

**Docket No. 18-00034**  
**Atmos Energy Corporation, Tennessee Division**  
**Staff DR Set No. 3**  
**Question No. 3-01**  
**Page 1 of 1**

**REQUEST:**

Please refer to paragraph 16 of the proposed Stipulation and Settlement Agreement. Please file Exhibit 1, IRS Rev. Proc. 2020-039, referenced therein.

**RESPONSE:**

Please see Attachment 1 for a copy of Exhibit 1 of the Stipulation and Settlement Agreement in Docket No. 18-00034. It was inadvertently omitted from the filing.

**ATTACHMENT:**

ATTACHMENT 1 - Staff\_3-01\_Att1 - Exhibit 1 Rev Proc 2020-39.pdf, 9 Pages.

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.  
(Also: § 1.168(i)-3)

Rev. Proc. 2020-39

## SECTION 1. PURPOSE

This revenue procedure provides guidance under § 168 of the Internal Revenue Code (Code) to clarify the normalization requirements following the corporate tax rate reduction provided in section 13001 of Public Law No. 115-97, 131 Stat. 2054 (2017), commonly referred to as the Tax Cuts and Jobs Act (TCJA). On May 28, 2019, the Internal Revenue Service published Notice 2019-33, 2019-22 I.R.B. 1255, requesting comments on issues arising in this area. This revenue procedure provides guidance on these issues.

## SECTION 2. BACKGROUND

.01 In general, normalization is a system of accounting used by regulated public utilities to reconcile the tax treatment of accelerated depreciation of public utility assets with their regulatory treatment. The use of normalization is required for a utility to take advantage of the accelerated cost recovery system under § 168 of the Code for public utility property. Under normalization, a utility receives the tax benefit of accelerated

depreciation in the early years of an asset's regulatory useful life and passes that benefit through to ratepayers ratably over the regulatory useful life of the asset in the form of reduced rates.

.02 In order to use a normalization method of accounting, § 168(i)(9)(A)(i) requires a taxpayer, in computing its tax expense for establishing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account (regulated tax expense), to use a method of depreciation for property that is the same as, and a depreciation period for such property that is no shorter than, the method and period used to compute its depreciation expense for establishing its cost of service for ratemaking purposes. If the amount allowable as a deduction under § 168 differs from the amount that would be allowable as a deduction under § 167 of the Code using the method, period, first and last year convention, and salvage value used to compute regulated tax expense under § 168(i)(9)(A)(i), then, under § 168(i)(9)(A)(ii), the taxpayer must make adjustments to a reserve to reflect the deferral of taxes resulting from such difference. This reserve is referred to as the Accumulated Deferred Income Taxes (ADIT) reserve.

.03 Taxpayers calculate the amount of the adjustments to the ADIT reserve by reference to the corporate tax rate applicable in each year that the depreciation deduction allowable as a deduction under § 168 exceeds the amount calculated under § 168(i)(9)(A)(i) for the taxpayer's regulated tax expense.

.04 Section 1.167(l)-1(h)(2)(i) of the Income Tax Regulations provides that the taxpayer must credit this amount of deferred taxes to a reserve for deferred taxes, a depreciation reserve, or other reserve account. This regulation further provides that,

with respect to any account, the aggregate amount allocable to deferred tax and included in such reserve under § 167(l) “shall not be reduced except to reflect the amount for any taxable year by which Federal income taxes are greater by reason of the prior use of different methods of depreciation” under § 1.167(l)-1(h)(1)(i). That section notes that, additionally, the aggregate amount allocable to deferred taxes may be properly adjusted to reflect asset retirements or the expiration of the period for depreciation used for determining the allowance for depreciation under § 167(a). Consequently, the ADIT increases in each year the accelerated depreciation under § 168 exceeds the tax depreciation amount used for calculating the taxpayer’s regulated tax expense and the ADIT decreases in each year the accelerated depreciation under § 168 is less than the tax depreciation amount used for calculating the taxpayer’s regulated tax expense. These increases and decreases are measured by the differences in the two depreciation methods multiplied by the tax rate in effect for the year of the adjustment to the ADIT.

.05 The TCJA, enacted on December 22, 2017, generally reduced the corporate tax rate under § 11 of the Code from 35 percent to 21 percent for taxable years beginning after December 31, 2017. Section 13001(a) of the TCJA. Because of the reduction in rates, for property subject to depreciation in a taxable year beginning on or before December 31, 2017, and not yet fully depreciated in the first taxable year beginning after December 31, 2017, a portion of the ADIT reserve will reflect this reduction. For purposes of this revenue procedure, the portion of the ADIT reserve that reflects the difference in tax rates due to accelerated depreciation is referred to as the Excess Tax Reserve (ETR). The ETR represents the amount by which the ADIT reserve exceeds

the amount it would have contained had the reduction in rates been in effect for every year the property was subject to depreciation. That is, the ETR is the amount of accelerated depreciation-related taxes that have been collected from ratepayers but have not yet been paid by the utility and become excess due to the reduction in rates.

.06 Section 13001(d) of the TCJA includes accompanying but uncodified normalization requirements related to the reduction of the corporate tax rate. Section 13001(d)(1) provides that “[a] normalization method of accounting shall not be treated as being used with respect to any public utility property for purposes of [ §§ 167 or 168 ] if the taxpayer, in computing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account, reduces the excess tax reserve more rapidly or to a greater extent than such reserve would be reduced under the average rate assumption method” (ARAM).

.07 Section 13001(d)(2) of the TCJA provides an alternative method for certain taxpayers. If, as of the first day of the taxable year that includes the date of enactment of the TCJA, the taxpayer was required by a regulatory agency to compute depreciation for public utility property on the basis of an average life or composite rate method, and the taxpayer's books and underlying records did not contain the vintage account data necessary to apply ARAM, the taxpayer will be treated as using a normalization method of accounting if, with respect to such jurisdiction, the taxpayer uses the alternative method for public utility property that is subject to the regulatory authority of that jurisdiction.

.08 Section 13001(d)(3)(C) of the TCJA defines the “alternative method” (AM) as the method in which the taxpayer computes the ETR on all public utility property included in

the plant account on the basis of the weighted average life or composite rate used to compute depreciation for regulatory purposes, and reduces the ETR ratably over the remaining regulatory life of the property.

### SECTION 3. SCOPE

.01 In general. This revenue procedure applies to public utilities subject to normalization that have ETR resulting from the corporate tax rate reduction provided in section 13001 of the TCJA.

.02 Issues beyond the scope of this revenue procedure. This revenue procedure addresses only the effects of tax rate changes on timing differences related to accelerated depreciation. Any issues unrelated to the effects of tax rate changes on accelerated depreciation are beyond the scope of this revenue procedure. For example, the effects of tax rate changes on timing differences associated with unprotected plant or non-plant related items, are not addressed in this revenue procedure. The appropriate amortization or other ratemaking treatment of timing differences unrelated to accelerated depreciation, such as unprotected plant or non-plant related items, are to be determined by the regulator in a rate proceeding, consistent with the regulatory authority over the ratemaking treatment of all other elements of jurisdictional cost of service.

### SECTION 4. APPLICATION

#### .01 Requirement to use ARAM or the AM.

(1) In General. Generally, under section 13001(d)(1) of the TCJA, taxpayers must use ARAM to calculate the reversal of their ETR if the taxpayer's regulatory books (the financial and tax information used by their regulator in setting rates which may include

but is not limited to materials submitted to public service commissions as well as any supporting materials) are based upon the vintage account data necessary to use ARAM. However, if the taxpayer's regulatory books are not based upon the vintage account data that is necessary for the ARAM, use of the ARAM is not required.

(2) Curing Vintage Account Data Deficiencies. A taxpayer whose regulatory books do not contain sufficient vintage account data to apply the ARAM is not required to use the ARAM. Determination of whether a taxpayer's regulatory books contain sufficient vintage account data necessary to use the ARAM is determined based on all the facts and circumstances. A taxpayer is not required to cure deficiencies in its regulatory books by the creation, re-creation, or restoration of books or records, including through the use of estimates, statistical sampling, or the accessing of data through the use of computer systems not currently in use for its financial processes. Deficiencies in data need not be cured, but taxpayers that have taken such actions to cure all deficiencies by the effective date of this revenue procedure are permitted to use ARAM. Lastly, a regulated utility that is currently using ARAM to reverse prior ETR is presumed to have sufficient vintage account data to use ARAM.

(3) Taxpayers Use of AM for Prior Periods. Taxpayers that do not meet the requirements to use the AM provided in the TCJA and described in this revenue procedure may not continue to use the AM simply because they have done so in the past.

(4) Composite Method. Under a composite method, the uniform system of accounts does not generally require a company to maintain vintage accounts for depreciation purposes; therefore, companies regulated by Federal Energy Regulatory

Commission (FERC) utilizing this method generally do not have the data necessary to utilize ARAM. Taxpayers may utilize AM whenever a composite method approved by FERC or another applicable regulatory agency is applied for depreciation purposes, and a taxpayer may rely on its cost of service rate filing to FERC as sufficient documentation that a composite method of depreciation has been used.

(5) Jurisdiction of Multiple Regulatory Bodies. In the interest of economy and efficiency, taxpayers under the jurisdiction of multiple regulatory bodies may use a single method, ARAM or the AM, provided that the regulatory bodies agree. For example, a utility that is under the regulatory jurisdiction of FERC, which uses a composite method of calculating depreciation, and a state regulatory body that does not use a composite method (and therefore would generally use the AM for FERC purposes but has the data necessary to use ARAM for state purposes) may, if approved by the state regulator, use the AM for state purposes as well.

(6) Transition Rules. Many utilities have already been required to adjust rates due to the TCJA. Utilities may correct any method of reversing ETR that is not in accord with this revenue procedure at the next available opportunity. The methods adopted prior to the publication of this revenue procedure that are not in accord with this revenue procedure are not considered to be a violation of the normalization rules if so corrected. This corrective action will require the utility to consult with its regulator and obtain its regulator's consent. Utilities are not in conflict with section 13001(d) of the TCJA if the utilities follow such a path to correct potential normalization violations prospectively. These rules extend to companies that may not have started the amortization of ETRs or may be re-deferring the amortization as they evaluate their records.



.02 Net operating loss carryforward (NOLC). Compliance with normalization requires a determination of the source of an NOLC so that rate base is not overstated in jurisdictions in which net deferred tax liabilities reduce rate base. While § 1.167(l)-1(h)(1)(iii) is the relevant general authority, there is not one single methodology provided for determination of the portion of an NOLC that is attributable to depreciation. Section 1.167(l)-1(h)(1)(iii) instead informs taxpayers that the amount and time of the deferral of tax attributable to depreciation when there is an NOLC should be taken into account in such “appropriate time and manner as is satisfactory to the district director.” Regulating commissions have expertise in this area, and any reasonable method for determining the portion of the NOLC attributable to depreciation should generally be respected provided such method does not clearly violate normalization requirements.

.03 Application of 2008 regulations (§ 1.168(i)-3). The rules in § 1.168(i)-3 of the Income Tax Regulations, adopted by T.D. 9387 (73 F.R. 14934, 14937) on March 20, 2008, apply only to section 203(e) of the Tax Reform Act of 1986. Generally, the IRS will apply § 1.168(i)-3 of the regulations as if that limitation date language is not present. Thus, the sharing of ETRs with customers continues to be permitted in most circumstances after a retirement or disposition and upon the sale of public utility property to another regulated utility as set forth in § 1.168(i)-3.

## SECTION 5. EFFECT OF THIS REVENUE PROCEDURE ON EXISTING NORMALIZATION RULES

The TCJA ETR normalization requirements are part of the overall pre-existing deferred tax normalization rules, and this revenue procedure is intended to be consistent with those rules. This revenue procedure does not create an exception to

how the overall pre-existing deferred tax normalization rules would apply, except as noted.

#### SECTION 6. EFFECTIVE DATE

This revenue procedure is effective **[insert the date this revenue procedure is announced by news release.]**

#### SECTION 7. DRAFTING INFORMATION

The principal author of this revenue procedure is Martha M. Garcia of the Office of Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue procedure contact Martha M. Garcia on 202-317-6853 (not a toll free call).

**Docket No. 18-00034**  
**Atmos Energy Corporation, Tennessee Division**  
**Staff DR Set No. 3**  
**Question No. 3-02**  
**Page 1 of 1**

**REQUEST:**

In response to Staff Data Request No. 2, Question 2-02, filed in this docket on February 25, 2019, Atmos responded that the agreed-upon estimated total Excess ADIT balance is \$29,111,410. In paragraph 23 of the proposed Stipulation and Settlement Agreement, the parties state and agree that Unprotected Excess ADIT is \$18,854,236 and Protected Excess ADIT is \$10,483,029, for a combined total Excess ADIT amount of \$29,337,265. Please provide an explanation, including supporting calculations, of the \$225,856 difference between the total Excess ADIT amounts. Please provide all calculations in Excel format with working formulas.

**RESPONSE:**

Please see Attachment 1. As explained in the notes to the attachment, the changes in the Excess ADIT balance are due to adjustments agreed to with CPAD related to incentive compensation and the state statutory rate in dockets subsequent to the Company's response to Staff DR No. 2-02.

**ATTACHMENT:**

ATTACHMENT 1 - Staff\_3-02\_Att1 - EDIT.xlsx, 1 Page.

## Atmos Energy Corporation

TN Docket 18-00034

Staff Data Request 3-2

		<b>Adjustments</b>				
	Original Filing	Incentive Compensation EDIT (Note 1)	TN Statutory Rate Adjustments (Note 2)	FY18 Return to Provision True Ups Recorded Sep-19 (Note 3)	Total adjustments	Current Filing
Tennessee (093)	49,263,484		68,802	94,089	162,891	49,426,375
Allocated from Div 002	(20,685,336)	(93,198)		219,589	126,391	(20,558,945)
Allocated from Div 012	632,042	23,525		(4,235)	19,290	651,332
Allocated from Div 091	(98,781)	(17,207)		(65,509)	(82,716)	(181,497)
<b>Total TN</b>	<b>29,111,410</b>	<b>(86,880)</b>	<b>68,802</b>	<b>243,934</b>	<b>225,856</b>	<b>29,337,265</b>

Note 1 - In dockets No. 18-00034 and No. 18-00097, the consumer advocate proposed an adjustment to remove from the EDIT balance the impact of incentive compensation plans.

Note 2 - In dockets No. 18-00034 and No. 18-00097, the company agreed with the consumer advocate to calculate the Tennessee division (093) EDIT utilizing the Tennessee statutory rate of 6.5% versus a Company composite blended state rate of 2.3%.

Note 3 - The Company filed its FY18 income tax returns in July 2019. Following the filing of the returns, the Company was able to finalize the balance of EDIT which had previously been estimated using the Company's FY18 income tax provision. The return to provision true-up entries and resulting adjustment to the EDIT was recorded in Sep 2019.

**Docket No. 18-00034**  
**Atmos Energy Corporation, Tennessee Division**  
**Staff DR Set No. 3**  
**Question No. 3-03**  
**Page 1 of 1**

**REQUEST:**

In response to Staff Data Request No. 2, Question 2-02, filed in this docket on February 25, 2019, Atmos responded that its updated annual amortization amount of total Excess ADIT is \$1,039,693, based upon a 28-year amortization period. In accordance with paragraph 51 of the Stipulation and Settlement Agreement approved in this docket by order entered on June 24, 2019, the Commission approved an appropriate estimated amortization period for Protected ADIT of 28 years, relying upon the RSGM method. In paragraph 19 of the proposed Stipulation and Settlement Agreement, the parties recommend a 3-year amortization period for Unprotected Excess ADIT. Please provide detailed calculations of your proposed annual amortization amounts for both Protected Excess ADIT and Unprotected Excess ADIT, and please explain the accounting and ratemaking basis for such calculations. In your explanation, please specifically address your treatment of prior amortized amounts of Excess ADIT. Please provide all calculations in Excel format with working formulas.

**RESPONSE:**

Please see Attachment 1 for the amortization schedule that will be included in the Company's February 1, 2021 ARM filing. Please note that the amortization includes a start date of June 1, 2021 concurrent with the next ARM rate implementation. However, if the Commission approves the settlement in Docket No. 18-00034 at a February, March, or April meeting then pursuant to the settlement (paragraph 20) the amortization schedule will be updated to reflect the earlier start date shown in Attachment 1.

**ATTACHMENT:**

ATTACHMENT 1 - Staff\_3-03\_Att1 - EDIT Amortization.xlsx, 7 Pages.

**Tennessee Distribution System  
Deferred Regulatory Liability Amortization**

Date Rates Last Set:	6/1/2019	Reg Liability Currently in Rates:	29,024,530	Current Amortization Period (Years):	28
Date of Next Rate Implementation:	6/1/2021	Final Reg Liability	29,337,265	Final Amortization Period:	29
Final Amortization Month:	9/30/2047	Unprotected Balance:	18,853,052	Unprotected Amortization Period:	3
		Protected Balance:	10,484,213	Max. Monthly Protected Amortization	\$ 30,127
		RTP	312,122		

	Liability			Amortization				Cumulative	GL Balance		
	Protected Balance	Unprotected Balance	Total Reg Liability Balance	Protected	Unprotected	Accelerated Unprotected	Total Amortization	Balance - Amortization	Accts 2420-27909, 2530-27909	Reg liab vs GL diff	Total Reg Liab.
Beginning	(9,888,366)	(17,784,704)	(27,673,070)								
Amortized Through 5/31/21	-	-	-								
10/31/2018	(9,858,239)	(17,732,471)	(27,590,710)	(30,127)	(52,233)		(82,360)	(82,360)			(27,673,070)
11/30/2018	(9,828,112)	(17,680,237)	(27,508,349)	(30,127)	(52,233)		(82,360)	(164,721)			(27,673,070)
12/31/2018	(9,797,985)	(17,628,004)	(27,425,989)	(30,127)	(52,233)		(82,360)	(247,081)			(27,673,070)
1/31/2019	(9,767,858)	(17,575,771)	(27,343,629)	(30,127)	(52,233)		(82,360)	(329,441)			(27,673,070)
2/28/2019	(9,737,731)	(17,523,537)	(27,261,268)	(30,127)	(52,233)		(82,360)	(411,802)			(27,673,070)
3/31/2019	(9,707,604)	(17,471,304)	(27,178,908)	(30,127)	(52,233)		(82,360)	(494,162)			(27,673,070)
4/30/2019	(9,677,477)	(17,419,071)	(27,096,548)	(30,127)	(52,233)		(82,360)	(576,522)			(27,673,070)
5/31/2019	(9,647,350)	(17,366,837)	(27,014,187)	(30,127)	(52,233)		(82,360)	(658,883)			(27,673,070)
Adj. with 6/1/2019 Implementation	(482,915)	(868,545)	(1,351,460)								(1,351,460)
6/30/2019	(10,100,138)	(18,179,127)	(28,279,265)	(30,127)	(56,256)		(86,383)	(745,265)			(29,024,530)
7/31/2019	(10,070,011)	(18,122,871)	(28,192,882)	(30,127)	(56,256)		(86,383)	(831,648)			(29,024,530)
8/31/2019	(10,039,884)	(18,066,616)	(28,106,500)	(30,127)	(56,256)		(86,383)	(918,030)			(29,024,530)
9/30/2019	(10,009,757)	(18,010,360)	(28,020,117)	(30,127)	(56,256)		(86,383)	(1,004,413)	(28,331,420)	311,302	(29,024,530)
10/31/2019	(9,979,630)	(17,954,105)	(27,933,735)	(30,127)	(56,256)		(86,383)	(1,090,795)	(28,249,059)	315,325	(29,024,530)
11/30/2019	(9,949,503)	(17,897,849)	(27,847,352)	(30,127)	(56,256)		(86,383)	(1,177,178)	(28,166,699)	319,347	(29,024,530)
12/31/2019	(9,919,376)	(17,841,594)	(27,760,970)	(30,127)	(56,256)		(86,383)	(1,263,560)	(28,072,272)	311,302	(29,024,530)
1/31/2020	(9,889,249)	(17,785,338)	(27,674,587)	(30,127)	(56,256)		(86,383)	(1,349,943)	(27,985,890)	311,302	(29,024,530)
2/29/2020	(9,859,122)	(17,729,083)	(27,588,205)	(30,127)	(56,256)		(86,383)	(1,436,325)	(27,899,507)	311,302	(29,024,530)
3/31/2020	(9,828,995)	(17,672,827)	(27,501,822)	(30,127)	(56,256)		(86,383)	(1,522,708)	(27,813,125)	311,303	(29,024,530)
4/30/2020	(9,798,868)	(17,616,572)	(27,415,440)	(30,127)	(56,256)		(86,383)	(1,609,090)	(27,726,742)	311,303	(29,024,530)
5/31/2020	(9,768,741)	(17,560,316)	(27,329,057)	(30,127)	(56,256)		(86,383)	(1,695,473)	(27,640,360)	311,303	(29,024,530)
6/30/2020	(9,738,614)	(17,504,060)	(27,242,674)	(30,127)	(56,256)		(86,383)	(1,781,856)	(27,553,977)	311,302	(29,024,530)
7/31/2020	(9,708,487)	(17,447,805)	(27,156,292)	(30,127)	(56,256)		(86,383)	(1,868,238)	(27,467,594)	311,302	(29,024,530)
8/31/2020	(9,678,360)	(17,391,549)	(27,069,909)	(30,127)	(56,256)		(86,383)	(1,954,621)	(27,381,212)	311,302	(29,024,530)
9/30/2020	(9,648,233)	(17,335,294)	(26,983,527)	(30,127)	(56,256)		(86,383)	(2,041,003)	(27,294,830)	311,303	(29,024,530)
10/31/2020	(9,618,106)	(17,279,038)	(26,897,144)	(30,127)	(56,256)		(86,383)	(2,127,386)			(29,024,530)
11/30/2020	(9,587,979)	(17,222,783)	(26,810,762)	(30,127)	(56,256)		(86,383)	(2,213,768)			(29,024,530)
12/31/2020	(9,557,852)	(17,166,527)	(26,724,379)	(30,127)	(56,256)		(86,383)	(2,300,151)			(29,024,530)
1/31/2021	(9,527,725)	(17,110,272)	(26,637,997)	(30,127)	(56,256)		(86,383)	(2,386,533)			(29,024,530)
2/28/2021	(9,497,598)	(17,054,016)	(26,551,614)	(30,127)	(56,256)		(86,383)	(2,472,916)			(29,024,530)
3/31/2021	(9,467,471)	(16,997,761)	(26,465,232)	(30,127)	(56,256)		(86,383)	(2,559,298)			(29,024,530)
4/30/2021	(9,437,344)	(16,941,505)	(26,378,849)	(30,127)	(56,256)		(86,383)	(2,645,681)			(29,024,530)
5/31/2021	(9,407,217)	(16,885,250)	(26,292,467)	(30,127)	(56,256)		(86,383)	(2,732,063)			(29,024,530)
Adj. with 6/1/2021 Implementation	(112,932)	(199,803)	(312,735)								(312,735)
6/30/2021	(9,490,022)	(16,610,468)	(26,100,490)	(30,127)		(474,585)	(504,712)	(3,236,775)			(29,337,265)
7/31/2021	(9,459,895)	(16,135,883)	(25,595,778)	(30,127)		(474,585)	(504,712)	(3,741,487)			(29,337,265)
8/31/2021	(9,429,768)	(15,661,298)	(25,091,066)	(30,127)		(474,585)	(504,712)	(4,246,199)			(29,337,265)
9/30/2021	(9,399,641)	(15,186,713)	(24,586,354)	(30,127)		(474,585)	(504,712)	(4,750,911)			(29,337,265)
10/31/2021	(9,369,514)	(14,712,129)	(24,081,642)	(30,127)		(474,585)	(504,712)	(5,255,623)			(29,337,265)
11/30/2021	(9,339,387)	(14,237,544)	(23,576,931)	(30,127)		(474,585)	(504,712)	(5,760,334)			(29,337,265)
12/31/2021	(9,309,260)	(13,762,959)	(23,072,219)	(30,127)		(474,585)	(504,712)	(6,265,046)			(29,337,265)
1/31/2022	(9,279,133)	(13,288,374)	(22,567,507)	(30,127)		(474,585)	(504,712)	(6,769,758)			(29,337,265)
2/28/2022	(9,249,006)	(12,813,790)	(22,062,795)	(30,127)		(474,585)	(504,712)	(7,274,470)			(29,337,265)
3/31/2022	(9,218,879)	(12,339,205)	(21,558,083)	(30,127)		(474,585)	(504,712)	(7,779,182)			(29,337,265)
4/30/2022	(9,188,751)	(11,864,620)	(21,053,371)	(30,127)		(474,585)	(504,712)	(8,283,894)			(29,337,265)
5/31/2022	(9,158,624)	(11,390,035)	(20,548,660)	(30,127)		(474,585)	(504,712)	(8,788,605)			(29,337,265)
6/30/2022	(9,128,497)	(10,915,450)	(20,043,948)	(30,127)		(474,585)	(504,712)	(9,293,317)			(29,337,265)
7/31/2022	(9,098,370)	(10,440,866)	(19,539,236)	(30,127)		(474,585)	(504,712)	(9,798,029)			(29,337,265)
8/31/2022	(9,068,243)	(9,966,281)	(19,034,524)	(30,127)		(474,585)	(504,712)	(10,302,741)			(29,337,265)
9/30/2022	(9,038,116)	(9,491,696)	(18,529,812)	(30,127)		(474,585)	(504,712)	(10,807,453)			(29,337,265)

**Tennessee Distribution System  
Deferred Regulatory Liability Amortization**

Date Rates Last Set:	6/1/2019	Reg Liability Currently in Rates:	29,024,530	Current Amortization Period (Years):	28
Date of Next Rate Implementation:	6/1/2021	Final Reg Liability	29,337,265	Final Amortization Period:	29
Final Amortization Month:	9/30/2047	Unprotected Balance:	18,853,052	Unprotected Amortization Period:	3
		Protected Balance:	10,484,213	Max. Monthly Protected Amortization	\$ 30,127

**RTP 312,122**

	Liability			Amortization					GL Balance	Reg liab vs GL diff	Total Reg Liab.
	Protected Balance	Unprotected Balance	Total Reg Liability Balance	Protected	Unprotected	Accelerated Unprotected	Total Amortization	Cumulative Balance - Amortization	Accts 2420- 27909, 2530- 27909		
10/31/2022	(9,007,989)	(9,017,111)	(18,025,100)	(30,127)		(474,585)	(504,712)	(11,312,165)			(29,337,265)
11/30/2022	(8,977,862)	(8,542,526)	(17,520,388)	(30,127)		(474,585)	(504,712)	(11,816,877)			(29,337,265)
12/31/2022	(8,947,735)	(8,067,942)	(17,015,677)	(30,127)		(474,585)	(504,712)	(12,321,588)			(29,337,265)
1/31/2023	(8,917,608)	(7,593,357)	(16,510,965)	(30,127)		(474,585)	(504,712)	(12,826,300)			(29,337,265)
2/28/2023	(8,887,481)	(7,118,772)	(16,006,253)	(30,127)		(474,585)	(504,712)	(13,331,012)			(29,337,265)
3/31/2023	(8,857,354)	(6,644,187)	(15,501,541)	(30,127)		(474,585)	(504,712)	(13,835,724)			(29,337,265)
4/30/2023	(8,827,227)	(6,169,602)	(14,996,829)	(30,127)		(474,585)	(504,712)	(14,340,436)			(29,337,265)
5/31/2023	(8,797,100)	(5,695,018)	(14,492,117)	(30,127)		(474,585)	(504,712)	(14,845,148)			(29,337,265)
6/30/2023	(8,766,973)	(5,220,433)	(13,987,406)	(30,127)		(474,585)	(504,712)	(15,349,859)			(29,337,265)
7/31/2023	(8,736,846)	(4,745,848)	(13,482,694)	(30,127)		(474,585)	(504,712)	(15,854,571)			(29,337,265)
8/31/2023	(8,706,719)	(4,271,263)	(12,977,982)	(30,127)		(474,585)	(504,712)	(16,359,283)			(29,337,265)
9/30/2023	(8,676,592)	(3,796,678)	(12,473,270)	(30,127)		(474,585)	(504,712)	(16,863,995)			(29,337,265)
10/31/2023	(8,646,465)	(3,322,094)	(11,968,558)	(30,127)		(474,585)	(504,712)	(17,368,707)			(29,337,265)
11/30/2023	(8,616,338)	(2,847,509)	(11,463,846)	(30,127)		(474,585)	(504,712)	(17,873,419)			(29,337,265)
12/31/2023	(8,586,210)	(2,372,924)	(10,959,134)	(30,127)		(474,585)	(504,712)	(18,378,131)			(29,337,265)
1/31/2024	(8,556,083)	(1,898,339)	(10,454,423)	(30,127)		(474,585)	(504,712)	(18,882,842)			(29,337,265)
2/29/2024	(8,525,956)	(1,423,754)	(9,949,711)	(30,127)		(474,585)	(504,712)	(19,387,554)			(29,337,265)
3/31/2024	(8,495,829)	(949,170)	(9,444,999)	(30,127)		(474,585)	(504,712)	(19,892,266)			(29,337,265)
4/30/2024	(8,465,702)	(474,585)	(8,940,287)	(30,127)		(474,585)	(504,712)	(20,396,978)			(29,337,265)
5/31/2024	(8,435,575)	0	(8,435,575)	(30,127)		(474,585)	(504,712)	(20,901,690)			(29,337,265)
6/30/2024	(8,405,448)	0	(8,405,448)	(30,127)				(20,931,817)			(29,337,265)
7/31/2024	(8,375,321)	0	(8,375,321)	(30,127)				(20,961,944)			(29,337,265)
8/31/2024	(8,345,194)	0	(8,345,194)	(30,127)				(20,992,071)			(29,337,265)
9/30/2024	(8,315,067)	0	(8,315,067)	(30,127)				(21,022,198)			(29,337,265)
10/31/2024	(8,284,940)	0	(8,284,940)	(30,127)				(21,052,325)			(29,337,265)
11/30/2024	(8,254,813)	0	(8,254,813)	(30,127)				(21,082,452)			(29,337,265)
12/31/2024	(8,224,686)	0	(8,224,686)	(30,127)				(21,112,579)			(29,337,265)
1/31/2025	(8,194,559)	0	(8,194,559)	(30,127)				(21,142,706)			(29,337,265)
2/28/2025	(8,164,432)	0	(8,164,432)	(30,127)				(21,172,833)			(29,337,265)
3/31/2025	(8,134,305)	0	(8,134,305)	(30,127)				(21,202,960)			(29,337,265)
4/30/2025	(8,104,178)	0	(8,104,178)	(30,127)				(21,233,087)			(29,337,265)
5/31/2025	(8,074,051)	0	(8,074,051)	(30,127)				(21,263,214)			(29,337,265)
6/30/2025	(8,043,924)	0	(8,043,924)	(30,127)				(21,293,341)			(29,337,265)
7/31/2025	(8,013,797)	0	(8,013,797)	(30,127)				(21,323,468)			(29,337,265)
8/31/2025	(7,983,670)	0	(7,983,670)	(30,127)				(21,353,595)			(29,337,265)
9/30/2025	(7,953,542)	0	(7,953,542)	(30,127)				(21,383,723)			(29,337,265)
10/31/2025	(7,923,415)	0	(7,923,415)	(30,127)				(21,413,850)			(29,337,265)
11/30/2025	(7,893,288)	0	(7,893,288)	(30,127)				(21,443,977)			(29,337,265)
12/31/2025	(7,863,161)	0	(7,863,161)	(30,127)				(21,474,104)			(29,337,265)
1/31/2026	(7,833,034)	0	(7,833,034)	(30,127)				(21,504,231)			(29,337,265)
2/28/2026	(7,802,907)	0	(7,802,907)	(30,127)				(21,534,358)			(29,337,265)
3/31/2026	(7,772,780)	0	(7,772,780)	(30,127)				(21,564,485)			(29,337,265)
4/30/2026	(7,742,653)	0	(7,742,653)	(30,127)				(21,594,612)			(29,337,265)
5/31/2026	(7,712,526)	0	(7,712,526)	(30,127)				(21,624,739)			(29,337,265)
6/30/2026	(7,682,399)	0	(7,682,399)	(30,127)				(21,654,866)			(29,337,265)
7/31/2026	(7,652,272)	0	(7,652,272)	(30,127)				(21,684,993)			(29,337,265)
8/31/2026	(7,622,145)	0	(7,622,145)	(30,127)				(21,715,120)			(29,337,265)
9/30/2026	(7,592,018)	0	(7,592,018)	(30,127)				(21,745,247)			(29,337,265)
10/31/2026	(7,561,891)	0	(7,561,891)	(30,127)				(21,775,374)			(29,337,265)
11/30/2026	(7,531,764)	0	(7,531,764)	(30,127)				(21,805,501)			(29,337,265)
12/31/2026	(7,501,637)	0	(7,501,637)	(30,127)				(21,835,628)			(29,337,265)
1/31/2027	(7,471,510)	0	(7,471,510)	(30,127)				(21,865,755)			(29,337,265)
2/28/2027	(7,441,383)	0	(7,441,383)	(30,127)				(21,895,882)			(29,337,265)

**Tennessee Distribution System  
Deferred Regulatory Liability Amortization**

Date Rates Last Set:	6/1/2019	Reg Liability Currently in Rates:	29,024,530	Current Amortization Period (Years):	28
Date of Next Rate Implementation:	6/1/2021	Final Reg Liability	29,337,265	Final Amortization Period:	29
Final Amortization Month:	9/30/2047	Unprotected Balance:	18,853,052	Unprotected Amortization Period:	3
		Protected Balance:	10,484,213	Max. Monthly Protected Amortization	\$ 30,127

**RTP 312,122**

	Liability			Amortization				Cumulative	GL Balance	Reg liab vs GL diff	Total Reg Liab.
	Protected Balance	Unprotected Balance	Total Reg Liability Balance	Protected	Unprotected	Accelerated Unprotected	Total Amortization	Balance - Amortization	Accts 2420- 27909, 2530- 27909		
3/31/2027	(7,411,256)	0	(7,411,256)	(30,127)			(30,127)	(21,926,009)			(29,337,265)
4/30/2027	(7,381,129)	0	(7,381,129)	(30,127)			(30,127)	(21,956,136)			(29,337,265)
5/31/2027	(7,351,001)	0	(7,351,001)	(30,127)			(30,127)	(21,986,264)			(29,337,265)
6/30/2027	(7,320,874)	0	(7,320,874)	(30,127)			(30,127)	(22,016,391)			(29,337,265)
7/31/2027	(7,290,747)	0	(7,290,747)	(30,127)			(30,127)	(22,046,518)			(29,337,265)
8/31/2027	(7,260,620)	0	(7,260,620)	(30,127)			(30,127)	(22,076,645)			(29,337,265)
9/30/2027	(7,230,493)	0	(7,230,493)	(30,127)			(30,127)	(22,106,772)			(29,337,265)
10/31/2027	(7,200,366)	0	(7,200,366)	(30,127)			(30,127)	(22,136,899)			(29,337,265)
11/30/2027	(7,170,239)	0	(7,170,239)	(30,127)			(30,127)	(22,167,026)			(29,337,265)
12/31/2027	(7,140,112)	0	(7,140,112)	(30,127)			(30,127)	(22,197,153)			(29,337,265)
1/31/2028	(7,109,985)	0	(7,109,985)	(30,127)			(30,127)	(22,227,280)			(29,337,265)
2/29/2028	(7,079,858)	0	(7,079,858)	(30,127)			(30,127)	(22,257,407)			(29,337,265)
3/31/2028	(7,049,731)	0	(7,049,731)	(30,127)			(30,127)	(22,287,534)			(29,337,265)
4/30/2028	(7,019,604)	0	(7,019,604)	(30,127)			(30,127)	(22,317,661)			(29,337,265)
5/31/2028	(6,989,477)	0	(6,989,477)	(30,127)			(30,127)	(22,347,788)			(29,337,265)
6/30/2028	(6,959,350)	0	(6,959,350)	(30,127)			(30,127)	(22,377,915)			(29,337,265)
7/31/2028	(6,929,223)	0	(6,929,223)	(30,127)			(30,127)	(22,408,042)			(29,337,265)
8/31/2028	(6,899,096)	0	(6,899,096)	(30,127)			(30,127)	(22,438,169)			(29,337,265)
9/30/2028	(6,868,969)	0	(6,868,969)	(30,127)			(30,127)	(22,468,296)			(29,337,265)
10/31/2028	(6,838,842)	0	(6,838,842)	(30,127)			(30,127)	(22,498,423)			(29,337,265)
11/30/2028	(6,808,715)	0	(6,808,715)	(30,127)			(30,127)	(22,528,550)			(29,337,265)
12/31/2028	(6,778,588)	0	(6,778,588)	(30,127)			(30,127)	(22,558,677)			(29,337,265)
1/31/2029	(6,748,461)	0	(6,748,461)	(30,127)			(30,127)	(22,588,804)			(29,337,265)
2/28/2029	(6,718,333)	0	(6,718,333)	(30,127)			(30,127)	(22,618,932)			(29,337,265)
3/31/2029	(6,688,206)	0	(6,688,206)	(30,127)			(30,127)	(22,649,059)			(29,337,265)
4/30/2029	(6,658,079)	0	(6,658,079)	(30,127)			(30,127)	(22,679,186)			(29,337,265)
5/31/2029	(6,627,952)	0	(6,627,952)	(30,127)			(30,127)	(22,709,313)			(29,337,265)
6/30/2029	(6,597,825)	0	(6,597,825)	(30,127)			(30,127)	(22,739,440)			(29,337,265)
7/31/2029	(6,567,698)	0	(6,567,698)	(30,127)			(30,127)	(22,769,567)			(29,337,265)
8/31/2029	(6,537,571)	0	(6,537,571)	(30,127)			(30,127)	(22,799,694)			(29,337,265)
9/30/2029	(6,507,444)	0	(6,507,444)	(30,127)			(30,127)	(22,829,821)			(29,337,265)
10/31/2029	(6,477,317)	0	(6,477,317)	(30,127)			(30,127)	(22,859,948)			(29,337,265)
11/30/2029	(6,447,190)	0	(6,447,190)	(30,127)			(30,127)	(22,890,075)			(29,337,265)
12/31/2029	(6,417,063)	0	(6,417,063)	(30,127)			(30,127)	(22,920,202)			(29,337,265)
1/31/2030	(6,386,936)	0	(6,386,936)	(30,127)			(30,127)	(22,950,329)			(29,337,265)
2/28/2030	(6,356,809)	0	(6,356,809)	(30,127)			(30,127)	(22,980,456)			(29,337,265)
3/31/2030	(6,326,682)	0	(6,326,682)	(30,127)			(30,127)	(23,010,583)			(29,337,265)
4/30/2030	(6,296,555)	0	(6,296,555)	(30,127)			(30,127)	(23,040,710)			(29,337,265)
5/31/2030	(6,266,428)	0	(6,266,428)	(30,127)			(30,127)	(23,070,837)			(29,337,265)
6/30/2030	(6,236,301)	0	(6,236,301)	(30,127)			(30,127)	(23,100,964)			(29,337,265)
7/31/2030	(6,206,174)	0	(6,206,174)	(30,127)			(30,127)	(23,131,091)			(29,337,265)
8/31/2030	(6,176,047)	0	(6,176,047)	(30,127)			(30,127)	(23,161,218)			(29,337,265)
9/30/2030	(6,145,920)	0	(6,145,920)	(30,127)			(30,127)	(23,191,345)			(29,337,265)
10/31/2030	(6,115,792)	0	(6,115,792)	(30,127)			(30,127)	(23,221,473)			(29,337,265)
11/30/2030	(6,085,665)	0	(6,085,665)	(30,127)			(30,127)	(23,251,600)			(29,337,265)
12/31/2030	(6,055,538)	0	(6,055,538)	(30,127)			(30,127)	(23,281,727)			(29,337,265)
1/31/2031	(6,025,411)	0	(6,025,411)	(30,127)			(30,127)	(23,311,854)			(29,337,265)
2/28/2031	(5,995,284)	0	(5,995,284)	(30,127)			(30,127)	(23,341,981)			(29,337,265)
3/31/2031	(5,965,157)	0	(5,965,157)	(30,127)			(30,127)	(23,372,108)			(29,337,265)
4/30/2031	(5,935,030)	0	(5,935,030)	(30,127)			(30,127)	(23,402,235)			(29,337,265)
5/31/2031	(5,904,903)	0	(5,904,903)	(30,127)			(30,127)	(23,432,362)			(29,337,265)
6/30/2031	(5,874,776)	0	(5,874,776)	(30,127)			(30,127)	(23,462,489)			(29,337,265)
7/31/2031	(5,844,649)	0	(5,844,649)	(30,127)			(30,127)	(23,492,616)			(29,337,265)



**Tennessee Distribution System  
Deferred Regulatory Liability Amortization**

Date Rates Last Set:	6/1/2019	Reg Liability Currently in Rates:	29,024,530	Current Amortization Period (Years):	28
Date of Next Rate Implementation:	6/1/2021	Final Reg Liability	29,337,265	Final Amortization Period:	29
Final Amortization Month:	9/30/2047	Unprotected Balance:	18,853,052	Unprotected Amortization Period:	3
		Protected Balance:	10,484,213	Max. Monthly Protected Amortization	\$ 30,127

**RTP 312,122**

	Liability			Amortization				Cumulative	GL Balance	Reg liab vs GL diff	Total Reg Liab.
	Protected Balance	Unprotected Balance	Total Reg Liability Balance	Protected	Unprotected	Accelerated Unprotected	Total Amortization	Balance - Amortization	Accts 2420- 27909, 2530- 27909		
8/31/2031	(5,814,522)	0	(5,814,522)	(30,127)			(30,127)	(23,522,743)			(29,337,265)
9/30/2031	(5,784,395)	0	(5,784,395)	(30,127)			(30,127)	(23,552,870)			(29,337,265)
10/31/2031	(5,754,268)	0	(5,754,268)	(30,127)			(30,127)	(23,582,997)			(29,337,265)
11/30/2031	(5,724,141)	0	(5,724,141)	(30,127)			(30,127)	(23,613,124)			(29,337,265)
12/31/2031	(5,694,014)	0	(5,694,014)	(30,127)			(30,127)	(23,643,251)			(29,337,265)
1/31/2032	(5,663,887)	0	(5,663,887)	(30,127)			(30,127)	(23,673,378)			(29,337,265)
2/29/2032	(5,633,760)	0	(5,633,760)	(30,127)			(30,127)	(23,703,505)			(29,337,265)
3/31/2032	(5,603,633)	0	(5,603,633)	(30,127)			(30,127)	(23,733,632)			(29,337,265)
4/30/2032	(5,573,506)	0	(5,573,506)	(30,127)			(30,127)	(23,763,759)			(29,337,265)
5/31/2032	(5,543,379)	0	(5,543,379)	(30,127)			(30,127)	(23,793,886)			(29,337,265)
6/30/2032	(5,513,252)	0	(5,513,252)	(30,127)			(30,127)	(23,824,013)			(29,337,265)
7/31/2032	(5,483,124)	0	(5,483,124)	(30,127)			(30,127)	(23,854,141)			(29,337,265)
8/31/2032	(5,452,997)	0	(5,452,997)	(30,127)			(30,127)	(23,884,268)			(29,337,265)
9/30/2032	(5,422,870)	0	(5,422,870)	(30,127)			(30,127)	(23,914,395)			(29,337,265)
10/31/2032	(5,392,743)	0	(5,392,743)	(30,127)			(30,127)	(23,944,522)			(29,337,265)
11/30/2032	(5,362,616)	0	(5,362,616)	(30,127)			(30,127)	(23,974,649)			(29,337,265)
12/31/2032	(5,332,489)	0	(5,332,489)	(30,127)			(30,127)	(24,004,776)			(29,337,265)
1/31/2033	(5,302,362)	0	(5,302,362)	(30,127)			(30,127)	(24,034,903)			(29,337,265)
2/28/2033	(5,272,235)	0	(5,272,235)	(30,127)			(30,127)	(24,065,030)			(29,337,265)
3/31/2033	(5,242,108)	0	(5,242,108)	(30,127)			(30,127)	(24,095,157)			(29,337,265)
4/30/2033	(5,211,981)	0	(5,211,981)	(30,127)			(30,127)	(24,125,284)			(29,337,265)
5/31/2033	(5,181,854)	0	(5,181,854)	(30,127)			(30,127)	(24,155,411)			(29,337,265)
6/30/2033	(5,151,727)	0	(5,151,727)	(30,127)			(30,127)	(24,185,538)			(29,337,265)
7/31/2033	(5,121,600)	0	(5,121,600)	(30,127)			(30,127)	(24,215,665)			(29,337,265)
8/31/2033	(5,091,473)	0	(5,091,473)	(30,127)			(30,127)	(24,245,792)			(29,337,265)
9/30/2033	(5,061,346)	0	(5,061,346)	(30,127)			(30,127)	(24,275,919)			(29,337,265)
10/31/2033	(5,031,219)	0	(5,031,219)	(30,127)			(30,127)	(24,306,046)			(29,337,265)
11/30/2033	(5,001,092)	0	(5,001,092)	(30,127)			(30,127)	(24,336,173)			(29,337,265)
12/31/2033	(4,970,965)	0	(4,970,965)	(30,127)			(30,127)	(24,366,300)			(29,337,265)
1/31/2034	(4,940,838)	0	(4,940,838)	(30,127)			(30,127)	(24,396,427)			(29,337,265)
2/28/2034	(4,910,711)	0	(4,910,711)	(30,127)			(30,127)	(24,426,554)			(29,337,265)
3/31/2034	(4,880,583)	0	(4,880,583)	(30,127)			(30,127)	(24,456,682)			(29,337,265)
4/30/2034	(4,850,456)	0	(4,850,456)	(30,127)			(30,127)	(24,486,809)			(29,337,265)
5/31/2034	(4,820,329)	0	(4,820,329)	(30,127)			(30,127)	(24,516,936)			(29,337,265)
6/30/2034	(4,790,202)	0	(4,790,202)	(30,127)			(30,127)	(24,547,063)			(29,337,265)
7/31/2034	(4,760,075)	0	(4,760,075)	(30,127)			(30,127)	(24,577,190)			(29,337,265)
8/31/2034	(4,729,948)	0	(4,729,948)	(30,127)			(30,127)	(24,607,317)			(29,337,265)
9/30/2034	(4,699,821)	0	(4,699,821)	(30,127)			(30,127)	(24,637,444)			(29,337,265)
10/31/2034	(4,669,694)	0	(4,669,694)	(30,127)			(30,127)	(24,667,571)			(29,337,265)
11/30/2034	(4,639,567)	0	(4,639,567)	(30,127)			(30,127)	(24,697,698)			(29,337,265)
12/31/2034	(4,609,440)	0	(4,609,440)	(30,127)			(30,127)	(24,727,825)			(29,337,265)
1/31/2035	(4,579,313)	0	(4,579,313)	(30,127)			(30,127)	(24,757,952)			(29,337,265)
2/28/2035	(4,549,186)	0	(4,549,186)	(30,127)			(30,127)	(24,788,079)			(29,337,265)
3/31/2035	(4,519,059)	0	(4,519,059)	(30,127)			(30,127)	(24,818,206)			(29,337,265)
4/30/2035	(4,488,932)	0	(4,488,932)	(30,127)			(30,127)	(24,848,333)			(29,337,265)
5/31/2035	(4,458,805)	0	(4,458,805)	(30,127)			(30,127)	(24,878,460)			(29,337,265)
6/30/2035	(4,428,678)	0	(4,428,678)	(30,127)			(30,127)	(24,908,587)			(29,337,265)
7/31/2035	(4,398,551)	0	(4,398,551)	(30,127)			(30,127)	(24,938,714)			(29,337,265)
8/31/2035	(4,368,424)	0	(4,368,424)	(30,127)			(30,127)	(24,968,841)			(29,337,265)
9/30/2035	(4,338,297)	0	(4,338,297)	(30,127)			(30,127)	(24,998,968)			(29,337,265)
10/31/2035	(4,308,170)	0	(4,308,170)	(30,127)			(30,127)	(25,029,095)			(29,337,265)
11/30/2035	(4,278,043)	0	(4,278,043)	(30,127)			(30,127)	(25,059,222)			(29,337,265)
12/31/2035	(4,247,915)	0	(4,247,915)	(30,127)			(30,127)	(25,089,350)			(29,337,265)

**Tennessee Distribution System  
Deferred Regulatory Liability Amortization**

Date Rates Last Set:	6/1/2019	Reg Liability Currently in Rates:	29,024,530	Current Amortization Period (Years):	28
Date of Next Rate Implementation:	6/1/2021	Final Reg Liability	29,337,265	Final Amortization Period:	29
Final Amortization Month:	9/30/2047	Unprotected Balance:	18,853,052	Unprotected Amortization Period:	3
		Protected Balance:	10,484,213	Max. Monthly Protected Amortization	\$ 30,127

	Liability			Amortization				GL Balance	Reg liab vs GL diff	Total Reg Liab.
	Protected Balance	Unprotected Balance	Total Reg Liability Balance	Protected	Unprotected	Accelerated Unprotected	Total Amortization	Cumulative Balance - Amortization		
1/31/2036	(4,217,788)	0	(4,217,788)	(30,127)			(30,127)	(25,119,477)		(29,337,265)
2/29/2036	(4,187,661)	0	(4,187,661)	(30,127)			(30,127)	(25,149,604)		(29,337,265)
3/31/2036	(4,157,534)	0	(4,157,534)	(30,127)			(30,127)	(25,179,731)		(29,337,265)
4/30/2036	(4,127,407)	0	(4,127,407)	(30,127)			(30,127)	(25,209,858)		(29,337,265)
5/31/2036	(4,097,280)	0	(4,097,280)	(30,127)			(30,127)	(25,239,985)		(29,337,265)
6/30/2036	(4,067,153)	0	(4,067,153)	(30,127)			(30,127)	(25,270,112)		(29,337,265)
7/31/2036	(4,037,026)	0	(4,037,026)	(30,127)			(30,127)	(25,300,239)		(29,337,265)
8/31/2036	(4,006,899)	0	(4,006,899)	(30,127)			(30,127)	(25,330,366)		(29,337,265)
9/30/2036	(3,976,772)	0	(3,976,772)	(30,127)			(30,127)	(25,360,493)		(29,337,265)
10/31/2036	(3,946,645)	0	(3,946,645)	(30,127)			(30,127)	(25,390,620)		(29,337,265)
11/30/2036	(3,916,518)	0	(3,916,518)	(30,127)			(30,127)	(25,420,747)		(29,337,265)
12/31/2036	(3,886,391)	0	(3,886,391)	(30,127)			(30,127)	(25,450,874)		(29,337,265)
1/31/2037	(3,856,264)	0	(3,856,264)	(30,127)			(30,127)	(25,481,001)		(29,337,265)
2/28/2037	(3,826,137)	0	(3,826,137)	(30,127)			(30,127)	(25,511,128)		(29,337,265)
3/31/2037	(3,796,010)	0	(3,796,010)	(30,127)			(30,127)	(25,541,255)		(29,337,265)
4/30/2037	(3,765,883)	0	(3,765,883)	(30,127)			(30,127)	(25,571,382)		(29,337,265)
5/31/2037	(3,735,756)	0	(3,735,756)	(30,127)			(30,127)	(25,601,509)		(29,337,265)
6/30/2037	(3,705,629)	0	(3,705,629)	(30,127)			(30,127)	(25,631,636)		(29,337,265)
7/31/2037	(3,675,502)	0	(3,675,502)	(30,127)			(30,127)	(25,661,763)		(29,337,265)
8/31/2037	(3,645,374)	0	(3,645,374)	(30,127)			(30,127)	(25,691,891)		(29,337,265)
9/30/2037	(3,615,247)	0	(3,615,247)	(30,127)			(30,127)	(25,722,018)		(29,337,265)
10/31/2037	(3,585,120)	0	(3,585,120)	(30,127)			(30,127)	(25,752,145)		(29,337,265)
11/30/2037	(3,554,993)	0	(3,554,993)	(30,127)			(30,127)	(25,782,272)		(29,337,265)
12/31/2037	(3,524,866)	0	(3,524,866)	(30,127)			(30,127)	(25,812,399)		(29,337,265)
1/31/2038	(3,494,739)	0	(3,494,739)	(30,127)			(30,127)	(25,842,526)		(29,337,265)
2/28/2038	(3,464,612)	0	(3,464,612)	(30,127)			(30,127)	(25,872,653)		(29,337,265)
3/31/2038	(3,434,485)	0	(3,434,485)	(30,127)			(30,127)	(25,902,780)		(29,337,265)
4/30/2038	(3,404,358)	0	(3,404,358)	(30,127)			(30,127)	(25,932,907)		(29,337,265)
5/31/2038	(3,374,231)	0	(3,374,231)	(30,127)			(30,127)	(25,963,034)		(29,337,265)
6/30/2038	(3,344,104)	0	(3,344,104)	(30,127)			(30,127)	(25,993,161)		(29,337,265)
7/31/2038	(3,313,977)	0	(3,313,977)	(30,127)			(30,127)	(26,023,288)		(29,337,265)
8/31/2038	(3,283,850)	0	(3,283,850)	(30,127)			(30,127)	(26,053,415)		(29,337,265)
9/30/2038	(3,253,723)	0	(3,253,723)	(30,127)			(30,127)	(26,083,542)		(29,337,265)
10/31/2038	(3,223,596)	0	(3,223,596)	(30,127)			(30,127)	(26,113,669)		(29,337,265)
11/30/2038	(3,193,469)	0	(3,193,469)	(30,127)			(30,127)	(26,143,796)		(29,337,265)
12/31/2038	(3,163,342)	0	(3,163,342)	(30,127)			(30,127)	(26,173,923)		(29,337,265)
1/31/2039	(3,133,215)	0	(3,133,215)	(30,127)			(30,127)	(26,204,050)		(29,337,265)
2/28/2039	(3,103,088)	0	(3,103,088)	(30,127)			(30,127)	(26,234,177)		(29,337,265)
3/31/2039	(3,072,961)	0	(3,072,961)	(30,127)			(30,127)	(26,264,304)		(29,337,265)
4/30/2039	(3,042,833)	0	(3,042,833)	(30,127)			(30,127)	(26,294,432)		(29,337,265)
5/31/2039	(3,012,706)	0	(3,012,706)	(30,127)			(30,127)	(26,324,559)		(29,337,265)
6/30/2039	(2,982,579)	0	(2,982,579)	(30,127)			(30,127)	(26,354,686)		(29,337,265)
7/31/2039	(2,952,452)	0	(2,952,452)	(30,127)			(30,127)	(26,384,813)		(29,337,265)
8/31/2039	(2,922,325)	0	(2,922,325)	(30,127)			(30,127)	(26,414,940)		(29,337,265)
9/30/2039	(2,892,198)	0	(2,892,198)	(30,127)			(30,127)	(26,445,067)		(29,337,265)
10/31/2039	(2,862,071)	0	(2,862,071)	(30,127)			(30,127)	(26,475,194)		(29,337,265)
11/30/2039	(2,831,944)	0	(2,831,944)	(30,127)			(30,127)	(26,505,321)		(29,337,265)
12/31/2039	(2,801,817)	0	(2,801,817)	(30,127)			(30,127)	(26,535,448)		(29,337,265)
1/31/2040	(2,771,690)	0	(2,771,690)	(30,127)			(30,127)	(26,565,575)		(29,337,265)
2/29/2040	(2,741,563)	0	(2,741,563)	(30,127)			(30,127)	(26,595,702)		(29,337,265)
3/31/2040	(2,711,436)	0	(2,711,436)	(30,127)			(30,127)	(26,625,829)		(29,337,265)
4/30/2040	(2,681,309)	0	(2,681,309)	(30,127)			(30,127)	(26,655,956)		(29,337,265)
5/31/2040	(2,651,182)	0	(2,651,182)	(30,127)			(30,127)	(26,686,083)		(29,337,265)

**Tennessee Distribution System  
Deferred Regulatory Liability Amortization**

Date Rates Last Set:	6/1/2019	Reg Liability Currently in Rates:	29,024,530	Current Amortization Period (Years):	28
Date of Next Rate Implementation:	6/1/2021	Final Reg Liability	29,337,265	Final Amortization Period:	29
Final Amortization Month:	9/30/2047	Unprotected Balance:	18,853,052	Unprotected Amortization Period:	3
		Protected Balance:	10,484,213	Max. Monthly Protected Amortization	\$ 30,127

**RTP 312,122**

	Liability			Amortization				Cumulative	GL Balance	Reg liab vs GL diff	Total Reg Liab.
	Protected Balance	Unprotected Balance	Total Reg Liability Balance	Protected	Unprotected	Accelerated Unprotected	Total Amortization	Balance - Amortization	Accts 2420- 27909, 2530- 27909		
6/30/2040	(2,621,055)	0	(2,621,055)	(30,127)			(30,127)	(26,716,210)			(29,337,265)
7/31/2040	(2,590,928)	0	(2,590,928)	(30,127)			(30,127)	(26,746,337)			(29,337,265)
8/31/2040	(2,560,801)	0	(2,560,801)	(30,127)			(30,127)	(26,776,464)			(29,337,265)
9/30/2040	(2,530,674)	0	(2,530,674)	(30,127)			(30,127)	(26,806,591)			(29,337,265)
10/31/2040	(2,500,547)	0	(2,500,547)	(30,127)			(30,127)	(26,836,718)			(29,337,265)
11/30/2040	(2,470,420)	0	(2,470,420)	(30,127)			(30,127)	(26,866,845)			(29,337,265)
12/31/2040	(2,440,293)	0	(2,440,293)	(30,127)			(30,127)	(26,896,972)			(29,337,265)
1/31/2041	(2,410,165)	0	(2,410,165)	(30,127)			(30,127)	(26,927,100)			(29,337,265)
2/28/2041	(2,380,038)	0	(2,380,038)	(30,127)			(30,127)	(26,957,227)			(29,337,265)
3/31/2041	(2,349,911)	0	(2,349,911)	(30,127)			(30,127)	(26,987,354)			(29,337,265)
4/30/2041	(2,319,784)	0	(2,319,784)	(30,127)			(30,127)	(27,017,481)			(29,337,265)
5/31/2041	(2,289,657)	0	(2,289,657)	(30,127)			(30,127)	(27,047,608)			(29,337,265)
6/30/2041	(2,259,530)	0	(2,259,530)	(30,127)			(30,127)	(27,077,735)			(29,337,265)
7/31/2041	(2,229,403)	0	(2,229,403)	(30,127)			(30,127)	(27,107,862)			(29,337,265)
8/31/2041	(2,199,276)	0	(2,199,276)	(30,127)			(30,127)	(27,137,989)			(29,337,265)
9/30/2041	(2,169,149)	0	(2,169,149)	(30,127)			(30,127)	(27,168,116)			(29,337,265)
10/31/2041	(2,139,022)	0	(2,139,022)	(30,127)			(30,127)	(27,198,243)			(29,337,265)
11/30/2041	(2,108,895)	0	(2,108,895)	(30,127)			(30,127)	(27,228,370)			(29,337,265)
12/31/2041	(2,078,768)	0	(2,078,768)	(30,127)			(30,127)	(27,258,497)			(29,337,265)
1/31/2042	(2,048,641)	0	(2,048,641)	(30,127)			(30,127)	(27,288,624)			(29,337,265)
2/28/2042	(2,018,514)	0	(2,018,514)	(30,127)			(30,127)	(27,318,751)			(29,337,265)
3/31/2042	(1,988,387)	0	(1,988,387)	(30,127)			(30,127)	(27,348,878)			(29,337,265)
4/30/2042	(1,958,260)	0	(1,958,260)	(30,127)			(30,127)	(27,379,005)			(29,337,265)
5/31/2042	(1,928,133)	0	(1,928,133)	(30,127)			(30,127)	(27,409,132)			(29,337,265)
6/30/2042	(1,898,006)	0	(1,898,006)	(30,127)			(30,127)	(27,439,259)			(29,337,265)
7/31/2042	(1,867,879)	0	(1,867,879)	(30,127)			(30,127)	(27,469,386)			(29,337,265)
8/31/2042	(1,837,752)	0	(1,837,752)	(30,127)			(30,127)	(27,499,513)			(29,337,265)
9/30/2042	(1,807,624)	0	(1,807,624)	(30,127)			(30,127)	(27,529,641)			(29,337,265)
10/31/2042	(1,777,497)	0	(1,777,497)	(30,127)			(30,127)	(27,559,768)			(29,337,265)
11/30/2042	(1,747,370)	0	(1,747,370)	(30,127)			(30,127)	(27,589,895)			(29,337,265)
12/31/2042	(1,717,243)	0	(1,717,243)	(30,127)			(30,127)	(27,620,022)			(29,337,265)
1/31/2043	(1,687,116)	0	(1,687,116)	(30,127)			(30,127)	(27,650,149)			(29,337,265)
2/28/2043	(1,656,989)	0	(1,656,989)	(30,127)			(30,127)	(27,680,276)			(29,337,265)
3/31/2043	(1,626,862)	0	(1,626,862)	(30,127)			(30,127)	(27,710,403)			(29,337,265)
4/30/2043	(1,596,735)	0	(1,596,735)	(30,127)			(30,127)	(27,740,530)			(29,337,265)
5/31/2043	(1,566,608)	0	(1,566,608)	(30,127)			(30,127)	(27,770,657)			(29,337,265)
6/30/2043	(1,536,481)	0	(1,536,481)	(30,127)			(30,127)	(27,800,784)			(29,337,265)
7/31/2043	(1,506,354)	0	(1,506,354)	(30,127)			(30,127)	(27,830,911)			(29,337,265)
8/31/2043	(1,476,227)	0	(1,476,227)	(30,127)			(30,127)	(27,861,038)			(29,337,265)
9/30/2043	(1,446,100)	0	(1,446,100)	(30,127)			(30,127)	(27,891,165)			(29,337,265)
10/31/2043	(1,415,973)	0	(1,415,973)	(30,127)			(30,127)	(27,921,292)			(29,337,265)
11/30/2043	(1,385,846)	0	(1,385,846)	(30,127)			(30,127)	(27,951,419)			(29,337,265)
12/31/2043	(1,355,719)	0	(1,355,719)	(30,127)			(30,127)	(27,981,546)			(29,337,265)
1/31/2044	(1,325,592)	0	(1,325,592)	(30,127)			(30,127)	(28,011,673)			(29,337,265)
2/29/2044	(1,295,465)	0	(1,295,465)	(30,127)			(30,127)	(28,041,800)			(29,337,265)
3/31/2044	(1,265,338)	0	(1,265,338)	(30,127)			(30,127)	(28,071,927)			(29,337,265)
4/30/2044	(1,235,211)	0	(1,235,211)	(30,127)			(30,127)	(28,102,054)			(29,337,265)
5/31/2044	(1,205,084)	0	(1,205,084)	(30,127)			(30,127)	(28,132,181)			(29,337,265)
6/30/2044	(1,174,956)	0	(1,174,956)	(30,127)			(30,127)	(28,162,309)			(29,337,265)
7/31/2044	(1,144,829)	0	(1,144,829)	(30,127)			(30,127)	(28,192,436)			(29,337,265)
8/31/2044	(1,114,702)	0	(1,114,702)	(30,127)			(30,127)	(28,222,563)			(29,337,265)
9/30/2044	(1,084,575)	0	(1,084,575)	(30,127)			(30,127)	(28,252,690)			(29,337,265)
10/31/2044	(1,054,448)	0	(1,054,448)	(30,127)			(30,127)	(28,282,817)			(29,337,265)

**Tennessee Distribution System  
Deferred Regulatory Liability Amortization**

Date Rates Last Set:	6/1/2019	Reg Liability Currently in Rates:	29,024,530	Current Amortization Period (Years):	28
Date of Next Rate Implementation:	6/1/2021	Final Reg Liability	29,337,265	Final Amortization Period:	29
Final Amortization Month:	9/30/2047	Unprotected Balance:	18,853,052	Unprotected Amortization Period:	3
		Protected Balance:	10,484,213	Max. Monthly Protected Amortization	\$ 30,127
		<b>RTP</b>	<b>312,122</b>		

	Liability			Amortization				GL Balance	Reg liab vs GL diff	Total Reg Liab.
	Protected Balance	Unprotected Balance	Total Reg Liability Balance	Protected	Unprotected	Accelerated Unprotected	Total Amortization	Cumulative Balance - Amortization		
								Accts 2420- 27909, 2530- 27909		
11/30/2044	(1,024,321)	0	(1,024,321)	(30,127)			(30,127)	(28,312,944)		(29,337,265)
12/31/2044	(994,194)	0	(994,194)	(30,127)			(30,127)	(28,343,071)		(29,337,265)
1/31/2045	(964,067)	0	(964,067)	(30,127)			(30,127)	(28,373,198)		(29,337,265)
2/28/2045	(933,940)	0	(933,940)	(30,127)			(30,127)	(28,403,325)		(29,337,265)
3/31/2045	(903,813)	0	(903,813)	(30,127)			(30,127)	(28,433,452)		(29,337,265)
4/30/2045	(873,686)	0	(873,686)	(30,127)			(30,127)	(28,463,579)		(29,337,265)
5/31/2045	(843,559)	0	(843,559)	(30,127)			(30,127)	(28,493,706)		(29,337,265)
6/30/2045	(813,432)	0	(813,432)	(30,127)			(30,127)	(28,523,833)		(29,337,265)
7/31/2045	(783,305)	0	(783,305)	(30,127)			(30,127)	(28,553,960)		(29,337,265)
8/31/2045	(753,178)	0	(753,178)	(30,127)			(30,127)	(28,584,087)		(29,337,265)
9/30/2045	(723,051)	0	(723,051)	(30,127)			(30,127)	(28,614,214)		(29,337,265)
10/31/2045	(692,924)	0	(692,924)	(30,127)			(30,127)	(28,644,341)		(29,337,265)
11/30/2045	(662,797)	0	(662,797)	(30,127)			(30,127)	(28,674,468)		(29,337,265)
12/31/2045	(632,670)	0	(632,670)	(30,127)			(30,127)	(28,704,595)		(29,337,265)
1/31/2046	(602,543)	0	(602,543)	(30,127)			(30,127)	(28,734,722)		(29,337,265)
2/28/2046	(572,415)	0	(572,415)	(30,127)			(30,127)	(28,764,850)		(29,337,265)
3/31/2046	(542,288)	0	(542,288)	(30,127)			(30,127)	(28,794,977)		(29,337,265)
4/30/2046	(512,161)	0	(512,161)	(30,127)			(30,127)	(28,825,104)		(29,337,265)
5/31/2046	(482,034)	0	(482,034)	(30,127)			(30,127)	(28,855,231)		(29,337,265)
6/30/2046	(451,907)	0	(451,907)	(30,127)			(30,127)	(28,885,358)		(29,337,265)
7/31/2046	(421,780)	0	(421,780)	(30,127)			(30,127)	(28,915,485)		(29,337,265)
8/31/2046	(391,653)	0	(391,653)	(30,127)			(30,127)	(28,945,612)		(29,337,265)
9/30/2046	(361,526)	0	(361,526)	(30,127)			(30,127)	(28,975,739)		(29,337,265)
10/31/2046	(331,399)	0	(331,399)	(30,127)			(30,127)	(29,005,866)		(29,337,265)
11/30/2046	(301,272)	0	(301,272)	(30,127)			(30,127)	(29,035,993)		(29,337,265)
12/31/2046	(271,145)	0	(271,145)	(30,127)			(30,127)	(29,066,120)		(29,337,265)
1/31/2047	(241,018)	0	(241,018)	(30,127)			(30,127)	(29,096,247)		(29,337,265)
2/28/2047	(210,891)	0	(210,891)	(30,127)			(30,127)	(29,126,374)		(29,337,265)
3/31/2047	(180,764)	0	(180,764)	(30,127)			(30,127)	(29,156,501)		(29,337,265)
4/30/2047	(150,637)	0	(150,637)	(30,127)			(30,127)	(29,186,628)		(29,337,265)
5/31/2047	(120,510)	0	(120,510)	(30,127)			(30,127)	(29,216,755)		(29,337,265)
6/30/2047	(90,383)	0	(90,383)	(30,127)			(30,127)	(29,246,882)		(29,337,265)
7/31/2047	(60,256)	0	(60,256)	(30,127)			(30,127)	(29,277,009)		(29,337,265)
8/31/2047	(30,129)	0	(30,129)	(30,127)			(30,127)	(29,307,136)		(29,337,265)
9/30/2047	(2)	0	(2)	(30,127)			(30,127)	(29,337,263)		(29,337,265)
<b>Total Amortized from 10/15/2018 - 09/30/2047</b>				<b>(10,484,211)</b>	<b>(1,767,999)</b>	<b>(17,085,053)</b>	<b>(29,337,263)</b>			-