## BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION NASHVILLE, TENNESSEE

IN RE:	June 24, 2019	)	
		)	
RESPONSE OF ATMOS	ENERGY	)	DOCKET NO.
CORPORATION TO TH	E COMMISSION'S	)	18-00034
ORDER OPENING AN I	NVESTIGATION AND	)	
REQUIRING DEFERRE	D ACCOUNTING	)	
TREATMENT		)	
		)	

## ORDER APPROVING JOINT PETITION TO APPROVE STIPULATION AND SETTLEMENT AGREEMENT

This matter came before Chair Robin L. Morrison, Vice Chair Kenneth C. Hill, and Commissioner John Hie of the Tennessee Public Utility Commission ("Commission" or "TPUC"), the voting panel assigned to this docket, at a regularly scheduled Commission Conference held on April 15, 2019, for consideration of the *Joint Petition to Approve the Stipulation and Settlement Agreement* ("*Joint Petition*"), filed on April 4, 2019 by Atmos Energy Corporation ("Atmos" or the "Company") and the Consumer Advocate Unit in the Financial Division of the Office of the Tennessee Attorney General and Reporter ("Consumer Advocate").

Before the filing of the *Joint Petition*, the Company and the Consumer Advocate submitted the *Stipulation and Settlement Agreement* ("Settlement Agreement") on March 25, 2019 to resolve both this docket and TPUC Docket No. 18-00097. Neither docket has been consolidated or joined. For purposes of this docket, sections of the Settlement Agreement are intended to resolve many of the ultimate consequences of the change in tax rates resulting from

the 2017 Tax Cuts and Jobs Act, Pub.L. No. 115-97 ("2017 Tax Act" or TCJA).1

#### BACKGROUND AND PROCEDURAL HISTORY

Generally, the statutory rate for federal income tax expense is included as a component of the revenue requirement when utility rates are set by the Commission. On December 22, 2017, new federal tax reductions, including those for businesses, were signed into law. The primary business tax reduction impacting utilities and utility rates was the lowering of the corporate tax rate from 35% to 21%, which will significantly reduce income tax expenses that are currently recovered in utility service rates. The lower tax rates will also impact the future tax liability for utilities that have deferred income taxes because the tax deferrals were included in ratemaking calculations at 35% when in fact the rate is now 21%; this lower tax liability is not reflected in existing rates because future recovery in previous proceedings was based upon a 35% tax rate.<sup>2</sup>

Income taxes and deferred tax liabilities are major components included in establishing rates for all corporate investor-owned utilities. Many public utility commissions, including the Tennessee Public Utility Commission, require depreciation methods to recognize depreciation benefits over the life of the asset placed into service.<sup>3</sup> The Internal Revenue Service ("IRS"), however, allows businesses, including utilities, to recover investment at a faster rate by utilizing accelerated depreciation methods. Accelerated depreciation lowers a utility's income for federal tax purposes in the early years when an asset is placed in service thereby reducing income taxes owed in those early years. These tax savings are then recorded as deferred income taxes and returned to ratepayers in future years to avoid utility windfall profits.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> See In re: Tennessee Public Utility Commission Investigation of Impacts of Federal Tax Reform on the Public Utility Revenue Requirement, Docket No. 18-00001, Order Opening an Investigation and Requiring Deferred Accounting Treatment, pp. 2-3 (February 6, 2018) (hereinafter TPUC 2018 Tax Reform Order).

<sup>&</sup>lt;sup>3</sup> TPUC 2018 Tax Reform Order, pp. 2-3 (February 6, 2018).

<sup>&</sup>lt;sup>4</sup> *Id.* at 2.

Absent an adjustment, utilities' service rates would be unreflective of a significantly lower cost. This Commission and other state commissions have in the past allowed for deferring expenses and/or revenues until such time as a final decision can be made as to (1) the proper amounts to be recovered by the utility or returned to ratepayers and (2) the method by which amounts are recovered by utilities or returned to ratepayers.<sup>5</sup>

On January 16, 2018, the Commission ordered Atmos to immediately apply deferred accounting treatment with respect to the impact of the lowering of the federal corporate income tax ("FIT") rate resulting from the 2017 Tax Act.<sup>6</sup> The Commission also ordered Atmos to provide no later than March 31, 2018, the amounts deferred, as well as a proposal to reduce rates or otherwise make adjustments to account for the computed tax benefits. The Commission specifically required Atmos to:

- 1. Track and accumulate monthly in a deferred account the portion of its revenue representing the difference between the cost of service approved by the Commission in its most recent rate case and the cost of service that would have resulted had the provision for federal income taxes been based on 21% rather than 35%; and
- 2. Calculate the excess deferred tax reserve caused by the reduction in the corporate federal income tax rate and recognize as a deferred liability the estimated reduction of the utilities' revenue requirement resulting from the 2017 Tax Act; and
- 3. Calculate and defer any other tax effects resulting from the 2017 Tax Act on revenue requirement that are not included in the preceding calculations.<sup>7</sup>

The present docket was opened and in accordance with the Commission's order, Atmos submitted the Response of Atmos Energy Corporation to the Commission's Order Opening an

<sup>&</sup>lt;sup>5</sup> Id. at 2-3 (citing In re: Application to Lower Rates and Charges for Any Refund Due to Customers of Centerpoint Energy Resources Corporation, Oklahoma Corporation Commission, No. PUD 201700568, Order, (January 9, 2018); Kentucky Industrial Utility Customers v. Kentucky Utilities Company, et al. Kentucky Public Service Commission, Case No. 2017-00477, Order (December 27, 2017); In Re: Tax Reform Act of 1986, Mass. Dept. of Public Utilities, Order, D.P.U. 87-21-A, (June 1, 1987); Pennsylvania Public Utility Commission v. ALLTEL Pennsylvania, Inc. M-860105, Order Prescribing Temporary Rate Reductions in Response to the Tax Reform Act of 1986, (June 10, 1987)).

<sup>&</sup>lt;sup>6</sup> TPUC 2018 Tax Reform Order, p. 3 (February 6, 2018).

<sup>&</sup>lt;sup>7</sup> *Id.* at 4-5.

Investigation and Requiring Deferred Accounting Treatment on March 29, 2018. Following the convening of a contested case and the intervention of the Consumer Advocate, a procedural schedule providing for discovery and pre-filed testimony deadlines was entered by the Hearing Officer.<sup>8</sup> On October 8, 2018, the Company filed the Pre-Filed Direct Testimony of Jennifer K. Story concerning an overview of accumulated deferred income taxes ("ADIT") and the Company's position for why an ADIT reduction in rate base is appropriate.<sup>9</sup> On December 21, 2018, the Consumer Advocate filed the Pre-Filed Direct Testimony of David Dittermore which provided areas of agreement and disagreement between the Company and the Consumer Advocate.<sup>10</sup> The Company submitted pre-filed rebuttal testimony on January 23, 2019.

#### THE FILING OF THE SETTLEMENT AGREEMENT

On March 25, 2019, the *Settlement Agreement* was filed by the Consumer Advocate and Atmos Energy (the "Parties") in Docket Nos. 18-00034 and 18-00097. The *Settlement Agreement* was intended to resolve both dockets. The Parties acknowledge in the *Settlement Agreement* that Docket Nos. 18-00034 and 18-00097 have not been formally merged into a single docket. However, the Parties assert there are issues within both Dockets that overlap or are interrelated. The Parties concluded a single "global" settlement agreement to address all issues in both dockets was appropriate.

#### THE FILING OF JOINT PETITION TO APPROVE THE SETTLEMENT AGREEMENT

On April 4, 2019, the Parties filed the *Joint Petition*. The *Joint Petition* submitted excerpted provisions from the *Settlement Agreement* which the Parties submitted would resolve

<sup>&</sup>lt;sup>8</sup> Order Establishing a Procedural Schedule (October 22, 2018)

<sup>&</sup>lt;sup>9</sup> Jennifer K. Story, Pre-filed Direct Testimony (October 8, 2018).

<sup>&</sup>lt;sup>10</sup> David Dittemore, Pre-filed Testimony (December 21, 2018).

<sup>&</sup>lt;sup>11</sup> Stipulation and Settlement Agreement (March 25, 2018).

the issues in the present docket, Docket No. 18-00034. The following nine points summarize and describe the central portions of the *Settlement Agreement* relating to Docket No. 18-00034:

- 1. The Parties agree that Atmos' annual review mechanism ("ARM") shall be used as the mechanism to address the Income Tax Savings for the reduction of the FIT rate from 35% to 21%. Further, the parties agree that a blended FIT rate of 29.26% shall be used in Atmos the ARM Docket. Going forward Atmos' ARM, as established in Commission Docket No. 14-00146, provides the mechanism to address the Income Tax Savings from the TCJA's reduction of the federal corporate tax rate from 35% to 21%. 12
- 2. The Parties agree to the removal of Pension Expense, Restricted Stock Program, Restricted Stock Management Incentive Plan ("MIP") and MIP Variable Pay Plan Accrual from Atmos Energy's Accumulated Deferred Income Tax ("ADIT") accounts (with the exception of certain Directors Stock Award amounts) as the methodology to be applied in order to synchronize Operating & Maintenance costs for ratemaking purposes. The Parties further agree to remove \$134,123 from the ADIT balance in this docket to recognize this removal.<sup>13</sup>
- 3. The Parties agree to use the Tennessee specific excise tax rate for both income tax expense and ADIT. This increases the 13-month average balance of ADIT by \$6,953,884 and decreases rate base by \$6,955,572. This also reflects a correction to the Regulatory Liability balance for the impact of excess ADIT using the Tennessee rate rather than a composite system average tax rate. This adjustment results in a Regulatory Liability balance for the impact of excess ADIT using the Tennessee excise tax rate rather than a composite average tax rate. An adjustment of \$68,802 has been applied to the months of

<sup>&</sup>lt;sup>12</sup> *Id.* at 5-6.

<sup>&</sup>lt;sup>13</sup> *Id.* at 8-9.

- December 2017 May 2018 resulting in an adjustment of \$31,755 to the thirteen-month average. 14
- 4. Exhibit A reconciles the adjusted rate base to the Company's original rate base and includes the changes to Cash Working Capital (-\$40,061), Accumulated Depreciation and Amortization (\$9,733), Storage Gas Investment Assets/Liabilities (-\$31,755) and ADIT (\$134,123). Exhibits B, C, D, E, and F show the impact to the individual accounts. In summary, the Parties agree the estimated ADIT is \$48,514,590 and the estimated total of excess ADIT as of May 31, 2018 is \$29,232,886 with both being finalized after the Company files its FIT return for its prior fiscal year. <sup>15</sup>
- 5. Due to the lack of vintage records, Atmos will use the Reverse South Georgia Method (RSGM) for the reversal of the excess ADIT. The Parties agree to resolve the issue of the classification of the Repair Deduction in Commission Docket No. 18-00034; through a Private Letter Ruling (PLR) process with the Internal Revenue Service (IRS) in accordance with Rev. Proc 2019-1, or its successor. The PLR is to be filed with the Commission within 90 days of written approval of the *Settlement Agreement* for Commission review to determine whether it is adequate and complete. The question to be posed in the PLR is "whether a Company using the RSGM, due to lack of vintage plant records, must normalize Excess ADIT associated with the Repair Deduction or whether Excess ADIT associated with the Repair Deduction may be flowed back to ratepayers over an amortization period determined by the state utility regulatory agency."

<sup>&</sup>lt;sup>14</sup> *Id.* at 9-10.

<sup>&</sup>lt;sup>15</sup> *Id.* at 10.

<sup>&</sup>lt;sup>16</sup> At the Hearing, Counsel for Atmos and Ms. Story indicated the Company had been advised by tax counsel that the IRS intends to issue guidance on the issue and has asked parties to hold off from requesting such PLRs. Counsel for the Consumer Advocate also indicated agreement. Therefore, the Parties agreed that the deadline for the PLR should be extended from ninety (90) to one hundred and eighty (180) days. Transcript of Commission Conference, pp. 42, 49-50, 52-53 (April 15, 2019).

Further the cost to be recovered from ratepayers related to the PLR are capped at \$100,000.<sup>17</sup>

- 6. Because of the uncertainty regarding the Repair deduction, the Parties agree the exact classification between Protected and Unprotected excess ADIT cannot be determined at this time. The parties agree, however, that the amortization period for Protected excess ADIT shall be 28 years and the Commission should address the amortization period for Unprotected excess ADIT upon resolution of the repair deduction issue. Until such time as the PLR is addressed, the Company will continue to amortize its defined amount of Protected excess ADIT. 18
- 7. The Company is not required to identify the Tennessee specific Net Operating Loss in this docket.<sup>19</sup>
- 8. The amortizations of both the Protected and Unprotected excess ADIT shall be credited to Income Tax Expense.<sup>20</sup>
- 9. The Company is not required to upgrade its plant accounting accumulated reserve records or modify its accounting systems in order to utilize the Average Rate Assumption Method ("ARAM") in future filings. <sup>21</sup>

The Parties state in the *Joint Petition* that the *Settlement Agreement* is subject to all terms and conditions of the *Settlement Agreement*, whether applicable to the present docket or not.<sup>22</sup>

#### THE HEARING

<sup>&</sup>lt;sup>17</sup> Stipulation and Settlement Agreement, pp. 11-14 (March 25, 2018).

<sup>18</sup> *Id.* at 14.

<sup>&</sup>lt;sup>19</sup> Id. at 15.

<sup>&</sup>lt;sup>20</sup> *Id.* at 14.

<sup>&</sup>lt;sup>21</sup> *Id.* at 15-16.

<sup>&</sup>lt;sup>22</sup> Joint Petition, p. 9 (April 4, 2019).

The Hearing in this matter was held before the voting panel during the regularly scheduled Commission Conference on April 15, 2019, as noticed by the Commission on April 5, 2019. On April 5, 2019, A. Scott Ross, Esq., Attorney for Atmos, filed with the TPUC a Notice demonstrating the Company's compliance with the notice requirements of TPUC Rule 1220-04-01-.05. Prior to the Hearing, the parties jointly informed the Hearing Officer that there were no outstanding procedural issues and, further, that they waived cross-examination of each party's respective expert witness.<sup>23</sup> Participating in the Hearing were:

<u>Atmos Energy Corporation</u> – A. Scott Ross, Esq., Neal & Harwell, 2000 One Nashville Place, 150 Fourth Avenue North, Nashville, Tennessee 37219-2498

<u>Consumer Advocate</u>– Karen Stachowski, Esq. and Vance Broemel, Esq., Office of the Attorney General and Reporter, Post Office Box 20207, Nashville, Tennessee 37202-0207.

The Parties appeared jointly and waived cross-examination of witnesses. During the Hearing, Jennifer K. Story, the Company's Director of Regulatory Reporting, appeared telephonically.<sup>24</sup> Ms. Story summarized the relevant points of the *Settlement Agreement* filed by the Parties, including an amendment to Paragraph #42 in which the deadline for the issuance of the PLR would be extended from ninety (90) to one hundred and eighty (180) days.<sup>25</sup> Members of the public were given an opportunity to offer comments, but no one sought recognition to do so.

#### FINDINGS AND CONCLUSIONS

It is procedurally unusual for one settlement agreement to resolve two separate dockets which were not previously joined or consolidated, even more so when the settlement agreement is hedged with an "all or nothing" non-severability clause. In essence, the *Settlement Agreement* is heard in parts in two separate dockets and by separate hearing panels. With the consequences

<sup>24</sup> Order Granting Electronic Participation in Hearing (April 15, 2019).

<sup>&</sup>lt;sup>23</sup> Pre-Hearing Order (April 11, 2019).

<sup>&</sup>lt;sup>25</sup> Transcript of Commission Conference, p. 49-50 (April 15, 2019).

of federal tax rate changes considered in this docket and the impact on the annual reconciliation of alternative rate mechanism pending in TPUC Docket No. 18-00097, there are issues present which intersect and have a ripple effect between the two dockets the Parties have sought to resolve. Be that as it may, parties that submit global settlements to resolve dockets which have not been joined or consolidated run the risk of whole settlements falling apart if one or both Commission hearing panels concludes one or more settlement provisions are not acceptable, just and reasonable, or otherwise in the public interest.

The Commission Hearing panel here considered the agreements between the Parties in the *Settlement Agreement* as they applied to the ARM Reconciliation in Docket No. 18-00034. After the Hearing and upon consideration of the record and the *Settlement Agreement*, the panel found the methodologies, adjustments and procedures relating to the issues contained within Docket No. 18-00034 to be reasonable and acceptable. The panel voted unanimously for approval of provisions within the *Stipulation and Settlement*, as amended by the Parties at the Hearing, as it applies to Commission Docket No. 18-00034. Further, the panel determined the docket shall remain open in order to address the outstanding issues which may be addressed subsequent to the IRS's response to Atmos Energy's Private Letter Ruling Request as proposed by the *Settlement Agreement*.

#### IT IS THEREFORE ORDERED THAT:

1. The *Joint Petition to Approve Stipulation and Settlement Agreement* filed on March 25, 2019, as it applies to Docket No. 18-00034, and attached herein as Exhibit A, and amended by the Parties at the Hearing, is approved. A copy of the Stipulation and Settlement Agreement is attached herein as Exhibit B.

2. The Docket shall remain open to resolve the outstanding issues related to the

response of the Internal Revenue Service to the Private Letter Ruling Request as proposed by the

Stipulation and Settlement Agreement.

3. Any person who is aggrieved by the Commission's decision in this matter may

file a Petition for Reconsideration with the Commission within fifteen (15) days from the date of

this Order.

4. Any person who is aggrieved by the Commission's decision in this matter has the

right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals,

Middle Section, within sixty (60) days from the date of this Order.

Chair Robin L. Morrison, Vice Chair Kenneth C. Hill, and Commissioner John Hie

concur.

**ATTEST:** 

Earl R. Taylor, Executive Director

Earl Jaylon

## EXHIBIT A

IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

TRUE 7

T.P.U.C. DOCKET ROOM

IN RE:	)		
	)		
RESPONSE OF ATMOS ENERGY	)	Docket No. 18-00034	
CORPORATION TO THE	)		
COMMISSION'S ORDER OPENING	)		
AN INVESTIGATION AND REQUIRING	)		
DEFERRED ACCOUNTING	)		
TREATMENT	)		

#### JOINT PETITION TO APPROVE STIPULATION AND SETTLEMENT AGREEMENT

The Parties jointly request approval of the Stipulation and Settlement Agreement (Settlement Agreement) filed in the above-referenced Docket and in Docket No. 18-00097 on March 25, 2019. The Stipulation and Settlement Agreement is incorporated in its entirety by reference herein. While the Parties request approval as written of all provisions of the entire Settlement Agreement in both dockets, for ease of reference, and at the request of the Hearing Officer, the Parties submit the following excerpted provisions from the Settlement Agreement. Subject to all of the terms and conditions of the Settlement Agreement, including provisions not reproduced below, the Settlement Agreement includes the following resolution of issues in this Docket 18-00034 (as excerpted from the Settlement Agreement):

#### Reduction in Federal Income Tax Rate

16.1 The issue in this subsection concerning the reduction in federal income tax rates under the TCJA was raised in both TPUC Docket Nos. 18-00034 and 18-00097.

<sup>&</sup>lt;sup>1</sup> For ease of reference, paragraph numbering from the Settlement Agreement has been maintained. Footnote number from the Settlement Agreement has not been maintained. Footnote number 1 was not in the original text.

- Advocate witness Novak's Direct Testimony in the ARM Reconciliation Docket for a pro forma blended federal tax rate that reflects a systematic adjustment from the pre-2018 tax rate to the current rate is the correct tax rate for purposes of the ARM Reconciliation Docket.<sup>2</sup> Mr. Novak's recommendation was to agree with and accept the Company's proposed tax rate calculation.<sup>3</sup> Specifically, the Parties agree, and recommend that the Commission approve, a blended rate of 29.26%. Further, such blended rate shall be used in the ARM Reconciliation Docket to take into account the income tax savings from the TCJA's reduction of the federal corporate tax rate from 35% to 21%.
- 18. For TPUC Docket No. 18-00034, the Parties agree that going forward Atmos Energy's annual review mechanism (ARM) as established in TPUC Docket No. 14-00146 provides the mechanism to address the Income Tax Savings from the TCJA's reduction of the federal corporate tax rate from 35% to 21%.

#### Synchronization of Accumulated Deferred Income Tax (ADIT)

- 30. The issue in this subsection concerning the synchronization of ADIT was raised in both TPUC Docket Nos. 18-00034 and 18-00097.
- 31. The Parties agree that in order to properly synchronize certain operating and maintenance (O&M) costs for ratemaking certain adjustments must be made to Atmos Energy's ADIT balance. The Parties agree that the recommendation of Consumer Advocate witness Dittemore to remove certain amounts (Pension Expense, Restricted Stock Program, Restricted Stock MIP,

3 *Id*.

<sup>&</sup>lt;sup>2</sup> Novak Direct Testimony, TPUC Docket No. 18-00097, pg. 4, lines 19-21.

MIP/VPP Accrual) from the Atmos Energy's ADIT accounts (with the exception of certain Directors Stock Award amounts) for ratemaking purposes is the correct methodology. Thus, the Parties agree to the adjustments described in the table below.<sup>4</sup>

		Attrition Year 13	
Line	Description	Month Average	
1	Accumulated Deferred Income Tax	(41,695,007)	<b>A</b> /
	Adjustments		
2	To Remove Pension Expense	(679,249)	B/
3	To Remove Restricted Stock Program	93,067	B/
4	To Remove Restricted Stock- MIP /C	480,664	B/
6	To Remove MIP/VPP Accrual/C	(28,606)	<b>B</b> /
7	Total Adjustments	(134,123)	•
8	Adjusted Total	(41,560,884)	

A/ Attrition Period Trial Balance 5.31.18.xlsx from TPUC Docket No. 18-00097

The Parties agree that the appropriate modification to the Atmos Energy proposed ADIT balance associated with synchronizing components of the ADIT with their corresponding treatment within Operating and Maintenance costs reduces the ADIT balance \$134,123.

#### Classification of the Repair Deduction

37. The issue in this subsection concerning the classification of the Repair Deduction was raised in TPUC Docket No. 18-00034.

B/ ADIT 06-30-18.xlsx from TPUC Docket No. 18-00097

C/ Management Incentive Plan/Variable Pay Plan from TPUC Docket No. 18-00097

<sup>&</sup>lt;sup>4</sup> The original table is set out in Dittemore Direct Testimony, pg. 5, TPUC Docket No. 18-00097 (January 9, 2019). The table in this Settlement Agreement has been revised with the removal of "line 5" which is the Director's Stock Award as described in Story Rebuttal Testimony, pg. 4, line 14, through pg. 5, line 9 and fn. 3, TPUC Docket No. 18-00097 (February 6, 2019).

- 38. The Repair Deduction results from the current deduction for certain costs as incurred in computing federal taxable income, while those same costs are capitalized as plant-in-service for financial reporting purposes and included in rate base for ratemaking purposes. Although the Parties agree to the current estimate of total Excess ADIT, there is a difference of opinion on the categorization of the Repair Deduction as either Protected or Unprotected Excess ADIT as reflected in the testimonies of Mr. Dittemore and Ms. Story in the Tax Docket. The Parties agree to resolve the issue of the classification of the Repair Deduction in TPUC Docket 18-00034 through the Private Letter Ruling (PLR) Process with the Internal Revenue Service (IRS) in accordance with Rev Proc 2019-1 or its successor.
- 39. Atmos Energy hereby represents that it does not have the vintage plant books and records that would be required to calculate the reversal of excess ADIT under the Average Rate Assumption Method (ARAM); therefore, Atmos Energy is utilizing the Reverse South Georgia Method (RSGM).
- 40. The Parties agree that the question posed to the IRS within the PLR is whether a Company utilizing RSGM, due to lack of vintage plant records, must normalize Excess ADIT associated with the Repair Deduction or whether Excess ADIT associated with the Repair Deduction may be flowed back to ratepayers over an amortization period determined by the state utility regulatory agency.

<sup>&</sup>lt;sup>5</sup> Dittemore Direct Testimony at pg. 16. lines 2-6.

<sup>&</sup>lt;sup>6</sup> For discussion of Protected Excess ADIT, see the testimony of the Consumer Advocate witness, Mr. Dittemore, TPUC Docket No. 18-00034, pg. 6, line 13 – pg. 7, line 3.

For discussion of Unprotected Excess ADIT, see the testimony of the Consumer Advocate witness, Mr. Dittemore, TPUC Docket No. 18-00034, pg. 7, lines 4-6.

- 41. The Parties agree to continue their strong, collaborative working relationship during this process of resolving the classification of the Repair Deduction. This includes collaboration and information-sharing, in good faith, during the drafting of the PLR request prior to Atmos Energy's formal submittal of the PLR request to the Commission. Accordingly, Atmos Energy agrees to (a) provide a draft copy of the PLR to the Consumer Advocate a reasonable period of time before any filing of such draft at the Commission or IRS to permit review and comment by the Consumer Advocate: (b) in good faith consider such comment and input from the Consumer Advocate into such draft; (c) provide prompt notice to the Consumer Advocate of each interaction, teleconference, or meeting with the Commission or IRS related to the PLR, and (d) to not object to the participation by the Consumer Advocate in any proceeding, teleconference, or meeting with the Commission or IRS related to the PLR, as permitted by Rev Proc 2019-1 or its successor.
- 42. Within 90 days of the Commission's written approval of this Settlement Agreement. Atmos Energy shall submit its draft PLR request to the Commission for review of the request to determine whether it is adequate and complete with a copy provided to the Consumer Advocate concurrently therewith. Atmos Energy agrees to provide prior notice to the Consumer Advocate of any meeting or telephone conference with Commission staff concerning such submission (along with a copy of any documents or materials pertinent to such meeting or telephone conference) and, further, Atmos Energy agrees not to object to the intervention or participation of the Consumer Advocate in any proceeding

related to such submission. Within 30 days of the Commission's determination of whether the request is adequate and complete the Company shall submit its PLR request to the IRS.

- 43. Within five business days of the IRS publishing the PLR, Atmos Energy will file a copy in TPUC Docket No. 18-00034 for review and consideration by the Commission of issues, including but not limited to, a determination of the balances of Protected and Unprotected Excess ADIT and their corresponding amortization periods.
- 44. If for any reason the IRS declines to address the issue presented. Atmos Energy will file notice of such decision within five business days. Within 60 days of this notice, the Parties will submit their position to the Commission in TPUC Docket No. 18-00034 for review and consideration by the Commission of issues, including but not limited to, a determination of the balances of Protected and Unprotected Excess ADIT and their corresponding amortization periods.
- 45. The Parties agree that Atmos Energy will continue, on an interim basis, to amortize its balance of Unprotected ADIT as Atmos Energy has defined such balances—until resolution of the appropriate Unprotected ADIT balance and amortization period is determined.

#### **Amortization Periods of Excess ADIT**

46. The issue in this subsection concerning amortization of Excess ADIT was raised in TPUC Docket No. 18-00034.

- 47. The Parties recognize that the current amounts of Excess ADIT are estimates and cannot be finalized until after Atmos Energy files its federal income tax return for its prior fiscal year.
- 48. The Parties also recognize that the specific amounts for Unprotected and Protected Excess ADIT cannot be finalized until after resolution of the classification of the Repair Deduction as agreed to in Section II.H. above.
- 49. The Parties agree that the Company's expenses related to the PLR Request that are recoverable from ratepayers are capped at \$100,000.
- 50. The Parties agree that due to the uncertainty regarding the resolution of the status of the Repair Deduction, the classification between Protected and Unprotected of the Excess ADIT between Protected and Unprotected cannot be determined at this time and is not defined in this Settlement Agreement.
- 51. The Parties agree that the appropriate estimated amortization period for Protected ADIT is 28 years, relying upon the RSGM method.
- 52. Despite the lack of agreement regarding the classification of Protected and Unprotected Excess ADIT, the Parties agree that the total rate base deduction for ADIT, is \$48,514,590 (13 month average as of May 31, 2018 which is the test period for the Reconciliation docket) and the estimate of total Excess ADIT as of May 31, 2018 is \$29,232,886.
- 53. The Parties agree that the Commission should reevaluate the matter of the appropriate amortization period for Unprotected Excess ADIT upon resolution of the dispute involving classification of the Repair Deduction.<sup>8</sup>

<sup>&</sup>lt;sup>8</sup> The Company commenced 28 year amortization of Protected and Unprotected Excess ADIT on October 15, 2018.

54. The Parties agree that the amortizations of both the Protected and Unprotected Excess ADIT should be credited to Income Tax Expense.

#### Appropriate Net Operating Loss (NOL) Balance Methodology for the Excess ADIT

- 59. The issue in this subsection concerning the method of determining the appropriate NOL balance for Excess ADIT was raised in TPUC Docket No. 18-00034.
- 60. The Parties agree that, solely for the purpose of resolving this issue in the Atmos Energy Tax Docket, Atmos Energy will not be required to identify the Tennessee specific NOL. The Parties agree, however, that the Consumer Advocate has not waived its right to challenge such methodology in future dockets. The resolution of this issue has no precedential impact on positions that any Party may take regarding this issue in an existing or future Atmos Energy docket.<sup>9</sup>

#### Atmos Energy's Plant Accounting Accumulated Reserve Records

- 61. The issue in this subsection was raised in TPUC Docket No. 18-00034.
- 62. The Parties agree that for the purpose of resolving this issue in the Atmos Tax Docket. Atmos Energy will not be required to upgrade its plant accounting accumulated reserve records or modify its accounting systems to accommodate ARAM.
  - 63. The Parties agree, however, that the Consumer Advocate has not

<sup>&</sup>lt;sup>9</sup> The Consumer Advocate likewise reserves the right to challenge any other methodology incorporated in or position taken by Atmos in the Tax Docket or the ARM Reconciliation Docket in future dockets. The resolution of the issues in this Settlement Agreement has no precedential impact on any position that any Party may take in any future Atmos docket.

waived its right to challenge such methodology in future dockets. The resolution of this issue has no precedential impact on positions that any Party may take regarding this issue in an existing or future Atmos Energy docket.

The above provisions, excerpted from the Settlement Agreement, are subject to all of the terms and conditions of the Settlement Agreement, including those not reproduced herein.

Based upon the entirety of the record, the Parties respectfully request approval of the Settlement Agreement in this Docket No. 18-000034 and in Docket No. 18-00097.

Respectfully submitted.

NEAL & HARWELL, PLO

3y:<u>--/</u>\_\_\_\_

A. Scott Ross, #15634

1201 Demonbreun Street, Ste. 1000

Nashville, TN 37203

(615) 244-1713 - Telephone

(615) 726-0573 – Facsimile

sross@nealharwell.com

Counsel for Atmos Energy Corporation

OFFICE OF THE ATTONREY GENERAL FINANCIAL DIVISION, CONSUMER ADVOCATE UNIT

3y:\_/\_\

Karen H. Stachowski, #019607

Assistant Attorney General Wayne M. Irvin. #030946

Senior Assistant Attorney General

Office of Tennessee Attorney General

Financial Division, Consumer Advocate Unit P. O. Box 20207
Nashville, TN 37202-0207
(615) 741-1671 – Telephone
(615) 532-2910 – Facsimile
Karen.stachowski@ag.tn.gov
Wayne.irvin@ag.tn.gov

#### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the fore	going has been served, via the method(s) indicated
below, on the following counsel of record, this	the / day of April, 2019.
( ) Mail Wayne In ( ) Fax Daniel P ( ) Fed. Ex. Karen H. (X) E-Mail Assistant Office of Financia War Mer 301 6th A Nashville vance.bre Wayne.in Daniel.w	win, Esq. Whitaker, III, Esq. Stachowski, Esq. Attorneys General Tennessee Attorney General Division, Consumer Advocate Unit morial Building, 2 <sup>nd</sup> Floor Avenue North TN 37243 Demel a ag.tn.gov win ag.tn.gov httaker a ag.tn.gov achowski a ag.tn.gov

# EXHIBIT B

#### IN THE TENNESSEE PUBLIC UTILITY COMMISSION AT NASHVILLE, TENNESSEE

IN RE:	)
TENNESSEE PUBLIC UTILITY COMMISSION INVESTIGATION OF IMPACTS OF FEDERAL TAX REFORM ON THE PUBLIC UTILITY REVENUE REQUIREMENTS	) ) ) Docket No. 18-00034 )
ATMOS ENERGY CORPORATION ANNUAL RECONICLIATION OF ANNUAL REVIEW MECHANISM	) ) Docket No. 18-00097 )

#### STIPULATION AND SETTLEMENT AGREEMENT

In a global stipulation and settlement of these two matters, Tennessee Public Utility Commission (TPUC or Commission) Docket Nos. 18-00034 and 18-00097, Herbert H. Slatery III, the Tennessee Attorney General and Reporter, by and through the Consumer Advocate Unit (Consumer Advocate) of the Financial Division and Atmos Energy Corporation (Atmos Energy or the Company), respectfully submit this Stipulation and Settlement Agreement (Settlement Agreement). The Consumer Advocate and Atmos Energy (individually, a Party and collectively, the Parties) recognize that these two Dockets have not been formally merged into a single docket. However, due to issues within the Dockets that overlap or are interrelated, the Parties determined that subject to Commission approval the use of this single, global Settlement Agreement is the most appropriate approach to resolving these Dockets.

### I. BACKGROUND A. TPUC Docket No. 18-00034 (Tax Docket)

- 1. On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (TCJA). Among other provisions, the TCJA lowers the federal corporate tax rate from 35% to 21%.
- 2. In the public utility context, regulated utilities will realize significantly reduced federal income tax expense as a result of the TCJA.<sup>2</sup> Further, as a result of the lower federal tax rate, utilities will experience excess deferred tax reserves.<sup>3</sup> These reserves accumulate funds for the future payment of federal income tax. Effective with implementation of a lower federal income tax rate, a portion of these future obligations, paid by ratepayers, was effectively cancelled. Funding for these cancelled obligations was provided by ratepayers, and such funds should be returned to ratepayers.<sup>4</sup>
- 3. On February 6, 2018, the Commission issued its Order in TPUC Docket No. 18-00001 opening an investigation into the effects of the TCJA on certain public utilities. The Order required Tennessee's five largest public utilities Tennessee American Water Company, Piedmont Natural Gas, Kingsport Power Company, Atmos Energy Corporation, and Chattanooga

<sup>&</sup>lt;sup>1</sup> Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018, Pub. L. No. 116-97, 133 Stat. 2054 (Dec. 22, 2017).

<sup>&</sup>lt;sup>2</sup> Order Opening an Investigation and Requiring Deferred Accounting Treatment, In Re: Tennessee Public Utility Commission Investigation of Impacts of Federal Tax Reform on the Public Utility Revenue Requirements, TPUC Docket No. 18-00001, pgs. 2, 4 (February 6, 2018).

<sup>&</sup>lt;sup>3</sup> Commission's Order, TPUC Docket No. 18-00001, pg. 4.

<sup>&</sup>lt;sup>4</sup> Consumer Advocate's Petition to Intervene, In Re: Tennessee Public Utility Commission Investigation of Impacts of Federal Tax Reform on the Public Utility Revenue Requirements, TPUC Docket No. 18-00001, pg. 2, ¶3 (March 13, 2018).

<sup>&</sup>lt;sup>5</sup> TPUC Docket No. 18-00001was first set on the TPUC Conference Agenda on January 16, 2018. During this January Conference, the TPUC voted to open an investigation into the impacts of the recent federal tax reform and directed action by both utilities and the TPUC staff. Transcript, pgs. 8-12. The Commission issued its written order on February 6, 2018.

Gas Company – to file reports with the Commission by March 31, 2018 regarding the impact of the TCJA.<sup>6</sup>

- 4. Further, each of these utilities was directed to include three subject areas in the reports: (a) the portion of revenue representing the difference between the cost of service in the utility's most recent rate case and the cost of service if the tax rate had been 21% rather than 35%; (b) the excess deferred tax reserve caused by the reduction in the corporate tax rate; and (c) any other tax effects experienced by the utility resulting from the TCJA.
- 5. On March 29, 2018, Atmos Energy filed its report in Response to the Commission's Order in TPUC Docket No. 18-00001 (Response).<sup>8</sup> In response to Atmos Energy's filing, the Commission opened the present TPUC Docket 18-00034 separate from the original docket and separate from the other utilities previously named in the Commission's Order.<sup>9</sup>
- 6. On April 24, 2018, the Consumer Advocate filed a Petition to Intervene in this Docket. <sup>10</sup> The intervention petition was subsequently granted without objection. <sup>11</sup>
- 7. On October 8, 2018, Atmos Energy's Witness, Jennifer K. Story, filed testimony in support of Atmos Energy's Response to the Commission's Order. 12

<sup>&</sup>lt;sup>6</sup> Commission's Order, TPUC Docket No. 18-00001, pgs. 5-6.

<sup>&</sup>lt;sup>7</sup> Commission's Order, TPUC Docket No. 18-00001, pgs. 4-5.

<sup>&</sup>lt;sup>8</sup> Response of Atmos Energy Corporation to the Commission Order Opening An Investigation and Requiring Deferred Accounting Treatment, TPUC Docket No. 18-00034 (March 29, 2018).

<sup>&</sup>lt;sup>9</sup> E-mail from Kelly Cashman-Grams, General Counsel, Tenn. Public Utility Comm. to Roberta Davis, Paralegal, Hunter, Smith & Davis, LLP (March 29, 2018, 1:41PM CT). In this e-mail, Ms. Cashman-Grams advised that compliance filings in response to TPUC Docket No. 18-00001 of each utility should be made in a separate docket from TPUC Docket No. 18-00001.

<sup>&</sup>lt;sup>10</sup> Consumer Advocate's Petition to Intervene, In Re: Response of Atmos Energy Corporation to the Commission's Order Opening an Investigation and Requiring Deferred Accounting Treatment, TPUC Docket No. 18-00034 (April 24, 2018).

Order Granting the Petition to Intervene Filed by the Consumer Advocate, In Re: Response of Atmos Energy Corporation to the Commission's Order Opening an Investigation and Requiring Deferred Accounting Treatment, TPUC Docket No. 18-00034 (June 11, 2018).

<sup>&</sup>lt;sup>12</sup> Pre-Filed Testimony of Jennifer K. Story on Behalf of Atmos Energy Corporation, In Re: Response of Atmos Energy Corporation to the Commission's Order Opening an Investigation and Requiring Deferred Accounting Treatment, TPUC Docket No. 18-00034 (October 8, 2018).

- 8. On November 21, 2018, Atmos Energy filed updated financials based upon the fiscal year ending September 30, 2018.
- 9. On December 21, 2018, the Consumer Advocate's witness, David N. Dittemore, filed testimony.<sup>13</sup>
- 10. On January 23, 2019, Atmos Energy's Witness, Jennifer K. Story, filed rebuttal testimony.<sup>14</sup>

#### B. TPUC Docket No. 18-00097 (ARM Reconciliation Docket)

- 11. On September 4, 2018, Atmos Energy filed its *Petition of Atmos Energy For Approval of 2018 Annual Reconciliation Filing* in TPUC Docket No. 18-00097 (ARM Reconciliation Petition).<sup>15</sup> In the same filing on this date, Atmos Energy's witness, Gregory K. Waller, filed testimony in support of the ARM Reconciliation Petition.<sup>16</sup>
- 12. On October 9, 2018, the Consumer Advocate filed a Petition to Intervene in this Docket. <sup>17</sup> The intervention petition was subsequently granted without objection. <sup>18</sup>
- 13. On January 9, 2019, the Consumer Advocate filed direct testimony of two witnesses, David Dittemore<sup>19</sup> and William H. Novak.<sup>20</sup>
  - 14. On February 6, 2018, Atmos Energy filed rebuttal testimony of two witnesses,

<sup>&</sup>lt;sup>13</sup> Direct Testimony of David Dittemore, In Re: Response of Atmos Energy Corporation to the Commission's Order Opening an Investigation and Requiring Deferred Accounting Treatment, TPUC Docket No. 18-00038 (December 21, 2018).

<sup>&</sup>lt;sup>14</sup> Rebuttal Testimony of Jennifer K. Story on Behalf of Atmos Energy Corporation, In Re: Response of Atmos Energy Corporation to the Commission's Order Opening an Investigation and Requiring Deferred Accounting Treatment, TPUC Docket No. 18-00034 (January 23, 2019).

<sup>&</sup>lt;sup>15</sup> In Re: Atmos Energy Corporation Annual Reconciliation of Annual Review Mechanism, TPUC Docket No. 18-00097 (September 4, 2018).

<sup>&</sup>lt;sup>16</sup> Pre-Filed Testimony of Gregory K. Waller on Behalf of Atmos Energy Corporation, TPUC Docket No. 18-00097 (September 4, 2018).

<sup>17</sup> Consumer Advocate's Petition to Intervene, TPUC Docket No. 18-00097 (October 9, 2018).

<sup>&</sup>lt;sup>18</sup> Order Granting the Petition to Intervene Filed by the Consumer Advocate, TPUC Docket No. 18-00097 (October 25, 2018).

<sup>&</sup>lt;sup>19</sup> Direct Testimony of David Dittemore, TPUC Docket No. 18-00097 (January 9, 2019).

<sup>&</sup>lt;sup>26</sup> Direct Testimony of William II. Novak, TPUC Docket No. 18-00097 (January 9, 2019).

Gregory K. Waller<sup>21</sup> and Jennifer K. Story<sup>22</sup>.

#### II. SETTLEMENT AGREEMENT TERMS

15. The Parties to this Settlement Agreement have engaged in discovery and have undertaken discussions to resolve all disputed issues in these cases. As a result of the information obtained during discovery and the discussions between the Parties, and for the purpose of avoiding further litigation and resolving this matter upon acceptable terms, the Parties have reached this Settlement Agreement. Subject to the TPUC's approval, in furtherance of this Settlement Agreement, the Parties have agreed to the settlement terms set forth below:

#### A. Reduction in Federal Income Tax Rate

- 16. The issue in this subsection concerning the reduction in federal income tax rates under the TCJA was raised in both TPUC Docket Nos. 18-00034 and 18-00097.
- 17. The Parties agree that the recommendation set out in Consumer Advocate witness Novak's Direct Testimony in the ARM Reconciliation Docket for a pro forma blended federal tax rate that reflects a systematic adjustment from the pre-2018 tax rate to the current rate is the correct tax rate for purposes of the ARM Reconciliation Docket.<sup>23</sup> Mr. Novak's recommendation was to agree with and accept the Company's proposed tax rate calculation.<sup>24</sup> Specifically, the Parties agree, and recommend that the Commission approve, a blended rate of 29.26%. Further, such blended rate shall be used in the ARM Reconciliation Docket to take into account the income tax savings from the TCJA's reduction of the federal corporate tax rate from 35% to 21%.

<sup>&</sup>lt;sup>21</sup> Rebuttal Testimony of Gregory K. Waller on Behalf of Atmos Energy Corporation, TPUC Docket No. 18-00097 (February 6, 2019).

<sup>&</sup>lt;sup>22</sup> Rebuttal Testimony of Jennifer K. Story on Behalf of Atmos Energy Corporation, TPUC Docket No. 18-00097 (February 6, 2019).

<sup>23</sup> Novak Direct Testimony, TPUC Docket No. 18-00097, pg. 4, lines 19-21.

 $<sup>^{24}</sup>$  Id.

18. For TPUC Docket No. 18-00034, the Parties agree that going forward Atmos Energy's annual review mechanism (ARM) as established in TPUC Docket No. 14-00146 provides the mechanism to address the Income Tax Savings from the TCJA's reduction of the federal corporate tax rate from 35% to 21%.

### B. Correction of Tax Rates for Calculating Allowance for Funds Used During Construction (AFUDC)

- 19. The issue in this subsection concerning the correction of tax rates for calculating AFUDC was raised in TPUC Docket No. 18-00097.
- 20. The Parties agree that the recommendation set out in Consumer Advocate witness Novak's Direct Testimony in the ARM Reconciliation Docket that the methodology used by Atmos Energy for calculating AFUDC be used along with the tax rates of 6.5% for state and 29.26% for federal should be adopted by the Commission.<sup>25</sup>

#### C. Calculation of Gross-Up Factors

- 21. The issue in this subsection concerning the calculation of gross-up factors was raised in TPUC Docket No. 18-00097.
- 22. As reflected in the Consumer Advocate witness Novak's Direct Testimony, Table 5,26 two ratios or gross-up factors are used to convert any operating margin deficiency or surplus approved by the Commission into operating revenues.27 Those two factors are the Forfeited Discount factor and the Uncollectible Expense factor. The Parties agree that the recommendation of Consumer Advocate witness Novak to use Operating Revenue in those calculations, as reflected on Table 5 of Mr. Novak's testimony, is the correct methodology for the calculation of those respective factors. Thus, the Parties agree for purposes of the ARM

<sup>&</sup>lt;sup>25</sup> Novak Direct Testimony at pg. 18, line 9, Table 6.

<sup>&</sup>lt;sup>26</sup> Novak Direct Testimony at pg. 15, Table 5.

<sup>&</sup>lt;sup>27</sup> Novak Direct Testimony at pg. 16, lines 8-14.

Reconciliation Docket, that a forfeited discount ratio of 0.005167 and an uncollectible expense ratio of 0.001731.<sup>28</sup>

23. The Parties agree, however, that the Company has not waived its right to challenge such methodology in future dockets. The resolution of this issue has no precedential impact on positions that any Party may take regarding this issue in an existing or future Atmos Energy docket.

#### D. Long-Term Debt and Stockholder's Equity to Compute Capital Structure

- 24. The issue in this subsection concerning the calculation of capital structure was raised in TPUC Docket No. 18-00097.
- 25. The Parties agree, for the purpose of resolving this issue in the ARM Reconciliation Docket, with the recommendation set out in the rebuttal testimony of Company witness Mr. Greg Waller that end-of-period balances be used for long term debt and shareholders' equity in the computation of capital structure.
- 26. The Parties agree, however, that the Consumer Advocate has not waived its right to challenge such methodology in future dockets. The resolution of this issue has no precedential impact on positions that any Party may take regarding this issue in an existing or future Atmos Energy docket.

#### E. Annualizing Versus Actual Expenses for Long Term Debt

- 27. The issue in this subsection concerning the calculation of the long term debt rate was raised in TPUC Docket No. 18-00097.
- 28. The Parties agree, for the purpose of resolving this issue in the ARM Reconciliation Docket, with the recommendation set out in the rebuttal testimony of Company witness Mr. Greg

<sup>28</sup> Novak Direct Testimony at pg. 15, line 11, Table 5.

Waller that certain debt cost expenses should be annualized in the calculation of the long term debt rate.

29. The Parties agree, however, that the Consumer Advocate has not waived its right to challenge such methodology in future dockets. The resolution of this issue has no precedential impact on positions that any Party may take regarding this issue in an existing or future Atmos Energy docket.

#### F. Synchronization of Accumulated Deferred Income Tax (ADIT)

- 30. The issue in this subsection concerning the synchronization of ADIT was raised in both TPUC Docket Nos. 18-00034 and 18-00097.
- 31. The Parties agree that in order to properly synchronize certain operating and maintenance (O&M) costs for ratemaking certain adjustments must be made to Atmos Energy's ADIT balance. The Parties agree that the recommendation of Consumer Advocate witness Dittemore to remove certain amounts (Pension Expense, Restricted Stock Program, Restricted Stock MIP, MIP/VPP Accrual) from the Atmos Energy's ADIT accounts (with the exception of certain Directors Stock Award amounts) for ratemaking purposes is the correct methodology. Thus, the Parties agree to the adjustments described in the table below.<sup>29</sup>

<sup>&</sup>lt;sup>29</sup> The original table is set out in Dittemore Direct Testimony, pg. 5, TPUC Docket No. 18-00097 (January 9, 2019). The table in this Settlement Agreement has been revised with the removal of "line 5" which is the Director's Stock Award as described in Story Rebuttal Testimony, pg. 4, line 14, through pg. 5, line 9 and fn. 3, TPUC Docket No. 18-00097 (February 6, 2019).

		Attrition Year 13	
Line	Description	Month Average	
1	Accumulated Deferred Income Tax	(41,695,007)	AJ
	Adjustments		
2	To Remove Pension Expense	(679,249)	$\mathbf{B}/$
3	To Remove Restricted Stock Program	93,067	B/
4	To Remove Restricted Stock- MIP /C	480,664	B/
6	To Remove MIP/VPP Accrual/C	(28,606)	B/
7	Total Adjustments	(134,123)	
8	Adjusted Total	(41,560,884)	

A/ Attrition Period Trial Balance 5.31.18.xlsx from TPUC Docket No. 18-00097

The Parties agree that the appropriate modification to the Atmos Energy proposed ADIT balance associated with synchronizing components of the ADIT with their corresponding treatment within Operating and Maintenance costs reduces the ADIT balance \$134,123.

#### G. Synchronization of ADIT Calculation with a Tennessee Specific Excise Tax Rate

- 32. The issue in this subsection concerning synchronization of ADIT with a Tennessee specific excise tax rate was raised in TPUC Docket No. 18-00097.
- 33. Atmos Energy's proposed ADIT balance is comprised of a number of individual book/tax timing differences multiplied by federal and state tax rates. The Parties agree to use the Tennessee specific excise tax rate for both income tax expense and ADIT. More specifically, the Parties agree that Atmos Energy shall calculate the Tennessee ADIT using the Tennessee State Excise Tax Rate in its Income Tax Expense and within its Division 93 (TN) ADIT balances.
- 34. The result of this modification is an increase in the 13-month average balance of ADIT of \$6,953,884 and reduction to Atmos Energy's rate base of \$6,955,572.<sup>30</sup> The difference

B/ ADIT 06-30-18.xlsx from TPUC Docket No. 18-00097

C/ Management Incentive Plan/Variable Pay Plan from TPUC Docket No. 18-00097

<sup>&</sup>lt;sup>30</sup> The difference in ADIT balance and rate base adjustment is due to the impact of the ADIT adjustment on cash working capital.

between these amounts and the \$8.7 million adjustment proposed by the Consumer Advocate reflects corrections to this amount as identified in the rebuttal testimony of Ms. Story. Specifically, the use of the Tennessee state rate is applied to only those book/tax timing differences in which a rate other than the Tennessee state tax rate was previously used.

35. In addition to the adjustment discussed above, the stipulated adjustment reflects a correction to the Regulatory Liability balance for the impact of Excess ADIT using the Tennessee rate rather than a composite system average tax rate. The adjustment of \$68,802 is applied to the months of December 2017 - May 2018 resulting in an adjustment to the thirteen-month average balance of \$31,755.

36. The Rate Base as set forth in the Settlement Agreement (settlement Rate Base) is reconciled with the Company's original Rate Base<sup>31</sup> as set forth in Exhibit A. This settlement Rate Base also incorporates changes to the balance of Cash Working Capital consistent with other Rate Base adjustments. The original balance of ADIT<sup>32</sup> is reconciled with the settlement balance of ADIT as set forth in Exhibit B. The original balance of Cash Working Capital<sup>33</sup> is reconciled with the settlement balance of Cash Working Capital as set forth in Exhibit C. The original balance of the Atmos Regulatory Liability is reconciled with the settlement balance of the Atmos Regulatory Liability as set forth in Exhibit D.<sup>34</sup> The original balance of Accumulated Depreciation and Amortization<sup>35</sup> is reconciled with the settlement balance of Accumulated Depreciation and Amortization as set forth in Exhibit E. The original balance of Storage and Gas Investment<sup>36</sup> is reconciled with the settlement balance of Storage and Gas Investment as set forth in Exhibit F.

<sup>31</sup> Waller Direct Testimony, Exhibit GKW-1, Schedule 7, line 29.

<sup>&</sup>lt;sup>32</sup> Waller Direct Testimony, Exhibit GKW-1, Schedule 7, line 15.

<sup>33</sup> Id. at Schedule 7, line 9.

<sup>&</sup>lt;sup>34</sup> Id. at Schedule 7, line 13.

<sup>35</sup> Id. at Schedule 7, line 3.

<sup>&</sup>lt;sup>36</sup> Id. at Schedule 7, line 7.

#### H. Classification of the Repair Deduction

- 37. The issue in this subsection concerning the classification of the Repair Deduction was raised in TPUC Docket No. 18-00034.
- 38. The Repair Deduction results from the current deduction for certain costs as incurred in computing federal taxable income, while those same costs are capitalized as plant-inservice for financial reporting purposes and included in rate base for ratemaking purposes.<sup>37</sup> Although the Parties agree to the current estimate of total Excess ADIT, there is a difference of opinion on the categorization of the Repair Deduction as either Protected<sup>38</sup> or Unprotected Excess ADIT<sup>39</sup> as reflected in the testimonies of Mr. Dittemore and Ms. Story in the Tax Docket. The Parties agree to resolve the issue of the classification of the Repair Deduction in TPUC Docket 18-00034 through the Private Letter Ruling (PLR) Process with the Internal Revenue Service (IRS) in accordance with Rev Proc 2019-1 or its successor.
- 39. Atmos Energy hereby represents that it does not have the vintage plant books and records that would be required to calculate the reversal of excess ADIT under the Average Rate Assumption Method (ARAM); therefore, Atmos Energy is utilizing the Reverse South Georgia Method (RSGM).
- 40. The Parties agree that the question posed to the IRS within the PLR is whether a Company utilizing RSGM, due to lack of vintage plant records, must normalize Excess ADIT associated with the Repair Deduction or whether Excess ADIT associated with the Repair

<sup>&</sup>lt;sup>37</sup> Dittemore Direct Testimony at pg. 16, lines 2-6.

<sup>&</sup>lt;sup>38</sup> For discussion of Protected Excess ADIT, see the testimony of the Consumer Advocate witness, Mr. Dittemore, TPUC Docket No. 18-00034, pg. 6, line 13 – pg. 7, line 3.

<sup>&</sup>lt;sup>39</sup> For discussion of Unprotected Excess ADIT, see the testimony of the Consumer Advocate witness, Mr. Dittemore, TPUC Docket No. 18-00034, pg. 7, lines 4-6.

Deduction may be flowed back to ratepayers over an amortization period determined by the state utility regulatory agency.

- 41. The Parties agree to continue their strong, collaborative working relationship during this process of resolving the classification of the Repair Deduction. This includes collaboration and information-sharing, in good faith, during the drafting of the PLR request prior to Atmos Energy's formal submittal of the PLR request to the Commission. Accordingly, Atmos Energy agrees to (a) provide a draft copy of the PLR to the Consumer Advocate a reasonable period of time before any filing of such draft at the Commission or IRS to permit review and comment by the Consumer Advocate; (b) in good faith consider such comment and input from the Consumer Advocate into such draft; (c) provide prompt notice to the Consumer Advocate of each interaction, teleconference, or meeting with the Commission or IRS related to the PLR; and (d) to not object to the participation by the Consumer Advocate in any proceeding, teleconference, or meeting with the Commission or IRS related to the PLR, as permitted by Rev Proc 2019-1 or its successor.
- Agreement, Atmos Encrgy shall submit its draft PLR request to the Commission for review of the request to determine whether it is adequate and complete with a copy provided to the Consumer Advocate concurrently therewith. Atmos Energy agrees to provide prior notice to the Consumer Advocate of any meeting or telephone conference with Commission staff concerning such submission (along with a copy of any documents or materials pertinent to such meeting or telephone conference) and, further, Atmos Energy agrees not to object to the intervention or participation of the Consumer Advocate in any proceeding related to such submission. Within 30

days of the Commission's determination of whether the request is adequate and complete the Company shall submit its PLR request to the IRS.

- 43. Within five business days of the IRS publishing the PLR, Atmos Energy will file a copy in TPUC Docket No. 18-00034 for review and consideration by the Commission of issues, including but not limited to, a determination of the balances of Protected and Unprotected Excess ADIT and their corresponding amortization periods.
- 44. If for any reason the IRS declines to address the issue presented, Atmos Energy will file notice of such decision within five business days. Within 60 days of this notice, the Parties will submit their position to the Commission in TPUC Docket No. 18-00034 for review and consideration by the Commission of issues, including but not limited to, a determination of the balances of Protected and Unprotected Excess ADIT and their corresponding amortization periods.
- 45. The Parties agree that Atmos Energy will continue, on an interim basis, to amortize its balance of Unprotected ADIT as Atmos Energy has defined such balances until resolution of the appropriate Unprotected ADIT balance and amortization period is determined.

#### I. Amortization Periods of Excess ADIT

- 46. The issue in this subsection concerning amortization of Excess ADIT was raised in TPUC Docket No. 18-00034.
- 47. The Parties recognize that the current amounts of Excess ADIT are estimates and cannot be finalized until after Atmos Energy files its federal income tax return for its prior fiscal year.
- 48. The Parties also recognize that the specific amounts for Unprotected and Protected Excess ADIT cannot be finalized until after resolution of the classification of the Repair Deduction as agreed to in Section II.H. above.

- 49. The Parties agree that the Company's expenses related to the PLR Request that are recoverable from ratepayers are capped at \$100,000.
- 50. The Parties agree that due to the uncertainty regarding the resolution of the status of the Repair Deduction, the classification between Protected and Unprotected of the Excess ADIT between Protected and Unprotected cannot be determined at this time and is not defined in this Settlement Agreement.
- 51. The Parties agree that the appropriate estimated amortization period for Protected ADIT is 28 years, relying upon the RSGM method.
- 52. Despite the lack of agreement regarding the classification of Protected and Unprotected Excess ADIT, the Parties agree that the total rate base deduction for ADIT, is \$48,514,590 (13 month average as of May 31, 2018 which is the test period for the Reconciliation docket) and the estimate of total Excess ADIT as of May 31, 2018 is \$29,232,886.
- 53. The Parties agree that the Commission should reevaluate the matter of the appropriate amortization period for Unprotected Excess ADIT upon resolution of the dispute involving classification of the Repair Deduction.<sup>40</sup>
- 54. The Parties agree that the amortizations of both the Protected and Unprotected Excess ADIT should be credited to Income Tax Expense.

#### J. Revenue Requirement Surplus

- 55. The issue in this subsection concerning revenue requirement was raised in TPUC Docket No. 18-00097.
- 56. As reflected in Settlement Agreement Schedules 1-12, the Parties agree that the resulting revenue surplus in the ARM Reconciliation Docket is \$4,053,984 (including carrying

<sup>&</sup>lt;sup>40</sup> The Company commenced 28 year amortization of Protected and Unprotected Excess ADIT on October 15, 2018.

costs) which shall be the amount that will be incorporated into the Atmos Energy ARM filing, TPUC Docket No. 19-00018, currently pending before the Commission.

#### K. Safety and Operating Performance Metrics

- 57. The issue in this subsection concerning safety and operating performance metrics was raised in TPUC Docket No. 18-00097.
- 58. The Parties agree that Mr. Dittemore's proposals for safety and operating performance metrics, as set out in his testimony, will be raised for consideration by the Commission in the existing TPUC Docket No. 18-00112.

#### L. Appropriate Net Operating Loss (NOL) Balance Methodology for the Excess ADIT

- 59. The issue in this subsection concerning the method of determining the appropriate NOL balance for Excess ADIT was raised in TPUC Docket No. 18-00034.
- 60. The Parties agree that, solely for the purpose of resolving this issue in the Atmos Energy Tax Docket, Atmos Energy will not be required to identify the Tennessee specific NOL. The Parties agree, however, that the Consumer Advocate has not waived its right to challenge such methodology in future dockets. The resolution of this issue has no precedential impact on positions that any Party may take regarding this issue in an existing or future Atmos Energy docket.<sup>41</sup>

#### M. Atmos Energy's Plant Accounting Accumulated Reserve Records

- 61. The issue in this subsection was raised in TPUC Docket No. 18-00034.
- 62. The Parties agree that for the purpose of resolving this issue in the Atmos Tax Docket, Atmos Energy will not be required to upgrade its plant accounting accumulated reserve

<sup>&</sup>lt;sup>41</sup> The Consumer Advocate likewise reserves the right to challenge any other methodology incorporated in or position taken by Atmos in the Tax Docket or the ARM Reconciliation Docket in future dockets. The resolution of the issues in this Settlement Agreement has no precedential impact on any position that any Party may take in any future Atmos docket.

records or modify its accounting systems to accommodate ARAM.

63. The Parties agree, however, that the Consumer Advocate has not waived its right to challenge such methodology in future dockets. The resolution of this issue has no precedential impact on positions that any Party may take regarding this issue in an existing or future Atmos Energy docket.

#### J. General Terms

- All pre-filed discovery (formal and informal), testimony and exhibits of the Parties will be introduced into evidence without objection, and the Parties waive their right to cross-examine all witnesses with respect to all such pre-filed testimony. If, however, questions should be asked by any person, including a Commissioner, the Parties may present testimony and exhibits to respond to such questions and may cross-examine any witnesses with respect to such testimony and exhibits. The Parties would ask to permit any out of town witnesses to be available by telephone to reduce the costs associated with such appearance.
- 65. After the filing of this Settlement Agreement, the Parties agree to support this Settlement Agreement before the TPUC and in any hearing, proposed order, or brief conducted or filed in these two Dockets. The provisions of this Settlement Agreement are agreements reached in compromise and solely for the purpose of settlement of these two Dockets. The provisions in this Settlement Agreement do not necessarily reflect the positions asserted by any Party. None of the Parties to this Settlement Agreement shall be deemed to have acquiesced in or agreed to any ratemaking or accounting methodology or procedural principle except for the limited extent necessary to implement the provisions hereof.

- 66. This Settlement Agreement shall not have any precedential effect in any future proceeding or be binding on any of the Parties in this or any other jurisdiction except to the limited extent necessary for the enforcement and implementation of the provisions hereof.
- 67. The Parties request the Commission to order that the settlement of any issue pursuant to this Settlement Agreement shall not be cited by the Parties or any other entity as binding precedent in any other proceeding before TPUC, or any court, state or federal, except to the limited extent necessary to implement the provisions hereof and for the limited purpose of enforcement should it become necessary.
- 68. The terms of this Settlement Agreement have resulted from extensive negotiations between the signatories and the terms hereof are interdependent. The Parties jointly recommend that TPUC issue an order adopting this Settlement Agreement in both Dockets in its entirety without modification.
- 69. If the Commission does not accept the settlement in whole for both Dockets, the Parties are not bound by any position or term set forth in this Settlement Agreement. In the event that TPUC does not approve this Settlement Agreement in its entirety, each of the signatories to this Settlement Agreement retains the right to terminate this Settlement Agreement by giving notice of the exercise of such right within 15 business days of the date of such action by TPUC; provided, however, that the signatories to this Settlement Agreement could, by unanimous consent, elect to modify this Settlement Agreement to address any modification required by, or issues raised by, TPUC within the same time frame. Should this Settlement Agreement terminate, it would be considered void and have no binding

precedential effect, and the signatories to this Settlement Agreement would reserve their rights to fully participate in all relevant proceedings notwithstanding their agreement to the terms of this Settlement Agreement.

- 70. By agreeing to this Settlement Agreement, no Party waives any right to continue litigating this matter should this Settlement Agreement not be approved by TPUC in whole or in part.
- 71. No provision of this Settlement Agreement shall be deemed an admission of any Party. No provision of this Settlement Agreement shall be deemed a waiver of any position asserted by a Party in these two Dockets or any other docket.
- 72. The Consumer Advocate's agreement to this Settlement Agreement is expressly premised upon the truthfulness, accuracy and completeness of the information provided by Atmos Energy to TPUC and the Consumer Advocate throughout the course of these two Dockets, which information was relied upon by the Consumer Advocate in negotiating and agreeing to the terms and conditions of this Settlement Agreement.
- 73. The acceptance of this Settlement Agreement by the Attorney General shall not be deemed approval by the Attorney General of any of Atmos Energy's acts or practices.
- 74. Each signatory to this Settlement Agreement represents and warrants that it/he/she has informed, advised and otherwise consulted with the Party for whom it/he/she signs regarding the contents and significance of this Settlement Agreement and has obtained authority to sign on behalf of such Party, and based upon those communications,

each signatory represents and warrants that it/he/she is authorized to execute this Settlement Agreement on behalf of its/his/her respecting Party.

- 75. This Settlement Agreement shall be governed by and construed under the laws of the State of Tennessee, Tennessee choice of law rules notwithstanding.
- 76. Nothing herein limits or alters the Sovereign Immunity of the State of Tennessee or any of its entities or subdivisions.
- 77. The Parties agree that approval of the Settlement Agreement will become effective upon the oral decision of TPUC.

The foregoing is agreed and stipulated to this 25 day of March, 2019.

[Parties' signature pages follow - remainder of page intentionally left blank]

## Stipulation and Settlement Agreement Tennessee Public Utility Commission Docket Nos. 18-00034 and 18-00097 Atmos Energy Corporation Signature Page

ATMOS ENERGY CORPORATION.

HAVE SEEN AND AGREED.

BY:

A. SCOTT ROSS, (BPR # 15634)

Neal & Harwell, PLC

1201 Demonbreun Street, Ste. 1000

Nashville, TN 37203

(615) 244-1713 - Telephone

(615) 726-0573 - Facsimile

sross@nealharwell.com

 $[additional\ signature\ page\ follows-remainder\ of\ page\ intentionally\ left\ blank]$ 

## Stipulation and Settlement Agreement Tennessee Public Utility Commission Docket No. 18-00034 and 18-00097 Attorney General's Signature Page

#### FINANCIAL DIVISION, CONSUMER ADVOCATE UNIT

HAVE SEEN AND AGREED.

By:

HERBERT H. SLATERY IN (BPR # 09077)

Attorney General and Reporter

State of Tennessee

KAREN H. STACHOWSKI (BPR # 019607)

Assistant Attorney General Office of the Attorney General

Financial Division, Consumer Advocate Unit

P.O. Box 20207

Nashville, Tennessee 37202-0207

Phone: (615) 741-1671 Fax: (615) 532-2910

Karen.Stachowski dag.tn.gov

WAYNE M. JRVIN (BPR # 030946)

Senior Assistant Attorney General Office of the Attorney General

Financial Division, Consumer Advocate Unit

P.O. Box 20207

Nashville, Tennessee 37202-0207

Phone: (615) 741-1671 Fax: (615) 532-2910 Wayne,Irvin@ag.tn.gov

## SETTLEMENT EXHIBIT A

#### Atmos Energy Docket No. 18-00097 Adjustments to Rate Base

Settlement Exhibit A

Docket No. 18-00097 Adjustments to Rate Base					Settlement Exhibit A
Resulting from the Application Adjustments to Cash Workin	g Capital a	nd ADIT A/ As Filed	Adjustments	B/ Settlement	Adjustment Reference
Original Cost of Plant	\$	546,605,030		\$ 546,605,030	
Accumulated Depreciation and Amerization		(204,635 275)	9,733	(204 625,542)	Settlement Exhibit E
Construction Work in Progress per Books		18,629,890		18,629,890	
Storage Gas Investment		4,561,487	(5,532)	4,555,955	Settlement Exhibit F
Cash Working Capital		1,129,457	(40,061)	1,089,398	Semement Exhibit C
Material & Supplies		31,504		31,504	
Regulatory Assets/Liabilities		(13,496,569)	(31,755)	(13,528.323)	Settlement Exhibit D
Accumulated Deferred income Tax		(41,694,823)	(6,819,767)	(48,514,590)	Settlement Exhibit B
Customer Advances for Construction		(19,995)		(19,995)	
Customer Deposits		(1.624.026)		(1,634,026)	
Accumulated Interest on Customer Deposits	\$1000000000000000000000000000000000000	(52,049)		(52,049)	
Unudjusted Rate Base		309,434,632		302,547,250	
Adjustments:		(3,401,987)		(3.401,987)	
Net Elimination of Intercompany Leased Property		5,495,201		5,495,201	
Total Rate Base	Accountance	311,527,846		304.640,464	

At GKW-1 Reconciliation Revenue Requirement Model, Sch. 7, cell E19 B/ Settlement Exhibit SA-1 Reconciliation Revenue Requirement Model v3

### SETTLEMENT EXHIBIT B

# Atmos Energy Docket No. 18-00097 Adjustment to ADIT/Regulatory Liability Resulting from the Application of TN specific Excise Tax Rate

Settlement Exhibit B

As Filed Accumulated Deferred Income Tax	(41,694,823) A/	r
Adjustment 1  Elimination of ADIT items related to Disallowed Expenses	134,123	
Adjustment 2 Synchronization of ADIT with Statutory State Tax Rate	(6,953,884)	
Adjusted ADIT Balance	(48,514,584)	
ADIT Balance per Settlement Exhibit SA-1	(48,514,590) B/	
Difference	(6)	

A/ GKW-1 Reconciliation Revenue Requirement Model, Sch. 7, cell E19
B/ Settlement Exhibit SA-1 Reconciliation Revenue Requirement Model v3

## SETTLEMENT EXHIBIT C

# Atmos Energy Docket No. 18-00097 Adjustment to Cash Working Capital Resulting from the Application of TN specific Excise Tax Rate

Settlement Exhibit C

	A/ As Filed	B/ Settlement	Difference
Revenue Lag	37.50	37.50	0.00
Expense Lag	34.70	34.79	0.09
Net Lag	2.80	2.71	(0.09)
Daily Cost of Service	404,026	402,047	(1,979)
Cash Working Capital	\$ 1,129,457	\$ 1,089,396	\$ (40,061)

A/ GKW-1 Reconciliation Revenue Requirement Model, Sch. 7, cell E19 B/ Settlement Exhibit SA-1 Reconciliation Revenue Requirement Model v3

### SETTLEMENT EXHIBIT D

Atmos Energy
Docket No. 18-00097
Adjustment to Regulatory Assets/Liabilities
Resulting from the Application of TN specific Excise Tax Rate

Settlement Exhibit D

Difference

	2 4 5 K 7 A C 12	Detriene	27 117 07 011 00
Regulatory Assets/Liabilities	\$ (13,496,569)	(13,528,323)	\$ (31,755)
Monthly Balance	Account 2530 - 27909	Account 2530 - 27909	
May-17	-	26	\$ .
Jun-17	4		<b>§</b>
, u - + 7	-	-	.\$ -
Aug-17	-	-	\$ -
Sep-17	-	-	\$ -
Oct-17	-	~	S -
Nov-17	-		\$ -
Dec-17	(29,321,046)	(29,389,848)	\$ (68,802)
Jan-18	(29,321,046)	(29,389,848)	\$ (68,802)
Feb-18	(29,321,046)	(29,389,848)	\$ (68,802)
Mar-18	(29,164,084)	(29,232,886)	\$ (68,802)
Apr-18	(29,164,084)	(29.232,886)	\$ (68,802)
May-18	(29,164,084)	(29,232,886)	\$ (68,802)
13 Month Average	(13,496,569)	(13,528,323)	(31,755)

B/

Settlement

À

As Filed

A/ GKW-1 Reconciliation Revenue Requirement Model, Sch. 7, cell E19

B/ Settlement Exhibit SA-1 Reconciliation Revenue Requirement Model v3

## SETTLEMENT EXHIBIT E

## Atmos Energy Docket No. 18-00097 Adjustment to Accumulated Depreciation and Amortization Resulting from the Updated CKV Calculation

Settlement Exhibit E

As Filed Accumulated Depreciation and Amortization	\$	(204,635,275) A/
Adjustment 1		(/ TOEN B/
Inclusion of SubAcct 39918 in Calculation of CKV Accum, Deprec.		(6,795) B/
Adjustment 2		
To Adjust Div 12 Accum, Deprec, for the Removal of the Updated CKV Calculation		16,529 <b>B</b> /
Total Adjustments	***************************************	9,733
Settlement Accumulated Depreciation and Amortization	S	(204,625,542) C/

A/ GKW-1 Reconciliation Revenue Requirement Model, Sch. 7, cell E13

B/ Docket #18-00097 Response to CPAD DR 1-04

C/ Settlement Exhibit SA-1 Reconciliation Revenue Requirement Model v3

## SETTLEMENT EXHIBIT F

# Atmos Energy Docket No. 18-00097 Adjustment to Storage Gas Investment Resulting from Updated Commodity Allocation Percentage

Settlement Exhibit F

	$\mathbf{A}^{j}$	<b>B</b> /		
	As Filed	Settlement	Di	fference
Storage Gas Investment	\$ 4,561,487	4,555,955	\$	(5,532)
Inventories- Gas S	tored (Account	(1641)		
May-17	3,324,309	3,324,309		-
Jun-17	4,173,868	4,173,868		-
Jul-17	5,248,371	5,248,371		*
Aug-17	6,348,943	6,348,943		-
Sep-17	7,351,047	7,351.047		-
Oct-17	8,153,627	8,153,627		-
Nov-17	8,246,120	8,246,120		-
Dec-17	5,636,711	5,626,240		(10,471)
Jan-18	3,247,369	3,233,440		(13,929)
Feb-18	2,701,708	2,690,790		(10,918)
Mar-18	840,077	831,112		(8,965)
Apr-18	1,380,990	1,368,505		(12,485)
May-18	2,646,189	2,631,037		(15,152)
Average	4,561,487	4,555,955		(5,532)
		L-100-000000000000000000000000000000000		27-22-77-78

A/ GKW-1 Reconciliation Revenue Requirement Model, Sch. 7, cell E13

Settlement Exhibit SA-1 Reconciliation Revenue Requirement Model v3

B/ Docket #18-00097 Response to CPAD DR 1-07

# SETTLEMENT AGREEMENT SCHEDULE 1

#### Schedule 1

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

Line						
No.	Description	Reference		Amount	As Filed	Difference
	(n)	(h)		(c)	(d)	(e)
1	Cost of Gas	Schedule 3		\$73,565,057	\$40,904,923	\$32,660,135
2 3 4	Operation & Maintenance Expense	Schedule 4		20,712,003	20.384,327	327,676
5	Taxes Other Than Income Taxes	Schedule 5		7,486,379	7,704,182	(217,803)
7	Depreciation & Amortization Expense	Schedule 6		12,652,532	12.516.189	136,343
9	Return	Schedule 7		23,701,028	22,691,145	1,009,883
10	Federal Income and State Excise Tax	Schedule 8		8,855,376	10,064,573	(1,209,197)
12	AFUDC	Wp 1-2		(149,964)	(50,693)	(99,271)
14	Interest on Customer Deposits	Wp 1-1		78,864	165,200	(86,336)
16	Total Cost of Service			146.901,275 \$	114,379,845	32.521.429
18 19 20	Cost of Service w/o Gas Cost		the description of	73,336,218	73,474,922	(138,705)
21	Non-Gas Revenues in Attrition Year (Gross M			81,438,352		
22 23	Removal of 16-00105 ARM Recon Revenue i Non-Gas Revenues in Attrition Year with Tru		***************************************	4,612,293 76,826.059		
24 23	Additional Revenue Required to Earn Authorized Rate of Return			(3,489,841)		
24 25	Carrying Cost			(564,143)		
26 27	Amount to be added to revenue sufficiency / d	eficiency	\$	(4,053,984)		
28	in February 1, 2019 ARM filing		Secretary of the second of the	and the second s		

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

Line			
No.	Description		Amount
	(a)		(b)
1	Average Customer Deposit Balance	\$	1,624,026
2			
3	Interest Rate on Customer Deposits		3.25%
4			
5	Adjusted Customer Deposit Interest	\$	52,781
6		***************************************	
7	Per Book Customer Deposit Interest	\$	78,864

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

Line					
No.	Description	Amount			
	(a)		(b)		
1	Base Period AFUDC per books - Div 093 (1)	\$	(83,411)		
2	Long Chata Province Transferred		45 400)		
3	Less State Excise Tax Effect		(5,422)		
5		\$	(77,989)		
6		Ų.	(11,707)		
7	Less Federal Tax Effect		(22,820)		
8					
9	Net AFUDC - Base Period	\$	(55,169)		
10					
7	Change from Base Period to Attrition Year	; <del>************************************</del>	(94,795)		
12					
13	Attrition Year AFUDC per books - Div 093 (2)	\$	(226,730)		
14			4.500		
15	Less State Excise Tax Effect		(14,737)		
16 17		\$	(211,993)		
18		Φ	(211,773)		
19	Less Federal Tax Effect		(62,029)		
20					
21	Net AFUDC - Attrition Period	\$	(149,964)		
22		***************************************			
23	Note:				
24	1. Twelve months ended September 30, 2016 - Account	432			
25	2. Twelve months ended May 31, 2018				

# SETTLEMENT AGREEMENT SCHEDULE 2

#### Schedule 2

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

Line	Description				Amount
	(a)		(b)		(c)
1	Base period per books revenue (1)			\$	106,935,939
2 3	Attrition Period per books revenue (2) Change from Base Period to Attrition Year				155,003,409 48,067,470
4	Change from Base reflor to Attrition real			***************************************	70,007,470
5	Attrition Year Revenue:				
6	Gross Margin	\$	81,438,352		
7	Gas cost		73,565,057		
8	Total			\$	155,003,409
9					
10	Note:				
11	1. Twelve months ended September 30, 2010	6			
12	2. Twelve months ended May 31, 2018				

# SETTLEMENT AGREEMENT SCHEDULE 3

Schedule 3

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

Line			
No.	Description		Amount
	(a)	E1 2096	(b)
9	Base period per books cost of gas (1)	\$	42,120,941
2	Adjustments		
3 4	Base Period Net Elimination of Intercompany Leased Storage Property	\$	(1,216,018)
5	Total Adjusted Gas Cost Base Period	\$	40,904,923
6		***************************************	
7	Attrition Period per books cost of gas (2)	\$	74,744,487
8	Adjustments		
9	Attrition Period Net Elimination of Intercompany Leased Storage Property	***************************************	(1,179,430)
10		_	
11	Total Adjusted Gas Cost	\$	73,565,057
12 13	Change from Dage Hariad to Attrition Veer	\$	32,660,135
13	Change from Base Period to Attrition Year	3	ت ت ت ت ب ∪ ∪ ∪ و شد ت
15	Attrition Year Gas Cost	\$	73,565,057
16		**************************************	or according to the second
17	Note:		
18	1. Twelve months ended September 30, 2016		
19	2. Twelve months ended May 31, 2018		

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

* 1		**			Storage		Leased		Storage		The state of the s
Line			ilding	1	Expense	j	Property		xpense	S	torage Rent
No.	Description	Ren	t 0&M		O&M	De	preciation	Otl	ner Taxes		Gas Cost
	(a)		(b)								(c)
1	June-17	\$	*	\$	28,140	\$	17,359	\$	3,050	\$	(86,646)
2	July-17	\$	-	\$	22,751	\$	17,359	\$	3,050	\$	(86,646)
3	August-17	\$	-	\$	24,688	\$	17,359	\$	3,050	\$	(86,646)
4	September-17	\$	MA	\$	124,283	\$	17,394	\$	3,050	\$	(86,646)
5	October-17	\$		\$	23,825	\$	17,370	\$	2,317	\$	(86,646)
6	November-17	\$	-	\$	23,288	\$	17,371	\$	2,317	\$	(86,646)
7	December-17	\$		\$	19,684	\$	17,371	\$	2,317	\$	(126,554)
8	January-18	\$	**	\$	32,524	\$	17,371	\$	2,417	\$	(106,600)
9	February-18	\$	-	\$	31,625	\$	17,370	\$	14,205	\$	(106,600)
10	March-18	\$	-	\$	27,550	\$	17,370	\$	2,417	\$	(106,600)
11	April-18	\$	-	\$	29,146	\$	17,371	\$	2,417	\$	(106,600)
12	May-18	\$	***	\$	49,746	\$	17,371	\$	18,371	\$	(106,600)
13											
14	Total Per Books	\$	-	\$	437,252	\$	208,434	\$	58,978	\$	(1,179,430)

# SETTLEMENT AGREEMENT SCHEDULE 4

#### Schedule 4

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

Line							
No.	Description		Amount				
	(b)		(c)				
1 2	Base period per books O&M Expense (1)	\$	21,828,328				
3	Change from Base Period to Attrition Year	<del></del>	(1,553,577)				
4 5 6	Attrition Year O&M Expenses - Before Eliminations (2)	\$	20,274,751				
7	Adjustments to O&M						
8	Elimination of Intercompany Leased Property - Rent	\$	-				
9	Inclusion of Barnsley Storage Operating Expense	\$	437,252				
10							
11	Total Adjustments	\$	437,252				
12							
13	Total Adjusted Operation and Maintenance Expenses	\$	20,712,003				
14		***************************************					
15	Note:						
16	1. Twelve months ended September 30, 2016						
17	2. Twelve months ended May 31, 2018						

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

Tennesse Tennesse		Tennessee	ппесьее		SSU			General Office				Total						
- CO	Hi	storic Base	Attrition	Difference	Hi	storic Base	Attrition	Difference	- 1	Historic Base		Anrition	Difference	1	listoric Base	Ź	Attrition	Difference
Labor	ş	1,555,037	\$ 3,453,549 5	(101.483)	\$	3.318,537 5						1.142.807 \$	226,854	5.	7,789,927	S	7,780,145 \$	(2.582)
2 Benefits	5	540,603	1,142,006	(198 497)	5	1.134,952 3	1,861,549	(83,415)	- 8	313 (413	5	269,677	(42, 365)		2,787,606		2.463.232	(324,374)
3 Employee Welfare	5	33.262	30,045	(3.248)	5	1,387,685	1,549,400	261,716	5	635,376	8	5,14,409	(108,968)		2,056,323		2.205.824	149,501
4 Insurance	40	178,545	181,455	2.510	Ŝ	927,349	920,511	55.162	9	20,438	\$	28,742	8,1(14		1,126,932		1,190,768	63,776
5 Rent, Maint., & Utilities	9	590,232	446,776	(149.486)	5	373,165	350,556	(22.699)	\$	153,665	3	134,669	(19,056)		1,117,063		931,941	(185,121)
6 Vehicles & Equip	8	507,567	524,880	17.313	5	6,780		(3,569)	S	28,804	5	29,871	1,057		543, (51		557,963	14.311
7 Materials & Supplies	.5	389 975	417,683	27,798	5	49,390		(0.76)	S	71.745	5	83,526	11,781		505,119		543,538	38,419
8 Information Technologies	2	9,388	5.267	(e.092)	\$	795,487	918.274	124,787	\$	39,334	S	28,756	(10,573)		\$42,179		950,296	108,117
9 Telecom	5	190.673	264,407	73.823	\$	114,742 !	108,133	(6,609)	4.	.45,346	*	127,400	(17.938)		450,763		500,028	49,276
IU Marketing	5	89,841	96,025	6,174	5	11,700	10,702	(998)	5	158,984	.5	170 651	31.697		240.508		277,378	36,375
11 Directors & Shareholders &PR	5	3,633		(3 633)	\$	273,215	308,542	35,327	3	}	S	*	(4)		276,552		308,542	31,690
12 Dues & Donations	\$	73,645	106,746	33,701	5	25.822	23,982	(1,840)	\$	46.643	5	10,735	£35 963)		145.510		141,463	(4.047)
13 Priot & Postages	- 5	8,698	8 703	7	\$	8,137	7,756	(381)	ŝ	5,600	\$	5,393	(7)		22.433		22,053	1381)
14 Travel & Entertainment	- \$	291,917	313,212	21.195	5	112,851	126,821	15 670	\$	173,488	\$	202,041	28,554		578,256		641,778	63,519
15 Training	\$	U1,8*5	21,431	×a, ≤ \$6.	5	75,243 1	57.943	(17,301)	25	20,414	5	26,288	5,874		107,530		108,661	(1.871)
lo Outside Services	8	3,485,914	4.398,913	948,006	\$	771,496	745,901	24,405	S	1,247,270	S	564 965	(682,304)		5.45\$,681		1 796,781	251.101
17 Provision for Bad Debt	3.	286,637	258,238	(18.399)	\$	- 1	-		5	-	5	-	4		286,637		268,238	18(399)
18 Miscellaneous		195,719	(55,954)	(251,673)	\$	(2,655,742)	(2,962,854)	(307,112)	S	(43,717)	5	(89,469)	(45,752)		(2,503,739)		(3,108,276)	(604,537)
19 Total O&M Expenses	9	11,243,940	\$ 11,618,443	\$ 374,503	S	6,672,828	6,606.245	\$ (66,582)	ş	3,911,561	5	3,262,610 - 3	(648,951)	\$	21,828,328	\$	21,487,298 \$	(341,030)
20																		
21 Disallowed Items																		
22 Other (Sub 05416 and 05412)			(3,025)				(2,476)					(1.412)					(2.911)	(5,911)
23 Jacentive Comp (MFR 38)			0				(642,869)					(425,536)					(1,658,403)	(1,038,405)
24 Benefits (FAS 87 Accrual)			(215.933)				(156,623)					(58,110)					(440,666)	(440,566)
2.5																		
26 Rate Case Expense			-															
27																		
28 Actual Allocable Pension Contribution			272.433	377,435													122,435	372,435
29																		
36 Total O&M	Š	11.243.940	\$ (1,672,92)	8 640 237	S	6.672.828	5,834,277	\$ (66,582)	Š	3,911,561	\$	2.767,553 5	(648,951)	ž,	21,825,328	3	20,274.751 \$	(1,513,577)

WP 4-2

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

		Division 093	
Line	FERC	Historic Base	
No.	Account	Period	Attrition Year
1	7350	1,504	891
2	8400	•	· ·
3	8560	44,801	38.030
	8600	6,308	oo-
5	8630	5,775	800
6	8650	*	-
	8700	1,614,281	1,959,659
8	8710	*	63
	8711	5,762	47,040
	8740	3,656,775	4,055.596
	8750	474.888	454,046
	8760	7	262
	8770	2.615	5,650
	8780	681,638	692,491
	8800	130,271	94,150
	8810	493,974	302,506
	8860	4,457	6.612
	8870	34.771	43,374
	8890	3,247	140,114
	8900	*	33
	8910	**	139
	8920	8,229	(26,005)
	8930	11,094	37,016
	8940	(56)	150
	9010	212	
	9020	947,850	481,768
	9030	316.230	983,425
	9040	286,637	268,238
	9090	152,522	16,139
	9100		33
	9110	302,849	226,566
	9120	42,872	63,690
	9130	100	11,019
	9160		
	9200	99,887	111,863
	9210	20,297	14,242
	9220	10,554,992	9,868,855
	9230	160,931	154,589
	9240	139,178	142,185
	9250	27,773	50,130
	9260	1,352,964	1,153,867
	9270		**
	9280	180,833	6,714
	9302	21.871	70,525
	9310	10,531	10.834
	Total	21,798,867	21,487,298

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

WP 4-2

	***************************************	Division 091	***************************************
Line	FERC	Historic Base	
No.	Account	Period	Attrition Year
***************************************	8160		62
44	8170	521	549
45	8180	544	520
46	8190	7,490	6,868
47	8210	2,213	2,882
48	8240	*	1 1
49	8250	12,765	15,258
50	8500	151	• *
51	8560	1,026	901
52	8570	1,060	1,000
53	8640	-	**
54	8650	93	
55	8700	3,100.485	3,133,634
56	8710	140	
57	8711	54,105	100,581
58	8740	90,489	119,576
59	8750	113,036	155,723
60	8760	70	2,856
61	8770	1.036	36,722
62	8780	478	82
63	8800	1,610	173
64	8810	309.396	274,246
65	8860		*
66	8940	•	-
67	9010	-	27.899
68	9020		*
69	9030	2,765,198	1,921,993
70	9090	388	44
71	9100	753	2,138
72	9110	131.544	170,230
73	9120	3,933	3,041
74	9130	8,759	5,998
75	9200	(104,066)	(219,098)
76	9210	69,126	(38,644)
77	9220	(8,980,256)	(7.786,772)
78	9230	175,505	141,485
	9240	(11,528)	(14,370)
	9250	371,198	146,225
	9260	1,837,731	1,776,232
	9280	**	441
	9302	103,010	11.555
	9310	*	<b>₩</b>
85	Total	68,000	(0)

WP 4-2

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

Line         FERC           No.         Account           84         8210           85         8230           86         8560           87         8700           88         8740           89         8780	Historic Base Period  463 4,341 112,666 (3,799)	Attrition Year  440 6.062 6,983 283.387 45,956
84 8210 85 8230 86 8560 87 8700 88 8740 89 8780	463 4,341 112,666	440 6.062 6,983 283,387
85 8230 86 8560 87 8700 88 8740 89 8780	4,341 112,666	6,062 6,983 283,387
86 8560 87 8700 88 8740 89 8780	4,341 112,666	6,983 283,387
87 8700 88 8740 89 8780	4,341 112,666	283,387
88 8740 89 8780	112,666	
89 8780	*	45,956
	(3,799)	
	(3,799)	**
90 8800		*
91 8850	-	24,916,754
92 8900	*	-
93 9010	17,340	118
94 9030	1.883.902	72,748
95 9100	**	3.707
96 9120	7.034	17,895
97 9160	*	1,009
98 9200	(15,850,637)	(12,976,253)
99 9210	22,631,682	23,211,846
100 9220	(91,705,860)	(100,272,886)
101 9230	9,093.724	10,871,865
102 9240	126,521	135.293
103 9250	21,484,805	19,993,118
104 9260	41,979.578	47,668,559
105 9301	-	
106 9302	5,798,774	6,591,533
107 9310	5,260.633	5,059,659
108 9320	304,218	396,046
109 Total	1,145,384	26.033.838

WP 4-2
Tennessee Distribution System
Operation and Maintenance Expenses by FERC

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

		Division 012	
Line	FERC	Historic Base	
No.	Account	Period	Attrition Year
107	8700	824	1,876
108	8740	21.423	19,316
109	8800	54	37
110	9010	5.191.977	4.140,074
111	9020	76	9,791
112	9030	22,338,905	18,683.675
113	9100	*	
114	9200	4,339,176	4,045,370
115	9210	9,667,656	8,021,415
116	9220	(55,357,052)	(46,393,818)
117	9230	576,465	847,264
118	9240	121,818	95,934
119	9250		183
120	9260	11.150,347	8,846,083
121	9301	66	**
122	9302	88,362	
123	9310	1,849,962	1,672,147
124	9320	9.942	10,653
125	Total	0	0

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

Line No	Description	Number of Bills	Volumes Mcf	Adjustments to Bills	Adjustments to Volumes	Total 98s	Total Võlumes	Proposed Customer Charge	Proposed Commodify Charge	Revenue @ Proposed Rates	Bad Debt Percentage	Total Bad Debt
	(x)	(%)	€63	(d)	(e)	(0)	(8)	(p)	(1)	(j)	fks	(1)
F 210 Residental	LGas Service (Summer)	613,707	810,777	19,113	25,250	632 820	836.027	14.50	1.206	10.184 383	0.5%	\$ 50,922
2 210 Residental	Cas Service (Winter) (weather sensitive)	853,797	6,668,956	28,590	207,094	980,397	6.876,650	17.50	1 206	23,702,037	0.5%	\$ '18.510
	Gas Service Senior Citizen (Summer)	709	553	22	17	731	570	0.00	1.206	688	0.5%	\$ 3
4 210 Residential 5	Gas Service Senior Citizen (Winter) (weather sensitive)	1,011	6,211	31	193	1,042	6,405	0.00	1.206	7.725	1), 3%	\$ 39
6 211 Residential 7	VSm. Commericial/Industrial Heating & Cooling Service	24	342	1	11	25	353	14 25	0.735	612	0.5%	\$ 3
8 220 Commercia 9	al Gas Service (weather sensitive)	194,355	5,146,491	3,267	86,490	197,622	5,232,989	36.00	2.385	19,593,309	0.5%	\$ 97,967
för 221 Experiment	tal School Gas Service	53	69,275	4	1,164	54	70,439	36.00	1.162	83,759	0.5%	\$ 419
12, 225 Public Auth	nority Gas Service (Sr. Citizen) (Summer)	0	0	0	0	()	0	0.00	1,206	0	0.5%	\$ -
13 225 Public Auth	nority Gas Service (Sr. Citizen) (Winter) (weather Sensitive)	0	0	0	0	0	0	6,90	1.206	0	0.5%	\$
14, 225 Public Auth	nority Gas Service (Summer)	2,974	7,439	93	232	3 067	7,671	14 50	1,206	53,720	0.5%	\$ 269
15 225 Public Auth 16	nority Gas Service (Winter) (weather Sensitive)	4,106	40,592	130	1 277	4,296	42,268	1750	1.206	126,164	() -{** <sub>6</sub>	\$ 631
17-230 Large Com 18	mercial Gas Service (weather sensitive)	€	G	0	0	Ş	0	385.00	2.084	0	0.5%	\$ .
19 Total											:	268,762

WP 4-4

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

Line No	Description	Number of Participants	Estimated Liability	Percent of Contribution Applicable to Group	Actual Attrition Year Contribution	Allocation Factor to Tennessee	Amount Allocable to Tennessee	Composite Labor Capitalization Rate	Pension Countibution Assigned to Capital/Reduction to O&M Costs
	(a)	No.	(c)	(d)	(e)	(f)	(%)		
1	All Other (not allocable to Tennessee)	4,410 \$	414,624,000	27.7%	5 3,886,206.17	0.00%	\$ -		
2	Co 010 - Shared Services	493	56,998,000	10 7%	534,233	4.26%	22,785		
3	Co 010 - CSO	3.71	18,248,000	3.4%	171,036	4,50%	7,730		
4	Active Tennessee Jurisdiction Employees	107	14,613,000	2.9%	146,338	100 00%	145,338	55,6%	(81,364)
5	Inactive Tennessee Jurisdiction Employees	392	15,783,000	3 0%	147,632	100 00%	147,932		
- 6	Active Division General Office Employees	25	5,090,000	1 (72%	47.768	41.81%	19,948	53.7%	(10,712)
7	Inactive Division General Office Employees (pre-merger)(1)	47	5,625,000	1.1%	52,722	26 55%	13,998		
8	Inactive Division General Office Employees (post-merger)	5	1,475,000	0.3%	13,825	41.81%	5,781		
4)									
10	Total Amount of Contribution Allocable to Tennessee	5,650 \$	533,456,000	100,00%	\$ 5,000,000		\$ 364,511		5 (92,076)

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

Source: Relied Upons/TN-FYE2015-Acc/Allocation

1 entaneme Justification of Printer
Openrafiest and Malestinance Expanses, Ferrenance, Arthreis
Treative Manutes Ended May 31, 3813

7	Augusta			Difference.	Attition	Attition Forecast	Attriden Assuel	Difference	Althue	Affinian Fernand A	Afterior Astrol	THE PROPERTY OF	Arostri	Mortier Faresast	nd Attrifem Actual
1 Calbur	3 5 15 6 EE	2	e e	190 199	10	8 W	3,383,290 4	(201 ) (201)	6	4.	7	4 4 4	æ	9 104 070	ji.
2. Kephelito	\$ 1,37%	\$ 10137E	\$,142,006 X	(25),(698)	96	1 230,000 M	1,051,249 8	(196,541)	in :	540,273	200 677 9	1966 04.0	# 1	3 143 4	17
3 Employee Welfare	## ·	S 342 3	30,015 \$	(112211)	16	1.305.33B	00F64V	264,043	癣。	348,544	526,409	(22,235)	in.	1,075.5	gi.
d (preprance	W 32.	38.117 /第	\$ 55F fB1	176.00.3	48	S 1907 2-05	I ITS ONK	62 P EB	gio di	E- 519 '461	28,742 4	(M.976F)	at	14.00 E.I	o is
The Part of the Party	\$ 507,880	8830	145.776 S	(CILLY)	991	A NVOM	M. WEST DISK	¥Z2		199,910 3	Live work of	013,301	ψ.	LENING!	W.
O VANCE A STATE	671,676	676 *	8 048,522	1964 Pt.	44	4,771 \$	3211	(1,339)	77.	24 574 B	29,871	CAR.	64	1 POWNEY.	-
7 Materials & Supplies	# 355,327	327 #	217.083 S	52,357	*	57,610 M	SKF.73	(Car.ol)	QIA:	67.344 W	63,324 #	16,783	9	475.281	in:
3. La formantion Technologics	10	i W	3,347 \$	3.367	**	S CHILLS	916.27a ¥	106,411	391	\$0,701 \$	24.756	(21,943)	W.	347.563	in in
<b>第一日 日本 日本</b>	B59,001 #	\$ 859	264,497 \$	full(799)	MC	120,162 \$	105.123	120,169)	÷	220 326 %	127,409 \$	(92317)	69	346,335	M.
30 N.Larten sheys	W 23	73,863 #	8 570'FE	20,161	**	\$ 1207.E	10t.701	((,41)	90	# 12E A93	\$ 127 W.1	1,127	Più.	357.31	ų0
31 Directors & Sharsholdors &PR	50	2,412 %	: 99	12.4123	šiři:	2#1.928 \$	108,542	20,714	W.	Ga :	2	÷	105	250	68-
12 Deep dt Desartinere	33.210 33.210	\$60 \$	106,346 3	73,307	44	\$ 013'EX	2149AT	(4,12%)	107	77.604 3.	10 233 4	(1998)	SPR	132,923	NA.
13 Print & Postages	DAME &	*G	\$ 5,000 %	(0.653)	.WP	\$ 619.11	7,736 3	CHEST	79	5,6459 #	2,593	(340)	ije.	27.332	W.
ld Transl & Entertainment	\$ 308.521	\$2! #	383,212 \$	104 July	40	351,110 K	126,521	(24,597)	şń	249,312 \$	202.04 S	(43.471)	16	665,138	áŋ:
J. Trainting	\$ 24,291	44	21,431 \$	(2,460)	ige;	43,400 \$.	57,942	(\$.946)	,60 ,60	が一門	26.284	(1,990)	96.	3 6.056	300
16 Outside Remises	\$ 2,401,730	730 8	\$ 516'S6C'F	1994,134	44	585,854 \$	F 1067 PL	60,443	差	1347 A34 S	362.963	(1,002,664)	99	3,075,270	éù:
13 Egyotsican for Bad Delve	# 313,243	243 #	3/4E.23% S	(45,00%)	348	4	'A		<b>\$6</b>	30	i i	et i	W	3:3,245	6
15 Microfigurement	\$ 44.558	5 MSE	\$ 445.65C	£16.2003	*	(C4713H2) \$	2 m2 may 9	(Story)	*	A SEEN	\$ 100 miles	24 400	ult.	11.80.4	3
39 Total Odebi Exponson 20	\$ 10,112,15) F	1 (5)	S Christin	1,345,800	*	S MCSusco	S. Checkery		id	******	1 MEAN 1	(Control of	**	22 Mehit 22	×
2) Dissilvand (types															
22 Other (Sab 05416 and 05412)	17	(7,764) \$	\$ (CDC)	5.740	槽	0.72) \$	(2,4%) 8	1,246	34	(MA) *	(1,412) 2	(744)	Sill	(12.15	á
23 Louise divis Chemp (MEPR, 748)	tptk	特	54	*	94	S CONCLESS	(412,969) 3	(35,478)	44	(458,589) \$	(425,5%) \$	33,133	in	(\$JU16.97	8
24 Benedius (FAS 87 Autoresi r	\$ (267,333)	\$ CEXE	(215,933) \$	35,401	*	COM.998; \$	(156,623) 3	52,374	.96:	\$ (CASK 042)	(68,119) S	11,763	tei	\$5,47,303h	35
25															
M Black Gase Expanses <sup>2</sup>	**	•	48	,									<b>38</b>	ń	
28 Actual Albertable Penciles Controllation		er	272.433 \$	272.435											Set.
24					divinitation and a second										
30 Futal O.C.Al	\$ 10037456 3		1677 921 5 1,635 465	1,635 465	est.	S MAGGIEST Y	FRE HAS	CONTROL S CANADA	197	4 450,00 \$		2707 553 \$ (1,70) 474)	MA.	N WHY KINDS	N.

# SETTLEMENT AGREEMENT SCHEDULE 5

#### Schedule 5

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

Line			
No.	Description		Total
	(a)		(b)
1	Base period per books Other Taxes Expense (1)	\$	7,811,449
2			
3	Change from Base Period to Attrition Year		(384,048)
4			
5	Attrition Year per books Other Taxes Expense (2)	\$	7,427,402
6			
7	Inclusion of Barnsley Storage Other taxes		58,978
8			
9	Attrition Year Adjusted Taxes Other Than Income Taxes	\$	7,486,379
10		***************************************	
11	Note:		
12	1. Twelve months ended September 30, 2016 - Account 408		
	2 (5-1) 1-124 21 2018 4 400		

2. Twelve months ended May 31, 2018 - Account 408

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

Line No.	Descripton	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
		27.6-2.5	7403-703	APCL * 2.J	J3117 (1)	1.6000	31844-10	2441.10	71125-10	3411-40	33010	AME, (A	.300-30
1	Division 093												
2	FICA	33,910	42,678	2,556	28,662	18,155	12,192	37,419	F2/309	13,758	16,235	10,522	31,968
3	FUTA	15	3.5	(8)	2,445	133	(248)	(24)	6	(2)	-	-	•
4	SUTA	24	97	(61.)	.1,961	094	(269)	(59)		(5)	2014.224	2000	
5	Ad Valorem	544 ×54	344,354	344.854	3 14,854	344,854	344 854	344,854	344,854	344,854	384,854	384,854	384.854
6	Payroll Tax Projects	0.00				*					612.000	*	*
- 1	30105 Corp/State Franchise Tax	60,000	60,000	60,000	50,000	60,000	50,000	40,000	4.0 000	60,000	60,000	60,000	69,600 157
8	30107 City Franchise	167	167	167	167	167	167	167	167	167	167	167	
9	30109 State Gross Receipts	76,927	130,959	219,903	262,085	202,641	171,911	94.924	66,627	63,521	\$1,441	72,780	68,801
13	30104 State Supv & Inspection	54,674	54,674	S4.674	54,674	\$4,674	54,674	47,202	47,302	47,302	47,302	47,302	47,302
[]	30108 Dot Transmission User Tax		**	φ.	*		*	20,299	***	*			
12	Division 91 Allocations	12.578	13,192	3,993	11,352	7,998	6,258	12,498	7.282	6.714	7,419	6,071	11,656
13	Division 12 Allocations	9,805	26,736	8,622	13,560	10,953	11,957	10,815	12.939	9,651	10,050	10,271	9814
14	Division 02 Allocations	13,292	38,075	10,245	17,794	14,158	15,404	14,078	17,813	13.683	13,750	14,324	13,341
15	Total	\$ 606,045	\$ 711,465	S 704,381	5 798,494	\$ 734,736	\$ 676,900	\$ 642,272	\$ 572,204	\$ 559,643	\$ 591,216	\$ 606,290	5 627,803
10													
17	Division 002												
LS.	FICA	227,631	718,162	150,532	261.021	239,161	273,924	247 866	330,985	207,783	239,3.25	226,736	226,630
fò	FUTA	447	544	129	24,163	1.832	402	(350)	186	73	96	1:00	525
30	SUTA	923	1.104	703	45,522	8,077	3,649	(594)	342	23.7	[8]	211	957
21	Ad Valorem	7:000	71,400	71.066	71,000	71,000	71,000	71,000	71,000	71,000	71,400	71,000	71,000
22	Payroll Tax Projects							-	-	-		*	-
2.3	Taxes Property and Other					-	*	*	~	*		*	-
24	30105 Corp/State Franchise Tax					^		+	-				
25	Total	\$ 340,000	\$ 790,901	\$ 231,434	\$ 401,707	\$ 320,050	\$ 347,975	8 917723	\$ 402,513	\$ 369,693	3 310,600	\$ 298,047	\$ 229,112
26													
2.7	Division 012												
28	FICA	163.784	542,963	124.311	196,246	182.879	219,668	188.319	234,683	161,124	100,059	174,987	163,894
29	FLTA	326	411	154	18,271	1.426	325	(426)	126	48	80	77	384
36	SUTA	670	904	542	34,421	6,239	2,670	(471)	220	157	129	163	699
3.1	Ad Valurem	55,000	\$5,000	55,000	55,000	\$5,000	55,000	55,000	35,000	55.000	55,000	55,000	55,000
32.	Tota!	5 319,779	\$ 599,278	\$ 179,807	\$ 303,938	\$ 245,543	\$ 268,000	5 242,422	5 290,029	\$ 216,330	\$ 221,256	\$ 230,228	\$ 219,977
3.3			######################################					<u> </u>					
34	Division 091												
3.5	FICA	31,108	22,944	1,255	15,762	10.354	7,355	21.460	9,040	3,036	9,661	6,544	[0,149]
36	FUTA	1g	19	(5)	1,035	80	(137)	(14)	1	(1)			
3.7	SULA	13	53	(17)	1,641	567	(142)	(35)		(3)		**	
38	Occupational Linenses	**						****		` ′			
39	Payroll Tax Projects												
40	Ad Valorem	7,500	7,5(%)	7,500	7.5(a)	7,500	7,500	2,500	7,500	7,500	7,500	7,500	7,500
41	30105 Corp/State Franchise Tax	ti .	0	0	n	6	Ü	0	0	0	0	[3	0
42	Total	5 28,633	\$ 30,315						5 16,846	\$ 15,531		·····	\$ 26,949
	* N-1404	All Market Marke	and the same of th		* *******	A 1000 Mg	***********		······································	***************************************	***************************************		*************

Line No.	Descripton Base Period	
1	Division 293	
2	FICA 263,18	38
3	FUTA 2.33	
4	SITA 3.77	
	Ad Valorem 4,258,2-	
6	Pavroll Tax Projects	
7	20105 Corp/State Franchise Tax 720.00	
8	30107 City Franchise 2.00	(6)
9	30109 State Gross Receipts 1,482.5	20
10	30104 State Supv & Inspection 611,8	
1.3	30108 Dot Fransmission User Tax 20.2	
12	Division 91 Allocations 106,8	
13	Division 12 Aliocations 144.5	
14	Division 02 Allocations 195.8	
15	Total \$ 7.811,4	
16	And the state of t	accommonth
17	Division 602	
18	FICA 3,388,7	58
19	FUTA 27.9	96
20	SUTA 604	01
2.1	Ad Valorem 852,0	
2.2	Payroll Tax Projects	
2.3	Taxes Property and Other	
2-4	30105 Corp. State Franchise Tax	
25	Total \$ 4,329.1	55
26	Workship Control of the Control of t	-
27	Division 012	
28	FICA 2,513,6	
29	FUTA 21,1	
36	SUTA 45,7	743
31	Ad Valorent 650,0	
3.2	Total \$ 3,249,5	90
35		
34	Division 091	
3.5	FICA 153.6	
36		:10
31	SULA	334
38	Occupational Licenses	
31	Payroll Tax Projects	
40		900
4	30105 Corp/State Franchise Tax	
4.	Tetal S 247.6	061

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

Probation   Prob	Line													
POCA	No.	Descripton	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
POCA	1	Division 093												
S. P.	3		13.491	13.872	8,435	32,288	9.276	39.621	7,538	23,503	17,293	25,851	12,341	12,968
Al Valorum	3				3									15
Payroll Tax Projects	4	SUTA	3	9	5	1-1	11	(1)	(1)	1,377	(416)	63	(6)	3
19th Stapp-State Franchises   10,000   60,000	5	Ad Valorem	374,854	374,854	374.854	374,854	377,354	377,854	377,854	408,454	408,454	408 454	408,454	498,484
9 90167 City Franchise 9 90167 State Giols Receips 1 90167 State Giols Receips 1 90168 State State Giols Receips 1 90168 State Giols Receips 1 90168 State State Giols Receips 1 90168 State State Giols Receips 1 14,510 12,312 16,4198 18,510 12,312 16,4198 18,510 12,014 11,014 12,815 11,801 12,815 11,801 12,814 11,901 12,815 11,801 12,814 11,901 12,815 11,801 12,814 11,901 12,815 11,801 12,814 11,901 12,815 11,801 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,814 11,901 12,901	6	Payroll Tax Projects	83	26	760	213	(34)	-	49	65	(936)	7		
9 90109 Shite Gross Recipies 69 8.78   \$3,908   \$3,908   \$3,908   \$3,908   \$3,908   \$3,908   \$3,908   \$3,908   \$3,908   \$3,908   \$3,908   \$3,908   \$39,808	9	30105 Corp/State Franchise Tax	60,000	60,000	60,000	60,000	68,333	68,333	68.333	68,333	68.333	68,333	68.333	68,333
19   10   10   10   10   10   10   10	S	20107 City Franchise		167	167	167	16.2	167	167	167	167	167	167	167
13   13   15   15   15   15   15   15	9	30109 State Guiss Receipts	69,870	35 168	34,946	36.013	\$2,046	"6,407	115,027	156,472	111,960	69,961		
15   Division VI Allocatoms	19	30104 State Supv & Inspection	39.858	39,858	79,858	39,858	30,858	39,858	39,858	39,358	39,858	39.85\$	48,077	
18	11	30108 Dot Transmission User Tax	10,343	+	,	-			*			-		21,740
Part	1.2	Division 91 Allocations	14,530	13.313	16,498	3,776	15,034			13,835	(151,157)	5,362	13,491	
15   Total	1.3	Division 12 Allocations	8,677	8,360	12,571	7,917	9.173				9,370	11.197		
Fig. A   256,179   279,862   389,968   199,031   289,330   76,210   173,145   243,589   242,067   213,654   243,911   353,708   191,144   275   275   279,862   279,862   171,145   275,362   275,862   275,	1.4													
Pick	15	Tr (2) 52	\$ 6924,778	5 559,667	\$ 566,921	\$ 565,790	\$ 585,027 5	697,150	\$ 638.133	\$ 748.011	\$ 515,021	5 673,140 1	632,119	5 541,664
Fig. A   286,175   279,868   389,968   199,031   289,380   76,216   173,145   245,889   242,067   218,664   243,911   333,708   197,174   496   598   410   136   297,255   (631)   (10.99)   76   695   6														
FUTA 272 399 171 496 398 410 136 29.788 (681) (1.029) 76 698  SUITA 983 1.618 788 1037 1.023 1.886 424 71.227 (15.357) 4.077 434 1.471  Ad Valorem 44.000 44.000 44.000 44.000 64.500 64.500 64.500 69.700 69														222 502
SUTA   983   1,618   788   1,027   1,023   1,386   424   71,227   (15.387)   4.077   434   1.471     Ad Valorem														
Ad Valorem														
Payroll Tax Poperts								,						
Composition of the composition						44,000								
Problem   Prob									*	-				
S   S   S   S   S   S   S   S   S   S			180,544	26,608	^	17110/805	65		-		*	•		(13,546)
Division 612   Company   Division 612   Divi			* 103.077	25   5002	C 151531	* 1 TA 1 270	C 3115 2611 1		F 238 306	X 110 321	e 366.770	< 200 521 1		4 180 870
Division 012   CS   LICA		2.6-634	2 21	5 351,873	5 434,024	5 L.202.370	3 305,560 3	911,391	5 2.58,200	2 +111'5 LF	5 275,177	3 300,331	3 319,7504	> ,70×,8 ×
28 1KA 147,260 140,255 233,551 140,506 131,302 482,774 116,549 183,399 162,535 190,014 166,897 214,727 29 FUFA 156 201 140 280 220 236 79 17,826 (587) (501) 58 463 30 SUFA 566 508 488 882 882 872 796 245,467 (487) (29,439) 2,993 239 851 34 Ad Valorera 44,000 44,000 44,000 44,000 48,700 18,700 52,600 52	233	80.51 - 675												
Part	7.0	***************************************	147065	116.25	222.001	314.506	111 160	40.3 774	116 543	122.260	362.725	100.014	17.6.997	214 727
SUFA														
Ad Valorerra														
22 Total \$ \$ 191,981 \$ 181,966 \$ 278,146 \$ 155,268 \$ 200,793 \$ 532,506 \$ 165,572 \$ 296,498 \$ 205,109 \$ 245,106 \$ 219,775 \$ 268,581  33														
33					The second secon									
State		£ <24.92 c	2 191,781	2 (34,700)	ANNUAL MANAGEMENT AND	3 152,200	3 250,0,000	3,3,3,3,0,0,0,0	ACCOUNT OF THE PARTY OF THE PAR	Appendia and a second	2 400,100		The same of the sa	Company of the Compan
25 FICA 29,691 26,763 34,385 3,979 38,661 73,294 26,669 34,981 36,196 14,920 31,898 36,379 36 FULA 3 2 6 18 0 16 1 1,554 (122) (141) 3 12 27 SUTA 2 2 8 3 11 16 6 (1) 948 (234) 61 (5) 2 38 Compational Legities		Division 091												
36 EUTA 3 2 6 12 0 16 1 1,554 (122) (141) 3 12 27 SUTA 2 8 3 11 16 6 (1) 948 (234) 6) (5) 2 52 Octupational Licenses			29.691	26.763	34.385	3.979	35.661	73.294	26.669	34.931	36 196	14 920	31,893	36,379
27 SUTA 2 8 3 11 16 6 (1) 948 (234) 61 (5) 2 58 Obserptional Legenses														
58. Obsumational Learness 39. Payroll Tax Projects 40. Ad Valorem 5,00u 5,00u 5,00u 5,00u 20u 20u 30u 30u (396,474) 30u 30u 30u 41. 3010s CorpoState Franchise Lax														
39 Payroll Tax Projects 40 Ad Valorem 5,000 5,000 5,000 5,000 200 200 300 300 300 300 300 300 41 30100 CorptState Franchise Tax			*											
40 Ad Valorem 5,000 5,000 5,000 5,000 200 200 200 300 300 300 300 300 300								*			_	-		
41 30 100 CorprState Franchise Tax			5,000		5,000	5,000	200		200	300	(396,474)		300	3(4)
					-		*		*	-	. ,			-
			\$ 34,696	\$ 31,772	\$ 39,394	806,9	\$ 35,871 5	73,516	5 26.870	5 37,784	\$ (360,690)	\$ 15,140	5 32,191	5 36,694

Cine No-	Descripton	Attrition Year
,	************	
77	Division (193)	216,623
		3.50,00.
97	FUTA SUTA	1.06
4	Ad Valorem	4 675,244
6	Payroll Tax Projects	24
7	30105 ConyState Franchise Tax	786,66
8	30107 Ciry Franchise	1.83
9	30107 City Francisco	881.92
10	30109 State Supv & Inspection	494,73
11	30108 Dot Transmission User Tax	32.08
17	Division 91 Allocations	5.13
13	Division 12 Allocations	134.11
1.3	Division 02 Allocations	195,80
15	Total	\$ 7,427.40
16	: Utax	
17	Division 002	
18	HCA	3,577,81
19	FUTA	31.14
30	SUTA	69,10
21	Ad Valorem	718,00
22	Payroll Tax Projects	14.42
23	Taxes Property and Other	1,391,96
24	30105 (Corp/State Franchise Tax	*
25	Total	\$ 5,802,45
26		
27	Division 012	
28	FICA	2,299,67
29	FUTA	18,46
36	SUTA	41,62
31	Ad Valorem	585,10
32	Fotai	\$ 2,944,30
33		
34	Division 001	
3.5	FICA	184,80
36	FUTA	1,34
57	SUTA	76
38	Occupational Licenses	
39	Payroll Tax Projects	
40	Ad Valorem	1374,67
41	30105 Carp/State Franchise Tax	-
42	fotal	\$ 12,24

# SETTLEMENT AGREEMENT SCHEDULE 6

#### Schedule 6

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

Line			
No.	Description	Reference	Amount
	(a)	(b)	(c)
1	Base period per books Depreciation Expense (1)		\$ 11,358,19
2	Change from Base Period to Attrition Year		1,168,4
4 5	Attrition Year per books Depreciation Expense (2)	Wp 6-2	\$ 12,526,68
6		,	
7 8	Adjustment to reflect Proposed Depreciation Rates		
9 10	Attrition Year per books Depreciation Expense	Wp 6-1	12,526,6
11	Amortization of Deferred Pension Regulated Asset*	Wp 7-3	
13	Net Elimination of Intercompany Leased Property	Wp 3-1	208,4
14 15	Adjustment for Depreciation Expense on Capitalized Incentive Comp	Wp 7-8	(82,5)
16 17	Total Depreciation and Amortization Expense, As Adjusted		\$ 12,652,53
18 19	Note:		
20	Twelve months ended September 30, 2016		

<sup>21 2.</sup> Twelve months ended September 30 21 2. Twelve months ended May 31, 2018

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

Line No.	Description		Allocated Amount
	(a)		(d)
1	Proforma Depreciation		
2	Tennessee Operations	\$	11,613,517
3	Mid-States General Office		18,466
4	SSU Div 12 - Customer Service		363,878
5	SSU Div 02 - General Office		530,819
6		-	
7	Proforma Depreciation Adjustment	\$	12,526,680
	Attrition Period Per Books Depreciation Expense	\$	12,526,680

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

Line	D. Maria	A 11
No.	Description	 Allocated
	(a)	(d)
1	Proforma Depreciation	
2	Tennessee Operations	\$ 11,613,517
3	Mid-States General Office	\$ 18,466
4	SSU Div 12 - Customer Service	\$ 363,878
5	SSU Div 02 - General Office	\$ 530,819
6		
7	Proforma Depreciation Expense	\$ 12,526,680
	Attrition Period Per Books Depreciation Expense	\$ 12,526,680

# SETTLEMENT AGREEMENT SCHEDULE 7

Schedule 7

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

Line		y y	listoric Base					
No	Description		Period (1)		Change		Attrition Year	Reference
	(a)		(b)		(c)		(d)	(c)
1	Original Cost of Plant	\$	486,264,877	\$	60,340,153	\$	546,605,030	Wp 7-1 Wp7-2
2	4		444.0.0.0000				75 - (24 5 )4)	
3	Accumulated Depreciation and Amortization		(191,843,738)		(12,781,804)		(204,625,542)	Wp 7-1 Wp7-2
4	Control of the Design Design Design		0.032.047		0.703.042		10 / 20 000	11/ T 1 11/ T 5
5	Construction Work in Progress per Books		9,936,947		8,692,943		18,629,890	Wp 7-1 Wp7-2
6	Ciamo Carlana and		4,708,124		(152,170)		4,555,955	112-71 117-73
8	Storage Gas Investment		4,705,124		(122,170)		4,222,732	Wp 7-1 Wp7-2
9	Cash Working Capital		1,035,838		53,558		1,089,396	Wp 7-5
10	S. ASH WORKING Capital		1,000,000		27 W 12 1 W 12		1,000,100,70	W D 7-2
11	Material & Supplies		15,835		15,669		31,504	Wp 7-1 Wp7-2
12	wither the completion		£223,022		10,5007		28,007	44 1-1 44 pr-2
13	Regulatory Assets/Liabilities				(13,528,323)		(13,528,323)	Wp 7-3 Wp 7-10
14	Sugarroty 2 to value 1. 140 min.				(10,020,000)		( - ( ) 3 - M-1 ( ) mol 3	11 p :-3 +1 p :-10
15	Accumulated Deferred Income Tax		(50,220,519)		1,705,929		(48,514,590)	Wp 7-1
16	The state of the s		100,000,000,000,000		* * * * * * * * * * * * * * * * * * *		( , , , , , , , , , , , , , , , , , , ,	******
17	Customer Advances for Construction		(76,428)		56,432		(19,995)	Wp 7-1 Wp7-2
18			, , , , ,		,		(,,	
19	Customer Deposits		(4,770,726)		3,146,701		(1,624,026)	Wp 7-1 Wp7-2
20	·							,
21	Accumulated Interest on Customer Deposits		(71,237)		19,188		(52,049)	Wp 7-1 Wp7-2
22	·	0000	, , , , , , , , , , , , , , , , , , ,		00 00 00 00 00 00 00 00 00 00 00 00 00	***		. ,
23	Unadjusted Rate Base	\$	254,978,975	Ş	47,558,275	ŝ	302,547,250	
24								
2.5	Adjustments		(2,415,620)		(986,367)		(3.401,987)	Wp 7-8
26								
27	Net Elimination of Intercompany Leased Property	5	5,806,952	\$	(311,751)	\$	5,495,201	Wp 7-1 Wp7-2
28								
29	Total Rate Base	\$	258,370,306	5	46,270,158	Ş	304,640,464	
30		-						
3.1	Return at Overall Cost of Capital on Rate Base	\$	19,498,097	5	3,599,818	\$	23,701,028	
30		parolosson						

<sup>32</sup> 33 Note. 34 J. Twelve months ended September 30, 2016

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

			Sil managa disir						EYTS Bir ES ET Non-Dev EYET Jan-Sep EYET	065 kiĝan ∪93	\$25500 093 43,005 41,005 41,505 41,505 41,985	80-950/mm 03/2 8/40/5+ 2/5/5/5- 2/5/5/5- 4/5/5/5/	イ 末 年 終3年5+ と3655 2 8556 1 8674	Dozioles 642 4.425 8.3674 4.3654 4.3374	Greenside 152% 152% 120% 120%	28.236 5.2354 5.2354 8.5275 6.3654	48.85% 8 HPMs 8 RPMs 6 RPMs 4 RPMs	
Lear		(Avesign 99) .	Shribtere	Distanciós: -		Coston 00%												
VI.4	(3001)	The section of the se	1300000111600	NO THEFRE	(53	NA CHARLE	C. ( + 1 + 2 + 2 + 1 + 1 + 1 + 1 + 1 + 1 + 1	2 E . 2 S F		18054	4:515.	25315	190/27	\$ 54.7.4	1,32%	1,36%	(: D@+v,	Y-tal Yngroeses
	. 4.5	-513	6-1	131	1.7	43	r <sub>ij</sub> i	;h1	fi.)	617	Oc.	(1)		1011	469	$\Omega_{1,j}$	(9)	(7)
	11 m 11 m 1 m 2 m	en book of the dealers 12	FI 3. 3 & seems block on some	na Distances														
	LANGE BELLEVILLE	CHELIOSSIPLI	era. ar. serri billanden	22.168966.22														
	Mercif	210,567 GH	1.552 911	1 to 532 57F	15790.421	1. 1. 2011 . 454	9 (36.33)	31.41.65	Airestor.	\$20,0515.00	1 893 541	2.578.527	274,364	812299	118,590	1,545,479		4 4,191949
•	Aur d h	502,500,416	3.592,533	44404.021	16.366.332	140,528 503	95,135	22.570.616		512 144-520	106341	1.632.321	10-30	S UM-5-902	1.4549	1,755.248	-3	
1	Jn -47	5.5364669	157 55	1.4 555 91 1	10 50 597	621.072.152	4.590.354	27.589.385		516 554 578	1.96(1)(4)	5.680764	3,05,91.7	e Fishes	133,590	1,217,473		531,331,17°
f	Asgett	208812-24	7.5903953	1,24,7511,431	16363 X18	140 087 578	g 196,15c	27.5674.48	18,100,001	343,817,370	- 500 541	5131342	258.642	8 (397),833	118 535	1239373		135.58*448
	Nep-E2	C; 2 p/ss ::19	1 98 57 57	\$10.647.083	11,774,046	1545pec (J.52	9.156,755	27 Sub-spl 8	48, 46,100	S27 693 -35	5525.541	0.633,417	300 449	6.067,530	175 539	1,214.758	-5	312491315
- 5	06.15	351,672.4.5	1352531	505.245.260	16 523 331	.vs. 223 613	0.156-135	23 (31.997	18 feb (G)	JH 612 S19	1.50(6)0	577 185	411.430	6.383.021	£21 594	0,394,643	5	\$66,980,50
9	No. 12	534.3225.9	3.581,975	88.259750	180,730,68	9an,17 ( 286	s 196 T55	22.660.5%	ts66 f61	534.3.27.5325	1,80 618	> 720 680	412.030	6,.74,325	121,594	: 267, 183	:9	49.537.856
:0	Dec - 1.5	(33,568.40)	3.578,541	\$57.673.850	BF G17.345	148,711,703	0,350,933	23 926 166	18,1M1301	538 368.827	1.450.534	5.433.069	42,635	0.450,756	(22.3)*	1,291,085	*	354 047 995
	1-4-13	349,817-940	3.621.810	122,724,123	16.525,361	148,049,018	9,230,023	23,926,402	JA 166 F01	330,817.912	1.517 570	5.83(5.104)	242.398	6.457,300	ASS 310	1.781.1681	5	555 439 334
12	Febrix	149,888,509	5,621,977	127 765 833	18.626.361	148 065 953	9.256.925	25,925,350	10,382,104	540 808,514	1 3 1 2 197 (s	5.937,210	112,354	6.453,145	0.830	1,281,594	7	Page 257 999
13	Naris	343,302,391	5,543,035	127 709 105	16 629,391	148,063,591	9338,221	23.970.331	18,392,307	383,300,591	1317.203	5,836,902	34385	e444.12%	132,406	1.381.094	9	55# 875,84
1.2	Aprel3	\$44,151,160	\$ 619,365	LF7 250 GA3	16,479,393	148.082.119	9.258.224	13.63560	(8.382,50k	543-261-047	13155/3	5 # Mi 560	413.26	63151,8irg	103.466	1.291 577	£	100 00 100
15	63ev-18	510.345,501	1644624	1,,2762,534	80.853.495	1-03 (941-564)	9.358.199	23 979,367	18 782 508	517 543 511	1,517466	5.845.040	HI on I	6,834 895	121 496	1,181,522		563 975 Ruii
16	5 serroge	731312307	1,592,671	124 (33,4),	F4.532 F3	163.0011155	2.525.432	19,842,305	18.22% 5.44	544 (22.63)	1.800 1744	3734.715	januar -	6,394,500	Q 5 722	.250311		546 (43,000)
3.7	_																,	
. *	S. ORISTENSTONO 35	ork in Fronting	terment ining															
	Vacati	1645239		1000	si.	5,4331	ŧ	1:	2	87.4	221 2402	19195	9	k, joy	11	:1		<ul> <li>+ 14</li> </ul>
	1-9-17	15,15(9)	287	343-35	ř.	9,3,366	3-	is in			14,2%	111701		55,376	è	21		46,000,000
	290.1			110836	1-	2332,345	**	ę.	5	× 211	15.5%	183.97 >		361.03	kr	2,	**	<ul> <li>(2.67.27.20)</li> </ul>
		15 754 235		444.59		2535742	Pi Pi			154,836	156.77	100 727	-	451 N ·	8	10	f	F0.1016.0ev
13	149-71	11.549.,45	2019%	4,477.433	6	65,524,750	f.	+1	6	130743		200, 202		234,969	F)	25		52 m32, 287
15	1,943"	1744.22	25.5	1,000,033	9	11.552 (58		3		2.350 du	19250	183 115		\$1.1 I } k	43	17	0	9 36531-54
26	No. of T	100,400		a 128 (36	- 0	11.509-105		1	0	18,900,000	1:5 ***	. :95 8° a	į.	521, 22.4	c	3	0	125 Led.
47	0.400 2	.4.785.3%2	94**	7,190,89	0	4,909,041	6	n			2,41.75.10	81 444	15	e<-750	45	ŧ.	-	61,363.21
23	Jack Jack	1(4),)%	80110	4.300,314	G.	7,550,462	Ų	24	ki.	15,643,254	2718370	18+58	er er	642,353	to .	10	$\epsilon$	6 14 MAY 1935
29	175-19	* 150,200	1,002,656	1,999-812	23	7 (90,330	o	0	13	[*]J.2A.,(pii	35034	87.243	\$	336.453	to to		0	5 75.511.318
140	Several	19.000,683	Vaje 455	2.409/541	Ð	(4,5/2,497	(1	13	11	1.5" 15	358 (27	165,534	£.	6,871,4%0	ř.	U	ţ	M 2018/00/038
3.5	241-1k	22.4759	584.504	5.345,360	9	12,522,531	n	3	9	37.37.97%		181,878	₽	190 132	10	-1	0	<ul> <li>83,024,33+</li> </ul>
5.7	May-18	28 7/10 8/27	*** \$ *** !	1:47.883	14	C: 4-5.80×	c			27.545.40	22.15	39.7.5114		5-17 658	h		0	
3.2	AH198	12.7%4 894	502 442	8.2MR 383	0	14 (All 1981)	:			1 - 78 - 950	Clearly	148,		857726	- 4			347525

1.2

Transisse Distributed Sysiem Realbeatton of Rate Base Items in Proforma Allocation Factors Twelve Mouths Ended May 31, 2018

	24 69 M	2554		5	4 - 13			1 12 1	790	25 45 25	5		36,44 27	Appethication Care is marel Chicagonial Todal	-	the Control	S. 250.4. 12		177 Bruce 88	81-da, co	1911	54045 ENOVE				15 pure 15			
556.55.1	7.444.157	144 July 1	%. : ::	(W) M (W)		Z, JE	A 242 170	8,03,520	2.45.35.2	1928/35	3,258 471	X.1. 2 7. X	3 4.4.550	erel (NEW MINE)			· ·	e	5	T.		25	a.	ç	¢	¢.	-n:	33	5
0	-	4	,	c	J.	٥	c		~	25.0						16.78	140,511	X.	*1170a	X . G	1,000	5000	XX 13.	- 45 %;	N 075	74,671	36,91	25 of 2	2007
0	ž,	-2	÷	10	5	40	ō		7	c	*	,				4		5	:>	*	٥	ō.	0	•	c	4	-	ů,	-
()	÷				3	9		e.		10	19	2				13	-22		25			j.	750	2	8		80	47	2
***************************************																													
-	- 10.		-	-	2	9	٠	37	7	2.	7								+	2	_		2		`		2		-
(2)		3	2	7	5	8	*	×		7	ÿ					-	c	·2	ü	٥	ټ	•	-20	5			0	II.	
CONTRACTOR AND TO A STATE OF THE PARTY OF TH			¥.	ć	25	8	Ü	9	8	0		r	7				4	÷	5	٥	g	¥.		0	10	v	2	ť	2
	- 0	if		20	0 10	0 54	* 30	e 2.:	3	9	9 53	6 6.				42	cs	7	61	101	æ	*	Ġ	· S	9	٥	7	5	-2
455.55	200	2 19	Ø. 832	2 EW 250	7.283 mg	50.000	0.4.5	8,118,511	2000	( F. S. M.)	5.248.50	E-8-5-3	Ž. 5			¢	æ	ç	5	e	it.	ì	-ist	di:	.>-	φ	40	D-	ω.
-33	c			0	0	v	9	ټ	υ	ij	ž	÷	1			19,03		. 83	37.875	17.8%	1,48 [1	24 830	E. Roge	0.880	5	5.,224	27.55		
( )	÷	5	•	÷	٥	5	Ţ.	¢	5	o	5	*.				,	,te	¢	>	÷	ńs	Ţ	ū	G	ü	j.	"	-	ž
5		e			4		5	2		.0						1		ō	0	7.	.7	77.	5	ď	5	,,	*		**
	-				0	-		9		0			_			j		5	2	Ģ.	=		is:		5	24	ú		>
		-										•																	
(-	1)	20		3	**	7			9		4	,	9			0	-	-	٥	2	0	4	ō	7	5	7	8	ō	5
9	÷	5	.2.	2.	1.0	7	52	Œ.	5	č	\$0	ħ	C			9	10	3:	n	n	ù.	ria	a)	-22	4.	Φ	A	đ.	,
() ()	r)	13	9	æ	٠.	0	*	0	¢		11	r-				-	æ	2	٥	2	÷	\$	٠	0	٥	÷	Ē.	c	-
4,544,8	131.15	SW 37	- - -	2007.000	7 EU L MG	50000	441 MM	% E <sub>4</sub>	Charles C	4,000,000	0.8.73	278355	2014			11 414	100	< 1	: . Sa XI		25.880	20	S 88.	1 200		24.830	. H. Nod	1 1/4	

Mark Care	-	eça:	· da	710,000,00	de	11,051,7154	CHICKES !!	( Sec. )	o	100	23.	SECTION AND ADDRESS OF THE PARTY AND ADDRESS O	40	SACON SECTION.	(MO) M(2,12)	(DEPARTMENT)	Avorage	2.03
(SIFFERENCE)	•	-	-8	10,946,32)	44	CLOW MAC.	187,319	(CHC BLP APP	0	0	œ	298,122,362	0	(19/4) Hely	446,994	((0,30))	War-sta	101
(30,377,273)	20	41	•	19.912.522	#	FEED HOLD	187.335	(ACCEANTO)	0		43	rator' abit 94'th		(57,470,504)	446,994	(47,478,703)	Apr. 18	106
(34),136,4113	46	**	30	METAINE	10	(751, 1127)	Fr. 1.43	(49,574,703)			遊	461.267.696	10-	(12,474,104)	146.7664	CANTON TOWN	Sefani ~ 178	90
426,678,004)	4	9	0	22.73 (.74)	és	(New York)	(2)(07,412)	(44,302,235)	9	9	Di-	\$21.374.771	.0	(17.525.5Tk)	15,90,5,6841	(46.302.235)	Fieldy Sid	ž
(36,545,302)	*	*	sti.	22 Bad 321	Φ.	(304,678)	(T.W7 432)	(AKJOD ZUS)		***	0	524,162,535	*	(17.525.070)	(8,503,664)	(46,392,295)	Mr-sall	9
426,234,930)	*	9	9	23,155,415	da	(NALVOOR)	(\$V.P. (OK.) 23	(46,302,235)	***	25-	*	531.205.685	*	(17,425,378)	15,503,534:	(44.302.255)	(Jed-17	£
(\$0,000,005)	*	i ep	***	37,412,041	0	47.280 A\$7>	CHRISTON.	(49, 108, 234)	0	Ф	25	867,701,108	100	(58.038,288)	4.826,649	(#9.463,234)	Mary - 17	9.5
(SO R.M. 023)	ф	0	10.	32,330,208	·Q	(1,280,657)	7,022,849	(MYT'00F'44)	¢		0	1 F.E.SUUTIBOR	聯	(29,401,233)	4.326,649	1367.503.5763	(M-83	£
(\$0.91EJES)	22	0	æ	37,720,349	di.	(1.266,367)	2501.401	(BM,003.238)	华	10	***	\$15 V CHAP TO CAR	*	(28,031,233)	6 FT YEST 5	(89,463,238)	Sop-17	50
(34,360,123)	•	*	鹿	PETRICO	40	(1.261 701)	(4.038,761)	(45,402,625)	4	*	*	439,781,098	.0	(27,916,940)	(9 643,300)	(33,402.52)	PHP 17	42
*/54,633,355	模	see:	Ø	34,280,47: 4	(d)	(106.386.1)	64 404 70 F)	(83, 602, 623)			100	X3Z (82,914	*	COM5.4865.22)	(9,643,560)	(83,402,623)	Aug. 17	9.
(MINGLISH)	95	聊	φ.	36,201,871	樂	(136,136.1)	(1,000,791)	(45,402,623)	٥	200.	ä	\$32,910,453	91	(27,516,540)	(9,643,500)	(85,442,623)	Jun-17	8
(53,570,052)	.0	40	9	35,364,054	俥	(10,205,3)	(2,544,781)	(RS,002,623)	**	Q		319,137,002	**	COMPAIN (12)	(6.231, 50%)	(05,402,623)	May-17	6.8
																		H
												Libr Denn	Distance P Lynn	economisted Debrard, FIT (I stell Arresents 1788, 2626, 2626) adjusted to proper a manufility from	Arresta 1988, 2626	Bezel ET Clear	example of the	87
																		¥
										-								RS
CHARLETTE IS	W.		0	45		9	2	(4,400,4034)	0	20	滁	4	Đ	o	0	(1620,020)	Average	348
\$1.952.GOG	*	*	0	Ö	\$	0	4	(page:22x-1)	*	ð	ф	¢	Đ	¢a.	ð	(1,450,48)	Many-J.B	
(1,470,50%)	0	₹:	0	•		Œ	9	(1.470,590)	ð	0	*	3	<b>SP</b>	10	*	factions is	Agra-38	22
(1,356,309)	4	<b>A</b>			4	40	4	(1.356,300)	4	4	gir	0.	-0.	0	a	(1.556,309)	Mar-18	ė
(1),535,GRZ)	10	*		•	<b>*</b>	P	•	(1,555,682)	0	×D.	· dp	165	20	*	Ö	(3.3558K2)	Fidy-5B	90
(1,548,4(9)	13	O.	•	٠	ф	d	0	£1,548,450;	ó	O.	10-	•	2	0	趣	COLFUNESTS	Just - 1 %	O.
(1.586,324)	4	a	•	***	φ.	đi:	塩	(1,586,329)	4	d	*	.0	.0	131	10	(1,380,324)	Dec-37	74
(1,601,800,1)	*	10	.0	0	,ip	*	49	(1,508,794)	100	0	***	····	-	.6	-	(097,800,0)	Nor-E7	71
(1546,004)	*	0	ю	40	F	0	0	(1,540,524)	4	9	.00	0	90:	· GR		( LEAD DAY )	Cus-17	¥
(1,547,526)	10	0	ø	•	0	á.	5	(1,517,536)	de	b	10	Ö	•	- CH	de	(MA. (10%;)	Sop-17	75
(1,476,874)		90	0		9	· di	*	(1:679,473)	•	•	0			; <del></del>	**	(1,579,974)	Aug-17	7.4
(1,726,302)	,th	(D)	0		P	100	10	(1,736,927, 1)	jo	4	o	.0			•	(1,726,902)	Jul-17	73
[1,784,099)	拍	765	47	*	P	· er	*	(1,780,099)	歐	*	(Dr	-	*	*	•	(1-780,pt-1)	Jun-17	77
(1,255,646)	4.	₹.			¢n.	a	冷	(1.855,646)	'n	ð.	ö	Ü	-	7	0	(1,455,086)	Map-17	71

Tennessee Distribution System
Realboration of Rate Base Items at Proforms Allocation Factors
Tenho Months Today Mary 11 1919

PY16 des-arr New-Dec 8413 New-Dec 8413

11,00% 11,00% 11,31% 13,21%

Dreinian 812 1.16% 1.57% 4.53%

ON CAN

777.8 778.8 778.8 779.8 779.8

Corpora Ville 1.29% 1.29% 1.29%

AEAH 8.18% 8.28% 8.38%

ALCY CARN DARN DARN

(e)

(e) CNA

Termesyr Detribution System
Reallocation of Rute Base Heats at Proforms Allocation Factors
Twelve Months Ended May 31, 2018

129	176	1.8,9	174	8.8.3	5 372	163	1.30	129	128	127	42					124		# 1	211	411		194	113	1 22	==	-	709	304	16.7	100			No.				
	1	Apr-18	Atary- CR	PE-148	fact-JB	Day 17	Non-17	Ost-57	Sep-17	Aug-17	55-146	Just 17	May-17		100		Parameter	May-18	Agn-16	Maria	Fabr 18	Aug. 19	Chery 17	Nur- 37	Out-17	flep-17	449-97	Jul- 679	App. T	bdasv) 7	misted Des		Meanth				
Charatt.	COLUMN TO SERVICE	CONT. OIL)	(084:05)	(ORC. DC)	(200,2003)	(200 200)	(00 Zd0)	(20.286)	(085.05)	(20,280)	(20,280)	(20,230)	416,380)		Oxedemon Advances Comment 1838		(EDIT PROTECT)	(29) 36 (.520)	(201,036,837)	(300,111,368)	(199,559,448)	(198,842,933)	(198.280.913)	(1911,140,735)	[196,319,366]	(01-0,826,201)	(195,912,541)	105,196,236,	(194,\$18,163)	(192,347,131)	Severalisted Degrackother L Assessed 1999)	(8)	Division 893 . Teassperse				
- 1		-	à	0		ż	4	ě	100	-	6			1	STORY .		(NBL/BCB/1)	JW 856 13	100 (100 11)	345,056.1)	(FWEB963)	(1,004,601)	(040,040.1)	(3,546,366)	ONE 966'12	(MC/166'1)	(1,023,1941)	(1,924,423)	(1,320,452)	<1.916.482	(366) JONE	(6)	Division 891 - Mid-Naces Constril Office				
0	•	*	45	0		:0	0.	9	.0	:0	4	*	4				1, 137,070, 103)		(40,3/60,980)	(36,637,591)	(30,006,602)			(37.050,059)				_	_	(33.218,171)		6	Olerhion BLZ - SBU Captabor				
0	0;		•	a.		4	•	4	0	*	8	0					(3,443),318)	13,726,790;	(3.679.693)	Q.632.720)	(Bed, Pane, Ath	(3,539,876)	(3,491,997)	(3,445,149)	(3,997,204)	(3.335,814)	13.300.450)	(DEE. 17. E)	(3 323, 120)	(3,160,221)		(4)	CKV				
	o:	•	\$	0		4	œ.	Q	9	a	0	d	5				(119/040/61)	(+0+.451.78)	(86,934,978)	(86,110.603)	(N.5.288,243)	194,460,3221	(83.4.20.076)	03,2803,066	(の物がでから(事)	091,907,378)	(469, 070, 18)	(80.2%4.439)	179,434,570;	( PR. JOH, ( VII )		3	Divisius 003- MCC General				
			*		*	÷	.0	Δ	*	•	K D	6	40				(3,443,693)	(3,417,230)	(3.593,475)	(35,000,001)	(3.54K,047)	امي د ودور در	(C), ACA, (K)	13,467,734)	(3,444,179)	(3,730,425)	(3,197,1985)	(3.379.543)	(3,116,963)	(130,000.13		•	Gresserillo				
																	(13,446,570)	(14.239.112)	(14,106,944)	CTY, DECKEY	(HCVENER!)	(33.710,331)	(13.573,40ft)	(53,434),235)	(13,307,495)	(13.178,224)	(13.052.967)	(1,00,000,01)	(12.782.396)	(12,08),344)		(9)	NEAM	64			
																	(2,896,496)	1607.915.63	(3.4)4,402)	(3,412,496)	(3.2) (,389)	(3, 109, 782)	(4,000,0A)	(2,906,392)	(2,802,007)	(2,767,082)	(2,407,479)	(2,508,354)	(2.350.167)	CENTRALES		0)	ALON	Jan-Sep FY17	New-The FY17	21,74 PO	PIVI6
Water and a	CH12704	(20.284)	(20,280)	(10017,012)	(20,290)	(201199)	(20,200)	(20,2,44)	COUNTRY)	(20.284)	# (20.280)	(20,210)	(16.500)				(2h) way (A1)	CASS 1991 2.39)	(201 U34,837)	(300,111,360)	(199,339,448)	{199,842,933;	£184,200,9433	(197,340,775)	(196,519,360)	(505,918,040)	(103.012.341)	(35,196,836)	(1941.511.363)	((CL, CPM 9033		9	100%				
	•	0	6	0	a.	•	•	٥	*		rá:	6	à				(#12.0.23)	(356.028)	(NXPOSES)	· K17.307 »	(816,308)	(CHIO'VIA)	(813,196)	(883.203)	(811, 524)	(809,174)	(307,611)	(803,946)	(3,445, 3,85)	(17.47.200)		3	11,51%	75-08/17	%. WRF 19	** A A W & T	43.23%
ě.	ď.	*	6	6	•	20	ė	6	20	•	Ö	•	0				(Bach Levi)	(13,01,512)	GAMS"1 94F 13	(L.4.1 #2h)	(1:702.006)	(1 752,343)	£6,722 (108)	(1,092,661)	(1.863 173)	(1/4)6,646)	(4007,7382.1)	(1.358,777)	(ALEXBERTAN)	(3,300,920)		Э	4.57%	4.93%	4.52%	%KS P	4.66%
ė,	0		ø	無		P	3	*	0			4	*				(C. C. 642	(186.89)	(491,090)	(612313)	(67.333)	(84.453)	(68.372)	(64,656)	(43.793)	(63.160)	(61,442)	(20,0,00)	(49.050)	4116/883		(m)	1.98%	1,56%	1,84%	1,88%	0.97%
*	spic.		•	ig.			9	d	9	•	0		0	,			(3,511,703)	(3,874,909)	(1.780,876)	(3,752,950)	(3,717,023)	(7,501,026)	£3,644.7543	C31,2603, 8000)	(3,372,363)	(3,515,453)	CHERTOLO	(3.474.917)	(0,442,040)	(3.411.571)		(a)	- 436%	4.33%	4,36%	4.2694	4.43%
4	野	o	0	0	9	**	*		0			4	.6				(47,300)	(47,825)	(47,381)	(47,197)	(66,884)	(46,570)	(46,357)	(45,940)	(43.337)	(44,089)	(43,786)	(43,482)	(42,75%)	(42,024)		(0)	) Jac	1.79%	1.29%	1.39%	1,30%
*		0	0	U	0	0	٥	٥	c	0	, 0 *	0	0				(100,000)	(307.29()	1725,321)	(748,445)	(743.357)	(162 P(L)	(25,7,7,14)	(749 736)	(212/89)	(706.937)	(200, 174)	(605,769)	(48E.722)	(190,505)		9	7 15	8.36%	5,377%	5.20%	6.31%
																		-														(0)	1,00%	B. 90%	9.00°%	94.00.00	9.00%
3,966.613	Security 1	0 (30.700)	Q (29,280)	(104Z-9E) B	COSC 023	(20,236)	0 (20,280)	(20,286)	(ugr.or) #	9 (20,280)	(20.294)	0 (20.2.00)	(16.5%)				O STANDARD		4 7204,358,3457	B (207.157.487)	\$ (206,390,007)	4. COS SHE SHI	· (203.230,513)	0 (236,285,369)	\$ (ZU3_376,(40)	Ø (2027)13,3633	0 (202,527,440)	\$ (202,W37, V21)	0 (201776166)	0 (201,330,493)		6	The Part of the Pa				

Tennestre Distribution System
Realitection of Rote Base Items at Proforma Alboration Factors
Turche Mouths Ended May 31, 2014

26.4 (20.4)	7		c			×		A			>				0	M4528.4	24 12X	ē
Stredillo-	0	85	,		8	ټ		3.8% 937			0			- 2	2	2,659,367	26-020	ē
381 (22.5)	ö	47	4	٩		5	~	* ×			9	9		2	0	202104	3, 1495	Ş
5,5 to 518	2	*:	co-		4:	ĕ	2	\$36.Jun.J.\$			*	2		5		S.com \$48	8 ( )	3
5 min 1/31 m	0	e.	\$er		41	ž.		5,486,323				0			23	5241548		3
5.679.230	Ÿ	2	•	-		ž	2	5.400,000			ć			٥	2	1,82,625	E/650 377	Š
517.5007.5	*	v	10	=	2	2	3	\$ 440,000				~		•	3	55 × +56	1:5	
18753111	0	4).	ü	÷		75	3	5.5 88 6.00			×.				3.	1,112,30	200	
513 ,.00		27	ŭ	=		s	12	\$20,000 \$20,000				-		.,	*	2.00	C. day.	5
y	ç	7		2	¢	·.	2	850,200.0				a a		.0	4	* 2500m	2.5	
194 167	÷	r.	5	=			7.	1.00			9				_		:	
C20 NO 1	2	:	٥	G	4.	-	Ę.	100 M CO				D				244.6		
3.000.00	_	.U	2	4	**	×.		171 1687			41						58.7	
															Servery Incomests	A Charlette of configurations of the latest and the second	At showing the	
HANDESCONDING WATER CONTRACTORS	manufaccalabelablemed##WWW			***************************************		Manage Comment ( Amenda Marie Lives						DOORDAMA OODAA AAAAAAAAAAAAAAAAAAAAAAAAAAAAA	nepalmone plantink de de la la competit de la comp	The state of the s		0.0000000000000000000000000000000000000		
(1)(1) N . 1	.,	17)	The second contract of	*				Delita i Si	ANNO ANNO SA ARINA MARANA AND BURGO SA	and an extra contract of the c	.,		4	/ E			2000	
(18.17)	Ţ	4.	cz	٤	v	g		55,410			tu.	£.			5	13.74	2	
67.775	~	20	J	2	*	z.		25.20			*	2		7		257.00	27. 24	-
(28/4 OL)	72	**		2		3	,	12.00			÷	÷		5		180 (82)	2	
11/2/41	77	5.	ç	0	**	O	Ċ	W 14 13 61			#2	c.				U.S. 04.	C . 18	
(080,080)	¢:	¢	¥	2	***	0		681.492				*		æ		58,450	3277	÷
C6900 try.	9	φ	0	0		¥		(545,546)			į,	·		m*		(88,383)	9x	ě
0.61,530	s/	th:	*	<-	^	55	9	62.52			ت ت			*	**	400, 385	W-1-17	ő
631.00		U	421	2	10	3	**	69.00				Á.		G-			0.00	5
024 6118	4	υ	2	100	70	22		1 ** ***			۵				-	585		
56,4.55	10	10	J	4	105	*>		60.00			£.			ii.		1000	Sugar	100
1,010	2	123.	۵	-	œ	i lie					cer					74.3		
5042 35.7	f.	10		w	5	.3	3"	180 340				3		9		1.55		ž.
13.5	G	0	o.					1947			5					911	35.0	
														133	interest on Catalogue Deposits a second SYSD, 268175	dent (hepait)	believed at Cal	c
3		ij	3	Ā,	(40)	÷			3.		ž	3			5		P	
Same sureal, paper	U (300°-	0.38%	4		· · · · · · · · · · · · · · · · · · ·	4.5.70	#	* Uku 1	A.C. 43.54	N.S.S.		The between the second	4.75	VIII C Witness	Systemen 1993 - Courted States Courted Office	Tomperood	3 North Bu	Line
	8,000%	%.35°+	5 13 %	3.55%	74 YK 3	5+17 F	15 K4+,"		Jan-Sep FY17									
	2,00.50	5.3744	2.29*4	2500	1.50%	4.52***	% NS 33		Van. 1905, FY 17									
	3.80%	5.20%	3.29 */*	# 16%	5,353	\$2.54	243435		Oct 8817									
	\$ \$183.B	4,315,4	2,33%	3,43%	\$505.	1.46%	43.23%		FV 26									
	1157	11.27.	Concessible	SECTION BOX	330	Division 812	Printer Ber	Edition to										
									2	icii isay ak u	FAITH CARRIED COOCH DEWY OF PAIN							
									2112	- NA NA A	A Manual Francis	7						

# Tennetsee Distribution System Reallocation of Rate Base Items at Proforms Allocation Factors Twelve Menths Ended September 30, 2016

33	\u2	74		29	22	27	26	3	17.4	fat de	5.5	21	20	61	DE S NI	17		15	and do	33	2	11 1	10	9 1	dec	7	0	4 2	lo.	w.3	P.0	- Sing		7 1	
Average \$	Sep. das	Aug-16 S	AR-58- \$	km-16 \$	May-16 8	Apr. 16 3	March 5	Prio 6 \$	Jun-16 \$	Dec-15 \$	M(N-1)5 \$	S 51440	Sep. 15 \$		struction Web		STORES S	Sch-lig &	Aug. 15 65	Jul-16	Jun-16 16	Missió S	Apr. 16 %	Mar: 16: \$	Fib 16 \$	Jan-16 \$	Dao-15 \$	Polymer 15 \$	Cht-12()	Sep-15 \$		Phot in har		Manual C.	
\$ 626, 2745.18	\$ 1470 CEP \$	11,534,764 \$	\$ 600,500,11	13,124,282, 3	(1,228,47) \$	19,297,463 \$	0.5923,985 \$	8,3350,380	7,763,425 3	7,384,583 \$	\$ 1281, 1959	4,466,737 %	3,036,428 \$		Catatrastina Start in Process (Assessed 1978)		3 42871667878	1 107.20 BH	476,025,399 \$	475,718,690 \$	472,633,989 \$	471,781,513 \$	369,795,847 \$	168,424,248 \$	463,914,928 \$	\$ NRVERS' P99	463,809,281 \$	462,660,191 \$	460,725,864 \$	439,640,793 \$		Gas Phot in Service (August 191)	(b)	Torgane -	
0437064	DLT 84.3	479,083	846,425	663,366	750.911	687,333	AST, NO	226 547	500,145	5617HU3	(86,146)	15,967	(31,787)		CAN'T 18 LAL		upg trof r	3,838,257	2. N. S. B. S. T. T.	3,838,277	3,837,361	3,854,890	3,871,785	3,821,715	3,622,821	3,422,821	J.M.22, 437	4,753,091	4.746,113	4.746,133			(3)	CHECOMOLES	8-
\$ 1,017,461	\$ 3,463,699	\$ 2,609,372	\$ 2,251,456	\$ 2,120,283	\$ 1,873,986	\$ 1,490,517	Sar'SLE	\$ 1,600,433	\$ 865,209	5 734,112	\$ 2,076,650	\$ 1,546,753	3 3,289,307				3 148,348,034	\$ 125,005,59)	4 345,325 21R	\$ 1.19,406,119	\$ 142,400,613	\$ 149,721,871	\$ 148,981,3497	# 148,987,856	\$ (48,453,724	\$ 148,421,275	\$ [48,397,553	8 146,432,452	\$ 146,405,312	\$ 143,900,780			ê	CHATSION (182 - 200)	
4	<b>1</b>	3	30	100	3	*	260	100	199	400	**	*					\$ 10E.62.2'51 \$	\$ 15,007,44B	\$ 15,056,078 \$	\$ 17,953,099	\$ 12,955,099	\$ 62,983,049	\$ 12,955,1899 E	\$ 12,955,090 3	\$ 12,955,099 1	£ 660'556'28 \$	\$ 12,955,099 1	\$ 12,955,099 1	\$ 12,951,099	\$ 32,955,099 .5			(e)	CKV	
22.777.772	14,245,000	29,472,446 9	1 2K75K759 1	28,438,355 1	25,312,856	25,393,189 1	24,494,259	19,901,001	19,014,421 3	\$ \$5.765, 16N 9	21,792,336 1	20,458,782	\$ 22,140,026 1				1 146,763,036 B	133,411,70%	165,513,148 9	F 167,413,171 #	166,749,217	156,700,803 1	\$ 96d_ctd991 4	165,973,519	165,899,953	1 (65,865,38a T	\$ 55,640,002 · \$	\$ . 6EF-025*645	1 535,474,586	179,510,545			3	Qepend - 330	
		,	1 86	4 -9	* **	67		4		2 20	*						PARTITION S	9.194.759 \$	9,196,755 \$	9,194,755 \$	9,194,755 \$	9.196,755 \$	4,196,753 \$	9,196,755 \$	6,196,755 ¥	F 67.667.83 P	9,263,141 %	9,283,341 \$	9,263,141 5	9,763,141 3			3	Ornany@le	
	· in		4 64	4	4	41 gal		à să	i i	14		*	4				16,716,015 \$	S HEDTLES'TE	S SCHOOL	21,720,201 \$	\$ 100,007,12	21,720,201 \$	THE LITTLE SE	21,720,201	21581,034 - \$	21,681,054 . \$	21,687,034 -\$	*	i i	77 148				AFAM	
		14.	,	+	4	ŧ	Ŀ	*		4	*.	-	Á				12%79	17,417,890	*	ð,	6,	*	>	ď.		2007	ęi	,		£				MAN	
eri e													oři.				\$													4				FY16	6113
-	5.823. 安徽	11,534,764	11.943,706	13,124,252	31,228,471	10,297,463	5.552,765	MJ3KG,198	7,763,425	7,184,583	6,563,188	5,466,732	E. 9(9'E				\$ 225,169,099	001,367,303	westerd sur	475,718,600	472,637,984	471,721,513	459,795,947	4531,424,248	465,934,028	464,583,688	147,808,280	462,660,091	460,728,964	439,640,793			(1)	3000,000	Second Tay
5 SP6 N21 S	1X.75	207,129	.WS,965	28K,8KO	324,649	295,432	284,134	136,76	125,996	45,049	(37,244)	6,903	\$ (12,931) 9				S SCHWILL S	149.6971	1 659,439	1,659,439	1,659,130	1,562,298	1,652,179	1,552,779	1,552,757	1,652,757	3,632,915	3,054,950	7,051,933	\$ 1,930,694 \$			9	41,214	SAME IN
	154,54¢	120,443	101,797	34,605	83.A15	83,899	61,373	71,405	38,405	33,648	92,658	298,98	143,057 \$				6.534,Less S	1871153	6,562,729	6,566,338	6,566,093	6.562,579	6,547,384	6,547,636	6,523,843	6,622,396	6,621,114	6,533,656	6.532,465	\$ 88658E9			ď.	3440	4418%
	Q	b	0	23	10	0	Đ	0	130	*	•		4				126/107 3	143,447	:45.337	125,036	125,0%	123,036	125,0%	125,0%	125,056	125,036	125,056	175,0%	125,056	\$ ZIENOI			00)	0.97%	COMP.
\$ #8K1107	SHARING	244, POE !	1,274,403	1,359,905	1,123,527	1,124,197	5384,489	X76,622	841,798	852,917	964,780	905,743	964,60M <b>8</b>				7,973,400 g	\$ #36.35A	7,327,529	7,411,646	SECNER	7,586,108	7,349,839	7,347,910	7,343,652	7,343,123	7,000,706	1,949,844	Byo'use's	7,320,791 %			0)	****	4,50%
	3	0	0	9	a	9	0.	0	0	٩	9	ą.	2 198				122417 \$	112,248	122,748	122,74#	122,749	172,748	122,748	123,748	122,748	122,748	123,634	129,634	123,634	# OCCUR			(m)	133%	94.00%
, un	77	4	0	Ė	D.	25	Þ	*	0	0	0,	9	6. 6				S 547'00	1,550,018	1,151,766	1,353,354	C1551.54	1,153,154	U83,15e	1,153,156	1351,074	MSHI L	1,151,004	0	0	4 Sett				M1475	SER PRO
	0 1	#	40	9	\$ 2	4	6 1	0. 9	**	0 1	0 4	0 1	1					0	0.3	9-4	0 4	0 3	6 3	6.9	22	0 4	0 %	0 1	0	29			1	0,00%	NO.
\$ 500,000 S	\$ 6,915,418	\$ 13,167,127	\$ 13,725 901	\$ 14,765.591	25% 854,781 \$	\$ 11,400,989	\$ 10,982,061	\$ 0,396,149	\$ K,769,R15	\$ 8,116,197	\$ 7,583,382	\$ 6,466,240	4,73%,358				\$ - 400 20 AUST	\$ 503 148.223	\$ 496,095,147	\$ 492,846,982	\$ 499,742,421	第 -四共267,557	# AND NAS NIT	\$ 485,473,071	482,655,041	\$ 481,600,842	\$ 440,412,671	\$ 479,447,151	\$ 477.512,601	\$ 473,964,368			(0)	Total Teamsure	

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

				1.1	Zi - NA,.												dwiffl test		and the	15.500,00		visioero (2 Tie (5)	25V	(2000-000) 1 MW	a •	-ven-Hi.	ANAAC CURW	nt e te Conte	
kaite			4,686.056		Le grand to	ender 💉 D				NO 107 107																			
No			65.000.856.57			Character				Chara-		Heerestle				51.59	- Y . I			1.3.3%		0.45	181	10%		1.1900	" liw;	- 12	24 (2024-204
								4				1.81														Cr. 18			
	Lever	tricies- Pi	hant Materials	LARRING	0.15(80)																								
35																													
3.7	V.	gets th		5	127/38 \$	*	3		5		5		3		5			3	4		ec 7 - 4	- 1		5 .	- 5	٠ >	^ 5		
4.4		W 25 #		3	12,038 \$		5	*	5		\$	,	5		3						21.5	45	**			у.	й	0.5	
		~ 45 d		5	12,638 3				5		\$		5		3				lą.		26		4.1			e	1)	0.3	
400		nn-15 \$		5	127.78 %				\$		5		\$	,		*			47		213		- 1			e:	0	0.3	
		th-15 t		2	173.85 \$		5		7		3					,					263		ń			1.7	- 11	0.3	
4.5		20-10-3		*	0.875 %			14	5				3.						81		2012	0	9			e e	13	0.3	
40		mile 1		5	13.4.35 \$	**	7		3		,	,	\$		- 5.				- 0		Marie Control	41	- 0			6	Ð	U 5	
1				5	1.77 15 16				\$			,	5		- 5	*			17		20.5	40	**		71	<+	0	0.3	
46.1		rs 10 \$		5	20,130 <b>3</b>	,			3.		\$	,	>			*			19	47		£5	41			6	1)	0.3	
***		e.^ \$		5	"n,850 <b>\$</b>				3		5		5						- >	12.1		- 1	11			6	1)	d 3	
		U 14 8		5	Telephone #		*		9		5		5		9								9			41	4		
		27 THE M		5	76 (1.7) \$				3		%		5		,							1	14			e	/1	0.3	
		m - 1 - 3		- 5	76479 \$		****		3	· · · · · · · · · · · · · · · · · · ·			- 5		- }						C 5 - 1						***************************************		
	275	erigo 1	***************************************	S	15 767 - 5				4, 10000000000	MICHARING MARKET	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		ς •••σασσασικ	THE PROPERTY OF A PARTY OF A PART				5 100000000		The second secon	annamanna 		NAMES OF THE PARTY	3	5			<del>`</del>	
	152 Est		ins Starred CAr		<del>1483</del> Lgax in Drévision 43 :																								
19		epital S			r graz za zavertzioan 93 i	men and and	es portu	nu di tenun	OUNCE SHE	utea flee of to	S.	VE	ς		. 5			S	2 6 H MIZ	e				4				s	5 5 51 112
177		v : : s				,	7		,		S		1						7 of 85 and	,	t: ,#		•					· /4	
59		90-11-8			- 1		,			,	5		*						7, 187, 413		-5				h	,		3 3	
15		motification			. 3	,	- (	,	5						- 3				2,350,000			10			10		11	9 9	
¥.,		30.7 \$			. 1		· ·		1				4						1,73 (20)		10	ń	4		6	a	n	4 5	
		100 M S				,							ŝ		5				3,343,983		**		6		21		0	9 3	
		ion i S									4	^				,			Fe 11.351		+1	i i				6	i)	0.3	
		5									é		é			,			1,240,024						ä	0	15	0 5	
							1		*		,		1	-					2,731,946		12		,		0		п	,8 3	
							*		*			,	,			,			2.55 - 94+				4		7,		8	84 . 3	
				· ·			1		*		· ·								1.0% (9)						c	9	13	D 3	
				,	. ,		\$		4				- 1						4 4						i	1	А	19 3	
		100	6.384.41	-	t		4		5		\$		1		3				0.084.488				11		45	3	13	Ji y	
,4	.55	riam 5			. 5		× ×		3	<del></del>	<del>-</del>				. 5			```	1,755-121	1	3		1	5	. 5	. 5		\$	No. of the state o

the second secon

Tennesnee Distribution Syntem
Reallocation of Rate Base Home at Proforms Allocation Factors
Twelve Months Ended September 30, 2016

1019		96	924	97	%	95	94	53	52	16	8	68	NO AUG	87	350	24	96 67	200	24	95	7	KL.	7	76	75	74	**	2.5	71	NATS CITY	85		FF		
	Jul-10 %:	hen-16 %	May 15 W	Apr-16 \$	Mer : 6 \$	Feb. 16 \$	1 1 - Tall	Dec-15 \$	Nov-15 5	Oct. 15 \$	Sep- 15 \$		Antherst D.		Average \$	3 41 day	ANG-16 \$	Jul-16 \$	\$ 914Hif	May-16 \$	Apr-16 \$	Min-16 \$	Feb-16 S	San-36 S	Day 15 \$	No4-15 \$	\$ \$1-130	Sep-15 \$		HOLD CLAMER		(8)			
	(76,874,175)	(74,874,172)	(76,873,172)	(76,874,172)	(76,872,372)	(76,911,475)	(76,912,475)	(76,912,475)	(76,912,475)	(76,912,475)	(76,912,475)		Arred Pit (1)		(4,770,726) S	(4,700,779)	(4,70: S80)	(4,737,015)	(4,740,792)	(4,7K0,19K: \$	(4,790,060)	(4,867,719; \$	(4,854,148)	(06)(964/16)	(4,823,923)	(4,812,967)	(4,732,637) \$	(4,648,944) 5		Carrante Durante LAssant 199		(4)	Exvision 093 Tanonum		
	54	96	\$ (4,690,211)	506	105	\$ 681,702	\$ 681,702	\$ 684,702	\$ 7,829,665	\$ 7,829,645	\$ 7,829,663		Authoristated Deferred Pitt Thesi Accords 1986, 2826, 2826		S	W	м	şii.	49	56	44	50	et.	SE.	84	44	54	LAR.		100		(4)	Status General Officer	201	
	K(1) S	763) \$	211) 3	(4,690,211) \$	(4,690,211) 3	102 3	\$ 200	XU5 2	565 3	566 S	50,5		W. 75.76				4	M	in	14	un.	*	69	64	16	sin.	40	50					٠.	-	
	(32,443,581) \$	(32,443,581) 3	(32,443,581) 3	(32,443,581) \$	(32,443,581)	(32,443,561) 5	(32,443,581)	(32,443,581)	(32,443,581)	(32,443,581) \$	(32,443,581)		CHESE		2	1	*		34-	*	4	4	*	6.		4		ę				(d)	Division 012 - S9U Customer		
	54	м	w	54	şA	SN1	UR.	va.	id	**	(s				ľ	v	64	COR	60	44,	44	**	76	40		4	197	-jes				(a)	CKV		
	4	ż	4	n	þ	*.	ŧ		Ą	4	*				ŀ	,	*		a	ä	P)	d	ú	1	,	4	,					0	4		
	. 10	20	B. 6	* 6	M 6:	10	8	*	*	20	W 64				"	'n	94	65	587	*	(ME	ign.	45	der.	ja.	şa.	NA.	SA.					Division G		
	696,819,996	ONE 270,517	(M1,357,742	637,257,954	639,629,829	659,145,947	644,435,091	623,572,935	504,894,112	603,307,067	604,875,858				Į.	,		γ	*	4		15	×	1	ė.	ŧ						(f)	Division 502 - SSU General		
	84	54	5	*	*	57 58	44	44	No.	\$ 21	**					w	56	**	39.	60	4	w	ut	**	48	49	60	w							
																						::*										(8)	Greaterille		
	300	90	× 'we	35	a Art	*	-	*	54	**	5/4					S	H Mr	10	*	*	4	Si NA	is an	被	11	4	4	340					7.		
																										٠							NEAM		
	e lat	e in	6. Tab	64	in	é in	in		e als	40	4				Ĺ		-	*	3	i de	6	3	4 alt	× 60	1 50	;t	5	.9							
	3.	i	*	*	*		ě.	3	2	,	,4					,	*	,	6		,	æ	*		*	4	34	¥					ALCON		
																																	FYIG	SEAS	
	, m.	, md	0	-	-	0	,47	AA.	9	6	.8 (7				"				•			-	e		•	-	_	649						TON	
	76,874,1721	(74,874,172)	(76,874,372)	(76,874,172)	(76.874,172)	(76,012,075)	(76,917,475)	(76,912,475)	(76,912,475)	(76,912,475)	(76.912,475) \$				(4.770,726) 3	A. 7007, 7797	(4,701,3307)	(4,717,015)	(4,740,792)	(4,760,196)	(4,790,066)	(2,867,719)	(4,854,041)	(4,846,090)	(4,823,925)	(4,512,967)	(4,735,437)	(ADARRIE) S				(2)	Sychology	MADDINEST CAN SEMBINES	
	(2,307,294)	(2,307,294)	(2,931,655)	(2,031,655)	(2,931,455)	294,727	294 71	294,727	385,075	3,185,079	3,185,067																					9	43.73%	May br	
	949	3	55%	55)	55)	23	7.7	27	35	3	67 %					0	40	÷	223.	.03	=	0	4	¢	9		8	500							
	(1,347,597)	(1,447,597)	(1,447,597)	(1,447,597)	(1,A47,597)	(1,447,597)	(1,447,597)	(1.447,597)	(1,447,597)	(1,447,597)	(1,430,745) \$						40	-	أيض	4	-00	12	ules	40	pie.	Sea	**	(4				9	44/34	4,41%	
	3	3	9	3	3	39	3	7)	77	7	* 6						-	42	100	-	445	·	John.	~	200	w	6,4	No.				_	R	2 .	1
ė.	9	- 0	0	0		0	ė,	á	ń	Ü	78					0	10	0	0	6	*	724	0	6	ď.	#	0	3				(k)	\$1.47%.	DATE.	
	**	Jo.	28	236	28	29	28	27	36	26	\$ 26				-													- fet					*	4.3	
	M1,849,312	10,470,725	28,393,919	28,217,416	28,337,423	29,181,433	28,537,160	27,004,708	36,779,618	26,709,357	26,353,062						4	0	()	0	8	0	9	9	2	0	0	je.				(1)	4,13%	*WE P	3
											44				-													W					and V	1.1	ì
	0	0	0	0	9	0	0	3	0	0	¥				ŀ	=	20-	4				735	5	10			40	ia.				(171)	1,13%	1 2829	
											40				-													64					5	£ 3	
	٥	0	0	.0	ø	•	0	4	2		Ŧ					9		0	9	•	20	8	0	D	4	2	0	*					5,31%	940019	
											Le				-													4¢					0.0	2 2	2
	9	9	0	*	φ	Ė	0	4	-		¥					0	è	0	0	0	80	*	ф.			zin	*	¥					MEGO	SAUNTA NPYPA	9
	44	-	90	*		**	100	41	95	*	46				-	×	ąń.	44	Ain	94	la.	in	W	le.	án	59.	M.	50					Total		
	(49,779,742)	(50, 158, 239)	(51,959,506)	52,141,000)	(52(034,002)	(48(883,913)	(49,535,196)	(50,460,530)	(48,195,3%)	(186,263,841)	(48,865,091)				(4,770,726)	(4,700,779)	(4,701,586)	(4,737,015)	(4,740,792)	(4,760,196)	(4,790,666)	(4)%57,7193	(4,854,041)	(4,%46,090)	(4,823,923)	(4,512,967)	(4,735,427)	14,648,844				(n)	Total Terrorist		
(4)	(779,742)	(158,239)	,959,5(6)	(141,000)	(20079(0)	(663,933)	333,186	A60,5300	(195,3%)	(.263,641)	(805,091)				(770,726)	1977,007,	1,701 Jan	(7.17,111.5)	(,740,792)	(261,00%)	(790,666)	767,7193	(III)	\$1060°991°	823,9253	,512,9671	,735,437)	648,844				2)	Chickey		

# Temestee Distribution System Reallocation of Rate Base Home at Proforms Allocation Factors Twelve Months Earled September 30, 2016

139	137	1.36	135	17.74	133	132	35	\$ 36	129	12#	127	25	125	100	122	22	023	613	36	6.53	413	5:5	100 V 100 MA	G.	112	PRINT Read books	(2)	105	NO.	107	301	207	MOI		No.	
	5 41 APS	Aug-16 #	Jul-16 \$	Jun-16 \$	May-16 \$	Apro16 #	Mar-16 \$	Ed-16 \$	345-36 S	Date S	Nov: 15 3	Oet-15 \$	2 Sup-15 2	ST. COMPANY		1	& ulleman	100 - 100 mg	Aug 16 4	F4-14 \$	Juli-16 18	May 16 \$	\$ 91-16 \$	Mario M	2 91 40.2	3no-16 \$	Dec-15 \$	MON-15 3	\$ \$1-4xQ	50, 15 #		Salabatated.		(8)	Ĭ	
4 CRCF DCF	\$ CHEP'94.1	(76.428) \$	(36,428: \$	(76,428) \$	(76.A28) \$	(76,42R) \$	(76,428) \$	(76,4281 \$	(75,423) \$	(75,428) \$	(76,428) \$	(76,428) \$	(76.428) \$	Sasteman Advances (Assessed 2520)			\$ 45m/2HC0011	[186,697,[47] S	(186,040,7%) \$	(185,444,983) \$	(184,380,822) \$	# ((M. IZL M)) #	\$ (01f,0r.ht.81)	(183,071,403) \$	1182,469,509) \$	(181,895,145) \$	(181,579,454) \$	(181,857,890) \$	(184,106,582) \$	(180,472,043) \$		Accumulated Depresiation ! Accusat 1980:		(d)	Chronos 093+	3
	444	18					1 14		. 48	* 5	, 49	. 49					S ATTOTAKE)	(2.19),947) \$	(2,135 790) \$	(2,180,633) \$	(2,175,475) 5	(2,1M,573) \$	(2177,315) \$	(7,171,166) \$	(2,868,323) \$	(2,163,369) \$	(2,(54,416) \$	(3,080,857) \$	(3,069,581) \$	(3,037,056) S		10 TO		(4)		Destriction DV - Note
	s dh-	· in	7.	x' s9	*		* 100	4	49.	,	3.	f 49					1,943,063,1361 \$	32,133,360, 5	.56.386.R12: S	(59,348,241) \$	(54,589,147) \$	(53,840,113: \$	(53,071,730) \$	(52,313,508) \$	(51,553,153) \$	\$ (40%,56%,05)	(48,234,173) \$	(48,074,187) \$	(47,321,528) \$	\$ (401,662,56)				5	Division 012 + 5312 Cualconer	
	-	4	e e	and the	4 54	*	, ido	32	1 300	4	* 44	i in	2 40				(3,677,630) S	S COUCHANTER	(2503,278) \$	(2,434,203) \$	(2,401,400) \$	(2,368,597) \$	(2,335,795) \$	(2,34)2,592) 5	(2,270,173) \$	(2,237,354) \$	(3,403,797) \$	(3.370,691, \$	(1,337,594) 3	(3,304,478) \$				(6)	CXV Live	
	40.	4	1 ok	X.	ı Ça		. 16	,2 (44)	*		t to	. 44	1 66				\$ (116.20E.2011)	S (MCTHING)	(123,781,577) \$	(123,035 521) \$	{121,975,451} \$	(120.925, HZ) \$	(119,874,836) \$	\$168,429,1970 B	(317,777,240) \$	(186,725,550) \$	(354,387,785) 3	(183,535,077) \$	CHESTON 2	(111,000,017) \$				G.	Dredsion (#32 SSU Cichenal	
	1 39:	17.	, M	*	1 19.	51	*	.7	1 50	it in	,	**	100				CA371237 \$	S CONTROLLED	\$ (447,007,23)	(2,694,026) \$	(2,637,278) \$	\$ (425,005,23)	(2,521,77W) \$	(2,467,03%) \$	(2,410,271) \$	(2,353,331) \$	(4,150,593) \$	(4,093,406) \$	(4,036,223) 3	\$ (18,579,E) \$				1	Greenville	
	. 146	18	1	1	1 -	i w	1 14	*	to to	19	is.	ar Let	t GA				(956,947) \$	(J. ADEJUS) \$	(1,377,247) \$	(1,352,391) \$	(1,371,410) 3	(1,310,445) \$	(1,269,471) \$	(3,268,492) \$	(3,247,390) \$	( (FSP 7027 E)	(636,177) \$	(0) \$	\$ 603	(0) \$					VEVA	
	+	•	٠	٠	,		4	٠	٠	÷	s						(7).9575	(Mr. 502)	,	ě	4	,	3	Á	κ,	3	(a	æ		4					VTCN E3	PY15
n													146				5													69				4	91.63	
THE PARTY	(A. 424)	176,428)	(76,428)	(76,428)	(76,428)	(76,428)	(76,426)	176,428)	(76,428)	(76,428)	(76,428)	(76,428)	(76,428) \$				(170,347,43d) \$.	Cat survery	( \$6 040,732)	(185,444,913)	1184,840,822;	(184,221,743)	(193,629,710)	(10),071,4031	(83,469.509)	(181,895,145)	(131,679,454)	(1\$1,857,880)	(181,166,382)	(190,472,042) \$				(%)	44001101	1,004,00%
	9	٥	4	0	ņ	Œ.	a	9	10	0	a	D	*				\$ 14CE,CED.11	(MAT 2.83)	(345,004)	(942,774)	(400,544)	(945,342)	(94), 255)	(1,13,066.2)	(93.7,452)	(935,310)	(973,16%)	1 331 977	(1,327,101)	(1,343,505) \$				00	43,23%	-10-68%
	Da.	D.	4	*	***	4	0	9	7	B	2	ā.	* 40				Carriage St.	(1,03,763)	(2,515,518)	(2,409,578)	(2,433,700)	(2,404,541)	(2,368,002)	(2,334,261)	(2,300),245)	(2.25%,\$42)	(2,178,528)	(2,143,018)	(2,111,439)	\$ 1009 ESTE				(9)	4.10%	4.41%
	o.	4	*	0	4	-	(3)	. 6	0	0	-	.50	ş.				125,3195 8	(36.5.62)	(24,154)	(23 498)	(2) (81)	(32,864)	(32,548)	(22,231)	(21,914)	(21.597)	(32,357)	(32,337)	(32,218)	(23,627) \$				(K)	94.6 ë	0.84%
, i.	0	-	0	0	Đ	0	0	6	Ð	÷	D	0	49.				(3,123,328) \$	(3,942,442)	(S.dW),(YOA')	(5,446,977)	(5,400,090)	(5,353,560)	(SHO, FOLKS)	(5,260,736)	(SALVIER)	(5,167,623)	(35%4,32%)	15,044,971)	(4,998,596)	(4,873,486) \$				(3)	4.43%	4,36%
id.	g.	· \$2	0.	p	P	9	Ω	9.	9	9	\$	92	12				(40,J62) S	(127/20)		(75.957)	(35.199)	(34.442)	(\$80,85)	(32,927)	(32,170)	(31,412)	(\$5,398)	(M,6,14)	(\$3,871)	(50,829) \$				(m)	1,37% 5.3	1.28% 0.0
in.	b	40		3	0	9	0	· co	428	13	2	23	+				(30,40b) 3	ICENT	(75 5 70)	(71,800)	(75,687)	(59.573)	(KAI AIGO)	(57.345)	(56 226)	(B) (B)	(33,775)	9	(0)	54					5,31%	4000
	0 14	0 *	9 *	□ <	23 \$	0 %	30 SA		0.00	0 %	0	0 8	4				4 3	0 %		4:0	0	9: 8	10	12°	28	9		0 4	0 %	8					ri meto	S.POPS
(76.43M)	(76,430)	(76,425)	(76,428)	(76,428)	(75,428)	(76,428)	(76,428)	(76,42%)	176,5283	(76,428)	(76,428)	(76,429)	(76,428)				(INDERNATION)	(193,707,004)	1195115 K57)	135,364,967	(193,786,232)	(193,049,306)	(94K (12576))	(194,736,037)	(191,190,191)	1190,382,546)	(199,977,704)	(190,467,017)	(189,689,937)	(188, FEC.)MICI				(0)	Lotal Topperate	

# Tennecase Distribution System Reallocation of Rule Base Items at Proforms Allocation Factors Twelve Months Ended September 30, 2016

174	172	171	179	163	16%	167	146	365	i dia	163	15.7	10	160	159	138 W	96	153	X	653	152	151	153	140	446	147	īģ.	145	ĭ	143	142	4	140 1	139		£ 5		
A MININA	8cp-16	Arigh- IV	Jul-16	Jun 15	May 15	Apr. 16	Sep-15	Frie 10	Jacon 16	Ligar 3.5	HUN-35	(10%)}	Sep- 13		digitally in		Average &	Sep-16 \$	Aug-16 \$	Jul-16 #	Jun-16 \$	May-16 \$	Apr-16 1	Mar. 16 \$	Frb-16 \$	Jan-16 #	Dax-1> %	Nov-15 \$	OH-15 \$	9cp-15 \$		Sackstaff.		(11)			
1	4,437,841	5,764,759	5,791,054	5,813,349	5,657,963	5,6941,254	5,702,55.5	5,724,848	5,742,143	5,769,439	5,791,734	5,414,029	5,791,460		Not elimentalled of interestables bessel content		(7(,3%)			S CHICLE		(45,337)	(35,307)	(18,225)	S CHECKS	(HTTH)	(EDM,DELY		(96,005)	(35,357)		finitered on Contemps Drawith (Account 27%-M212)		(4)	Division 1993 ~		
	0	5	9	0	0	٥	0	0	:	ڼ	0	D.	,		hered country			**		*	+4	4.6		49.	40		34			,		Accurage 2778-362		(6)	States General Officer	Discussion 093 - Mad-	
																	,	**	84	***	*	40	*	*	-40	5K		66	646	94		19		(b)	Division 012 - SBU Chatomer		
	4	8	10.	20	2		2	Ġ.	20	0	4	0	0					-	, un	40	W	99	-	**	in	.bn	Apli,	99	ýa.	44				(0)	CKY		
	100	63	0	5	0	a	9	0	0	0	o	D C	(8,				* 340	-	*	**		941 1946		w	r igi	140	#. 944	¥ .	e del	ja.							
	9	D	0.	P	90	0	-	9	2	٥	4	27	0						4	50	4		× **	*	•	. 44		4		1 60				9	Districts 002 + SSU/ Octobral		
	0	٥	4	0	4	ø	盘	*	2	4	38	9	\$				à.		-1	ě	á	4	á	A	×		7	2		15				(10)	Chector(De		
	4	16	161	,	N	1	*	4. 5	31	60	4	69	,				6	4.	:46	id.	300	\$10 A		1	*	404	945 E		4	\$4°					>#AM		
	44	***	juh.	46	107	86	***	ş#	bile	\$4	146	96	bit				igs.	146	40	***	- 40	40	64	4A	48	44	40	60	10	44					MOTV		
		٨	*	4.	4	3	A	1	e.	,	*.	•	,						٠	•	*	•	ę	5	,		¥	ŧ	,	*					- P. Y. S.	EY14	CHANT
	6.417.84	4,76% 750	5,791,034	5,813,349	5,657,903	5,680,298	5,702,353	5,724,348	5,747,143	5,769,439	5,791,734	J.814.029	S,791 400"				(7(,2)7)	tale (Mrs.	77.3	27.182)	(186.80)	COUNTY	CORPECT.	(19,223)	((25))	CINCIPL	(116,611)	(106,307)	(Starting)	\$ (155.50) \$				(4)	9410/1431	3601065	CACL LOSSIANO
	4	:0	0	a	***	2	.0	2	O.	20	*	0	,				8	- 10	*	- 3	: 40	23	D	Œ.	*	*	9	0.	Q.	99. A				Ĉ	431,2.19%		9.3
			4	٥	4	100		.00	45	¢.	10	27						B	0	0	:0	33	0	0	ø	49	٥	0	:0:					9)	A. A. S. S. S.	4,41%	T. I.G. Modellasto
	4	6)	0	٥	0	0	40	400	-	43	*	9						å	100	.5	В	-	Þ	40	***	6	P	3	ä	,				3	0.97%	0,64%	
		0	0	0	0	0	٥	0	Ó	0	0	C	4					0		*章	0	, pi	a	-	-	in .	Ď	9	0	e w				(3)	4,43%	4.36%	32
	•	0	0	á	0	0	0		0	0	0	0	1 64						4	•	10	a	0		*	THE STREET	-	0	.0	4 (A				(111)	1,33%	1,28%	CARCINITION
	th the	6	10	ò	9	3	త	5	8	0	•	0					4	0	336	. 0	-0	4	n	0	-	Þ	0	ø	8	* 44					5,31%	96003'ts	WY.W
	0 5	0 1	0 1	0 1	0 4	0 .	0 4	0 4	0.3	2 4	0 44	O . M					- 4: - 4:	0 1			10	10 3	0.1	0 4			0 4	#1	0 9	ē:					*MOW	0. 70%	NUMBER
Cle 746.5	\$ 6.43°,341	3, 768, 734	5:0162	\$ 5,813,349	\$ 3,637,963	\$2,083,25k	\$ 3,702,553	5,724,848	\$ 3,747,142	3,76%,434	\$ 5,791,734	\$ 5,814,025	\$ 5,791,400				(1272)	1906/801	1441/123	(England)	USCER!	1,13,407)	E (X5,587)	4 (16.2.25)	((125))	(125,1251) ·	(CONTRACT)	CONTAINS 1	(apprise)	100,357				(n)	Точай Телиюмее		

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

Annual benchmark per Docket 12-00064		2.086.819		
2 Quarterly benchmark		521.709		
2				
4		Contribution	Eenchmark	Difference
5 Quarter ended 3/31/13		521,705	521,705	
6 Quarter ended 6/30/13		641,911	521,705	120
7 Quarter ended 9/30/13		1,038,413	521,705	516
8 Quarter ended 12/31/13		417,671	521,705	(104
9 Quarter ended 3/30/14		390,181	521,705	(13)
10 Quarter ended 6/30/14		1,418,839	521,705	897
good title	3	4,428,719	\$ 3,130,229	\$ 1,298
12				
13 Monthly Americation				
14-2 years amortization				\$ 54
5				
			Regulated Asset	
16		Amortization Expense	Balance	
over C	May-15		1,298,490	
CAP)	iun-15	\$4,164	1,244,386	
19	3113-15	34, #Q	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	\$4,104	973,868	
24	Dec-15	54,164	919,764	
3.5	Jan-15	54, 104	865,666	
26	Feb-16	54,104	811,556	
27	Mar-16	\$4,104	757,453	
28	Apr-16	54,304	703,349	
29	May-16	54,104	649.245	
30	Jun-16	54,104	595,141	
33	Jul-16	54, #64	541,038	
32	Aug-16	24° \$29°	486,934	
33	Sep-16	\$4,104	432,830	
हैं <del>।</del>	Oct-15	54, 404	378,726	
35	Nov-16	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	324,623	
36	Dec-16	54,104	270,519	
37	Jan-17	\$4,104	216,415	
38	Feb-17	54,104	162,311	
39	Mar-17	54,104	108,208	
46	Apr-17	\$4,104	54,164	
41	May-17	Kara was	~	
42	Jan-17		*	
43	Jul-17		•	
44	Aug-17		•	
45	Sep-i7		~	
46	Oct-17		•	
47	Nov-17		-	
40	Dec-17		•	
49	Jan-18		*	
50	Feb-18		-	
5	Mar-18		-	
52	Apr-18		•	
53	May-18	g	§ -	3 month avera

<sup>\*</sup>This amount is included in Benefits actuals for Division 693

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

Line			Non-regulated	Regulated Utility		
No	Month	Total SSU 002	NOL[1]	NOL	Other ADIT	SSU Utilty ADIT
	(a)	(b)	(c)	(d)	(e)	(1)
I	Jun-14	205,011,038	(219,884,627)	405,828,177	19,067,488	424.895,665
2	Jul-14	208,298,312	(219,884,627)	405,828,177	22,354,762	428,182,939
3	Aug-14	224,949,437	(219,079,036)	405,022,586	39,005,887	444,028,473
4	Sep-14	267,982,820	(220,149,274)	444,334,650	43,797,444	488,132,094
5	Oct-14	276,895,783	(220,149,274)	444,334,650	52,710,407	497,045,057
6	Nov-14	284,975,299	(220,149,274)	444,334,650	60,789,923	505,124,573
7	Dec-14	321,070,352	(222,598,277)	469,818,580	73,850,049	543,668,629
8	Jan-15	353.945,345	(222,598,277)	469,818,580	106,725,042	576,543,622
9	Feb-15	333,570,147	(222,598,277)	469,818,580	\$6,349,844	556,168,424
10	Mar-15	290,103,994	(227,206,094)	425,654,746	91,655,342	517,310,088
1	Apr-15	281,416,540	(227,206,094)	425,654,746	82,967,888	508,622,634
12	May-15	276.100,280	(227,206,094)	425,654,746	77,651,628	503,306,374
13	Jun-15	252,513,161	(230,175,901)	407,851.903	74,837,159	482,689,062
14	Jul-15	264,175,149	(230,175,901)	407,851,903	86,499,147	494,351,050
15	Aug-15	266,520,916	(230,175,901)	407,851,903	88,844,914	496,696,817
16	Sep-15	372,778,731	(232,097,127)	530,457,730	74,418,128	604,875,858
17	Oct-15	371,209,940	(232,097,127)	530,457,730	72,849,337	603,307,067
18	Nov-15	372,796,985	(232,097,127)	530,457,730	74,436,382	604,894.112
19	Dec-15	391,604,960	(231,927,975)	554,535,985	68,996,950	623,532,935
20	Jan-16	412,507,116	(231,927,975)	554,535,985	89,899,106	644,435,091
21	Feb-16	427,217,972	(231,927,975)	554,535,985	104,609,962	659,145,947
22	Mar-16	418,072,350	(221,557,479)	541,564,884	98,064,945	639,629,829
23	Apr-16	415,700,475	(221,557,479)	542,923,119	94,334,835	637,257,954
24	May-16	419,800,223	(221,557,479)	542,923,119	98,434,583	641,357,702
25	Jun-16	461,899.931	(226,370,626)	570,484,105	117,786,452	688,270,557
26	Jul-16	470,449,370	(226,370,626)	570,484,105	126,335,891	696,819,996
27	Aug-16	475,105,108	(226,370,626)	570,484,105	130,991,629	701,475,734
28	Sep-16	632,296,868	(231,681,555)	725,716,695	138,261,728	863,978,423
29	Oct-16	614,493,197	(231,681,555)	725,716.695	120,458,057	846,174,752
30	Nov-16	585,395,823	(231,681,555)	725,716,695	91,360.683	817,077,378
31	Dec-16	605,920,449	(239,479,660)		84,309,634	845,400,109
32	Jan-17	603,593,470	(239,479,660)		81,982,655	843,073,130
33	Feb-17	601,980.215	(239,479,660)		\$0,369,400	841,459,875
34	Mar-17	552,104,926	(253,090,639)	725,798,687	79,396,878	805,195,565
35	Apr-17	560,034,799	(253,090,639)	725,798,687	87,326,751	813,125,438
36	May-17	566,047,163	(253,090,639)	725,798,687	93,339,115	819,137,802
37	Jun-17	563,932,097	(268,998,356)		87,742,080	832,930,453
38	Jul-17	563,184,563	(268,998,356)	745,188,374	86,994,545	832,182,919
39	Aug-17	570,782,742	(268,998,356)	745,188,374	94,592,724	839,781,098
40	Sep-17	621,073.570	(249,417,047)		\$8,217,053	870,490,617
41	Oct-17	618,588,704	(249,417,047)	782,273,564	85,732,187	868,005,751
42	Nov-17	618,287,061	(249,417,047)	782,273,564	85,430,544	867,704,108
43	Dec-17	381.635,843	(149,660,042)	480,066,663	51.229.222	531,295,885
44	Jan-18	374,502,493	(149,660,042)		44,095,872	524,162,535
45	Feb-18	371,914,729	(149,660,042)		41,508,108	521,574,771
46	Mar-18	310,582,063	(150,685,633)	425,350,912	35,916,784	461,267,696
47	Apr-18	306,202,776	(150,685,633)		31,537,497	456,888,409
48	May-18	307,437,229	(150,685,633)	425,350,912	32,771,950	458,122,862

<sup>[1]</sup> FD - NOL Credit Carryforward - Non Reg

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

Line			4 4.4 47
No.		Base Period	Attrition Year
I	Reveune Lag	37.50	37.50
2			
3	Expense Lag	34.02	34.79
4			
5	Net Lag	3.48	2.71
6			
7	Daily Cost of Service	299,101	402,047
8			
9	Cash Working Capital	955,030	1,089,396

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

Case	Line No.	Description		Attrition Year Expenses	Expense Lag	CWC Requirement (b) x (c)
Purchased Gas	110.		ellessen, écesceceronnee noncessen noncessen noncessen noncessen noncessen noncessen noncessen noncessen nonces	·····		
Operation and Maintenance Expense	Ī	Gas Supply Expense				
Operation and Maintenance Expense   14.07   109.466,638		Purchased Gas		73,565,057	39.33	2,893,313,708
5         O&M, Labor O&M, Labor O&M, Non-Labor 12,931,858         29 44         330,713,903           7         Total O&M Expense         20,712,003         29 44         330,713,903           8         9         490,180,542         490,180,542           8         9         490,180,542         490,180,542           8         9         10         Taxes Other Than Income         1         1,143,315,485         1,143,412,11         1,143,412,11         1,143,412,11         1,143,412,11         1,143,4						
O&M, Non-Labor   12,931,858   29 44   380,713,903   7   Total O&M Expense   20,712,003   490,180,542   8   9   9   9   9   9   9   9   9   9						
Total O&M Expense   20,712,003   490,180,542   8						
10   Taxes Other Than Income			-		29 44	,
Taxes Other Than Income		Total O&N Expense		20,712.003		490,180,542
Taxes Other Than Income						
11		Tayor Other Than Incame				
State Gross Receipts Tax				4 734 226	241.50	1 143 315 495
13						
Franchise Tax		•				
TRA Inspection Fee		*				
16   DOT						
17	16					
19	17					
Payroll Taxes	18	Allocated Taxes-Shared Services				
Allocated Taxes-Business Unit 23 Ad Valorem -3060% (157;078) 241,50 (37,934,328) 24 Payroll Taxes 3160% 162,211 15.41 2,499,619 25 Total Taxes Other Than Income 7,486,379 1,172,000,694 26 27 Federal Income Tax 7,155,341 28 Current Taxes 7,155,341 - 37,50	19	Ad Valorem	31%	101,655	241.50	24,549,571
22 Allocated Taxes-Business Unit       -3060%       (157:078)       241.50       (37,934,328)         24 Payroll Taxes       3160%       162,211       15.41       2,499,619         25 Total Taxes Other Than Income       7,486,379       1,172,000,694         26	20	Payroll Taxes	69%	228,262	15.41	3,517.446
Ad Valorem						
Payroll Taxes   3160%   162,211   15.41   2,409,619     25						
Total Taxes Other Than Income   7,486,379   1,172,000,694						
26         7         Federal Income Tax         7,155,347         7           28         Current Taxes         -         37.50         -           29         Deferred Taxes         7,155,341         -         -           30         Journal Taxes         -         37.50         -           32         Current Taxes         -         37.50         -           33         Deferred Taxes         1.700,035         -         -           34         Depreciation         12.652,532         -         -           36         Interest on Customer Deposits         52,781         182.50         9,632,503           38         Interest Expense - LTD         6,001,417         91.25         547,629,314           40         1         10,001,417         91.25         547,629,314           40         274,176         24.05         6,593,578           42         43         Return on Equity         17,549,647         -         -         -           46         TOTAL         147,149,368         34.79         5,119,350,338           47         48         Daily Cost of Service         402,047			3160%		15.41	***************************************
27 Federal Income Tax       7,155,341       - <t< td=""><td></td><td>Total Taxes Other Than Income</td><td></td><td>7,486,379</td><td></td><td>1,172,000,694</td></t<>		Total Taxes Other Than Income		7,486,379		1,172,000,694
Current Taxes   - 37,50		Fodoral Importo Tax		7 155 > 17		
Deferred Taxes   7,155,341   -   -   -				1,822,341	27.50	
State Excise Tax   1,700,035   37,50				7 155 131	37.30	-
State Excise Tax		Entering Links		i y h w'ar quint h		•
Current Taxes		State Excise Tax		1.700.035		
Deferred Taxes   1.700,035   -   -   -   -   -   -   -   -   -				AL	37.50	w
34   35   Depreciation   12.652,532   -   -   -   -   -   -   -   -   -		Deferred Taxes		1,700,035		*
36 37 Interest on Customer Deposits 52,781 182.50 9,632,503 38 39 Interest Expense - LTD 6,001,417 91.25 547,629,314 40 41 Interest Expense - STD 274,176 24.05 6,593,578 42 43 Return on Equity 17,549,647	34					
37 Interest on Customer Deposits   52,781   182.50   9,632,503   38   39   Interest Expense - LTD   6,001,417   91.25   547,629,314   40   41   Interest Expense - STD   274,176   24.05   6,593,578   42   43   Return on Equity   17,549,647	35	Depreciation		12.652,532	**	~
38 39 Interest Expense - LTD 6,001,417 91.25 547,629,314 40 41 Interest Expense - STD 274,176 24.05 6,593,578 42 43 Return on Equity 44 45 46 TOTAL 147,149,368 47 48 Daily Cost of Service 49 402,047	36					
39 Interest Expense - LTD 40 41 Interest Expense - STD 42 43 Return on Equity 44 45 46 TOTAL 49 Daily Cost of Service 40 Daily Cost of Service 40 Daily Cost of Service 41 Interest Expense - STD 42 24.05 43 (5.593,578) 44 45 46 TOTAL 44 45 47 48 Daily Cost of Service 46 Daily Cost of Service 47		Interest on Customer Deposits		52,781	182.50	9,632,503
40						
All Interest Expense - STD		Interest Expense - LTD		6.001,417	91.25	547,629,314
42 43 Return on Equity 44 45 46 TOTAL 47 48 Daily Cost of Service 49 402,047		F (7075)				
43 Return on Equity 44 45 46 TOΤΛL 47 48 Daily Cost of Service 49 402,047		Interest Expense - STD		274,176	24.05	6,593,578
44 45 45 46 TOTAL 147,149,368 34.79 5,119,350,338 47 48 Daily Cost of Service 402,047		Distance Florida		5 M 2 4 C) 2 4 YY		
45 46 TOTAL 147,149,368 34.79 5,119,350,338 47 48 Daily Cost of Service 402,047		ксин оп едину	_	17,049,047	**	~
46 TOTAL 147,149,368 34.79 5,119,350,338 47 48 Daily Cost of Service 402,047						
47 48 Daily Cost of Service 402,047 49		TOTAL		147 140 369	34.70	5 110 250 330
48 Daily Cost of Service 402,047			200	2-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	27-17	2,117,000,000
49		Daily Cost of Service	-	402 047		
		,	=	704,017		

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

No. 1 2	Description (a)	~~~~	Period		(b) x (c)
			(b)	Lag (c)	(d)
	Car Summir Europea				
	Gas Supply Expense Purchased Gas		40,904,923	39.33	1,608,790,612
3	r dremsed Ons		40,204,322	33.33	1,000,790,012
4	Operation and Maintenance Expense				
5	O&M, Labor		7,789,527	14.07	109,598,638
6	O&M, Non-Labor		13,794,549	29.44	406,111,511
7	Total O&M Expense	****	21,584,075	^	515,710,149
8					
9					
10	Taxes Other Than Income				
10	Ad Valorem		4,303,248	241.50	1.039,234,392
12	State Gross Receipts Tax		1,482,520	(151.50)	(224,601,780)
13	Payroll Taxes		269,272	15.41	4,149,389
14	Franchise Tax		722,000	37.50	27,075.002
15 16	TRA Inspection Fee DOT		611,854 20,299	272.50 59.00	166,730,090 1,197,639
17	1201		20,233	39.00	1,177,037
18	Allocated Taxes-Shared Services				
19	Ad Valorem	0%		241.50	49-
20	Payroll Taxes	100%	340,446	15.41	5,246,153
21	•		,		
22	Allocated Taxes-Business Unit				
23	Ad Valorem	36%	38,909	241.50	9,396,624
24	Payroll Taxes	64%	67,902	15.41	1,046,343
	Total Taxes Other Than Income		7,856,449		1,029,473,851
26					
	Federal Income Tax		6,169,974	200.26	
28	Current Taxes		(1/0.074	37.50	-
29 30	Deferred Taxes		6,169,974	**	~
	State Excise Tax		1,225,511		
32	Current Taxes		1,6 2, 1	37.50	~
33	Deferred Taxes		1,225,511		90
34					
35	Depreciation		11,541,971	*	
36					
	Interest on Customer Deposits		155,049	182.50	28.296,371
38					
	Interest Expense - LTD		5,753,110	91.25	524,971,297
40	F		202.054	2105	4.004.103
41	Interest Expense - STD		286,354	24.05	6,886,430
	Return on Equity		12 604 204		
44	notion or Educy	****	13,694,294	########	W.
45					
	TOTAL		109.171,709	34.02	3,714,128,710
47		****		= 17.7	77. 2. 74. 44. 7. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2.
	Daily Cost of Service	boom	299,101.		
49	•	1000000	***************************************		
50					

Tennessee Distribution System Amartization Schedule of Capitalized Incentive Compensation Adjustment For Attribion Year Twelve Mouths Ended May 31, 2018

i ina No.	Description	Amount	1	Amounts	
1	G)		<b>(b)</b>	(2)	
3	Foresignal Locking, Test Hear.	Rate Bu	ć.	Depistment on 1	Expense
	Disclar No. 18-XXXXX, 2018 TN ARM Teconolisation Films Amortanation Schedule of Capitalisms Incentive Compensation Adjustment, TYE 2-31-38	2.	986,387	5	22,939
1	Docket No. 12-997/1-2017 CS: 48-96 Reconstitation Filing: Americanee Schedule of Capitalized Incomtive Compensation Adjustment, TVE 3-31-17		1,254,348		29,347
	Excilet No. 16-04301 (Drie UN ACM Feet ancilming Tilling Americanem Schedule of Computed (recentive Computed as Agreement, TYE 5-04-16		1.162,1602		29,30
*					
	TOTAL	5	5.401,982	3.	82.382
şi		***************************************	NAME AND ADDRESS OF THE PARTY O	***************************************	enconcentration and
S S	History Court				
1:1	Derket No. 18-00100. 2016 TN ARM Reseasuation Foling Amortization Schedule of Capitallied Inventor Compensation Adjustment. TVE 5-31-19	5	1.4+2.0+2	\$	29,296
: 5	Docker No. 17-00091, 2017 TV ARM Representation Glass Americantes Schodule of Combulated Incompts Computation Edit Represent TVE Sci 1-17		1.337.558	5	20.867
12					
13	Total	\$	3414,620	5	37,643
16				After a description of the latest and the latest an	-
, -					

### Tennessee Distribution System Rate Base & Return Forecast vs. Actuals Twelve Months Ended May 31, 2018 Thirteen Month Average

Line		į	Attrition Year			Ź	Attrition Year	
No.	Description		Force us'		Variance		Actuals	Reference
	(s)		(h)		(c)		(d)	(e)
2	Original Cost of Plant	\$	553,915,203	\$	(7,310,173)	\$	546,605,030	Wp 7-1 Wp7-2
3	Accumulated Depreciation and Amortization	\$	(202,597,056)	\$	(2.028.486)	Ş	(204,625,542)	Wp 7-1 Wp7-2
5	Construction Work in Progress per Books	\$	6,897,700	\$	11.732.191	\$	18,629,890	Wp 7-1 Wp7-2
7	Storage Gas Investment	\$	5,943,713	\$	(1,387,758)	\$	4.555.955	Wp 7-1 Wp7-2
9 10	Cash Working Capital	\$	1,545,831	\$	(456,435)	\$	1,089,396	Wp 7-5
11	Material & Supplies	\$	31,873	\$	(369)	\$	31,504	Wp 7-1 Wp7-2
13 14	Regulatory Assets/Liabilities	\$	-	\$	(13,528,323)	\$	(13,528,323)	Wp 7-3; Wp 7-16
15 16	Accumulated Deferred Income Tax	\$	(60,285,092)	\$	11,770,502	\$	(48,514,590)	Wp 7-1
17 18	Customer Advances for Construction	\$	(76,428)	\$	56,432	S	(19,995)	Wp 7-1 Wp7-2
19 20	Customer Deposits	\$	(4,720,013)	\$	3,095,987	S	(1,624,026)	Wp 7-1 Wp7-2
21	Accumulated Interest on Customer Deposits	\$	(89,264)	5	37.215	\$	(52,049)	Wp 7-1 Wp7-2
23 24	Unadjusted Rate Base	\$	300,566,468	\$	1,980,782	\$	302,547,250	
25 26	Adjustments.		(2,927,113)	\$	(474,874)		(3,401.987)	
27 28	Net Elimination of Intercompany Leased Property	\$	5,313,186	\$	182,015	\$	5,495,201	Wp 7-1 Wp7-2
29 30	Total Rate Base	5	302,952,541	\$	1,687,923	\$	3(14,6411,464	
31 32	Return at Overall Cost of Capital on Rate Base	S	22,691,145	ţ	1,009,883	\$	23,701,028	
33 34 35								

#### mestryc northalfisist, ywenstiint, postanti mus yeith nid muterigen fersyddi wit it. Ye gelt gelthal yweit aret

608.2 . 69	Changed. Spiriting 17	F. 164 168 \$ 75 - EPH-285	rimsć:
	25 MRS 2	bizs/bei b	the see best o
	4.0%	10/25/1903/	Market !
		10/25/190717	1.3630675
	. 1785 w	gay or earl of	104300
	2 (4)	tey gravefor	E28278667
	(1) (54)	MANTHETT	1536 - 100
	f. 4-24g	1465/190711	les rate.
areless for	7.1.107	key sitsore:	12793 67 # 7
acations 571	4f 1,4f	ti-vertice/cr	1880 55 63
254 005 pt.	N: 0.11	Desilenti	1856 682 6
(19315 \$60	\$1-14.00	hystise it	1155 (20)
388(181.41)	m* -1e	1025(156.1)	1.88:
088' 13 1' D 1'	60 SEN	fezs(fecis)	11613747
225 W7 CFC	ART OR SERVICES	\$250,250,25	(4) 95 (1)
		Decarated to	kito ero'i
		(9/5/14/07)	brokkers/s
		fucs'tro ()	Sist Kar C
		fras/18s/10	(645'45.9')
		3015/30/70	Bet Str 6
		0/00/03/0	10:11 Tax 1
		1965 897 1	35877713
		1074,000,00	0.685572
		frestrote	(549,645)
		1905 \$93 37	125 8 5 804 7

1925/170/17	9	forst
\$105(410)\$	ing stand to	50000
01/25/01/9/10	(5.96.8.9976)	2000
434.5 53.25	KECK/BCS/EJ	15.11
\$875/130/15	(85.2 (493.3)	1937
{RESTRIBUTE:	(215/1015)	3907
ingsiteo't;	TH 549 445)	9895
1c/5'tg0't)	annergi	0607
lpan'spr 1	1487781	8507
(METGR2FU	2012/2016/03	5914
TrusTeval.	(k t 2 5 1 t 6 1 )	Oq., 2
(mis/Tex/1)	(6.55°4°4°\$3)	1240
1605 (500 1)	Sist Kat (1)	1400
Desiration (	Strok Land S. S. S.	1470
Becarberto	RECEIVED	277
DESTRUCT	(4) Fe (4) (4)	Palest
fezs'tec's)	1161-254-31	0600
1025 196 17	1.80 : 20	6404
business of	1185 287 28	4505
Destinated	1250 AR: 61	2052
tezstolatur.	ENERGIE AND	5707
Ark STSOTE	18/98/62/4/873	5,04
1025/190711	tes material	8404
MASTERITE	1836 414 80	1.595
tey graveror	E282 266 % F	(03)
se, created	108033983	1707
10/25/196/17	basinmizd:	U(0)
1065 130-31	By24'671'42	£101
bics'twi th	the sister of S. S.	\$ : 2%
1-16-168 \$ 16-51M2\$\$	ress.c.	smeet bereited serre
P.	25 3 × 10 0 m (P.) -11	はいかり く ころない (でいたのでなれても) まままま 表現を主じる

ANT the state of the sample and the sample of the sample o

建议 经现金证据 医红色 医红色 医红色

# SETTLEMENT AGREEMENT SCHEDULE 8

Schedule 8

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

Line		Tax					
No.	Description	Rate	Ba	ase Period (1)	Atı	rition Year (2)	 Change
	(a)	(b)		(c)		(d)	
2							
3	Required Return		\$	19,498,097	\$	23,701,028	\$ 4,202,931
1	Current Return		\$	17,548,681	\$	26,017,243	\$ 8,468,562
4							
5	Pre-Tax Deficiency from Current Return			1,949,416		(2.316,215)	(4,265,631)
6	Tax Expansion Factor			1.6365	1.5067		
7	After-Tax Deficiency from Current Return			3,190,220		(3,489,842)	 (6,680,061)
8							
9	Tax Liability Increase / Decrease (Ln 7 - Ln 3)			1,240,803		(1,173,626)	(2,414,430)
10	Current Tax Liability		\$	7,395,485	\$	10,029,002	\$ 2,633,517
11	·						
12	Income Tax Liability		\$	8,636,288	\$	8,855,376	\$ 219,087
13	•					,	
14	Less: ITC Amortization			-			•
15			<u></u>				
16	Total Income Tax Liability			8,636,288		8,855,376	 219,087

17

18 Note:

- 19 1. Twelve months ended September 30, 2016
- 20 2. Twelve months ended May 31, 2018

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

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

<sup>[1]</sup> Division 091 - Mid-States General Office allocation factor excluding Kentucky

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

Attrition Year

		7 CCC 1C1 OIL	cui
Line No.		Amount	Balance
1	Operating Revenues		1.000000
2			
3	Add: Forfeited Discounts	0.005167	0.005167
4			
5	Balance		1.005167
6			
7	Uncollectible Ratio	0.001731	0.001739
8			
9	Balance		1.003427
10			
11	State Excise Tax	0.065000	0.065223
12			
13	Balance		0.938205
14			
15	Federal Income Tax	0.292600	0.274519
16			-
17	Balance		0.663686
18			
19	Revenue Conversion Factor (Line 1/Line 9)		1.506700

# Schedule 9

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

Line No.	Description	Percent	Cost Rate	Overall Cost of Capital
110.	Description		Cost Rate	Capitai
	(a)	(b)	(c)	(d)
1	Long Term Debt Capital	37.78%	5.21%	1.97%
2	Short Term Debt	3.86%	2.27%	0.09%
3	Equity Capital	58.35%	9.80%	5.72%
4		***************************************		
5	Total Capital	100.0%		7.78%

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

### May 31, 2017 Line No. Description % (a) (b) (c) LT Debt 1 3,068,173,680 37.78%2 ST Debt 313,822,226 3.86% 3 Equity 4,738,600,109 58.35% 4 5 Total Capital \$ 8,120,596,015 100.00%

Bank Fees on

Commitment

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

				12 Month Avg	12 Month Avg		Interest on CP or Interest on Draws on Credit Facility	Fees on Credit Facility	AEC Credit Facility With RBS
	Atmos	Consoltdated Bal	ances	Atmos Consolidate	I - calc of STD r	ate			30121
Line	Long-Term	Short-Term		STD	STD	STD	Detail of Colm (f)	Consolidated Int E	xp & Fees
No. Date	Debt	Debt	Equity	Avg Daily Bal	Int Exp & fees	avg rate			Utility
(a)	(1-)	(c)	(4)	(e)	(f)	(g)	Int Exp	Commit fees	Bank Admin
1 May-17	2,564.900,664	629,857,850	3.864,281,638						
2 Jun-17	3,066,734,196	258,573,383	3,901,710,103	424,284,267	625,683		400,813	127,568	97,301
3 Jul-17	3,066,772,609	262,202,530	3,923.183.120	231,767,129	474,145		245,023	131,821	97,30 i
4 Aug-17	3,066,904,471	362,721,572	3,876,930,951	277,363,548	524,041		294,919	131,821	97,301
5 Sep-17	3,067,045,495	447,745,269	3,898,665,243	382,200,000	619,875		395.006	127,568	97,301
6 Oct-17	3,067,186,078	572,550,585	3,933,727.046	492,516,129	759,849		530,727	131,821	97,301
7 Nov-17	3,067,327,541	657,589,374	3,925,107,994	636,332,033	899,754		674,884	127.568	97,301
8 Dec-17	3.067,468,564	336,816,271	4,563,619,781	384,445,161	677,636		448,514	131.821	97,301
9 Jan-18	3,067,609,587	268,675,525	4,666,561,070	261,155,645	563,862		334,740	131,821	97,301
10 Feb-18	3,067,750,610	215,748,079	4,695,448,924	208,922,143	471.328		254.963	119,064	97.301
11 Mar-18	3,067,891,633	129,601,816	4,721,346,388	133,250,645	427,969		195,328	131,821	100,820
12 Apr-18	3,068,032,657	109,795,722	4,768,024,508	70.122.333	351,221		108,170	127,568	115,483
13 May-18	3,068,173,680	143,846,586	4,738.600,109	99.967,742	415,026		167.723	131,821	115,483
14					6,810,388		4,050,809 95	1,552,080.98	1,207,496.86
15		12 Month Avg				ā	****		
16 Average	3,028,753,676	313,822,226	4,267,477,452	300,193,898		2.27%	per STD rpts:	6.810,388	

The Control of the Co	0 0 0 0 0 1250 0	\$100 Aug.	100 00 00 00 00 00 00 00 00 00 00 00 00			2000			Te Medico	es on a
CONTRACTOR CONTRACTOR OF THE SECTION	2000		•		,	,				
Const. L. Labert C. W. C. Wells William St.	20° (\$) 00°									
The state of the s	×:::::::::::::::::::::::::::::::::::::		,	,		,				
estes a 2001/00 style with this park symphosis of the	. 76.97									
with a bring a great of the state of the sta	655550	9.00	20,087,07	S0.70.1.	05,000,00	1000000	100 100 00	20.000,000	2 de 1960	NY 1067 TH
The Section of the Control of the Co	24.65(2)42.0									
MISSES - 44 - 45 - 45 - 45 - 45 - 45 - 45 - 4	160,000	0.00 100,000	7 of 50 to 7	301.007.45	96 (40) 35	70008-400	200,300,900	.50,00 uv.	785.5.47	20 Circle 2
6 124 200 mg 0 (4.2)	V 3/0.	25/240/890		,	,	>				
SECTION SERVICE STREET SECTION SERVICES	176,957	000000	38.0 Ox - 350	06/2/05 600	100°7,540 er	NA 100 00 T	100,000,000	Chelippe 1805	\$311155 4.6	164 (00) (31)
\$ 500 c. S. Nove day 50 CCC 4	55 C (5)	330,000,000	\$ 2 [Bar] 0 co	381°65' A.	\$915001A9	338'-80'11.4	XX0.400,75.4	400.449/002	600 W C 100	. 20 000 380
8,327% Lat 1,400, 280 1-127 (204)	2010	100,169,100	(W)(1)(X) 16.00	000000		20 X140 mm	70K,1460-1446-	25.1X2.3X	15 - CAL-14-C	250,000,000
Deby Described Chee - Appendicts providing as A deby Deby.	14 X-4	\$50,000,000 \$50,000	2017 (200, 40)	300,000,000	907960-54	000 -00 6	Specialist Aug	2007-3407	200 mm / X2	000,000,000
Color factors of a lost of the property of the	W 527		W0.000.000	No. 25 and	101-146,060	500 (80, 8w)	100,100,000	52,7340-844	\$ 7.5 M.	30 100 V
Martin Niller Specify Willeman	10.30%		,		,	>				
KEENDASKA SEER KII JAMAA KARABKA PERKAMBARA BELIK BE Kadeerina in Chilian Koway Kinera Penna		240 (#8) 5.1	9 - NO 20 5 - C	1	8 C 0000 5 C C C C C C C C C C C C C C C		ARCHIO 4 (ARCHIO SAC) 4 (ARCHIO SAC)	5 (0.00 MB) 5.1.4 NS (2.1.4)	A. W. M. W. 180 E.	22 - 182 - 53 2 - 482 - 53
PER AND TAKKING, THE TOWNS OF AN ARTHUR CONTROL (SECTION ). TOWNS TO THE TOWNS TO TOWNS TOWNS TOWNS TO TOWNS TOWNS TOWNS TOWNS TOWNS TOWNS TOWNS	Resort	And the state of t		The second secon						- 200
Elizability pysicipatro con Cilipano Ci		2 200 cm c c	\$ 780m04.0	7 -48 (4.85) 4 -50 - 70 - 1	- 1	- 1	\$ C2 200	E	\$ 55 60 55 5 5 5 W.S.	- 1

				40	_		-	_						-	_						er	*1		
CHECKER AND PROPERTY OF THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NA	Summa Champen Adjust Depth Edigentions Summa Champen Adjust Depth Edigentions	Total Long-Yerm Dube	Agyne Lething, Inc. Unfaultual Directing Reviews Sents 0771.3	Authorisi Libbity I Jangs Feren Delh	LEGAMA FARE Sk Chapet Provide (Company) on StOChild	Morat 1919 - Berg Pasition	Defin Impenso Chin - Advert la parelleg sunc shipt fease	Dales Leavanne (\$200 + Auster) so providing serve eachs some:	6,3 9% de Abade dona 1 r s. Sr (204,3	I. 30% Sir Meta dee 123 5/2613/9	th Name 1, 50% Date def-53: 2043	C.S.CC.S.Y.S. As about a street at S.Y.S.CC.S.	5,95% Si Nora dea 10/15/2014	(4) 63 759% for hings day 10 15/7044	KECK, THE WAS NO NO MANY SALES	R.77% Figur Adversage Bread Lifers Selly SUZZVEZE Serve	PART The Street age and T does your 25727/1614 2009	N. 15th Film Scheenage Bread Q doc Apr 20200001125045	10 A.D's Flore Marryage Board 5' day 2017 515 3012:	5.8 SUPPL Securice Director class 2 cars 2053.	5.75% Debet-Auster Samourused dur Listy 20228	DAON For Merry Ment Street State Note: 2021/HET: 12000	(a)	Dila Arrico
			Spirit.			在30% 有条	86/2617	1 100,441	61/61759	100 23 days	110001m	S'applica Y	MATCAL	9160/61/04	1203121	Carleson	14/19/40	94-0 L-98	37-03/65.	61/1303	64642 Ctr	Didwist.rb-I	3	le pui
	8 21,881,7% 3	3,000,000,000		\$ 5,085,084,046 \$	000 800 521	*	SEAT THESE SEAS	G00*100*10G	MAN WAS TOUR	\$150,866,000	OOUTBOOTURE	- 4	DOMESTICAL PROPERTY.	+	POPLING, OT	. 0		g)	*	â	eog/seatisf)	٠	3	Controlling
	a tambiolis	5		) 005,000,000 ¢		6	OGU/BOR/UM.	770,000,000	out'boo'luo	400,000,000	460,008,000		MOD WAD DOE	+,	10,079,000	*			×	ņ	3 50, 648,500		9	Supramaly Supramaly
M	\$ 200,000 to	3,005,000,000		1 not one tau (	000 000 T.T.	*	40st00stable	790,000,006	90179067000	430,008,008	480, 908 044	é	960, MHD, 0096	*	FO, OTTO, OVE:	.6		Þ.	.0	,	130,000,000	4	(4)	PTGCARTA
5 1,048 173 end	71,340,800 21,340,800			1,965,780, 885	123,008,040		3(54,800,100)	7340,000,000	350,000,000	7 \$17,000,01K	のか、 (111g) (111g) (111g) (111g) (111g)		200 mm, huu	1.4	(0,700,000	+	4	·	16		1 50, GED, ONE		E	COCALS
			ž	25	7.95		j	TIL.	433	2 30%	THE P.	8.25%	100	\$ 1230	-	W. 1.24	SUT I	37.75%	1	4:13%	4.75%	5.44	3	E
2 195 (B) 24 2		\$ - 15,347,000		\$ 153,517,100	3,487,900	0	(3,604,900	40,797,90H	20,750,960	CHAPTER BE	CONT WOOD'S.	0	1 6,300,0001		467,500		*		•	0	OBPT:27:84			#1027478 # 34, pmany
	6		3	101																			\$9.50	
	2334778 3		28	F BENEZE F		3	٥	\$60,01B	2,220,307	Dr. The	CLOST 1864	a	No. 4	*	de		100	*	7	+	· P	w)	(4)	A Specification of the Control of th
	23/4/78 2 4.78(F) 5 20,403/40	Dawness and State of the State	8	C. CONTO	1100	•	TALE SHE	(4C,484)	3710 C000	8,191,510	100 000	9	PK4.614	*	44,872	200 718	Apr., 1201.	\$19.50:	œ	0	100 //14	2007.001	2	EF
	20,953,943	and a state of the	9	A N. A.	995 346	, if	3,010,770	\$1.740 02.13	0.45.0%.0	1807, 941	4.24 402.5	0	W. P. Topie 7	0	48,041	A 4404 440	WOO BEEN'S	CALTY A PRE	0	D	1,071,081	1,404,401	(vil	Eup 1910 Duck 2388 1-0-140

1

Any Came of Council Dish

Schedule 10

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

Line No.	Description	Reference	į	Historic Base Period (1)		Change	Δf	trition Year (2)		tatemaking djustments	Ci	irrent Rate of Return
	(a)	(b)		(c)		(q)	2 65	(e)	, ,	(1)		(g)
1 2	Total Revenues	Sch. 2	\$	106,935,939	\$	48,067,470	\$	155,003,409	\$	(4,612,293)	\$	150,391,116
3 4	Gas Cost	Sch. 3		40,904,923		32,660,135		73,565,057		**		73,565,057
5	Operation & Maintenance Expense	Sch. 4		21,584,075		(872,072)		20,712,003		•		20,712,003
7	Taxes Other Than Income Taxes	Sch. 5		7,856,449		(370,070)		7,486,379		-		7,486,379
9	Depreciation & Amortization Expense	Sch. 6		11,541,971		1,193,143		12,735,114		(82,582)		12,652,532
11	Federal Income and State Excise Tax	Wp 10-1		7,395,485		4,181,791		11,577,276		(1,548,274)		10,029,002
13 14	Interest on Customer Deposits	Wp 1-1		155,049		(76,185)		78,864		*		78,864
15 16	AFUDC Interest credit	Wp 1-2		(50,693)	**********	(99,271)		(149,964)		*		(149.964)
17	Return on Rate Base		\$	17,548,681	5	11.449.999	\$	28,998,680	\$	(2,981,437)	\$	26,017,243
19	Total Rate Base	Sch. 7	\$	258,370,306	\$	44.176,944	\$	302,547,250	\$	2,093,214	\$	304,640,464
21	Rate of Return on Rate Base			6.79%				9.58%				8.54%
23 24	Interest Expense	Sch. 8		6,039,464		193.009		6.232,473		43,120		6,275,594
25 26	Return on Equity		\$	11.509,217			5	22,766,207			\$	19,741,650
27 28 29	Rate of Return on Equity			8.38%				12.90%				11.11%

30 Note:

<sup>31 1.</sup> Twelve months ended June 30, 2016

<sup>32 2</sup> Twelve months ended May 31, 2018

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

Lin		Tax	Н	istoric Base	At	trition Period	Adjusted
e	Description	Rate		Period (1)	I	Amount (2)	Amount
	(a)	(b)		(c)		(d)	(e)
1 2	Net Operating Income Before Income Tax		\$	24,893,472	\$	40,425,992	\$ 35,896,281
3	Interest Deduction			6,039,464	,,,,	6,232,473	 6,275,594
4							
5	Equity Portion of Return		\$	18,854,008	\$	34,193,519	\$ 29,620,687
6	•					•	
7	Application of Tax Rate to Equity Return - Tennessee	6.5%		1,225,511		2,222,579	1.925,345
8							
9	Application of Tax Rate to Equity Return - Federal	29%		6,169,974		9,354,697	8,103,657
10		•					
11	Income Tax Expense		\$	7,395,485	\$	11,577,276	\$ 10,029,002
12		;	<del>V.,</del>				
13	Less: ITC Amortization			-		-	-
14		,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
15	Total Income Tax Liability		\$	7,395,485	\$	11,577,276	\$ 10,029,002
16	-	:					

17 Note:

- 18 1. Twelve months ended June 30, 2016
- 19 2. Twelve months ended May 31, 2018

molecy and regional conserent To took of a molecy to recident and the second of the footcentral beauted is suggested to seed a travities and the second for an analysis of the second for the second fo

	ONT, 14222 (MIC, 1425)			195, 254.2 195, 254.2					ESTRUCTS SOURCE ESTRUCTURES OFFICE SOURCE SOURCE SOURCE SERVINGUES OFFICE SOURCE SOURC
i Esporta	ADV PC INC.	ab in sec	me the c	200,000			281 HF GY.	381,575,1	· Swidi
	HING	\$80,858 ¥	3	Wille			GRE CON 8	2019	adeling integral
	to i ex	\$65°300 i		(\$1 \$5).			254 700 1	W.	310/MSINOD 007943
	365	212.18		606,11	490 0		25718		elit A truccoed 🐞 entraisit & stories
	G attain	8		0	246.0		0		Annual C Stoli
	250, F@F 8H5, S&F	967/34 356-7290		25 148 90 168	\$190 990		907 PR 156 235		dolf moonil () procedy () dold
	9	0		a a	0.60		0		fire (America & Controlled Sept
	900'69	10.00		201/50	50 7 1		500,54		Security 1 Volumes
	096°C#	0		295 és		Q0 Or 1		轻	SEE: FRANSA (2004) BEST ANNAT FEE
	758's	SEE.		8P	71273		59KC		etal teaced () are divined
	0	Ď		6	6.269	*			Marking & committee desp
	Ģ.	q		0	79C d		6		mp., 2 200
	Đ	ů.		e 'I	6130		0		steR impres in the manufold & xixxiii)
	E CONTRACTOR	804 Z		§	9880		0 8/2		Efects 1 the Lance (iii) Discount Falls Shout 2 Vols ones
	1261 0	8		EST.	1.546		0.0		Soci 1 Velocity
	ON'I	Đ		OSE';		00 th		P	SO-HANDEN NOUS SASSES, TRANSFELOR
	Đ	0		G .	Q8. 0		G		<b>電流がどく的時</b>
	CHADIL.	\$15/49.C		0,143,075	978-0		0184488		28/29/5/ 7/29/8
	969,7157 348,1757	366 0007 \$		311,060,1 (30,176)	305.5	162.00	0950063	100	(80 PRO BET) 486-987 - (85,
	(49,30)	2000-00		018,300	19 591	00.231	500 93	160	Consider Sections
	Đ C	Q		ė.	0.195		0		sendoVi, cind
	119,122	宗巫		\$35,931	928 0		195.8*1		Block 7 Yearnes
	171 796 53 140	30 303 803		990,868	845 1	(6 Gr)	90° 90:	19	See : 10 see (10 see (
	33 PE	G 89C 8		OBSIDASJE CHRIST	H2 7	(0.01)	7917 596 1	989	Storing Control (Service)
	120 519	22. AC		720 517	915.5	20 693	658 MT	PF.	(IMMENDACE LISTS SALE COMMENT)
									ELECTRIC AND ADDRESS OF THE PARTY OF THE PAR
lei:	ween	AGC	cacw.	marin-		3b	and to	insic"/	Secure Action of the security
9	\$53.000 \$52.875	501.01 201.01	525.0	000 FE'S	229. 4	ESC 04	SPACE DE	961.3	(SS) Falsis, Authority, Clea Survice (Photos); (Anti-Pursic Survice)
·*.	48 235 47 235	SD'Z	- 4	210.95	200	(£.2)	1 (3)	2,885	Calmand) covince (Summer Debut GE
	G	8		0	1 33%	100	ę	6	225 Projec Authority Glas Garners (Sk. Chibrel) (Market)
	0	6		0	1388	05.0	0	ė.	(amonus) (reyes) (character and misselfus) aid-fl 655
- 68	684.58	6	0007	esije:	982 L 394 GJ	69.26 64.6i	91234	9	namini prices) 2 principi ilifabettostamos - Santos 2 fili 621 Eneminaria Sastos Santos
	u	U		0	494 19	OL 21	,	y	35 Table 18
				1					
169	3/05/63/	1221 (87)	20.00	Territ			2561H 1	K()	Statement Salva
	.0	Q			290 0				puntal and a second
	0	6		0	\$83.0 984.1		6		ERLERA E 1056
	18	E .		159	30.	00.20	ľ	a	252 Companiest, Chiff, Filtre Money Enrich
	0	E		S .	₹98.9		9		MARRIEN COPT BY ENDING A CHART
	0	ß		9	997, 0		D		ratestri C rosti
	1403	B. 185.		1/0'9	6:30		Q 201 8		Perch S Volumes Stath 2 Volumes (B) Depte an Rain
	214.8	500 G:		6 878	988 U 986 U		100.01		#MFEwdooid @ specifor i José
	0	Ġ		9	1 549		0		\$862 <sup>4</sup> PA, 3,499 <u>\$</u>
	5 500	ē		GALCS		00.004		No.	special MC Immorphesel removal UE/108;
	3,386	SO		HIX 9	413.33		50		Chesters (Account & Chroses) Butte
	8	G G		9 0	#85 95 6 385		9		such reasonal @ specificit costs
	8	6		ò	29K. 6		9		Sind 3 Volume
	D	ė		0	6194		9		ANT CHANGE BY CHANGE AND SAME
	0	ý		0	253 g		9		FBIL-1(0.5, 2, TD/R)
	4,740	611.2		1327r	22.E.O		811'5		symble Figures sight Enough Basedist Fixed
	8 86: 1	9		6.061	590 t	SAG QP	3		veit americe Planame Otto Indiani (B)(2) (LCC)
	Ó .	e		g :	295 ô	AND COME.	5	7	64% day ( 47%)
	802 256	HSD 987		99'452	5280		\$40 BB2		HANNING CADAR
	N-3,000	794'64T		119,090	S42 E		(19-68)		micht': 103
	193,200	e		627,290	987 81	30:0H	e	QC.	State of States (Surfaces)
	0	9		6	16.363		9		Section 1 store
	ę	0		6	9200		é		MOON & VOCAMER
	0	Q		e	997 E	41	9		mentor i anti
	9	0		B marina	251.0	00 QHV 00 QUV		0	SAD SERVICES COUNTY COUNTY COUNTY COUNTY COUNTY COUNTY COUNTY
5615	CEG CELL	0.60° k9 ∂0.00° k9	974-98	85/08 10/4506	982.7 90-3	DB 409 20 909	620 13 540 (37)	ELES.	Sinderna validante anno a mó landante (EX
- market	Adv Chig :	VM-0/3	W. 10		1		1	Law A	Teles trans
	2								
WY'S	DI STAGE	M(635	179 195	\$85 520 61	Trans.		544,869.3	66,181	Particol Visconia Market and Particol Particol
	CSF5	9		1993	989 6 989 0		58:		apen,io√ 5, noell even,io√ 5, icon?
	255 255 <mark>3</mark> 0	10021		178.2	997.1		106.59		Bent, and a bent, made
	19	8		YSY		80 50		83	mained miligánaibholl whagamail agus (dif
	0	9		6	0.795				sam joht 8 ands
	0	0		0	935				awanininining and
	G D	0 .		0	1983	00709			idential tails subsystems indementations are interested that
	0	8		6	\$ 558	30 20s	0	<b>(4</b> )	(without million) downs rule meaning space 9%
(1C) (S)	25/65A.05	159 301 5	227156	SCL'BOS'41	3648	96 BE	अवेश्वर १	520,1461	(Section deliver) ways and department (SS
	200	概率		級	585.0	QE 43	\$15	43	CAMMESCAL.  Commission of the
									WOSSAND
1571	COLUMN	222 900 3	1984511	23,366,55			9992009	E1 8963	in stands in the
	39C	531	62	330	85V US	20.5%	#£!	7,	231 Resources & Commenced Enthalted March & Coulog Server
	aire	115,0		1129	525 A 8	0.06	9381	189's	(anjena, jagaan) (apag) mang mada shida (ay di saking si )
V 092 00	Mi.	C22	CONSTRA	EQ.	325.13	90 O	590 exc.	507 407 (100)	(income addoctive finitely advantage of the process of the second of the Second Color Second Color (Second Color Second Color (Second Color Second Color (Second Color Second Color Second Color (Second Color Second Color Second Color Second Color (Second Color Second Color Secon
\$ 925 FW	STREET SEC	111,016	6007517	497189°01	220 15 225 15	90 BB 00 SES	796 93 C S	105,113 167,038	(19) Anneares and name installs, second and instanceus (19)
	7.27 CHE SH	140 441		1411000					13073/th
	襘	<b>ENG</b>	绑	· ol	64	gri 5 depressories	\$14	imagi.	43.24
in diagnic in		ENGL ENGINEE'S		A. RAGIN OFFICE M.			151		

SELECTION NUMBERS SAFATES SELECTION TO SAFETY SELECTION OF SAFETY SAFETY

	Spirote during business of Spirote Spirote Commission (Spirote Spirote					ONE PSG							ids étr par ones
N.	this	\$\$\$ \$27 E	\$181832Z			989 174 1985	*	611,746	-16.21	201,100	102,255,0	100 BUSS	1,616,618
	on photograph	₩.	\$81 902 B \$61 700 L			998 (%C 0); 081 990	12.	\$86,853 669,639	3		55° ;	\$50,490,f \$50,60,0	\$ 545°04.
	seed increase & membr 2 increase		582 FF		565 p	599 11 0	- 1	Ċ G			6	385'88 G	13
	Med Insugated (i) annother & stock		<b>能計算</b>		65119	3962.		c			0	\$C> 9#	29
	Sect 1 Velocity @ Succession Sect Sect Sections		8		25.0 25.30	C.3x (C)		o c			0	199: 299 G	15>
	HUMOA : KOR		19:032		1502	76 60		O.			0	(A)(2) 8+	5,
¥	Burnel Scholars @ brooks false file.  823 193 - VSCHOOS GEORG 9-84646 per	ĸ	864	640 0000	13.535	200 (c) 201 :	ť.	1332			H. 0	AGB, F	t)
	ERDANY DIRECTOR		3		50C 91	9		0			0	3	
	mini termini ( byd		Đ		59E G	9		6			0	4	
	Bods Volume & Damin Bine		9		8150	5		·			0	9	
	Singrationing & Spirit P. Long.		0 (0) (0		509 G	9 116't		156.7			0	00%,5	¥
	ransfer I draft		Ð	44.413	1 245	3		9			0	Ġ.	Č.
b~	FORMASCHOOL HOOD INSTANCE AND A COLOR OF THE	F	Ú.	56.05	28E ¢	592°1 0	*	9			Ĉŝ ŭ	ŧ.	3
	Samuel Salves		3193198		529.9	STALES F		00106			0	819 022 0	31251
56	BROW E WORKER COS CHEE COS	:09	000 000 1	94030	BS (	95 + 96 y't 599 kaz	9 4	19F33			905	9	reis'i
	Semilor Criticis		036,05		682.63	a, > 561		Birth			Q.	\$#9:d1	5 BL
	PARAGE CANAGE		69Z79-07		\$24 b	:8520 .		CELUIP CELUIP			o o	296 199	517
	(dewelong schedules)	19	(900 90)	110 00	1 568	995'961 U92'82	tol	8230Z18			G Ph	/000198	117
	100.9M/03.001.900 93446T - 085	519	129645	00 009	NEZ č	085,865 8	*	SQF (6)			gip	492 LEC 1	6 500"(
	Common was out a serie of the common of the	Ħi	508 wus	00 CB t	5 248	MOSIF		9			141	SCOTOC:	1543
	Estayoungs	161.1	90x 25 k			esc sat	Ú	0	122	2/9:	3412 8	#12.8%r	962
	Palata Authority Cas Service (Mindel) agendant Sir service Palata Authority Cas Service (Mindel) agendant Sir service	F14.2.	Bio Gr	60 B) 60 S)	1 253	50, 22 90 429			100 is	200	385,5	25°63 25°64	174
	Parametrian (ne remonts to casses parametrisments (nemotive parametrisments)	9	ę.	90.0	rec :	o .					0	e	
	antest NO helibi alternação	9	S22.59	(d) 12 (C) ()	E20 5	584,58			1	P+6 1	2 49	96.x.C?	M'85
: :	A CALIFORNIA DE	¢	a	60.83	46-F D	¢					5	6	
	(Additional in	255 h	\$30° 850° i			33183	18	376:	n	ace.	3i2 > 9	Return	188
	ARTHUR SACRAMA		6		5680	¢ 3		o c			9	0	
9	BBHTGA S BAH		*		3923	ė.		ā			*	Ģ	
	Anti J. Friustes & Chouse Rake Cryposession, Chiff, Premi blower Servon	40		25.90	ene o	853 5	4				ti e	e	3
tß	emento's circle		6		206.0	0		6			0	e	
	CHAN'S VALUES @ CHANDAR FIRMS		£64 0 <b>♦</b>		6120	150,3		50> ::			<i>b.</i>	surfs.	95
	Military () y resolut 1 kent		600'01		5680	SPE B		060 #1		1		SEC- NO	F0.
	abiete et immeders Succession (1975) escale / Japi	4	\$	(00) (9)	1 349	0 0.8%	9	fi			•	9	.,
	with increasing mean out house	*	500	(AD CT)	15 215	751'S	4	Py2 123			ži o	9	55
	Since Sup to the since		*		\$62.65	e :		9			Ď:	Q	
	Participal Cabact Staff Neocost) @ Asmaio's Cabact		\$ \$		9 28G	6		0			9	9	
	SAST ENGINED (B. RETARM) & 4 vel		2		614 C	5		G			ŏ.	9	
	Sport Spinner & Descourt Faite		\$ \$1.1 \$		569 P 906 b	G 29/9		91 (%)			1	4	
Ę	JAMES AND STREET		e		969) §	0	41.	9				0	
	House of Entering States of the American States of States of the American States of the Ame	T	ž.	80 097	ZNE G	092 -	(b)					0	
193	manual Calud		368 669		568 Q	305 ; 57.		0				250 k/5°	232,5
	ADDE 3 ADSMARE Street publishing (set genon	ZAC.	289'695	00 GH7	99% }	131,280 145,092	Yes	WAN.			800	285 each	3,250
Ŋ	Jamus (VV brang)	77	0	****	FBC 91	è	199				6	é	3.34.1
	Profe 2 Archers Store 3 Archers		5	1	629 G	ė.					0	0	
踉	Amelow I Appl		*		1 542	0					e	ā	
	Participation See Service	2 72	机成化	00 OHF 60 509	NZ :	0 08/68:	THE STATE OF	Ly.			te te	6965>	115/1
ιģ	Springer or speed in case 3 the property	3776	906 50B	08.4C	2.548	aring.	6	G.	99	642.64	3,002	985810	6902
je.	lacaonred i	SEC NO.	No state			ON 5 A15 A15	4	c	3'5e5	600'99	garajus: P	9850-575	3350 C
	chealer Subset		*		230'6	D D	***********				2	û	
eg eg	PREVIOUS Studies		\$369 105 ZI		6000 3 548	\$29					*	109 %	C 9 91
	Large through M. Candidang Cas Sence	31		73.63		147.5					4	ų.	3
	ARTHUR S ALLE		3		6362	0						4	
eQ.	Address & April 1		2		39-6 5	n.	4				0	3	
	Large Commercial Cars Bernica (meather remeins)		4	80 SUP	HZZ Z	0					0	0	
34	Commerce Cara Samese (omitties treasfiles)	365 366	169,461,2	31.40	199.5	249 995 WZ			29770	063'96	Z3 261 4	Western.	::086/
	guidd a generit ammendag weant) 1984an againg	3	egs.	BE SE	een e	£7.			ø	C	\$1	Sit	
	SAPERIOR S	W2300 T	its wor's		er. e	ENERGY:	9	G	57K91	223 455	106 915 1 3	V35:L'1	35 Gré
	e technol ( parity took) sand avent and tometer? priod 3 priestianiste Schreenstol in Streeter 8	\$10.1	112.4	90 St. 2010	2203	110,3 180,			6 :C	263	ं राज्यों ३	900 900'y	· fi
6	Perdaman Service Service (September Semanan)	308	196	60.0	1225	EU2			赵.	g E	121	945	
46	Programme auditional Sustainers (Surremes) and Surremes (Surremes) and	462,626 405,626	9/98/9/9/9 202/98/9	98 30 96 30	225 i	188.3 AND 13 249 (099,4)			698,85 621,61	#8x 30% 880%	966,800 c	095 956 0 200 208	SERVICES SERVICES
			\$18	aid.	£41	1	P3 (9			. 1	\$ux\$		
	Sign and the second sec	5/001	PARA	Sua mesenta		AMMEN D REMOVE.	3033	(4)	18000	Pacrology NA		1395	49.0 grais.

# Tenessee Datinbulon, System Proof of Resinues and Calculation of Palies Pale Certification of Palies Raide Certification of Palies Nation of Research Cocking Test Your Ended May 31, 2016

Additional Discovery of Millions

A. OSAN ZIYARIYA B. OSAN KIROLAMA A. TOM 280080080000000	Bed Supplies     Bed Supplies     Bed Supplies     Bed Supplies     Bed Supplies     Bed Supplies     Bed Supplies	Place Tuckery	The Department of the State of	Shell (Wayana)	Sept Triang	Chook Frohimes & Discours Raise	TWO MONTH IN	System Control	Company Columns	27 - 20 Francisco de descripción	Control of the Contro	THE RESERVE AND ADDRESS OF	Section 1995 A section of the Section 1995 and the	ii G	2.2.2.2.3.3.3.3.3.3.3.3.3.3.3.3.3.3.3.3	Side Large Song vermant shapeful dan borner	: Comedianing (); : 20 Engreneta Caron Cos Cernos		Dam Servettus & So. 2000 Servettus et austral Can Serven. ACC. Servettus et australie Can Serven.	<ul><li>(2) (大学) (大学) (大学) (大学) (大学) (大学) (大学) (大学</li></ul>	- Transfer 2000	・ とはASS COMPONE ON	100 May 100 Ma	No Epicangalan	200
	20		ii a				F4.00			2000			\$40 S		XCD; IX,	<b>X</b> (1) X	<b>5</b>		£ 8	\$ 503	***************************************	# % * % \$2.5% \$1.5%	3	Cuchaner obg	A TOTAL SECTION AND SECTION AN
* \$ 3 \$	7 % 2 %	5 12	** 12	3 2	**	20 P	*	80	20 5		20.00	20 Y			200	22	¥12.8		8 % 2 %	\$ 100		ស្ត្រ 3 // ២	2.	Chargo No.	Commonthy
1.48.1 †	r2		,î				*			344			je.	14	8:3		87	201.055	55 8 %	38	1592040	. <b>3.</b> G	æ	2010	A Syroped
5. SERVICE (1984)	5 8	5 X5	is is:	, <u>\$</u>	8	× 6	¥ {					\$ 3 \$ 3		28Z R. S.	37.75	÷ 8	ŝ	1,960,885	200 M	Ę	-		3	No.	7 S S S S S S S S S S S S S S S S S S S
\$ 00° 20°1	12		# 8 8	-, E	***	8 0	8.58			65.380	4.77	2 1	X V	5.16 4.01.5	200 507	2000	2 9	1	48501	ž.	1491,081,06	7 M M M M M M M M M M M M M M M M M M M		NO. 208	1968 1968
28.83	<b>\$</b>		Ľ				<b>8</b>			\$6.5.3%			75 11 12 13	NO.	807.340	<b>5</b> 8	82 38	7,500,040	200 200 200 200 200 200 200 200 200 200	n co	25154622	50 150 and 100 150 and 100 150 and	8.	1.6.	6 4.5
\$223.067	T A XII	1 81	\$1,600	8	Sec. (30)	25 SE	•	8			95	22057		3,396.55	28 DE 28 DE	*	625 PO\$	18,000,00	10 03 10 03 10 03	7	* THE ASS	8 4 8 8 4 8 8 4 8	2	20	Comments.
							-				-			ž			<i>y</i>	3	2 %	ş	3		9	~ }	
5.00														ĝ	23%	30%	9	i di	53	かせ	8		£i	, ,	Derseal in
(3.6 (3.6)														1			ĝ	\$0 5% \$0.5%		0.00	3		9	7 (a) 2 (a)	, ,
														-			• •	5 3,			4		Ð	a contrary	284001
	*! 5:		36 B			incuitain a	W0.03			£			# 5		33	36.53	¥ 3		<b>8</b> 0 8 8	- 29		# £ E	ě	Charge	Special sec
13	( 8 :		C)	1 X		 		e:	3 2 2 3		8			-	2	à	ŝ		X i			333	32	3	30
25/25/12	K-00		8				\$25.500			0.XC31.73			9.3	(30,17)	\$27,000	\$297 Tops	\$1,56	7 30 677	(M.032 21-77-01.8	200	28 Eg. 96	88 - 88 - 88 - 88 - 88 - 88 - 88 - 88	ř	\$	
\$\$ 130.770 \$0	: 2 * :	3 8	\$*. \$65 *	88 /	18	12 13		*			8	N 12 12 12 12 12 12 12 12 12 12 12 12 12		3	W. 002 X	\$15.748	\$5 (\$4.5)	327,760 5.	\$50 min 65 \$00 min 65 \$00 min 65	<b>15</b> 00	3,332 611	100 100 100 100 100 100 100 100 100 100	6	***	1 42
822	<u> </u>	. 6	93	3	333	& 9 3 3 3				2000	771		· A	 // 10 10 10 10 10 10 10 10 10 10 10 10 10	88.35	2	828	526.009.42	27 2 1 2 7 5 50 2 5 2 7 5	<i>**</i>	46.5 34.0 7%	2 2 2 3 4 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	â	You.	
· ·														×	· ×		*;	36%	# 2	97	ý		3	* 000	
į,														4			3	25.25	23	25.82	X.		\$		() () () () () () () () () () () () () (
983														0 %				3010%		\$698	%,6.65		261	1 9 2	

# Settlement Agreement Schedule 12 (1 page)

Schedule 12-1

# Tennessee Distribution System Cost of Service True - Up Twelve Months Ended May 31, 2018

Line No	Description	Attrition Year	Amount
	(a)	(b)	(c)
, para	Schedule 1 Net Revenue Deficiency	5/31/2018	4,053,984
2	,		
3	Cost of Service		
4	Actual Cost of Service	5/31/2018	146,901,275
5			
6	Revenue		
7	Total Book Revenues	5/31/2018	155,003.409
8	Less: Prior True - Up revenues	5/31/2017	4,612,293
9	Total Attrition Year Revenues	5/31/2018	150,391,116
10			
11	True - Up	5/31/2018	(3,489,841)
12			
13	Cost of Cupital	5/31/2018	(564,143)
14	•		Annual Annua
15	True - Up Incl. Cost of Capital	5/31/2018	(4,053,984)
16			
17	Deficiency Net of True - Up		0