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

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

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**CONSUMER ADVOCATE'S RESPONSE TO ATMOS ENERGY CORPORATION'S FIRST DISCOVERY REQUEST**

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Comes the Consumer Advocate Unit of the Office of the Attorney General (Consumer Advocate) and hereby responds to the First Discovery Requests of Atmos Energy Corporation (Atmos Energy) to the Consumer Advocate filed on January 3, 2019. Each of the nine discovery requests are set out on separate pages for ease of use for Atmos Energy and Staff with the Tennessee Public Utility Commission (TPUC or Commission).

**Atmos Energy Tax Docket**
**TPUC Docket No. 18-00034**
**Atmos Energy's First Discovery Request**
**Date Issued: January 3, 2019**

1-1. Reference is made to page 24, lines 19-22 of Mr. Dittemore's Direct Testimony dated December 21, 2018, in this matter, wherein Mr. Dittemore references a verbal decision by the TPUC in Docket No. 18-00017 on October 11, 2018. Please state, with as much specificity as the CPAD is able to provide, what the TPUC decided on the issue referenced in Mr. Dittemore's testimony. Additionally, please produce any transcripts of that proceeding that the CPAD has in its possession, custody, or control.

**RESPONSE:**

The Commission did not specifically address the amortization of the Excess Unprotected Accumulated Deferred Income Tax (ADIT) in its verbal decision on October 15, 2018 which is why no detail was provided in Mr. Dittemore's Testimony. He simply provided the current status of TPUC Docket No. 18-00017 which is that a verbal decision had been made but a written order is still pending. However, a copy of the excerpt transcript of this verbal decision is attached as Exhibit A for your review. The transcript will be filed as Confidential in Response to this Request due to the Commission's practice of not publishing transcripts on its website's Docket Page.

In reviewing the referenced lines of Mr. Dittemore's Testimony that you raise, the Consumer Advocate noted that it failed to provide a citation to Mr. Dittemore's Testimony as it had for the utility's testimony in TPUC Docket No. 18-00017 regarding the issue of an amortization rate for Excess Unprotected ADIT. The citation for the Consumer Advocate's Testimony is *David Dittemore Direct Testimony, p. 20, lines 7-13, TPUC Docket No. 18-00017 (July 3, 2018).*

***Response provided by the Consumer Advocate on January 10, 2019***

**Atmos Energy Tax Docket**
**TPUC Docket No. 18-00034**
**Atmos Energy's First Discovery Request**
**Date Issued: January 3, 2019**

1-2. Reference is made to page 14, lines 14-25 of Mr. Dittemore's Direct Testimony dated December 21, 2018, in this matter, wherein Mr. Dittemore references the "Safe Harbor" provisions of IRS Revenue Procedure 2017-47. Admit that the referenced "Safe Harbor" provisions are only available for inadvertent normalization violations.

**RESPONSE:**

The Consumer Advocate admits.

***Response provided by the Consumer Advocate on January 10, 2019***

**Atmos Energy Tax Docket**
**TPUC Docket No. 18-00034**
**Atmos Energy's First Discovery Request**
**Date Issued: January 3, 2019**

1-3. Reference is made to page 13, lines 1-7 of Mr. Dittemore's Direct Testimony dated December 21, 2018, in this matter, wherein Mr. Dittemore states that the CPAD believes as a matter of public policy that excess ADIT should be returned to customers as soon as reasonably possible. All other things remaining the same, admit that accelerating the return of excess ADIT to customers would accelerate the increase in utility earnings Mr. Dittemore describes on page 3, lines 5-13 of his Direct Testimony.

**RESPONSE:**

The Consumer Advocate admits with the assumption that the Repair Deduction is Unprotected.

***Response provided by the Consumer Advocate on January 10, 2019***

**Atmos Energy Tax Docket**
**TPUC Docket No. 18-00034**
**Atmos Energy's First Discovery Request**
**Date Issued: January 3, 2019**

1-4. Reference is made to page 18, lines 8-22 of Mr. Dittemore's Direct Testimony dated December 21, 2018, in this matter, wherein Mr. Dittemore states that "Atmos arguably would benefit from its lack of sophisticated plant accounting records." Admit that any putative benefit from retaining excess ADIT would be fully or partially offset by not having a corresponding increase in rate base and earnings, as Mr. Dittemore describes on page 3, lines 5-13 of his Direct Testimony.

**RESPONSE:**

The Consumer Advocate admits from an earnings perspective but denies from a cash-flow perspective.

***Response provided by the Consumer Advocate on January 10, 2019***

**Atmos Energy Tax Docket**
**TPUC Docket No. 18-00034**
**Atmos Energy's First Discovery Request**
**Date Issued: January 3, 2019**

1-5. Reference is made to page 23, lines 12-20 of Mr. Dittemore's Direct Testimony dated December 21, 2018, in this matter, wherein Mr. Dittemore proposes a three-year amortization period for unprotected excess ADIT. In exhibit DND-3 Mr. Dittemore shows a five-year amortization period for ADIT associated with repairs. Please explain this discrepancy.

**RESPONSE:**

Exhibit DND-3 should have indicated a three-year amortization period to match the referenced testimony. An Amended Exhibit DND-3 is attached.

***Response provided by the Consumer Advocate on January 10, 2019***

1-6. Reference is made to page 21, line 21 through page 22, line 20 of Mr. Dittemore's Direct Testimony dated December 21, 2018, in this matter, wherein Mr. Dittemore compares Atmos Energy's approach to identify its Tennessee NOL with Piedmont Natural Gas' approach to identify its Tennessee NOL. Please compare Piedmont Natural Gas' corporate form and structure and Atmos Energy Corporation's corporate form and structure.

**RESPONSE:**

The Consumer Advocate does not have an existing document comparing the corporate form and structures of Atmos Energy and Piedmont Natural Gas nor do the Tennessee Rules of Civil Procedure require the Consumer Advocate to produce a document that does not already exist (Tenn.R.Civ.P. 26.02, 34.01). However, in the spirit of cooperation in the discovery process, the Consumer Advocate notes that Piedmont Natural Gas operates as a subsidiary of Duke Energy, and that Atmos' Tennessee operations are operated as a division of Atmos Energy Corporation.

Regardless of corporate structure, utilities should adhere to the basic cost allocation principle of cost causation. This principle requires that corporate costs or assets are direct assigned to the entity incurring the cost or using the asset whenever possible. If direct assignment cannot be made, the cost or asset is allocated to entities based upon a logical cost causation metric. An example of this would be to allocate call center assets and costs based upon customer numbers served in each jurisdiction. If direct assignment cannot be made and there is no logical cost causation factor that can be identified, then and only then is a general allocator to be used.

***Response provided by the Consumer Advocate on January 10, 2019***

**Atmos Energy Tax Docket**
**TPUC Docket No. 18-00034**
**Atmos Energy's First Discovery Request**
**Date Issued: January 3, 2019**

1-7. Produce all work-papers and calculations generated by each of your witnesses in this matter in Excel working format with numbers, formulas and linked files provided.

**RESPONSE:**

The Consumer Advocate has one expert witness, David N. Dittemore, that provided testimony in this Docket. His work papers and calculations are provided in Excel working format in response to this request and are identified as follows:

- Tables DND-1 and DND-2 to Dittemore's Direct Testimony and
- Amended Exhibit DND-3 to Dittemore's Direct Testimony (provided in Response to Atmos Energy 1-3).

***Response provided by the Consumer Advocate on January 10, 2019***

**Atmos Energy Tax Docket**
**TPUC Docket No. 18-00034**
**Atmos Energy's First Discovery Request**
**Date Issued: January 3, 2019**

1-8. Produce all documents that have been referenced or relied upon by each of your witnesses in this matter.

**RESPONSE:**

For the TPUC documents cited in Mr. Dittermore's Direct Testimony that are publicly available on TPUC's Docket Page, the Consumer Advocate will not provide copies of such documents. However, the Consumer Advocate will provide copies of the transcript referenced in Mr. Dittemore's Testimony. The documents are as follows:

- TPUC Conference, Excerpt of Transcript of Proceedings, Docket No. 18-00017 on October 15, 2018, marked as Exhibit A (provided in the Consumer Advocate's Response to Atmos Energy's Request 1-1).[1]

- TPUC Docket No. 18-00022 Hearing on September 21, 2018, page 30, lines 16-22, marked as Exhibit B.

In reviewing Mr. Dittemore's Testimony, the Consumer Advocate noted that although it had provided citations to documents located in dockets of other state commissions, it had not provided a corresponding link. For ease and convenience, the Consumer Advocate is providing the links to the following documents found in other states' dockets:

- Kentucky Public Service Commission - Jennifer K. Story Rebuttal Testimony, p. 21, lines 11– 3, KY PSC Case No. 2017-00349 (Feb. 28, 2018) can be found at this link https://psc.ky.gov/pscecf/2017-00349/regulatory.support%40atmosenergy.com/02282018123103/2017-00349_Atmos_Rebuttal_Testimony_2018-02-28.pdf.
    - Ms. Story's Testimony begins on page 183 of the PDF found at this link.
    - Please note that the citation in Mr. Dittemore's Direct Testimony in this Docket incorrectly stated the date of Ms. Story's Rebuttal Testimony in the Kentucky docket was February 2, 2018. The correct date is February 28, 2018.

- Virginia State Corporation Commission - Kent Peterson Direct Testimony, p. 7, line 7 – p. 8, line 7, SCC Va. Case No. PUR-2018-00014 (Oct. 10, 2018) can be found at this link http://www.scc.virginia.gov/docketsearch/DOCS/4c0z01!.PDF.

[1] The transcript will be filed as Confidential in response to this Request due to the Commission's practice of not publishing transcripts on its website's Docket Page.

In Mr. Dittemore's Testimony (fn. 23), he references an article in S&P Global Market Intelligence entitled *With CapEx Programs Moving Apace, Gas Utilities Seen as Attractive M&A Targets* dated November 12, 2018. Since such articles are available through a subscription only, the Consumer Advocate is filing the article as Confidential. https://www.snl.com/web/client?auth=inherit#news/article?id=47863385&KeyProductLinkType=2, subscription required). Attached as Exhibit C.

***Response provided by the Consumer Advocate on January 10, 2019***

**Atmos Energy Tax Docket**
**TPUC Docket No. 18-00034**
**Atmos Energy's First Discovery Request**
**Date Issued: January 3, 2019**

1-9. Produce all hearing exhibits and other documents that you plan to introduce, use, or reference at the hearing on the merits in this matter.

**RESPONSE:**

The Consumer Advocate has not, at this time, identified its "hearing exhibits and other documents" as described above. The Consumer Advocate will provide such information as directed in the pre-hearing order.

***Response provided by the Consumer Advocate on January 10, 2019***

RESPECTFULLY SUBMITTED,

Karen H. Stachowski

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## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

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This the 10th day of January, 2019.

Karen H Stachowski
KAREN H. STACHOWSKI
Assistant Attorney General

# ATTACHMENT

# DND-1

**Comparison of Atmos vs Consumer Advocate Excess ADIT**

**Table DND-1**

| | Atmos \1 | Reclassify Repair to Unprotected ADIT /2 | Eliminate ADIT Associated w Excluded O&M \3 | Consumer Advocate Excess ADIT Balances |
|---|---|---|---|---|
| Protected | 29,697,498 | (10,617,470) | | 19,080,029 |
| Unprotected | (672,969) | 10,617,470 | 218,668 | 10,163,169 |
| Total | 29,024,530 | 0 | 218,668 | 29,243,198 |

\1 Atmos Updated Financials Filed 11/21/18
\2 Exhibit DND-2
\3 Table DND-2

# ATTACHMENT

# DND-2

**Table DND-2**

| Class of Customer | Class Excess Accumulated Deferred Income Taxes Amount | | Customer Count | Average Excess Accumulated Deferred Income Taxes per Customer | |
|---|---|---|---|---|---|
| Residential | $ | (14,641,844) | 127,021 | $ | (115) |
| Commerical | $ | (8,636,268) | 16,547 | $ | (522) |
| Industrial | $ | (1,200,167) | 352 | $ | (3,409) |
| Public Authority | $ | (91,623) | 697 | $ | (131) |
| Transportation | $ | (4,454,628) | 117 | $ | (38,210) |
| Total Excess ADIT | $ | (29,024,530) | 144,733 | $ | (201) |

**Atmos Energy Corporation**
**Regulatory Liability Analysis**
**9/30/2018**

| | Excess Deferreds Excl Gross Up | | | Excess Deferreds by Type Excl Gross Up | | | Gross Up by Type | | | Regulatory Liability Incl Gross Up by Type | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | After TCJA (DTL)/DTA | Before TCJA (DTL)/DTA | Change (expense)/benefit | Plant | Non Plant | Total | Plant | Non Plant | Total | Plant | Non Plant | Total |
| Tennessee (093) | (58,857,346) | (96,880,381) | 38,023,035 | 36,506,215 | 1,516,820 | 38,023,035 | 10,792,044 | 448,406 | 11,240,449 | 47,298,258 | 1,965,226 | 49,263,484 |
| Allocated from Div 002 | 28,011,136 | 44,048,632 | (16,037,496) | (14,312,751) | (1,724,745) | (16,037,496) | (4,231,165) | (509,873) | (4,741,038) | (18,543,916) | (2,234,618) | (20,778,534) |
| Allocated from Div 012 | (904,417) | (1,410,403) | 505,986 | 479,899 | 26,087 | 505,986 | 141,869 | 7,712 | 149,581 | 621,768 | 33,799 | 655,567 |
| Allocated from Div 091 | (219,767) | (130,244) | (89,523) | 248,057 | (337,580) | (89,523) | 73,331 | (99,796) | (26,465) | 321,388 | (437,376) | (115,988) |
| Total TN | (31,970,393) | (54,372,396) | 22,402,003 | 22,921,420 | (519,417) | 22,402,003 | 6,776,078 | (153,551) | 6,622,527 | 29,697,498 | (672,969) | 29,024,530 |

DND-2

**12 Mos Ended May 31, 2018**
**Excess Deferred Balance**

**Account 2530 - 27909** (29,024,530) A/

| Description | Actual Base Count | Actual Volumes Mcf (B/) | Actual Margin Rev | Percent of total Margin | EDIT * Percentage of total Margin | Customer Count | Excess/Customer | Total Class EDIT / Total Class Count |
|---|---|---|---|---|---|---|---|---|
| RESIDENTIAL | | | | | | | | |
| 210 Residential Gas Service (Summer) | 628,711 | 1,008,816 | $ 12,576,749 | 15.73% | (4,565,262) | 52,393 | $ (87) | |
| 210 Residential Gas Service (Winter) (weather sensitive) | 894,302 | 7,032,718 | $ 27,751,455 | 34.71% | (10,073,562) | 74,525 | $ (135) | |
| 210 Residential Gas Service Senior Citizen (Summer) | 532 | 528 | $ 741 | 0.00% | (269) | 44 | $ (6) | $ (115) |
| 210 Residential Gas Service Senior Citizen (Winter) (weather sensitive) | 691 | 5,015 | $ 7,151 | 0.01% | (2,596) | 58 | $ (45) | |
| 211 Residential/Sm Commericial/Industrial Heating & Cooling Service | 12 | 275 | $ 431 | 0.00% | (156) | 1 | $ (156) | |
| Total Residential | 1,524,248 | 8,045,351 | 40,336,526 | 50.45% | (14,641,844) | 127,021 | $ (430) | |
| COMMERCIAL | | | | | | | | |
| 211 Residential/Sm. Commericial/Industrial Heating & Cooling Service | 12 | 132 | $ 312 | 0.00% | (113) | 1 | $ (113) | |
| 220 Commercial Gas Service (weather sensitive) | 198,535 | 5,496,430 | $ 23,775,176 | 29.73% | (8,630,203) | 16,545 | $ (522) | |
| 230 Large Commercial Gas Service (weather sensitive) | - | 0 | $ - | 0.00% | - | - | $ - | $ (522) |
| 250 Commercial Interruptible Gas Service | 0 | 0 | 0 | 0.00% | - | - | $ - | |
| 293 Large Tonnage Air Conditioning Gas Service | 12 | 11,573 | $ 16,394 | 0.02% | (5,951) | 1 | $ (5,951) | |
| Total Commercial | 198,559 | 5,508,135 | 23,791,883 | 29.76% | (8,636,268) | 16,547 | $ (6,586) | |
| INDUSTRIAL | | | | | | | | |
| 220 Industrial Gas Service (weather sensitive) | 3823 | 683,585 | $ 2,077,104 | 2.60% | (753,973) | 319 | $ (2,367) | |
| 230 Large Industrial Gas Service | 75 | 50,384 | $ 156,678 | 0.20% | (56,873) | 6 | $ (9,100) | |
| 240 DEMAND/COMM GS | 0 | - | $ - | 0.00% | - | - | $ - | $ (3,409) |
| 250 Industrial Interruptible Gas Service | 285 | 843,888 | $ 1,024,906 | 1.28% | (372,033) | 24 | $ (15,665) | |
| 280/250 Economic Development Gas Service | 30 | 41,782 | $ 42,016 | 0.05% | (15,252) | 3 | $ (6,101) | |
| 292 Cogeneration, CNG, Prime Movers Service | 12 | - | $ 5,613 | 0.01% | (2,037) | 1 | $ (2,037) | |
| Total Industrial | 4,225 | 1,619,618 | 3,306,317 | 4.14% | (1,200,167) | 352 | $ (35,269) | |
| PUBLIC AUTHORITY | | | | | | | | |
| 211 Residential/Sm. Commericial/Industrial Heating & Cooling Service | - | - | $ - | 0.00% | - | - | $ - | |
| 221 Experimental School Gas Service | 36 | 25,799 | $ 38,008 | 0.05% | (13,797) | 3 | $ (4,599) | |
| 225 Public Authority Gas Service (Sr. Citizen) (Summer) | - | - | $ - | 0.00% | - | - | $ - | |
| 225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather Sensitive) | - | - | $ - | 0.00% | - | - | $ - | $ (131) |
| 225 Public Authority Gas Service (Summer) | 3,126 | 7,264 | $ 65,724 | 0.08% | (23,857) | 261 | $ (92) | |
| 225 Public Authority Gas Service (Winter) (weather Sensitive) | 5,201 | 31,944 | $ 148,678 | 0.19% | (53,969) | 433 | $ (125) | |
| Total Public Authority | 8,363 | 65,007 | 252,410 | 0.32% | (91,623) | 697 | $ (4,815) | |
| TRANSPORTATION | | | | | | | | |
| 260 - TRANSP (220 SML COM/INDG) | 135 | 148,327 | $ 471,281 | 0.59% | (171,071) | 11 | $ (15,206) | |
| 260 - TRANSP (230 LRG COM/INDG) | 502 | 1,444,889 | $ 3,711,614 | 4.64% | (1,347,287) | 42 | $ (32,206) | |
| 260 - TRANSP (240 DEMAND) | 69 | 397,564 | $ 789,190 | 0.99% | (286,470) | 6 | $ (49,821) | |
| 260 - TRANSP (250 OPT GS) | 635 | 5,075,942 | $ 5,489,227 | 6.87% | (1,992,546) | 53 | $ (37,654) | $ (38,210) |
| 260 - TRANSP (280/240 ECON DEV/DEMAND) | - | - | $ - | 0.00% | - | - | $ - | |
| 260 - TRANSP (280/250 ECON DEV - OPT GS) | 24 | 954,160 | $ 785,909 | 0.98% | (285,279) | 2 | $ (142,639) | |
| Special Contracts | 34 | 3,049,684 | $ 1,024,745 | 1.28% | (371,974) | 3 | $ (131,285) | |
| Total Transportation | 1,399 | 11,070,666 | 12,271,966 | 15.35% | (4,454,628) | 117 | (408,812) | |
| TOTALS | 1,736,794 | 26,308,777 | 79,959,102 | 100.00% | (29,024,530) | 144,733 | (201) | |

A/ 3) 2018-08-31 TN Annual Reconciliation Filing - Exhibit GKW-1 Reconciliation Revenue Requirement Model, Workpaper 7-10
B/ 3) 2018-08-31 TN Annual Reconciliation Filing - Exhibit GKW-1 Reconciliation Revenue Requirement Model, Schedule 11-5

#/ TN Excess Deferreds (True-Up) submitted by Atmos on 11/21/18

DND-2

Schedule 11-5

Tennessee Distribution System
Summary of Revenues
12 Months Ending May 31, 2018

| Line No. | Description | Filed Base Count | Filed Volumes Mcf | Filed Margin Rev | Actual Base Count | Actual Volumes Mcf | Actual Margin Rev | Variance: Base Count | Variance: Volume Difference Mcf | Variance: Margin Difference $ |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | RESIDENTIAL | | | | | | | | | |
| 2 | 210 Residential Gas Service (Summer) | 632,820 | 836,027 | $ 12,410,768 | 628,711 | 1,006,816 | $ 12,576,749 | (4,109) | 170,789 | $ 165,981 |
| 3 | 210 Residential Gas Service (Winter) (weather sensitive) | 880,387 | 6,876,650 | $ 27,079,919 | 894,302 | 7,034,718 | $ 27,751,455 | 13,915 | 158,068 | $ 671,536 |
| 4 | 210 Residential Gas Service Senior Citizen (Summer) | 731 | 570 | $ 803 | 532 | 528 | $ 741 | (199) | (42) | $ (62) |
| 5 | 210 Residential Gas Service Senior Citizen (Winter) (weather sensitive) | 1,042 | 6,405 | $ 9,026 | 691 | 5,015 | $ 7,151 | (351) | (1,390) | $ (1,875) |
| 6 | 211 Residential/Sm. Commercial/Industrial Heating & Cooling Service | [illegible] | 237 | $ 409 | 12 | 275 | $ 431 | (5) | 38 | $ 22 |
| 7 | Total Residential | 1,514,983 | 7,719,890 | 39,499,926 | 1,524,238 | 8,045,351 | 40,336,526 | 9,255 | 325,461 | $ 836,600 |
| 8 | | | | | | | | | | |
| 9 | COMMERCIAL | | | | | | | | | |
| 10 | 211 Residential/Sm. Commercial/Industrial Heating & Cooling Service | 12 | 115 | 305 | 12 | 132 | $ 312 | (0) | 16 | $ 7 |
| 11 | 220 Commercial Gas Service (weather sensitive) | 197,622 | 5,232,989 | 22,841,548 | 198,535 | 5,496,430 | $ 23,775,176 | 913 | 263,442 | $ 933,828 |
| 12 | 230 Large Commercial Gas Service (weather sensitive) | 0 | 0 | 0 | - | 0 | $ - | 0 | 0 | $ - |
| 13 | 250 Commercial Interruptible Gas Service | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | $ - |
| 14 | 293 Large Tonnage Air Conditioning Gas Service | 12 | 13,184 | 18,288 | 12 | 11,573 | $ 16,394 | 0 | (1,611) | $ (1,894) |
| 15 | Total Commercial | 197,646 | 5,246,288 | 22,860,141 | 198,559 | 5,508,135 | 23,791,883 | 913 | 261,847 | $ 931,741 |
| 16 | | | | | | | | | | |
| 17 | INDUSTRIAL | | | | | | | | | |
| 18 | 220 Industrial Gas Service (weather sensitive) | 3,887 | 618,845 | 1,885,693 | 3823 | 683,585 | $ 2,077,104 | (64) | 63,739 | $ 191,411 |
| 19 | 230 Large Industrial Gas Service | 71 | 41,040 | 132,157 | 75 | 50,384 | $ 156,678 | 4 | 9,344 | $ 24,521 |
| 20 | 240 DEMAND/COMM GS | 0 | 0 | 0 | 0 | - | $ - | 0 | 0 | $ - |
| 21 | 250 Industrial Interruptible Gas Service | 308 | 570,640.0789 | 789,953 | 285 | 843,888 | $ 1,024,906 | (23) | 273,248 | $ 234,953 |
| 22 | 260/250 Economic Development Gas Service | 12 | 39,600 | 40,808 | 30 | 41,762 | $ 42,016 | 18 | 2,162 | $ 1,208 |
| 23 | 292 Cogeneration, CNG, Prime Movers Service | 12 | 0 | 504 | 12 | - | $ 5,613 | 0 | 0 | $ 5,109 |
| 24 | Total Industrial | 4,290 | 1,271,126 | 2,849,116 | 4,225 | 1,619,619 | 3,306,317 | (65) | 348,493 | $ 457,201 |
| 25 | | | | | | | | | | |
| 26 | PUBLIC AUTHORITY | | | | | | | | | |
| 27 | 211 Residential/Sm. Commercial/Industrial Heating & Cooling Service | 0 | 0 | 0 | - | - | $ - | 0 | 0 | $ - |
| 28 | 221 Experimental School Gas Service | 54 | 70,439 | 97,805 | 38 | 25,799 | $ 38,006 | (16) | (44,640) | $ (56,101) |
| 29 | 225 Public Authority Gas Service (Sr. Citizen) (Summer) | 0 | 0 | 0 | - | - | $ - | 0 | 0 | $ - |
| 30 | 225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather Sensitive) | 0 | 0 | 0 | - | - | $ - | 0 | 0 | $ - |
| 31 | 225 Public Authority Gas Service (Summer) | 3,067 | 7,671 | 65,243 | 3,125 | 7,264 | $ 65,724 | 58 | (406) | $ 481 |
| 32 | 225 Public Authority Gas Service (Winter) (weather Sensitive) | 4,296 | 42,268 | 144,410 | 5,201 | 31,944 | $ 148,678 | 905 | (10,324) | $ 4,268 |
| 33 | Total Public Authority | 7,416 | 120,378 | 307,262 | 8,363 | 65,007 | 252,410 | 947 | (55,372) | $ (54,852) |
| 34 | | | | | | | | | | |
| 35 | TRANSPORTATION | | | | | | | | | |
| 36 | 260 - TRANSP (220 SML COM/IND) | 144 | 138,035 | 449,093 | 135 | 148,327 | $ 471,281 | (9) | 10,292 | $ 22,188 |
| 37 | 260 - TRANSP (230 LRG COM/IND) | 516 | 1,377,207 | 3,609,438 | 502 | 1,444,889 | $ 3,711,644 | (14) | 67,682 | $ 102,206 |
| 38 | 260 - TRANSP (240 DEMAND) | 48 | 362,150 | 715,514 | 69 | 397,664 | $ 789,190 | 21 | 35,514 | $ 73,676 |
| 39 | 260 - TRANSP (250 OPT GS) | 636 | 5,032,898 | 5,426,697 | 635 | 5,075,942 | $ 5,488,227 | (1) | 43,043 | $ 62,529 |
| 40 | 260 - TRANSP (260/240 ECON DEV/DEMAND) | 12 | 8,800 | 34,348 | - | - | $ - | (12) | (8,800) | $ (34,349) |
| 41 | 260 - TRANSP (260/250 ECON DEV - OPT GS) | 24 | 721,116 | 645,040 | 24 | 954,160 | $ 785,909 | 0 | 233,045 | $ 140,870 |
| 42 | Special Contracts | 36 | 1,661,620 | 572,170 | 34 | 3,049,684 | $ 1,024,745 | (2) | 1,388,064 | $ 452,575 |
| 43 | Total Transportation | 1,416 | 9,301,826 | 11,452,271 | 1,399 | 11,070,666 | 12,271,986 | (17) | 1,768,840 | $ 819,715 |
| 44 | | | | | | | | | | |
| 45 | TOTALS | 1,725,761 | 23,659,507 | 76,968,716 | 1,736,794 | 26,308,777 | 79,859,102 | 11,033 | 2,649,270 | 2,890,386 |
| 46 | | | | | | | | | | |
| 47 | Unbilled Entry / Other | | | $ 136 | | | $ 240,242 | | | $ 240,106 |
| 48 | 4870 - Forfeited Discount | | | $ 678,714 | | | $ 800,893 | | | $ 122,179 |
| 49 | 4880 - Miscellaneous Service charges | | | $ 439,649 | | | $ 438,115 | | | $ (1,534) |
| 50 | | | | | | | | | | |
| 51 | TOTAL MARGIN REVENUES | | | $78,087,215 | | | $ 81,338,352 | | | $ 3,251,137 |

Source: 3) 2018-08-31 TN Annual Reconciliation Filing - Exhibit GKW-1 Reconciliation Revenue Requirement Model, Schedule 11-5

# ATTACHMENT

# AMENDED EXHIBIT

# DND-3

**Atmos Energy Corporation**
**Docket No. 18-00067**
**Calculation of EDIT Associated with Repair Allowance**

**Exhibit DND-3**

| **Tax Period** | A/ Annual Repair Deduction | Annual Book Depreciation |
|---|---|---|
| 9/30/2010 | 5,780,634 | 87,796 |
| 9/30/2011 | 6,508,106 | 285,317 |
| 9/30/2012 | 6,186,775 | 499,238 |
| 9/30/2013 | 6,104,295 | 724,386 |
| 9/30/2014 | 12,072,097 | 1,106,480 |
| 9/30/2015 | 11,142,193 | 1,533,525 |
| 9/30/2016 | 8,771,959 | 1,876,703 |
| 9/30/2017 ** | 11,683,343 | 2,223,093 |
| Total | 68,249,402 | 8,336,538 |
| Excess Repair Deduction over Book Depreciation | 59,912,864 | |
| Effective Tax Rate @ 35% Federal Income Tax Rate | 39.23% | |
| Effective Tax Rate @ 21% Federal Income Tax Rate | | 26.14% |
| ADIT Associated with Repair Deduction | 23,500,821 | 15,658,227 |
| Difference | 7,842,594 | |
| Divided by Reciprocal Tax Factor | 73.87% | |
| Excess ADIT Gross of Tax | 10,617,470 | |
| Annual Amortization - 3 years | **3,539,157** | |

A/ CPAD_2-05_Att1 - Repair Deduction in Division 093

**Effective Tax Rates**

| | | | |
|---|---|---|---|
| State | 0.065 | | 0.065 |
| | | | |
| Federal | 0.35 | | 0.21 |
| | | | |
| Income Subject to Federal Tax (1 - State Tax Rate) | 0.935 | | 0.935 |
| | | | |
| Federal Tax Factor (Income Subject to Federal Tax * Federal Rate | 0.32725 | | 0.19635 |
| | | | |
| Total Composite Income Tax Factor | 39.23% | | 26.14% |
| | | | |
| Reciprocal Tax Factor | 60.78% | | 73.87% |

**A/** Docket No. 18-00067, DR 2-5, Attachment 1
**B/** WP DND-1

AMENDED EXHIBIT DND-3

**Gross Plant Additions**

| FYE September | 38000-Services | 37601-Mains - Steel | 37602-Mains - Plastic | Total |
|---|---|---|---|---|
| 2010 | 3,609,656 | 1,683,398 | 3,494,404 | 8,787,459 |
| 2011 | 3,690,980 | 1,521,998 | 5,777,523 | 10,990,500 |
| 2012 | 3,642,229 | 686,685 | 6,106,535 | 10,435,449 |
| 2013 | 3,305,663 | 944,665 | 7,872,262 | 12,122,589 |
| 2014 | 4,139,310 | 10,265,311 | 11,799,369 | 26,203,990 |
| 2015 | 4,414,841 | 2,428,517 | 9,785,820 | 16,629,179 |
| 2016 | 5,511,850 | 2,093,690 | 11,119,628 | 18,725,168 |
| 2017 | 5,918,633 | 3,503,261 | 17,315,015 | 26,736,909 |

**Additional Depreciation Expense**

| FYE September | 38000-Services | 37601-Mains - Steel | 37602-Mains - Plastic | Total |
|---|---|---|---|---|
| 2010 | 72,554 | 33,500 | 69,539 | 175,592 |
| 2011 | 74,189 | 30,288 | 114,973 | 219,449 |
| 2012 | 73,209 | 13,665 | 121,520 | 208,394 |
| 2013 | 66,444 | 18,799 | 156,658 | 241,901 |
| 2014 | 83,200 | 204,280 | 234,807 | 522,287 |
| 2015 | 88,738 | 48,327 | 194,738 | 331,804 |
| 2016 | (89,444) | (7,678) | 75,468 | (21,654) |
| 2017 | 109,495 | 67,263 | 330,717 | 507,474 |

**Gross Plant**

| FYE September | 38000-Services | 37601-Mains - Steel | 37602-Mains - Plastic | Total |
|---|---|---|---|---|
| 2009 | 96,830,491 | 50,865,019 | 126,310,229 | 274,005,739 |
| 2010 | 100,440,147 | 52,548,418 | 129,804,633 | 282,793,198 |
| 2011 | 104,131,127 | 54,070,415 | 135,582,156 | 293,783,698 |
| 2012 | 107,773,356 | 54,757,100 | 141,688,691 | 304,219,148 |
| 2013 | 111,079,019 | 55,701,765 | 149,560,953 | 316,341,737 |
| 2014 | 115,218,329 | 65,967,076 | 161,360,322 | 342,545,727 |
| 2015 | 119,633,170 | 68,395,594 | 171,146,142 | 359,174,906 |
| 2016 | 125,145,020 | 70,489,283 | 182,265,770 | 377,900,073 |
| 2017 | 131,063,653 | 73,992,544 | 199,580,785 | 404,636,983 |

**Depreciation Expense**

| FYE September | 38000-Services | 37601-Mains - Steel | 37602-Mains - Plastic | Total |
|---|---|---|---|---|
| 2009 | 1,946,293 | 1,012,214 | 2,513,574 | 5,472,080 |
| 2010 | 2,018,847 | 1,045,714 | 2,583,112 | 5,647,673 |
| 2011 | 2,093,036 | 1,076,001 | 2,698,085 | 5,867,122 |
| 2012 | 2,166,244 | 1,089,666 | 2,819,605 | 6,075,516 |
| 2013 | 2,232,688 | 1,108,465 | 2,976,263 | 6,317,416 |
| 2014 | 2,315,888 | 1,312,745 | 3,211,070 | 6,839,704 |
| 2015 | 2,404,627 | 1,361,072 | 3,405,808 | 7,171,507 |
| 2016 | 2,315,183 | 1,353,394 | 3,481,276 | 7,149,853 |
| 2017 | 2,424,678 | 1,420,657 | 3,811,993 | 7,657,327 |
| Total Accum Dep | 19,917,484 | 10,779,928 | 27,500,788 | 58,198,199 |

New Depreciation Rates in effect Feb of 2016 see docket 15-00089

**Atmos Energy Corporation**
**Docket No. 18-00067**
**Second Informal Discovery Request**
**Question 2-5 Attachment 1**
**Repairs Deduction in Division 093**

| | Division 093 Repairs Deduction | |
|---|---|---|
| 9/30/2009 | (6,532,874) | |
| 9/30/2010 | (5,780,634) | |
| 9/30/2011 | (6,508,106) | |
| 9/30/2012 | (6,186,775) | |
| 9/30/2013 | (6,104,295) | |
| 9/30/2014 | (12,072,097) | |
| 9/30/2015 | (11,142,193) | |
| 9/30/2016 | (8,771,959) | |
| 9/30/2017 ** | (11,683,343) | **estimated repairs deduction calculated at FY17 annual provision |
| | (74,782,275) | |
| | 35% | |
| ADIT @ 35% | (26,173,796) | |
| ADIT @ 21% | (15,704,278) | |
| Excess due to Repair | **(10,469,519)** | |

**Atmos Energy Corporation**
**Docket No. 18-00067**
**Calculation of Depreciation Expense**

**Account 380 Services**

| | A/ Annual Incremental Investment | Cumulative Investment | A/ Depreciation Rate | Depreciation Expense Mid-Year Conv |
|---|---|---|---|---|
| 2010 | 3,609,656 | 3,609,656 | 2.01% | 36,277 |
| 2011 | 3,690,980 | 7,300,636 | 2.01% | 109,648 |
| 2012 | 3,642,229 | 10,942,866 | 2.01% | 183,347 |
| 2013 | 3,305,663 | 14,248,528 | 2.01% | 253,174 |
| 2014 | 4,139,310 | 18,387,838 | 2.01% | 327,995 |
| 2015 | 4,414,841 | 22,802,679 | 2.01% | 413,965 |
| 2016 | 5,511,850 | 28,314,529 | 1.85% | 509,318 |
| 2017 | 5,918,633 | 34,233,162 | 1.85% | 578,566 |
| | 34,233,162 | | | |
| Total Estimated Depreciation - Services | | | | 2,412,291 |

**Account 37601 Mains Steel**

| | A/ Annual Incremental Investment | Cumulative Investment | Depreciation Rate | Depreciation Expense Mid-Year Conv |
|---|---|---|---|---|
| 2010 | $ 1,683,398 | 1,683,398 | 1.99% | 16,750 |
| 2011 | 1,521,998 | 3,205,396 | 1.99% | 48,644 |
| 2012 | 686,685 | 3,892,081 | 1.99% | 70,620 |
| 2013 | 944,665 | 4,836,745 | 1.99% | 86,852 |
| 2014 | 10,265,311 | 15,102,057 | 1.99% | 198,391 |
| 2015 | 2,428,517 | 17,530,574 | 1.99% | 324,695 |
| 2016 | 2,093,690 | 19,624,264 | 1.92% | 368,958 |
| 2017 | 3,503,261 | 23,127,525 | 1.92% | 410,417 |
| | 23,127,525 | | | |
| Total Estimated Depreciation - Steel Mains | | | | 1,525,326 |

**Account 37602 Mains Plastic**

| | A/ Annual Incremental Investment | Cumulative Investment | Depreciation Rate | Depreciation Expense Mid-Year Conv |
|---|---|---|---|---|
| 2010 | $ 3,494,404 | $ 3,494,404 | 1.99% | 34,769 |
| 2011 | 5,777,523 | 9,271,927 | 1.99% | 127,025 |
| 2012 | 6,106,535 | 15,378,462 | 1.99% | 245,271 |
| 2013 | 7,872,262 | 23,250,724 | 1.99% | 384,360 |
| 2014 | 11,799,369 | 35,050,093 | 1.99% | 580,093 |
| 2015 | 9,785,820 | 44,835,913 | 1.99% | 794,866 |
| 2016 | 11,119,628 | 55,955,541 | 1.91% | 998,427 |
| 2017 | 17,315,015 | 73,270,556 | 1.91% | 1,234,109 |
| Total Estimated Depreciation - Plastic Mains | | | | 4,398,921 |

**Accumulated Depreciation Summary**

| | |
|---|---|
| Account 37601 Steel Mains | 1,525,326 |
| Account 37602 Plastic Mains | 4,398,921 |
| Account 380 Services | 2,412,291 |
| Total | 8,336,538 |

| | Annual Investment | Annual Book Depreciation |
|---|---|---|
| 2010 | 8,787,459 | 87,796 |
| 2011 | 10,990,500 | 285,317 |
| 2012 | 10,435,449 | 499,238 |
| 2013 | 12,122,589 | 724,386 |
| 2014 | 26,203,990 | 1,106,480 |
| 2015 | 16,629,179 | 1,533,525 |
| 2016 | 18,725,168 | 1,876,703 |
| 2017 | 26,736,909 | 2,223,093 |
| | 130,631,243 | 8,336,538 |

A/ Compilation of Plant Balance Detail from Docket Nos. 12-00064, 14-00146, 17-00091, 18-00067, and 18-00099

12-00064 CPAD 1-01 Att1 Trial Balances
these are from attrition period TBs

| ivisic | Division Description | ccour | Account Description | Sub Account | Sub Account Description | Sep-09 |
|---|---|---|---|---|---|---|
| 093 | Tennessee Division | 1010 | Gas Plant in Service | 10006 | General Dist System Plant | 329,987,261 |

**Gross Plant Balance**

| | | Sep-09 |
|---|---|---|
| 38000 | 38000-Services | 96,830,491 |
| 37601 | 37601-Mains - Steel | 50,865,019 |
| 37602 | 37602-Mains - Plastic | 126,310,229 |
| | Total | 274,005,739 |

**% of GL Balance for 101-10006** 83.04%

Current Depreciation Rate

| | | |
|---|---|---|
| 38000 | 38000-Services | 2.01% |
| 37601 | 37601-Mains - Steel | 1.99% |
| 37602 | 37602-Mains - Plastic | 1.99% |

| Oct-09 | Nov-09 | Dec-09 | Jan-10 | Feb-10 |
|---|---|---|---|---|
| 330,979,826 | 332,143,915 | 333,464,601 | 334,043,536 | 335,263,301 |

| Oct-09 | Nov-09 | Dec-09 | Jan-10 | Feb-10 |
|---|---|---|---|---|
| 97,107,797 | 97,495,951 | 97,932,346 | 98,170,759 | 98,379,127 |
| 51,297,781 | 51,495,259 | 51,635,354 | 51,668,014 | 51,653,727 |
| 126,423,719 | 126,535,576 | 126,992,474 | 127,251,796 | 127,927,970 |
| 274,829,296 | 275,526,787 | 276,560,173 | 277,090,569 | 277,960,825 |
| 83.04% | 82.95% | 82.94% | 82.95% | 82.91% |
| 2.01% | 2.01% | 2.01% | 2.01% | 2.01% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |

| Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 |
|---|---|---|---|---|
| 336,730,818 | 337,222,441 | 338,168,451 | 339,204,316 | 339,758,740 |

**12-00064 CPAD 2-42 Att 1**

| Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 |
|---|---|---|---|---|
| 98,806,651 | 98,988,186 | 99,194,975 | 99,522,192 | 99,764,930 |
| 51,820,929 | 51,844,858 | 51,896,530 | 51,974,814 | 52,012,930 |
| 128,278,222 | 128,365,954 | 128,499,337 | 128,780,060 | 128,860,192 |
| 278,905,803 | 279,198,998 | 279,590,842 | 280,277,066 | 280,638,051 |
| 82.83% | 82.79% | 82.68% | 82.63% | 82.60% |
| 2.01% | 2.01% | 2.01% | 2.01% | 2.01% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |

12-00064 Staff 1-10 Att1 Fy110_Fy11 Trial Balance

| Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 |
|---|---|---|---|---|
| 340,850,202 | 341,560,549 | 342,727,944 | 343,366,453 | 344,805,564 |

| Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 |
|---|---|---|---|---|
| 100,108,723 | 100,440,147 | 100,589,738 | 100,844,970 | 101,211,145 |
| 52,423,351 | 52,548,418 | 52,591,944 | 52,682,635 | 52,779,952 |
| 128,985,752 | 129,804,633 | 130,525,758 | 130,572,525 | 131,177,529 |
| 281,517,826 | 282,793,198 | 283,707,440 | 284,100,130 | 285,168,626 |
| 82.59% | 82.79% | 82.78% | 82.74% | 82.70% |
| 2.01% | 2.01% | 2.01% | 2.01% | 2.01% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |

| Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 |
|---|---|---|---|---|
| 345,193,391 | 346,031,518 | 347,473,880 | 348,693,610 | 349,464,330 |

| Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 |
|---|---|---|---|---|
| 101,677,708 | 102,029,089 | 102,550,736 | 102,887,748 | 103,128,549 |
| 52,836,000 | 53,052,641 | 53,262,932 | 53,372,429 | 53,521,893 |
| 131,397,034 | 131,546,634 | 131,795,816 | 132,243,257 | 132,376,110 |
| 285,910,742 | 286,628,364 | 287,609,484 | 288,503,434 | 289,026,552 |
| 82.83% | 82.83% | 82.77% | 82.74% | 82.71% |
| 2.01% | 2.01% | 2.01% | 2.01% | 2.01% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |

12-(

| Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 |
|---|---|---|---|---|---|
| 350,502,586 | 351,355,177 | 354,148,347 | 355,265,047 | 355,770,661 | 356,215,153 |

**12-00046 Staff 1-12 Att 8 Petersen Plant Balances 2012 Tn Case, tab 93**

| Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 |
|---|---|---|---|---|---|
| 103,429,092 | 103,656,034 | 103,930,701 | 104,131,127 | 104,324,692 | 104,613,601 |
| 53,783,593 | 53,816,295 | 54,084,889 | 54,070,415 | 54,111,824 | 54,182,513 |
| 132,575,662 | 132,880,637 | 134,737,177 | 135,582,156 | 135,613,235 | 135,676,698 |
| 289,788,347 | 290,352,966 | 292,752,767 | 293,783,698 | 294,049,751 | 294,472,811 |
| 82.68% | 82.64% | 82.66% | 82.69% | 82.65% | 82.67% |
| 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |

| 00046 CPAD 2-42 Att 1 | | | 14-00146 CPAD 1-001 Att1 Trial Balances Tab TB Div 09: | | | | |
|---|---|---|---|---|---|---|---|
| Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
| 357,396,541 | 358,251,981 | 360,028,533 | 360,724,431 | 361,477,054 | 362,465,940 | 363,686,925 | 364,518,698 |

| Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|---|---|---|---|---|---|---|---|
| 105,038,426 | 105,265,983 | 105,601,170 | 105,736,079 | 106,070,952 | 106,343,031 | 106,709,821 | 107,010,219 |
| 54,353,304 | 54,396,305 | 54,491,235 | 54,519,262 | 54,602,668 | 54,676,001 | 54,529,750 | 54,582,805 |
| 135,862,655 | 136,204,801 | 137,205,760 | 137,495,177 | 137,658,363 | 138,056,910 | 138,700,680 | 138,975,692 |
| 295,254,386 | 295,867,088 | 297,298,165 | 297,750,518 | 298,331,982 | 299,075,941 | 299,940,252 | 300,568,716 |
| 82.61% | 82.59% | 82.58% | 82.54% | 82.53% | 82.51% | 82.47% | 82.46% |
| 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |

3

| Aug-12 | Sep-12 | Oct-12 | Nov-12 | Dec-12 | Jan-13 | Feb-13 | Mar-13 |
|---|---|---|---|---|---|---|---|
| 365,099,248 | 368,844,204 | 369,235,051 | 369,656,598 | 370,517,694 | 372,223,349 | 373,368,800 | 374,170,192 |

14-00146 CAPD 1-002 Att1 Plant Detail Mar 12 to Jun14

| Aug-12 | Sep-12 | Oct-12 | Nov-12 | Dec-12 | Jan-13 | Feb-13 | Mar-13 |
|---|---|---|---|---|---|---|---|
| 107,404,911 | 107,773,356 | 107,741,815 | 107,756,137 | 107,890,106 | 108,159,079 | 108,492,804 | 108,820,276 |
| 54,465,342 | 54,757,100 | 54,822,449 | 54,872,032 | 55,089,764 | 55,137,322 | 55,191,408 | 55,286,634 |
| 139,066,436 | 141,688,691 | 141,816,279 | 141,830,087 | 141,952,577 | 143,056,342 | 143,609,626 | 143,735,684 |
| 300,936,689 | 304,219,148 | 304,380,543 | 304,458,256 | 304,932,446 | 306,352,744 | 307,293,839 | 307,842,594 |
| 82.43% | 82.48% | 82.44% | 82.36% | 82.30% | 82.30% | 82.30% | 82.27% |
| 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |

| 14-000146 Staff 1-10 Att1 FY 13_Fy14 Trial Balance | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | 3 | 4 | 5 | 6 | 7 | 8 |
| Apr-13 | May-13 | Jun-13 | Jul-13 | Aug-13 | Sep-13 | Oct-13 | Nov-13 |
| 374,841,552 | 376,725,064 | 377,987,658 | 380,740,287 | 382,774,495 | 386,727,890 | 389,557,550 | 390,150,215 |

| Apr-13 | May-13 | Jun-13 | Jul-13 | Aug-13 | Sep-13 | Oct-13 | Nov-13 |
|---|---|---|---|---|---|---|---|
| 109,016,950 | 109,448,990 | 109,739,999 | 110,113,075 | 110,748,634 | 111,079,019 | 111,410,535 | 111,556,828 |
| 55,304,580 | 55,347,701 | 55,605,806 | 55,641,188 | 55,689,957 | 55,701,765 | 55,995,583 | 56,049,871 |
| 144,000,265 | 144,819,715 | 145,273,820 | 146,790,146 | 147,810,167 | 149,560,953 | 151,473,791 | 151,583,348 |
| 308,321,796 | 309,616,406 | 310,619,624 | 312,544,410 | 314,248,758 | 316,341,737 | 318,879,909 | 319,190,046 |
| 82.25% | 82.19% | 82.18% | 82.09% | 82.10% | 81.80% | 81.86% | 81.81% |
| 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |

| 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
|---|---|---|---|---|---|---|---|
| **Dec-13** | **Jan-14** | **Feb-14** | **Mar-14** | **Apr-14** | **May-14** | **Jun-14** | **Jul-14** |
| 391,783,742 | 393,325,587 | 394,092,793 | 404,171,868 | 405,560,317 | 406,865,481 | 408,331,826 | 410,654,294 |

## Plant Balances 2016 TN Case True-up tab 93

| Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 |
|---|---|---|---|---|---|---|---|
| 112,097,081 | 112,493,717 | 112,810,901 | 113,193,533 | 113,725,466 | 114,094,941 | 114,484,933 | 115,085,353 |
| 56,111,004 | 55,987,718 | 56,028,753 | 63,953,297 | 64,039,717 | 64,154,723 | 63,996,128 | 64,073,600 |
| 152,268,591 | 153,171,596 | 153,323,531 | 154,235,584 | 154,831,798 | 155,737,428 | 156,718,138 | 158,031,102 |
| 320,476,676 | 321,653,032 | 322,163,184 | 331,382,414 | 332,596,982 | 333,987,092 | 335,199,199 | 337,190,056 |
| 81.80% | 81.78% | 81.75% | 81.99% | 82.01% | 82.09% | 82.09% | 82.11% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |

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| Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 |
|---|---|---|---|---|---|---|---|
| 412,484,775 | 416,735,994 | 418,271,842 | 419,676,659 | 420,272,836 | 421,218,860 | 422,598,026 | 423,642,232 |

**Plant Balances 2017 True-up Filing t**

| Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 |
|---|---|---|---|---|---|---|---|
| 115,595,149 | 115,218,329 | 115,645,181 | 116,116,428 | 116,596,774 | 116,921,176 | 117,023,441 | 117,361,103 |
| 64,148,781 | 65,967,076 | 65,650,439 | 65,779,092 | 65,846,437 | 65,919,984 | 66,525,897 | 66,610,587 |
| 158,876,275 | 161,360,322 | 162,222,518 | 162,678,608 | 162,687,415 | 163,191,005 | 163,422,184 | 163,616,659 |
| 338,620,206 | 342,545,727 | 343,518,138 | 344,574,128 | 345,130,625 | 346,032,165 | 346,971,523 | 347,588,349 |
| 82.09% | 82.20% | 82.13% | 82.10% | 82.12% | 82.15% | 82.10% | 82.05% |

**Plant Balances 2015 TN Case True Up**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |

| Apr-15 | MAY-15 | JUN-15 | JUL-15 | AUG-15 | SEP-15 | OCT-15 | NOV-15 |
|---|---|---|---|---|---|---|---|
| 425,784,183 | 427,308,808 | 428,131,326 | 429,212,249 | 432,260,223 | 437,001,032 | 437,988,961 | 439,796,892 |

:ab 93

| Apr-15 | MAY-15 | JUN-15 | JUL-15 | AUG-15 | SEP-15 | OCT-15 | NOV-15 |
|---|---|---|---|---|---|---|---|
| 117,852,131 | 118,156,382 | 118,253,459 | 118,678,719 | 119,238,101 | 119,633,170 | 120,098,487 | 120,561,609 |
| 67,155,055 | 67,245,103 | 67,613,166 | 67,740,228 | 68,086,251 | 68,395,594 | 68,442,397 | 68,495,349 |
| 164,335,054 | 165,180,909 | 165,312,191 | 165,954,181 | 167,345,109 | 171,146,142 | 171,316,283 | 172,213,515 |
| 349,342,240 | 350,582,395 | 351,178,816 | 352,373,128 | 354,669,462 | 359,174,906 | 359,857,167 | 361,270,473 |
| 82.05% | 82.04% | 82.03% | 82.10% | 82.05% | 82.19% | 82.16% | 82.14% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |
| 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% | 1.99% |

| DEC-15 | JAN-16 | FEB-16 | MAR-16 | APR-16 | MAY-16 | JUN-16 | JUL-16 |
|---|---|---|---|---|---|---|---|
| 441,836,493 | 442,743,137 | 444,077,638 | 446,483,190 | 447,721,919 | 449,515,113 | 450,314,808 | 452,412,349 |

| DEC-15 | JAN-16 | FEB-16 | MAR-16 | APR-16 | MAY-16 | JUN-16 | JUL-16 |
|---|---|---|---|---|---|---|---|
| 121,011,983 | 121,429,439 | 122,071,456 | 122,528,027 | 122,881,954 | 123,448,412 | 123,974,261 | 124,399,657 |
| 68,648,980 | 68,526,467 | 67,375,522 | 67,337,425 | 67,420,754 | 67,485,935 | 67,511,556 | 67,565,131 |
| 172,857,083 | 173,248,165 | 174,537,095 | 176,017,302 | 176,591,684 | 177,463,093 | 177,565,708 | 178,714,847 |
| 362,518,046 | 363,204,071 | 363,984,073 | 365,882,754 | 366,894,391 | 368,397,439 | 369,051,524 | 370,679,635 |
| 82.05% | 82.03% | 81.96% | 81.95% | 81.95% | 81.95% | 81.95% | 81.93% |

New Depreciation Rates from 15-00089

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2.01% | 2.01% | 1.85% | 1.85% | 1.85% | 1.85% | 1.85% | 1.85% |
| 1.99% | 1.99% | 1.92% | 1.92% | 1.92% | 1.92% | 1.92% | 1.92% |
| 1.99% | 1.99% | 1.91% | 1.91% | 1.91% | 1.91% | 1.91% | 1.91% |

| AUG-16 | SEP-16 | OCT-16 | NOV-16 | DEC-16 | JAN-17 | FEB-17 | MAR-17 |
|---|---|---|---|---|---|---|---|
| 455,615,972 | 465,044,773 | 467,416,641 | 469,829,154 | 473,368,231 | 474,992,194 | 477,473,864 | 479,055,125 |

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| AUG-16 | SEP-16 | OCT-16 | NOV-16 | DEC-16 | JAN-17 | FEB-17 | MAR-17 |
|---|---|---|---|---|---|---|---|
| 124,751,219 | 125,145,020 | 125,478,003 | 125,905,697 | 126,481,588 | 126,847,481 | 127,240,561 | 127,677,532 |
| 68,203,557 | 70,489,283 | 71,082,624 | 71,169,171 | 72,625,649 | 72,624,045 | 72,995,421 | 72,996,391 |
| 180,375,515 | 182,265,770 | 183,515,033 | 184,975,400 | 185,864,538 | 186,435,677 | 187,633,935 | 188,417,553 |
| 373,330,292 | 377,900,073 | 380,075,660 | 382,050,268 | 384,971,774 | 385,907,203 | 387,869,917 | 389,091,475 |
| 81.94% | 81.26% | 81.31% | 81.32% | 81.33% | 81.24% | 81.23% | 81.22% |
| 1.85% | 1.85% | 1.85% | 1.85% | 1.85% | 1.85% | 1.85% | 1.85% |
| 1.92% | 1.92% | 1.92% | 1.92% | 1.92% | 1.92% | 1.92% | 1.92% |
| 1.91% | 1.91% | 1.91% | 1.91% | 1.91% | 1.91% | 1.91% | 1.91% |

| APR-17 | MAY-17 | JUN-17 | JUL-17 | AUG-17 | SEP-17 |
|---|---|---|---|---|---|
| 481,443,556 | 482,892,308 | 485,726,973 | 489,402,474 | 491,531,804 | 500,387,277 |

| APR-17 | MAY-17 | JUN-17 | JUL-17 | AUG-17 | SEP-17 |
|---|---|---|---|---|---|
| 127,952,912 | 128,470,550 | 129,143,693 | 129,808,719 | 130,455,368 | 131,063,653 |
| 73,009,674 | 73,082,731 | 72,039,128 | 72,080,914 | 72,237,051 | 73,992,544 |
| 188,646,981 | 189,324,238 | 192,043,587 | 194,209,880 | 194,786,758 | 199,580,785 |
| 389,609,567 | 390,877,519 | 393,226,408 | 396,099,513 | 397,479,177 | 404,636,983 |
| 80.93% | 80.95% | 80.96% | 80.94% | 80.87% | 80.86% |
| 1.85% | 1.85% | 1.85% | 1.85% | 1.85% | 1.85% |
| 1.92% | 1.92% | 1.92% | 1.92% | 1.92% | 1.92% |
| 1.91% | 1.91% | 1.91% | 1.91% | 1.91% | 1.91% |

# EXHIBIT

# A

# (FILED AS CONFIDENTIAL)

# EXHBIT

# B

the company has had deductions in excess of the income that it's generated as total. So basically to get those additional deductions, it carries forward that additional loss.

You can't reduce your tax liability below zero. So once you get to zero, there's no more cash coming in from the government. You're basically locked at zero.

So then if there's excess losses, you carry those forward to a future year. And the federal rule is 20 years, you can carry those forward.

Q. But when you carry forward those losses into future years, you can use that carryforward to pay less tax in the future years.

A. That's correct.

Q. Do you remember the last year that the company did pay federal income tax?

A. I believe the current information -- I've been with the company since 2016, so bear with me.

I believe the last time it was a cash taxpayer for federal income tax purposes was 2003 or '4, but I would be subject to check.

And we currently expect that we will be out of that NOLC position in 2019. That's the current.

Q. So subject to check, it's been about 10 to

# EXHIBIT

# C

# (FILED AS CONFIDENTIAL)