LRG COM/INDG)	495	1,388,841	435.00	2.057	3,072,171		(14)	(27,243)				481	1,361,598	3,010,043
60	260 - TRANSP (240 DEMAND)	53		435.00		23,055		19					72	0	31,320
61	Block 1 Volumes		106,000		1.153	122,218			38,000				0	144,000	166,032
62	Block 2 Volumes		250,596		0.763	191,204			30,481				0	281,076	214,461
63	Block 3 Volumes		0		0.353	0							0	0	0
64	Demand Volumes		19,807		16.283	322,517			4,547				0	24,354	396,556
65	260 - TRANSP (250 OPT GS)	631		435.00		274,485		(12)					619	0	269,265
66	Block 1 Volumes		1,215,289		1.153	1,401,228			(19,662)				0	1,195,627	1,378,558
67	Block 2 Volumes		3,933,809		0.763	3,001,496			(299)				0	3,933,510	3,001,268
68	Block 3 Volumes		0		0.353	0							0	0	0
69	260 - TRANSP (280/250 ECON DEV - OPT GS)	24		435.00		10,440							24	0	10,440
70	Block 1 Volumes		48,000		1.153	55,344							0	48,000	55,344
71	Block 1 Volumes @ Discount Rate		0		0.865	0							0	0	0
72	Block 2 Volumes		556,672		0.763	424,740							0	556,672	424,740
73	Block 2 Volumes @ Discount Rate		100,710		0.572	57,631							0	100,710	57,631
74	Block 3 Volumes		0		0.353	0							0	0	0
75	Block 3 Volumes @ Discount Rate		63,666		0.265	16,856							0	63,666	16,856
76	SPECIAL CONTRACTS	36	1,134,922			379,871		0	333,188				36	1,468,110	509,369
77	Total Transportation	1,383	8,954,738			9,780,390		(7)	354,465	0	0	0	1,376	9,309,203	9,969,017
78															
79	TOTALS	1,643,691	23,077,288			$63,602,830		(1)	495,972	42,832	302,056	0	1,686,522	23,875,316	$65,084,441
80															
81	4870 - Forfeited Discount					803,147									$821,514
82	4880 - Miscellaneous Service charges					465,508									452,961
83	TOTAL MARGIN REVENUES					$64,871,486									$66,358,916

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: (2,589,384)

Line No.	Description	Rates effective Sep15 Monthly Customer chg	Commodity Charge/Mcf	Adjusted Base Count	Adjusted Volumes Mcf	Total Adjusted Margin Rev	Cust Charge Rev	Commodity Charge Rev	Cust Charge %	Commodity Charge %	% of Total Rev	Allocated Amount of Increase	Proposed Cust Charge	Proposed Commodity Charge	Proposed Cust Rev	Proposed Commodity Rev	Total	Cust Charge %	Commodity Charge %	% of Total Rev
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
1	Rate Schedule 210/225																			
2	210/225 SUMMER	$14.15	$1.22	617,556	828,746	$9,747,825	$8,738,413	$1,009,412					13.50	1.170	$8,337,001	$969,996	9,306,997			
3	210/225 WINTER (weather sensitive)	$17.15	$1.22	865,738	7,092,350	23,485,890	$14,847,408	$8,638,483					16.50	1.170	$14,284,678	$8,301,158	22,585,836			
4	210/225 SR CIT	$0.00	$1.22	1,765	9,021	10,987	$0	$10,987					0.00	1.170	$0	$10,558	10,558			
5	Total 210/225			1,485,059	7,930,117	33,244,702	23,585,820	9,658,882	71%	29%	51.80%	(1,341,310)			22,621,679	9,281,712	31,903,392	71%	29%	51.80%
6																				
7	Rate Schedule 211																			
8	211 HVAC	$14.15	$0.719	25	356	605	$349	$256	58%	42%	0.00%	(24)	13.50	0.695	$333	$248	581	57%	43%	0.00%
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	2.261	$6,786,239	$13,286,778	20,073,017	34%	66%	
12	220 Transportation	$435.00	$2.333	144	156,234	427,133	$62,640	$364,493	15%	85%			430.00	2.261	$61,920	$353,315	415,235	15%	85%	
13	Total 220			199,739	6,031,559	21,349,637	7,278,009	14,071,628	34%	66%	33.27%	(861,385)			6,848,159	13,640,092	20,488,252	33%	67%	33.27%
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%	(3,567)	34.00	1.100	$2,036	$82,803	84,840	2%	98%	0.14%
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%			385.00	1.969	$32,019	$126,330	158,349	20%	80%	
20	230 Transportation	$435.00	$2.057	481	1,361,598	3,010,043	$209,235	$2,800,808	7%	93%			430.00	1.969	$206,830	$2,680,806	2,887,636	7%	93%	
21	Total 230			564	1,425,762	3,174,047	241,254	2,932,792	8%	92%	4.95%	(128,062)			238,849	2,807,135	3,045,985	8%	92%	4.95%
22																				
23	Rate Schedule 240/250/280/292/293																			
24	240 Demand/Commodity Gas Service	$435.00		72		31,320	$31,320						430.00		$30,960		30,960			
25	Block 1 Volumes		$1.153		144,000	166,032		$166,032						1.104		$158,971	158,971			
26	Block 2 Volumes		$0.763		281,076	214,461		$214,461						0.731		$205,326	205,326			
27	Block 3 Volumes		$0.353		0	0		$0						0.338		$0	0			
28	250 Interruptible Gas Service	$435.00		907		394,545	$394,545						430.00		$390,010		390,010			
29	Block 1 Volumes		$1.153		1,470,291	1,695,245		$1,695,245						1.104		$1,623,147	1,623,147			
30	Block 2 Volumes		$0.763		4,099,237	3,127,718		$3,127,718						0.731		$2,994,493	2,994,493			
31	Block 3 Volumes		$0.353		0	0		$0						0.338		$0	0			
32	280 ECON DEV - OPT GS	$435.00		36		15,660	$15,660						430.00		$15,480		15,480			
33	Block 1 Volumes		$1.153		48,000	55,344		$55,344						1.104		$52,990	52,990			
34	Block 1 Volumes @ Discount Rate		$0.865		24,000	20,754		$20,754						0.828		$19,871	19,871			
35	Block 2 Volumes		$0.763		556,672	424,740		$424,740						0.731		$406,649	406,649			
36	Block 2 Volumes @ Discount Rate		$0.572		238,710	136,602		$136,602						0.548		$130,783	130,783			
37	Block 3 Volumes		$0.353		0	0		$0						0.338		$0	0			
38	Block 3 Volumes @ Discount Rate		$0.26		63,666	16,856		$16,856						0.253		$16,138	16,138			
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						1.104		$3,602	3,602			
41	Block 2 Volumes		$0.763		0	0		$0						0.731		$0	0			
42	Block 3 Volumes		$0.353		0	0		$0						0.338		$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						1.104		$15,798	15,798			
45	Block 2 Volumes		$0.763		932	711		$711						0.731		$681	681			
46	Block 3 Volumes		$0.353		0	0		$0						0.338		$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%	(255,036)			$437,266	$5,628,450	6,065,716	7%	93%	9.85%
48																				
49	TOTALS			1,686,486	22,407,206	64,178,516	31,549,990	32,628,525	49%	51%	100.00%	(2,589,384)			30,148,323	31,440,441	61,588,764	49%	51%	100.00%

(2,589,752)

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	Volume Difference Mcf	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. Commericial/Industrial Heating & Cooling Service	12.33087005	202	$ 344	12	224	$ 391	(0)	22	$ 47
7	**Total Residential**	**1,477,746**	**7,878,901**	**35,584,097**	**1,491,648**	**6,009,999**	**35,558,840**	**13,902**	**(1,868,902)**	**$ (25,257)**
8										
9	**COMMERCIAL**									
10	211 Residential/Sm. Commericial/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)	$ (98,336)
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	$ -
14	293 Large Tonnage Air Conditioning Gas Service	12	15,243	19,060	12	10,454	$ 13,480	0	(4,788)	$ (5,580)
15	**Total Commercial**	**195,735**	**5,320,831**	**20,931,248**	**196,183**	**4,437,456**	**20,770,835**	**448**	**(883,375)**	**$ (160,414)**
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	113,083	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)	$ (373)
24	**Total Industrial**	**4,280**	**1,239,709**	**2,502,068**	**4,259**	**1,121,408**	**2,572,727**	**(21)**	**(118,301)**	**$ 70,659**
25										
26	**PUBLIC AUTHORITY**									
27	211 Residential/Sm. Commericial/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	42,914	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 COM/INDG)	144	156,234	461,421	144	134,501	$ 404,124	0	(21,733)	$ (57,297)
37	260 - TRANSP (230 LRG COM/INDG)	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)	(43,214)	$ (94,026)
39	260 - TRANSP (250 OPT GS)	619	5,129,137	5,007,025	623	4,966,573	$ 4,843,354	4	(162,564)	$ (163,672)
40	260 - TRANSP (280/250 ECON DEV - OPT GS)	24	769,048	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**	**363,326**	**$ (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		$ 673,981			$ (147,533)
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	2,589,384
2			
3	**Cost of Service**		
4	Actual Cost of Service	5/31/2017	119,016,714
5			
6	**Revenue**		
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	(2,241,929)
12			
13	Cost of Capital	5/31/2017	(347,454)
14			
15	True - Up Incl. Cost of Capital	5/31/2017	(2,589,384)
16			
17	Deficiency Net of True - Up		0

Docket 14-00146
Schedule 1

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

Line No.		Company	Reference
1	Rate Base	278,641,981	See 2RB
2	Operating Income at Present Rates	20,432,376	See 3 IS
3	Earned Rate of Return (L 2 / L 1)	7.33%	
4	Fair Rate of Return	7.47%	See 8 CC
5	Required Operating Income (L 1 x L 4)	20,814,556	
6	Operating Income Deficiency (Surplus) (L 5 - L 2)	382,180	
7	Gross Revenue Conversion Factor	1.633200	See 7 GU
8	Additional Revenue Required to Earn Authorized Rate of Return	624,177	
10	Calculated Income Tax Expense on Deficiency		241,997
11	Calculated Income Tax Expense on Current Operating Income		9,203,877
12	Subtract Calculated Income Taxes	(9,445,874)	9,445,874
13	Add Actual per book Income Tax Expense	6,579,767	
	Additional Revenue Required to Earn Authorized Rate of Return	(2,241,930)	
9	Carrying Cost	(347,454)	
10	*Amount to be added to revenue sufficiency / deficiency in February 1, 2018 ARM filing*	(2,589,384)	

Docket 14-00146
Schedule 2

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

Line No.		Company	Reference
1	Utility Plant in Service	508,723,937	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 1
2	Construction Work in Progress	12,056,676	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 5
3	Materials and Supplies / Storage Gas	4,141,778	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 11
4	Working Capital/Deferred Rate Case	1,309,576	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	532,358,142	
	Deductions:		
8	Accumulated Depreciation	196,886,653	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	50,667,115	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		2,475,263	
14	Total Deductions	253,716,161	
15	Rate Base	278,641,981	

Docket 14-00146
Schedule 3

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

Line No.		Company	Reference
1	Revenues - Sales, forfeited discounts & other	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	21,999,902	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	1,525,180	See 6 FIT
11	Federal Income Tax	7,678,697	See 6 FIT
12	Total Operating Expense	50,937,883	
13	Net Operating Income for Return	20,432,376	
14	Plus amortization-Gain	-	
15	Plus adjustments	-	
16	Adjusted Net Operating Income	20,432,376	

Docket 14-00146
Schedule 4

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

Line No.		Company	Reference
1	Salaries and Wages		
1	Labor	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	6,102,259	2016 revenue requirement schedules.xls, Sch 8, Col (e), Ln 3
23	Disallowed Items	(1,336,465)	
24	Actual Allocable Pension Contribution	1,110,546	
25			
26	Total O&M Expense	28,102,161	

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	

Docket 14-00146
Schedule 6

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

Line No.		Company
1	Operating Margin	71,300,579
2	Other Operation and Maintenance	21,999,902
3	Depreciation and Amortization Expense	11,858,675
4	Taxes Other Than Income	7,743,266
5	NOI Before Excise and Income Taxes	29,698,736
6	less Interest on Customer Deposits	132,163
7	less Interest Expense	6,102,259
8	Pre-tax Book Income	23,464,314
9	Schedule M Adjustments	-
10	Excise Taxable Income	23,464,314
11	Excise Tax Rate	6.50%
12	Excise Tax	1,525,180
13	Pre-tax Book Income	23,464,314
14	Excise Tax	1,525,180
15	Schedule M Adjustments	-
16	FIT Taxable Income	21,939,134
17	FIT Rate	35.00%
18	Subtotal FIT	7,678,697
19	Less: ITC Amortization	-
20	Federal Income Tax Expense	7,678,697

Docket 14-00146
Schedule 7

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

Line No.		Amount		Balance
1	Operating Revenues			1.000000
2	Add: Forfeited Discounts	0.012535	A/	0.012535
3	Balance			1.012535
4	Uncollectible Ratio	0.004981	B/	0.005044
5	Balance			1.007491
6	State Excise Tax	0.065000	C/	0.065487
7	Balance			0.942005
8	Federal Income Tax	0.350000	C/	0.329702
9	Balance			0.612303
10	Revenue Conversion Factor (1 / Line 9)			1.633200

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

Docket 14-00146
Schedule 8

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	53.85%	9.80%	5.3%
5	Total	100.00% A/		7.47%

A/ Should be 100%

Rev. Proc. 2017-47, 2017-38 IRB 233 -- IRC Sec(s). 50; 168, 09/07/2017

Revenue Procedures (1955 - Present) (RIA)

Revenue Procedures

Rev. Proc. 2017-47, 2017-38 IRB 233, 09/07/2017, IRC Sec(s). 168

Accelerated cost recovery system-public utility property-safe-harbor for inadvertent normalization violations.

Headnote:

IRS has crafted safe-harbor for taxpayers owning public utility properties so that accidental failure to follow practice or procedure consistent with normalization rules for ITC or depreciation won't be considered violation of normalization rules and won't operate to deny taxpayers benefits of ITC or accelerated depreciation. To qualify for this relief, taxpayer must changes its inconsistent practice to consistent practice approved by utility regulator at next available opportunity, and retain documentation. If regulator considered and addressed application of normalization rules to inconsistent practice or procedure at time of rate-making approval, taxpayer won't qualify for safe-harbor.

Reference(s): ¶ 1685.10; Code Sec. 168; Code Sec. 50;

Full Text:

1. Purpose

This revenue procedure provides a safe harbor concerning inadvertent or unintentional uses of a practice or procedure that is inconsistent with §§ 50(d)(2) and 168(i)(9) of the Internal Revenue Code of 1986, as amended (Code), which require the use of the Normalization Rules (as defined in section 4.04 of this revenue procedure). If the safe harbor under section 5 of this revenue procedure applies, the Internal Revenue Service (Service) will not assert that a taxpayer's inadvertent or unintentional use of a practice or procedure that is inconsistent with §§ 50(d)(2) and 168(i)(9) of the Code constitutes a violation of the Normalization Rules. This revenue procedure does not limit or change the process by which a taxpayer may request a letter ruling or a referral for a technical advice memorandum that the taxpayer's proposed practice or procedure is consistent or inconsistent with the Normalization Rules.

2. Background

In general, normalization is a system of accounting used by regulated public utilities to reconcile the tax treatment of the Investment Tax Credit (ITC) or accelerated depreciation of public utility assets with their regulatory treatment. Under normalization, a utility receives the tax benefit of the ITC or accelerated depreciation in the early years of an asset's regulatory useful life and passes that benefit on to ratepayers ratably over the regulatory useful life in the form of reduced rates. The remainder of this section 2 describes the intent of Congress in adopting the Normalization Rules and their operation under the Code and Income Tax Regulations.

.01. Congressional Intent. Congress had two principal objectives in adopting the Normalization Rules. The first objective was to preserve the utility's incentive to invest. Congress enacted the ITC and accelerated depreciation to stimulate investment. These incentives were not intended to subsidize the consumption of any products or services, including utility products or services. Recognizing that public utility rates are set based on the utility's costs incurred to provide the utility service, including federal income tax expense, Congress enacted a set of rules to assure that some or all of the value of the incentives it provided for utility capital investment would not be diverted from investment by utilities to lower prices for consumption by customers of utilities.

The second objective was to protect the government's tax revenue. Congress reasoned that when a utility elected accelerated depreciation and its regulator lowered rates to reflect the resulting tax benefit, the federal government would experience a reduction in tax revenue twice: once from the added accelerated depreciation deductions taken by the utility, and again from the decline in the revenue received by the utility as a result of its lower rates. See S. Rep. No. 91-552, at 17 (1969). The same impact results if a utility is permitted to flow through the benefit of its ITC to customers.

.02. Depreciation. Section 168 of the Code provides taxpayers generally with the benefits of the accelerated cost recovery system in the computation of their depreciation deduction for federal income tax purposes. Section 168(f) provides the description of certain property for which the benefits of § 168 do not apply. Section 168(f)(2) provides that § 168 does not apply to any public utility property, as defined in § 168(i)(10), if the taxpayer does not use a normalization method of accounting. In general, § 168(i)(10) defines "public utility property" as property used predominantly in the trade or business of furnishing or selling (A) electrical energy, water, or sewage disposal services, (B) gas or steam through a local distribution system, (C) certain communications services, or (D) the transportation of gas or steam by pipeline, if rates for such furnishing or sale are established or approved by a State (including the District of Columbia) or political subdivision thereof, any agency or instrumentality of the United States, or a public service or public utility commission or other body of any State or political subdivision thereof.

Section 168(i)(9) describes what constitutes a "normalization method of accounting." The rules provided in § 168(i)(9) recognize that the rates a regulated public utility is permitted to charge its customers are established or approved by regulators based on the utility's cost of service taking into account the depreciation of assets and federal income tax expense. The Normalization Rules under § 168(i)(9)(A)(i) require the taxpayer to compute the federal income tax expense taken into account in setting its rates using a depreciation method that is the same as, and a depreciation period that is no shorter than, the method and period used to compute the depreciation expense for purposes of computing rates. Under § 168(i)(9)(A)(ii), a taxpayer must account for any difference between its federal income tax expense taken into account in computing its rates and the actual federal income tax it pays as a reserve for deferred taxes. If the taxpayer uses estimates or projections in determining for rate-making purposes its tax expense, depreciation expense, or reserve for deferred taxes, the Normalization Rules under § 168(i)(9)(B) require the use of consistent estimates or projections with respect to the other two items and rate base.

Section 1.167(l)-1(a)(1) of the Income Tax Regulations provides that the normalization requirements for public utility property pertain only to the deferral of federal income tax liability resulting from the use of an accelerated method of depreciation for computing the allowance for depreciation under § 167 of the Code and the use of straight-line depreciation for computing tax expense and depreciation expense for purposes of establishing cost of services and for reflecting operating results in regulated books of account.

.03. Investment Tax Credit. Section 46 of the Code sets forth certain investment credits against income tax. Section 50(d) provides special rules for certain taxpayers to qualify for those credits, including § 50(d)(2), which provides that rules similar to the limitations provided under former § 46(f) applicable to public utility property prior to the enactment of the Revenue Reconciliation Act of 1990, Pub. L. No. 101-508 , Title XI, 104 Stat. 1388, shall apply to certain regulated companies. The Tax Reform Act of 1986, Pub. L. No. 99-514 , 100 Stat. 2085, repealed the ITC generally with respect to public utility property placed in service after 1985; however, due to the long useful life of much public utility property, these provisions retain their vitality.

Under the general rule of former § 46(f), those regulated companies are not entitled to the ITC if either the taxpayer's cost of service or rate base for ratemaking purposes is reduced by any portion of the credit. However, the statute provides important exceptions. Former § 46(f)(1) provides that the ITC may not be used to reduce the taxpayer's cost of service, but may be used to reduce rate base, if such reduction is restored not less rapidly than ratably. Former § 46(f)(2) provides an election under which a taxpayer is permitted to take into account a ratable portion of the ITC for purposes of determining cost of service, but is not permitted to reduce the base to which the taxpayer's rate of return for ratemaking purposes is applied by any portion of the credit. A utility taxpayer elects either former § 46(f)(1) or former § 46(f)(2) and that choice applies to all public utility property of the taxpayer. A taxpayer that does not specifically elect former § 46(f)(2) is subject to the general rule of former § 46(f)(1).

Former § 46(f)(6) provides that for purposes of determining ratable portions, the period of time used in computing depreciation expense for purposes of reflecting operating results in the taxpayer's regulated books of account is to be used. Under § 1.46-6(g)(2) of the Income Tax Regulations, "ratable" is determined by considering the period of time actually used in computing the taxpayer's regulated depreciation expense for the property for which a credit is allowed. "Regulated depreciation expense" is the depreciation expense for the property used by a regulatory body for purposes of establishing the taxpayer's cost of service for ratemaking purposes.

.04. Application of Sanctions for Failure to Use a Normalization Method of Accounting. Former § 46(f)(4)(A) provides that there is no disallowance of a credit before the first final inconsistent determination is put into effect for the taxpayer's former § 46(f) property. Section 1.46-6(f)(4) provides that the ITC is disallowed for any former § 46(f) property placed in service by a taxpayer (a) before the date a final inconsistent determination by a regulatory body is put into effect, and (b) on or after such date and before the date a subsequent consistent determination is put into effect.

Section 1.46-6(f)(7) provides that the term "determination" refers to a determination made with respect to former § 46(f) property (other than property to which an election under former § 46(f)(3) applies) by a regulatory body described in former § 46(c)(3)(B) that determines the effect of the credit (a) for purposes of former § 46(f)(1), on the taxpayer's cost of service or rate base for ratemaking purposes, or (b) for a taxpayer that made an election under former § 46(f)(2), on the taxpayer's cost of service, for ratemaking purposes or in its regulated books of account, or on the taxpayer's rate base for ratemaking purposes.

Section 1.46-6(f)(8)(i) provides that "inconsistent" refers to a determination that is inconsistent with former § 46(f)(1) or former § 46(f)(2). For example, a determination to reduce the taxpayer's cost of service by more than a ratable portion of the ITC would be a determination that is inconsistent with former § 46(f)(2). Section 1.46-6(f)(8)(ii) provides that the term "consistent" refers to a determination that is consistent with former § 46(f)(1) or former § 46(f)(2). Section 1.46-6(f)(8)(iii) provides that the term "final determination" means a determination by a regulatory body with respect to which all rights of appeal or to request a review, a rehearing, or a redetermination have been exhausted or have lapsed.

The Senate Finance Committee Report to the Tax Reduction Act of 1975 addressed the importance of the final determination by stating that "if a regulatory agency requires the flowing through of a company's additional investment credit at a rate faster than permitted, or insists upon a greater rate base adjustment than is permitted, the additional investment credit is to be disallowed, but only after a final determination . . . is put into effect." S. Rep. No. 94-36, at 44-45 (1975).

Unlike most tax provisions the sanctions imposed under the Normalization Rules were not intended to directly increase or decrease federal tax revenues. They were intended to discourage the flow through of tax benefits to customers in order to allow utilities to benefit from the underlying depreciation and ITC provisions and prevent the loss of revenue the federal government would suffer if the benefits were flowed through to customers.

In addition, in discussing the limitations on the ratemaking treatment of the ITC under § 46(e)(1) and (e)(2), the Senate Finance Committee Report concerning the Revenue Act of 1971, P.L. 92-178, 85 Stat. 497, indicates that the Committee hoped that the sanctions of disallowance of the ITC would not have to be imposed. S. Rep. No. 92-437, at 41 (1971).

3. Scope

.01. This revenue procedure applies to a taxpayer that:

(1) owns Public Utility Property (as defined in section 4.03 of this revenue procedure);
(2) has inadvertently or unintentionally failed to follow a practice or procedure that is consistent with the Normalization Rules (as defined in section 4.04 of this revenue procedure) in one or more years;
(3) upon recognizing its failure to comply with the Normalization Rules, the taxpayer changes its Inconsistent Practice or Procedure (as defined in section 4.06 of this revenue procedure) to a Consistent Practice or Procedure (as defined in section 4.05 of this revenue procedure) at the Next Available Opportunity (as defined in section 4.07 of this revenue procedure) in a manner that totally reverses the effect of the Inconsistent Practice or Procedure, provided the Taxpayer's Regulator (as defined in section 4.01 of this revenue procedure) adopts or approves the change; and
(4) retains contemporaneous documentation that clearly demonstrates the effects of the Inconsistent Practice or Procedure and the change to a Consistent Practice or Procedure adopted or approved by the Taxpayer's Regulator.

.02. For purposes of section 3.01(2) of this revenue procedure, a taxpayer's Inconsistent Practice or Procedure is neither inadvertent nor unintentional if the Taxpayer's Regulator specifically considered and specially addressed the application of the Normalization Rules to the Inconsistent Practice or Procedure in establishing or approving the taxpayer's rates even if at the time of such consideration the Taxpayer's Regulator did not believe the practice or procedure was inconsistent with the Normalization Rules.

4. Definitions

.01. Taxpayer's Regulator

Taxpayer's Regulator means a State (including the District of Columbia) or political subdivision thereof, any agency or instrumentality of the United States, or a public service or public utility commission or other body of any State or political subdivision thereof that establishes or approves the rates of the taxpayer.

.02. Rate Proceeding

Rate Proceeding means a proceeding in which the Taxpayer's Regulator establishes or approves the taxpayer's rates.

.03. Public Utility Property

Public Utility Property has the meaning provided in former § 46(f)(5) or in § 168(i)(l0), and the applicable Income Tax Regulations.

.04. Normalization Rules

The Normalization Rules mean, in the case of the ITC, the rules provided by former § 46(f), as in effect on the day before the date of enactment of the Revenue Reconciliation Act of 1990, and the Income Tax Regulations thereunder, and, in the case of the accelerated cost recovery system for depreciation, the rules provided by § 168(i)(9), as in effect on the day before the date of enactment of the Revenue Reconciliation Act of 1990, and the Income Tax Regulations thereunder.

.05. Consistent Practice or Procedure

A Consistent Practice or Procedure means a practice or procedure followed by the taxpayer and the Taxpayer's Regulator that is consistent with the Normalization Rules.

.06. Inconsistent Practice or Procedure

An Inconsistent Practice or Procedure means a practice or procedure followed by the taxpayer and the Taxpayer's Regulator that is inconsistent with the Normalization Rules. .07 Next Available Opportunity

(1) In the case of a taxpayer without a Rate Proceeding pending before the Taxpayer's Regulator, the Next Available Opportunity means the next Rate Proceeding.

(2) In the case of a taxpayer with a Rate Proceeding currently pending before the Taxpayer's Regulator, the Next Available Opportunity means the currently pending proceeding, unless the rules of the Taxpayer's Regulator or applicable state or federal law (at the time the Inconsistent Practice or Procedure

is identified) preclude the taxpayer from initiating a change from an Inconsistent Practice or Procedure to a Consistent Practice or Procedure in the currently pending proceeding, in which case the currently pending proceeding shall not be the Next Available Opportunity, and the Next Available Opportunity means the next Rate Proceeding.

(3) If, at the conclusion of a Rate Proceeding, the taxpayer has a private letter ruling request pending before the Service to address whether or not a practice or procedure addressed in the Rate Proceeding is a Consistent Practice or Procedure, and the Taxpayer's Regulator later establishes or approves rates subject to adjustment from the effective date of the unadjusted rates in order to conform to the Service's ruling, the taxpayer shall have corrected its Inconsistent Practice or Procedure at the Next Available Opportunity.

5. Application

.01. For any taxpayer described in section 3 of this revenue procedure, the Service will not assert that the Inconsistent Practice or Procedure constitutes a violation of the Normalization Rules and will not deny that taxpayer the benefits of the ITC and/or accelerated depreciation. In any tax year ending after the taxpayer has identified an Inconsistent Practice or Procedure, but in which the taxpayer has not changed to a Consistent Practice or Procedure because the taxpayer has not reached the year that presents the taxpayer with its Next Available Opportunity, the taxpayer must include in its return a statement described in section 5.02 of this revenue procedure. If the taxpayer makes the representation described in section 5.02(3) of this revenue procedure, the Service will not assert that the Inconsistent Practice or Procedure is a violation of the Normalization Rules and will not challenge the taxpayer's use of the identified Inconsistent Practice or Procedure unless the taxpayer does not change to a Consistent Practice or Procedure at the Next Available Opportunity.

.02. A statement is described in this section 5.02 if:

(1) The top of the statement is marked "FILED PURSUANT TO REV. PROC. 2017-47";

(2) The statement identifies the taxpayer's Inconsistent Practice or Procedure; and

(3) The statement includes a representation by the taxpayer of its intention to change to a Consistent Practice or Procedure at the Next Available Opportunity.

6. Effective Date

This revenue procedure is effective for taxable years ending on or after December 31, 2016. However, the Service will not challenge any Inconsistent Practice or Procedure in any earlier taxable year provided that the requirements of sections 3 and 5 of this revenue procedure are satisfied by the taxpayer with respect to the Inconsistent Practice or Procedure in such taxable year.

7. Paperwork Reduction Act

The collections of information contained in this revenue procedure have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545-2276.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

The collections of information are in sections 3 and 5 of this revenue procedure and are required for a taxpayer to apply the safe harbor provided by this revenue procedure. This information is required to be collected and retained to clearly demonstrate the effects of a taxpayer's Inconsistent Practice or Procedure and the taxpayer's change to a Consistent Practice or Procedure adopted or approved by the Taxpayer's Regulator. The taxpayer must also include a statement in its federal income tax return identifying the Inconsistent Practice or Procedure and representing its intention to change to a Consistent Practice or Procedure at the Next Available Opportunity. The likely respondents are corporations or partnerships that are regulated public utilities.

The estimated total annual reporting burden is 1,800 hours.

The estimated annual burden per respondent varies from 10 hours to 14 hours, depending on individual circumstances, with an estimated average burden of 12 hours to collect and retain contemporaneous documentation and to complete the statement required under this revenue procedure. The estimated number of respondents is 150.

The estimated annual frequency of responses is on occasion.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by § 6103.

8. Drafting Information

The principal author of this revenue procedure is Jennifer C. Bernardini of the Office of Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding this revenue procedure contact Ms. Bernardini on (202) 317-6853 (not a toll free call).