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Docket No. 17-00092

August 31, 2017

Sharla Dillon, Dockets Manager
Tennessee Public Utility Commission
Andrew Jackson State Office Building
Fourth Floor, 500 Deaderick Street
Nashville, TN 37242

VIA E-MAIL AND HAND DELIVERY

RE: Atmos Energy Corporation Tennessee and Union City, Tennessee 2016-2017 ACA
Filing

Dear Ms. Dillon:

Enclosed is the 2016–2017 ACA filing of Atmos Energy Corporation’s Tennessee and Union City, Tennessee. The material contained in this filing consists of:

1. The original and four (4) copies of redacted Exhibits I and II for public filing;
2. A proposed Protective Order, also for public filing;
3. A sealed envelope for the docket room containing the **CONFIDENTIAL** portion of the filing which consists of a CD and hard copy of all of the supporting documentation for the ACA filing. Both the binders and the CD are marked **CONFIDENTIAL** and are **not** to be posted in the electronic docket in this matter; and
4. A second sealed envelope for Audit Staff use only containing the **CONFIDENTIAL** portion of the filing on CD, which contains all of the supporting documentation for the ACA filing.

Both the binders and the CD are marked **CONFIDENTIAL** and should **not** be posted to the electronic docket in this matter.

I have also enclosed a check in the amount of \$25.00 for the filing fee.

Please contact me if you have any questions concerning this filing.

Sharla Dillon, Dockets Manager
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August 31, 2017

Best regards.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Scott Ross', with a stylized, cursive script.

A. Scott Ross

ASR:prd

Enclosures

EXHIBIT I

**ATMOS ENERGY CORPORATION
CALCULATION OF ACA FACTOR
ALL TENNESSEE TOWNS OTHER THAN UNION CITY
2016-2017 ACA**

1	Previous Year's Demand Cost Balance	\$3,477,448.07
2	Current Year's Demand Cost (Exhibit II-A)	\$18,857,607.46
3	Current Year's Interest on Demand Cost Balances	\$137,867.14
4	Demand Cost Recovered (EXHIBIT II-A)	\$20,912,645.69
5	Demand Under/(Over)-Recovery	\$1,560,276.98
6	Previous Year's Commodity Cost Balance	(\$4,631,419.52)
7	Current Year's Commodity Cost (EXHIBIT II-B)	\$32,539,517.47
8	Current Year's Interest on Commodity Cost Balances	(\$48,684.24)
9	Bad Debt Cost (EXHIBIT III)	\$52,270.53
10	Commodity Cost Recovered (EXHIBIT II-B)	\$27,117,738.03
11	Commodity Under/(Over)-Recovery	\$793,946.21

ATMOS ENERGY CORPORATION
2016-2017 ACA
ALL TENNESSEE TOWNS OTHER THAN UNION CITY

EXHIBIT I-A

Line	Demand	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	TOTAL
1	Beginning Balance	3,477,448.07	4,414,641.86	5,400,541.65	6,301,993.67	7,082,988.97	7,702,950.19	6,303,889.63	3,549,354.01	1,899,259.48	871,512.49	333,886.00	864,639.09	3,477,448.07
2	ACA Audit Adjustment													
3	Invoiced Demand Gas Costs	Redacted												
4	Payments Fees and CUC	Redacted												
	Gas Cost Recovery													
5	Firm sales	523,798.78	478,335.84	564,240.82	668,449.77	1,125,593.28	3,146,807.42	4,496,221.36	3,382,121.36	2,809,230.14	1,969,081.00	946,832.62	781,933.30	20,912,645.69
6														
7														
	Miscellaneous Adjustments													
	Pipeline Refund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Demand Ending Balance Before Interest	4,403,149.32	5,386,248.68	6,284,952.32	7,063,497.63	7,681,418.76	6,283,492.73	3,535,005.62	1,891,325.16	817,550.48	332,102.70	862,789.23	1,556,534.25	1,422,409.84
9	Average monthly balance	3,940,298.70	4,900,445.27	5,842,746.99	6,882,745.65	7,382,203.87	6,993,221.46	4,919,447.63	2,720,339.59	1,358,404.98	576,807.59	598,337.61	1,210,586.67	
10	Interest Rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.71%	3.71%	3.71%	
11	Calculated Interest-Demand	11,492.54	14,292.97	17,041.35	19,491.34	21,531.43	20,396.90	14,348.39	7,934.32	3,962.01	1,783.30	1,649.86	3,742.73	137,867.14
12	Demand Ending Balance Including Interest	4,414,641.86	5,400,541.65	6,301,993.67	7,082,988.97	7,702,950.19	6,303,889.63	3,549,354.01	1,899,259.48	821,512.49	333,886.00	864,639.09	1,560,276.98	1,560,276.98
	Total ACA Ending Balance (Including Interest)	(35,054.40)	1,046,802.92	1,986,114.44	2,819,784.09	4,543,623.24	8,010,219.80	4,893,550.70	3,156,265.19	2,317,274.02	1,333,684.96	1,820,313.49	2,354,223.19	2,354,223.19
	Total Current Month ACA Interest	(1,731.47)	1,473.32	4,416.57	6,998.39	10,722.67	15,368.61	15,586.94	11,430.97	7,970.62	5,635.07	4,868.03	6,443.18	89,182.90

Line	Commodity	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	TOTAL
1	Beginning Balance	(4,631,419.52)	(4,449,696.26)	(4,353,738.73)	(4,315,879.23)	(4,263,204.88)	(3,159,326.95)	(293,669.83)	1,144,196.69	1,257,005.71	1,495,761.53	999,798.96	955,674.40	(4,631,419.52)
2														0.00
3														0
4	Invoiced Commodity Gas Costs	1,862,918.71	1,614,458.60	1,792,065.43	2,141,031.35	1,877,533.85	5,854,727.83	6,374,003.14	2,372,266.41	2,284,174.68	2,937,165.57	2,425,062.67	2,520,209.67	34,055,617.91
5														
6	Gas Used By Company	(231.84)	(210.19)	(132.61)	(736.34)	(408.87)	(2,584.58)	(2,984.24)	(2,711.65)	(2,343.02)	(1,005.95)	(812.48)	(736.69)	(14,898.66)
7	Hedging Costs													
8	Margin Loss / Penalties	0.00	0.00	0.00	0.00	0.00	(34,840.50)	0.00	0.00	0.00	0.00	0.00	0.00	(34,840.50)
9	Cashouts	(15,805.71)	(2,864.66)	(49,088.35)	(35,812.41)	107,134.81	28,841.05	(80,622.23)	(37,698.62)	28,457.20	(8,091.62)	(50,521.22)	15,005.42	(101,066.64)
														0.00
	Inventory Activity													
10	Storage Injections	(1,046,585.67)	(924,870.29)	(1,035,546.76)	(1,176,360.73)	(170,313.08)	(270,716.17)	(357,197.59)	(72,590.57)	(160,996.40)	(1,270,999.88)	(1,086,057.59)	(1,351,778.61)	(8,924,013.34)
11	Storage Withdrawals	24,734.76	3,281.84	0.00	83,796.24	776,655.81	1,276,304.50	1,115,061.17	2,284,672.54	1,787,453.52	45,466.84	165,257.44	4,985.74	7,567,670.40
	Bad Debt Cost	4,947.44	16,179.51	24,266.85	12,619.56	(4,786.93)	(383.31)	163.67	863.41	(565.87)	1,348.01	3,332.22	(7,732.03)	52,270.53
	Gas Cost Recovery													
12	Total Commodity sales	635,030.42	599,397.63	681,080.28	959,370.37	1,471,126.90	3,980,463.41	5,611,795.95	4,435,508.65	3,701,432.90	2,203,697.31	1,503,403.77	1,335,430.44	27,117,738.03
13														0.00
14														0.00
	Miscellaneous Adjustments													
15	WNA Audit Findings													
	Special Audit - recoverable fees												(8,951.70)	(8,951.70)
	Transfer ECRB Balance													
16	Commodity Ending Balance Before Interest	(4,436,472.25)	(4,340,919.06)	(4,303,254.45)	(4,250,711.93)	(3,148,518.19)	(288,641.54)	1,142,958.14	1,253,509.06	1,491,752.92	995,947.19	952,656.23	791,245.76	842,630.45
17	Average Monthly Balance	(4,533,945.89)	(4,395,307.67)	(4,328,496.59)	(4,283,295.58)	(3,705,861.54)	(1,723,984.25)	424,644.16	1,198,852.88	1,374,379.32	1,245,854.36	976,227.60	873,460.08	
18	Interest Rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.71%	3.71%	3.71%	
19	Calculated Interest-Commodity	(13,224.01)	(12,619.65)	(12,624.78)	(12,492.95)	(10,806.76)	(5,028.29)	1,238.55	3,496.65	4,008.61	3,851.77	3,018.17	2,700.45	(48,684.24)
20	Commodity Ending Balance Including Interest	(4,449,696.26)	(4,353,738.73)	(4,315,879.23)	(4,263,204.88)	(3,159,326.95)	(293,669.83)	1,144,196.69	1,257,005.71	1,495,761.53	999,798.96	955,674.40	793,946.21	793,946.21

ATMOS ENERGY CORPORATION
BAD DEBT RECOVERIES
ALL TENNESSEE TOWNS OTHER THAN UNION CITY
2016-2017 ACA

	Beginning Balance	Current Month Activity	Reduction for Bad Debt in Base Rates (1)	Ending Balance
July-16	-	4,947.44		4,947.44
August-16	4,947.44	18,179.51		23,126.95
September-16	23,126.95	24,266.85		47,393.80
October-16	47,393.80	12,619.56		60,013.36
November-16	60,013.36	(4,788.93)		55,224.43
December-16	55,224.43	(383.31)		54,841.12
January-17	54,841.12	163.67		55,004.79
February-17	55,004.79	883.41		55,888.20
March-17	55,888.20	(565.87)		55,322.33
April-17	55,322.33	1,348.01		56,670.34
May-17	56,670.34	3,332.22		60,002.56
June-17	60,002.56	(7,732.03)		52,270.53
TOTAL		52,270.53	-	

EXHIBIT II

ATMOS ENERGY CORPORATION CALCULATION OF ACA FACTOR UNION CITY, TENNESSEE 2016 2017 ACA

1	Previous Year's Demand Cost Balance	\$35,706.38
2	Current Year's Demand Cost	\$110,539.00
3	Interest on Demand Balance	\$1,061.93
4	Demand Cost Recovered	\$134,686.54
5	Demand Under/(Over)-Recovery	\$12,620.77
6	Previous Year's Commodity Cost Balance	\$46,952.37
7	Current Year's Commodity Cost	\$1,058,834.20
8	Interest on Commodity Balance	\$3,609.99
9	Bad Debt Expense	(\$356.18)
10	Commodity Cost Recovered	\$1,099,395.69
11	Commodity Under/(Over)-Recovery	\$9,644.69

ATMOS ENERGY CORPORATION
2016-2017 ACA
Union City Tennessee

EXHIBIT II-A

Line	Demand	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	TOTAL
1	Beginning Balance	35,706.38	35,019.17	34,690.70	33,565.15	32,419.13	45,693.69	44,231.06	30,169.48	23,967.63	26,684.17	17,069.28	13,900.26	35,706.38
2														
3	Invoiced Demand Gas Costs	2,135.90	2,135.90	2,067.00	2,135.90	19,032.00	19,666.40	19,666.40	17,763.20	19,666.40	2,067.00	2,135.90	2,067.00	110,539.00
4														
	Gas Cost Recovery													
5	Firm sales	2,926.10	2,565.88	3,271.97	3,398.04	5,871.19	21,259.98	33,896.32	24,043.88	17,023.82	11,749.42	5,352.72	3,387.42	134,686.54
6														
7														
	Miscellaneous Adjustments													
8	Demand Ending Balance Before Interest	34,916.18	34,569.19	33,485.73	32,323.01	45,579.94	44,100.11	30,061.14	23,888.60	26,610.41	17,001.75	13,852.46	12,579.84	11,558.84
9	Average monthly balance	35,311.28	34,804.18	34,088.22	32,954.08	38,999.54	44,896.90	37,146.10	27,029.14	25,289.02	21,842.96	15,460.87	13,240.05	
10	Interest Rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.71%	3.71%	3.71%	
11	Calculated Interest-Demand	102.99	101.51	99.42	96.12	113.75	130.95	108.34	78.83	73.76	67.53	47.80	40.93	1,061.93
12	Demand Ending Balance Including Interest	35,019.17	34,690.70	33,585.15	32,419.13	45,693.69	44,231.06	30,169.48	23,967.63	26,684.17	17,069.28	13,900.26	12,620.77	12,620.77
Total ACA Ending Balance (Including Interest)		92,295.07	111,613.87	114,794.23	120,684.06	189,574.80	264,417.97	150,667.50	157,591.06	173,218.37	107,847.04	53,458.52	22,265.46	22,265.46
Total Current Month ACA Interest		254.77	296.93	329.69	342.91	451.80	661.11	604.45	448.88	481.73	433.81	248.97	116.87	4,671.92

Line	Commodity	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	TOTAL
1	Beginning Balance	46,952.37	57,275.90	76,923.17	81,209.08	88,264.93	143,881.11	220,186.91	120,498.02	133,623.43	146,534.20	90,777.76	39,558.26	46,952.37
2														
3														
4	Invoiced Commodity Gas Costs	138,766.33	107,427.32	115,817.87	104,371.89	30,004.19	131,635.67	134,402.24	52,476.22	53,987.50	131,828.44	95,908.14	108,774.38	1,205,380.19
5	Texas Gas Imbalance	(110,351.64)	(70,304.73)	(87,919.58)	(62,311.18)	73,434.44	129,565.61	141,070.02	180,803.07	111,212.29	(100,799.53)	(94,930.33)	(96,278.88)	(7,010.44)
6	Gas Used By Company	(3.10)	(3.10)	(3.87)	(4.95)	(16.33)	(336.49)	(490.41)	(413.99)	(340.30)	(229.47)	(161.57)	(77.98)	(2,083.36)
7	Hedging Costs													
8	Margin Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Cashouts	3,332.75	(375.09)	(1,269.07)	(1,621.48)	(4,602.81)	(17,132.51)	(106,104.53)	3,717.04	(9,514.81)	3,423.16	1,847.70	(4,474.35)	(132,774.00)
	Inventory Activity													
10	Storage Injections	(6,500.00)	(5,824.00)	(6,308.94)	(6,552.00)	0.00	0.00	0.00	0.00	0.00	(6,900.64)	(7,026.96)	(7,052.86)	(46,165.40)
11	Storage Withdrawals	0.00	0.00	0.00	0.00	4,689.16	9,263.17	7,625.92	10,708.65	9,200.31	0.00	0.00	0.00	41,487.21
	Bad Debt Cost	132.33	1,862.45	1,180.57	747.93	(184.68)	(3,238.27)	203.06	(268.31)	(411.40)	285.95	251.92	(917.73)	(356.18)
	Gas Cost Recovery													
12	Commodity sales	15,204.92	13,331.00	17,441.54	27,821.15	48,045.84	173,979.54	276,891.30	214,067.32	151,610.79	83,730.63	47,309.57	29,862.09	1,099,395.69
13														
14														
	Miscellaneous Adjustments													
15	WNA Audit Findings													
16	Pipeline Refund													
17	Commodity Ending Balance Before Interest	57,124.12	76,727.75	80,978.81	88,018.14	143,543.06	219,656.75	120,001.91	133,253.38	146,126.23	90,411.48	39,357.09	9,568.75	6,034.70
18	Average Monthly Balance	52,038.25	67,001.83	78,950.99	84,613.61	115,904.00	181,768.93	170,094.41	126,875.70	139,874.83	118,472.84	65,067.42	24,563.50	
19	Interest Rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.71%	3.71%	3.71%	
20	Calculated Interest-Commodity	151.78	195.42	230.27	246.79	338.05	530.16	496.11	370.05	407.97	366.28	201.17	75.94	3,609.99
21	Commodity Ending Balance Including Interest	57,275.90	76,923.17	81,209.08	88,264.93	143,881.11	220,186.91	120,498.02	133,623.43	146,534.20	90,777.76	39,558.26	9,644.69	9,644.69

Exhibit II-C

AtmosEnergy Corporation
ACA Bad Debt Expense - Union City Tennessee
2016-2017 ACA

	BEGINNING BALANCE	CURRENT MONTH ACTIVITY	ENDING BALANCE
July-16	\$0.00	132.33	132.33
August-16	\$132.33	1,862.45	1,994.78
September-16	\$1,994.78	1,180.57	3,175.35
October-16	\$3,175.35	747.93	3,923.28
November-16	\$3,923.28	(184.68)	3,738.60
December-16	\$3,738.60	(3,238.27)	500.33
January-17	\$500.33	203.06	703.39
February-17	\$703.39	(268.31)	435.08
March-17	\$435.08	(411.40)	23.68
April-17	\$23.68	285.95	309.63
May-17	\$309.63	251.92	561.55
June-17	\$561.55	(917.73)	(356.18)
Total		(356.18)	
		Beginning Balance	\$0.00
		Activity Jul 16 thru Jun 17	(356.18)
		Ending Balance	<u>(\$356.18)</u>