

NEAL & HARWELL, PLC

ATTORNEYS AT LAW
1201 DEMONBREUN STREET
SUITE 1000
NASHVILLE, TENNESSEE 37203

TELEPHONE
(615) 244-1713

FACSIMILE
(615) 726-0573

NEALHARWELL.COM

A. SCOTT ROSS

SROSS@NEALHARWELL.COM
(615) 238-3524 (DIRECT)

August 30, 2018

Sharla Dillon, Dockets Manager
Tennessee Public Utility Commission
Andrew Jackson State Office Building
502 Deaderick Street, 4th Floor
Nashville, TN 37242

VIA E-MAIL AND HAND DELIVERY

Docket No. 18-00090

RE: Atmos Energy Corporation Tennessee and Union City, Tennessee 2017-2018 ACA
Filing

Dear Ms. Dillon:

Enclosed is the 2017–2018 ACA filing of Atmos Energy Corporation’s Tennessee and Union City, Tennessee. The material contained in this filing consists of:

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

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

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

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

Sharla Dillon, Dockets Manager
Page 2
August 30, 2018

Best regards.

Sincerely,

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

A. Scott Ross

ASR:prd

Enclosures

EXHIBIT I

**ATMOS ENERGY CORPORATION
CALCULATION OF ACA FACTOR
ALL TENNESSEE TOWNS OTHER THAN UNION CITY
2017-2018 ACA**

| | | |
|----|--|------------------------------------|
| 1 | Previous Year's Demand Cost Balance | \$1,560,276.98 |
| 2 | Current Year's Demand Cost (Exhibit II-A) | \$19,052,056.11 |
| 3 | Current Year's Interest on Demand Cost Balances | (\$24,888.73) |
| 4 | Demand Cost Recovered (EXHIBIT II-A) | \$26,462,923.80 |
| 5 | Demand Under/(Over)-Recovery | ----- (\$5,875,479.44) ----- |
| 6 | Previous Year's Commodity Cost Balance | \$809,403.67 |
| 7 | Current Year's Commodity Cost (EXHIBIT II-B) | \$41,381,033.18 |
| 8 | Current Year's Interest on Commodity Cost Balances | \$91,455.37 |
| 9 | Bad Debt Cost (EXHIBIT III) | \$113,499.00 |
| 10 | Commodity Cost Recovered (EXHIBIT II-B) | \$42,088,225.19 |
| 11 | Commodity Under/(Over)-Recovery | ----- \$307,166.03 ----- |

| Line | Demand | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 | Jun-18 | TOTAL |
|---|--|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1 | Beginning Balance | 1,560,276.98 | 2,297,440.64 | 3,125,805.15 | 3,820,918.85 | 4,622,957.84 | 4,652,980.35 | 3,160,946.33 | (1,378,058.16) | (4,447,843.10) | (5,531,966.14) | (6,795,415.60) | (6,743,113.49) | 1,560,276.98 |
| 2 | ACA Audit Adjustment | | | | | | | | | | | | | |
| 3 | Invoiced Demand Gas Costs | REDACTED | | | | | | | | | | | | |
| 4 | Payments Fees and CUC | | | | | | | | | | | | | |
| | Gas Cost Recovery | | | | | | | | | | | | | |
| 5 | Firm sales | 744,964.89 | 656,115.69 | 790,586.93 | 697,073.71 | 1,712,897.07 | 3,244,975.49 | 6,281,400.35 | 4,795,253.52 | 2,805,363.98 | 2,727,993.47 | 1,411,010.01 | 595,288.69 | 26,462,923.80 |
| 6 | | | | | | | | | | | | | | 0.00 |
| 7 | | | | | | | | | | | | | | 0.00 |
| | Miscellaneous Adjustments | | | | | | | | | | | | | |
| | Pipeline Refund | | | | | | | | | | | | | 0.00 |
| 8 | Demand Ending Balance Before Interest | 2,291,085.89 | 3,116,871.53 | 3,809,475.64 | 4,608,171.81 | 4,636,737.30 | 3,147,263.40 | (1,381,209.78) | (4,437,544.64) | (5,514,324.80) | (6,772,498.53) | (6,717,944.86) | (5,852,021.00) | (5,850,590.71) |
| 9 | Average monthly balance | 1,925,681.44 | 2,707,156.09 | 3,467,640.40 | 4,214,545.33 | 4,629,847.57 | 3,900,121.88 | 889,868.28 | (2,907,801.40) | (4,981,083.95) | (6,152,232.34) | (6,756,680.23) | (6,297,567.25) | |
| 10 | Interest Rate | 3.96% | 3.96% | 3.96% | 4.21% | 4.21% | 4.21% | 4.25% | 4.25% | 4.25% | 4.47% | 4.47% | 4.47% | |
| 11 | Calculated Interest-Demand | 6,354.75 | 8,933.62 | 11,443.21 | 14,786.03 | 16,243.05 | 13,682.93 | 3,151.62 | (10,298.46) | (17,641.34) | (22,917.07) | (25,168.63) | (23,458.44) | (24,888.73) |
| 12 | Demand Ending Balance Including Interest | 2,297,440.64 | 3,125,805.15 | 3,820,918.85 | 4,622,957.84 | 4,652,980.35 | 3,160,946.33 | (1,378,058.16) | (4,447,843.10) | (5,531,966.14) | (6,795,415.60) | (6,743,113.49) | (5,875,479.44) | (5,875,479.44) |
| Total ACA Ending Balance (Including Interest) | | 2,964,266.15 | 3,722,093.23 | 4,618,149.20 | 6,121,157.65 | 7,279,061.90 | 8,532,989.76 | 3,688,096.27 | (1,365,397.33) | (2,351,752.29) | (5,063,516.97) | (6,056,895.17) | (5,568,313.41) | (5,568,313.41) |
| Total Current Month ACA Interest | | 8,786.52 | 11,014.32 | 13,738.73 | 18,805.55 | 23,465.06 | 27,688.41 | 21,603.25 | 4,105.85 | (6,570.82) | (13,785.27) | (20,673.26) | (21,611.70) | 66,566.64 |

| Line | Commodity | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | # | Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 | Jun-18 | TOTAL |
|----------|---|----------------|----------------|----------------|----------------|--------------|--------------|---|--------------|--------------|--------------|----------------|----------------|----------------|----------------|
| 1 | Beginning Balance | 809,403.67 | 666,825.51 | 596,288.08 | 797,230.35 | 1,498,199.81 | 2,626,081.55 | | 5,372,043.43 | 5,066,154.43 | 3,082,445.77 | 3,180,213.85 | 1,731,898.63 | 686,218.32 | 809,403.67 |
| 2 | | | | | | | | | | | | | | | 0.00 |
| 3 | | | | | | | | | | | | | | | 0 |
| REDACTED | | | | | | | | | | | | | | | |
| 4 | Invoiced Commodity Gas Costs | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | |
| 6 | Gas Used By Company | (431.12) | (462.91) | (590.26) | (627.81) | (1,643.62) | (3,237.81) | | (5,150.50) | (4,055.03) | (2,796.06) | (2,680.33) | (1,106.10) | (344.74) | (23,126.29) |
| 7 | Hedging Costs | | | | | | | | | | | | | | |
| 8 | Margin Loss / Penalties | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (20,569.69) | | (193,431.45) | (19,122.00) | (9,087.00) | (2,182.00) | 20,859.90 | 0.00 | (223,532.24) |
| 9 | Cashouts | (58,697.12) | 2,902.99 | 29,860.18 | (40,480.57) | (212,825.54) | 275,871.96 | | (20,073.60) | (226,038.43) | 75,531.82 | 40,759.38 | (195,741.19) | (195,819.71) | (524,749.83) |
| | | | | | | | | | | | | | | | 0.00 |
| | Inventory Activity | | | | | | | | | | | | | | |
| 10 | Storage Injections | (1,219,262.59) | (1,099,459.58) | (1,047,466.03) | (1,195,726.33) | (251,351.25) | (431,636.31) | | (323,420.97) | (469,844.24) | (147,748.59) | (1,076,439.72) | (1,187,069.34) | (1,055,800.15) | (9,505,225.09) |
| 11 | Storage Withdrawals | 4,088.36 | 34,116.53 | 34,330.28 | 172,423.73 | 1,162,110.26 | 2,203,049.49 | | 3,026,774.26 | 1,182,309.09 | 1,780,502.84 | 261,710.29 | 24,049.11 | 13,308.73 | 9,898,772.98 |
| | | | | | | | | | | | | | | | |
| | Bad Debt Cost | 10,323.64 | 24,470.30 | 38,355.64 | 7,797.85 | 3,851.93 | 266.81 | | 129.36 | 326.85 | (546.62) | 7,906.66 | 4,976.40 | 15,640.18 | 113,499.00 |
| | | | | | | | | | | | | | | | |
| | Gas Cost Recovery | | | | | | | | | | | | | | |
| 12 | Total Commodity sales | 1,059,929.76 | 988,549.49 | 1,052,656.15 | 1,170,838.94 | 2,731,621.30 | 5,229,879.57 | | 9,728,722.49 | 7,538,267.06 | 4,529,698.70 | 4,422,344.57 | 2,433,438.21 | 1,202,278.95 | 42,088,225.19 |
| 13 | | | | | | | | | | | | | | | 0.00 |
| 14 | | | | | | | | | | | | | | | 0.00 |
| | Miscellaneous Adjustments | | | | | | | | | | | | | | |
| 15 | WNA Audit Findings | | | | | | | | | | | | | | 0.00 |
| | Special Audit - recoverable fees | | | | | | | | | | | | | | 0.00 |
| | Transfer ECRR Balance | | | | | | | | | | | | | | 0.00 |
| 16 | Commodity Ending Balance Before Interest | 664,393.74 | 594,207.38 | 794,934.83 | 1,494,180.29 | 2,618,859.54 | 5,358,037.95 | | 5,047,702.80 | 3,068,041.46 | 3,169,143.33 | 1,722,766.83 | 681,722.95 | 305,319.29 | 215,710.66 |
| 17 | Average Monthly Balance | 736,898.70 | 630,516.44 | 695,611.45 | 1,145,705.32 | 2,058,529.67 | 3,992,059.75 | | 5,209,873.11 | 4,067,097.95 | 3,125,794.55 | 2,451,490.34 | 1,206,810.79 | 495,768.80 | |
| 18 | Interest Rate | 3.96% | 3.96% | 3.96% | 4.21% | 4.21% | 4.21% | | 4.25% | 4.25% | 4.25% | 4.47% | 4.47% | 4.47% | |
| 19 | Calculated Interest-Commodity | 2,431.77 | 2,080.70 | 2,295.52 | 4,019.52 | 7,222.01 | 14,005.48 | | 18,451.63 | 14,404.31 | 11,070.52 | 9,131.80 | 4,495.37 | 1,846.74 | 91,455.37 |
| 20 | Commodity Ending Balance Including Interest | 666,825.51 | 596,288.08 | 797,230.35 | 1,498,199.81 | 2,626,081.55 | 5,372,043.43 | | 5,066,154.43 | 3,082,445.77 | 3,180,213.85 | 1,731,898.63 | 686,218.32 | 307,166.03 | 307,166.03 |

Exhibit I-C

ATMOS ENERGY CORPORATION
BAD DEBT RECOVERIES
ALL TENNESSEE TOWNS OTHER THAN UNION CITY
2017-2018 ACA

| | Beginning Balance | Current Month Activity | Reduction for Bad Debt in Base Rates | Ending Balance |
|--------------|----------------------|---------------------------|--|-------------------|
| July-16 | - | 10,323.64 | | 10,323.64 |
| August-16 | 10,323.64 | 24,470.30 | | 34,793.94 |
| September-16 | 34,793.94 | 38,355.64 | | 73,149.58 |
| October-16 | 73,149.58 | 7,797.85 | | 80,947.43 |
| November-16 | 80,947.43 | 3,851.93 | | 84,799.36 |
| December-16 | 84,799.36 | 266.81 | | 85,066.17 |
| January-17 | 85,066.17 | 129.36 | | 85,195.53 |
| February-17 | 85,195.53 | 326.85 | | 85,522.38 |
| March-17 | 85,522.38 | (546.62) | | 84,975.76 |
| April-17 | 84,975.76 | 7,906.66 | | 92,882.42 |
| May-17 | 92,882.42 | 4,976.40 | | 97,858.82 |
| June-17 | 97,858.82 | 15,640.18 | | 113,499.00 |
| TOTAL | | <u>113,499.00</u> | <u>-</u> | |

EXHIBIT II

ATMOS ENERGY CORPORATION CALCULATION OF ACA FACTOR UNION CITY, TENNESSEE 2017 2018 ACA

| | | |
|----|--|---------------------------------|
| 1 | Previous Year's Demand Cost Balance | \$12,620.77 |
| 2 | Current Year's Demand Cost | \$110,539.00 |
| 3 | Interest on Demand Balance | (\$259.53) |
| 4 | Demand Cost Recovered | \$164,134.52 |
| 5 | Demand Under/(Over)-Recovery | ----- (\$41,234.28) ----- |
| 6 | Previous Year's Commodity Cost Balance | \$11,485.81 |
| 7 | Current Year's Commodity Cost | \$1,417,299.25 |
| 8 | Interest on Commodity Balance | \$2,496.65 |
| 9 | Bad Debt Expense | \$9,389.83 |
| 10 | Commodity Cost Recovered | \$1,452,760.75 |
| 11 | Commodity Under/(Over)-Recovery | ----- (\$12,089.21) ----- |

| Line | Demand | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 | Jun-18 | TOTAL |
|--|--|-----------|-------------|------------|-----------|-----------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | Beginning Balance | 12,620.77 | 11,359.80 | 10,262.65 | 8,428.31 | 6,735.31 | 16,234.71 | 15,984.19 | (4,615.85) | (20,356.34) | (19,922.99) | (34,946.44) | (40,282.53) | 12,620.77 |
| 2 | | REDACTED | | | | | | | | | | | | |
| 3 | Invoiced Demand Gas Costs | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | 0.00 |
| | Gas Cost Recovery | | | | | | | | | | | | | |
| 5 | Demand Sales | 3,436.37 | 3,268.67 | 3,932.13 | 3,855.45 | 9,572.82 | 19,973.34 | 40,286.54 | 33,459.55 | 19,161.85 | 16,988.45 | 7,332.14 | 2,867.21 | 164,134.52 |
| 6 | | | | | | | | | | | | | | 0.00 |
| 7 | | | | | | | | | | | | | | 0.00 |
| | Miscellaneous Adjustments | | | | | | | | | | | | | |
| 8 | Demand Ending Balance Before Interest | 11,320.30 | 10,227.03 | 8,397.52 | 6,708.76 | 16,194.49 | 15,927.77 | (4,635.95) | (20,312.20) | (19,851.79) | (34,844.44) | (40,142.68) | (41,082.74) | (40,974.75) |
| 9 | Average monthly balance | 11,970.54 | 10,793.42 | 9,330.09 | 7,568.54 | 11,464.90 | 16,081.24 | 5,674.12 | (12,464.03) | (20,104.07) | (27,383.72) | (37,544.56) | (40,682.64) | |
| 10 | Interest Rate | 3.96% | 3.96% | 3.96% | 4.21% | 4.21% | 4.21% | 4.25% | 4.25% | 4.25% | 4.47% | 4.47% | 4.47% | |
| 11 | Calculated Interest-Demand | 39.50 | 35.62 | 30.79 | 26.55 | 40.22 | 56.42 | 20.10 | (44.14) | (71.20) | (102.00) | (139.85) | (151.54) | (259.53) |
| 12 | Demand Ending Balance Including Interest | 11,359.80 | 10,262.65 | 8,428.31 | 6,735.31 | 16,234.71 | 15,984.19 | (4,615.85) | (20,356.34) | (19,922.99) | (34,946.44) | (40,282.53) | (41,234.28) | (41,234.28) |
| Total ACA Ending Balance (Including Interest) | | 191.11 | (10,981.85) | (6,504.30) | 52,959.30 | 79,095.59 | 169,578.55 | 158,139.01 | 90,188.10 | 103,076.47 | 28,976.48 | (17,352.61) | (53,323.49) | (53,323.49) |
| Total Current Month ACA Interest | | 40.02 | (17.77) | (28.80) | 81.34 | 231.24 | 435.45 | 579.31 | 438.97 | 341.64 | 245.50 | 21.61 | (131.39) | 2,237.12 |

| Line | Commodity | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 | Jun-18 | TOTAL |
|-----------------|---|-------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|-------------|-------------|--------------|--------------|
| 1 | Beginning Balance | 11,485.81 | (11,168.69) | (21,244.50) | (14,932.61) | 46,223.99 | 62,860.88 | 153,594.36 | 162,754.86 | 110,544.44 | 122,999.46 | 63,922.92 | 22,929.92 | 11,485.81 |
| 2 | | | | | | | | | | | | | | 0.00 |
| 3 | | | | | | | | | | | | | | 0.00 |
| REDACTED | | | | | | | | | | | | | | |
| 4 | Invoiced Commodity Gas Costs | | | | | | | | | | | | | |
| 5 | Texas Gas Imbalance | (97,185.59) | (76,619.72) | (73,598.18) | (42,546.69) | (5,124.24) | 153,900.40 | 136,916.54 | 118,879.84 | 109,571.69 | (40,330.92) | (61,228.99) | (112,361.03) | 10,273.11 |
| 6 | Gas Used By Company | (5.30) | (5.30) | (9.55) | (5.44) | (40.58) | (138.73) | (471.00) | (647.87) | (454.50) | (464.94) | (171.87) | (59.70) | (2,474.78) |
| 7 | Hedging Costs | | | | | | | | | | | | | |
| 8 | Margin Loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Cashouts | 2,271.09 | (4,215.63) | 1,011.37 | (10,654.79) | 17,102.00 | 17,243.33 | 19,694.73 | 1,791.61 | 5,768.07 | (8,866.82) | (9,043.14) | (6,156.83) | 25,944.99 |
| | | | | | | | | | | | | | | 0.00 |
| | Inventory Activity | | | | | | | | | | | | | |
| 10 | Storage Injections | (7,281.16) | (7,045.20) | (6,367.87) | (6,555.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (5,662.02) | (6,167.51) | (6,071.94) | (45,150.70) |
| 11 | Storage Withdrawals | 0.00 | 0.00 | 0.00 | 0.00 | 5,135.12 | 13,311.06 | 12,696.92 | 14,502.96 | 5,940.49 | 0.00 | 0.00 | 0.00 | 51,586.55 |
| | | | | | | | | | | | | | | |
| | Bad Debt Cost | 1,522.78 | 2,492.10 | 4,036.21 | 1,224.19 | (5.40) | (732.51) | (348.00) | 53.34 | 441.68 | (46.66) | 79.68 | 672.42 | 9,389.83 |
| | | | | | | | | | | | | | | |
| | Gas Cost Recovery | | | | | | | | | | | | | |
| 12 | Commodity sales | 27,505.03 | 26,168.44 | 32,872.32 | 35,321.36 | 84,348.46 | 169,160.93 | 341,187.77 | 283,377.48 | 186,615.34 | 165,512.15 | 71,438.43 | 29,253.04 | 1,452,760.75 |
| 13 | | | | | | | | | | | | | | 0.00 |
| 14 | | | | | | | | | | | | | | 0.00 |
| | Miscellaneous Adjustments | | | | | | | | | | | | | |
| 15 | WNA Audit Findings | | | | | | | | | | | | | 0.00 |
| 16 | Pipeline Refund | | | | | | | | | | | | | 0.00 |
| 17 | Commodity Ending Balance Before Interest | (11,169.21) | (21,191.11) | (14,873.02) | 46,169.20 | 62,669.86 | 153,215.33 | 162,195.65 | 110,061.33 | 122,586.62 | 63,575.42 | 22,768.46 | (12,109.36) | (14,585.86) |
| 18 | Average Monthly Balance | 158.30 | (16,179.90) | (18,058.76) | 15,618.30 | 54,446.93 | 108,038.11 | 157,895.01 | 136,408.10 | 116,565.53 | 93,287.44 | 43,345.69 | 5,410.28 | |
| 19 | Interest Rate | 3.96% | 3.96% | 3.96% | 4.21% | 4.21% | 4.21% | 4.25% | 4.25% | 4.25% | 4.47% | 4.47% | 4.47% | |
| 20 | Calculated Interest-Commodity | 0.52 | (53.39) | (59.59) | 54.79 | 191.02 | 379.03 | 559.21 | 483.11 | 412.84 | 347.50 | 161.46 | 20.15 | 2,496.65 |
| 21 | Commodity Ending Balance Including Interest | (11,168.69) | (21,244.50) | (14,932.61) | 46,223.99 | 62,860.88 | 153,594.36 | 162,754.86 | 110,544.44 | 122,999.46 | 63,922.92 | 22,929.92 | (12,089.21) | (12,089.21) |

Exhibit II-C

AtmosEnergy Corporation
ACA Bad Debt Expense - Union City Tennessee
2017-2018 ACA

| | BEGINNING BALANCE | CURRENT MONTH ACTIVITY | ENDING BALANCE |
|--------------|----------------------|-----------------------------|-------------------|
| July-16 | \$0.00 | 1,522.78 | 1,522.78 |
| August-16 | \$1,522.78 | 2,492.10 | 4,014.88 |
| September-16 | \$4,014.88 | 4,036.21 | 8,051.09 |
| October-16 | \$8,051.09 | 1,224.19 | 9,275.28 |
| November-16 | \$9,275.28 | (5.40) | 9,269.88 |
| December-16 | \$9,269.88 | (732.51) | 8,537.37 |
| January-17 | \$8,537.37 | (348.00) | 8,189.37 |
| February-17 | \$8,189.37 | 53.34 | 8,242.71 |
| March-17 | \$8,242.71 | 441.68 | 8,684.39 |
| April-17 | \$8,684.39 | (46.66) | 8,637.73 |
| May-17 | \$8,637.73 | 79.68 | 8,717.41 |
| June-17 | \$8,717.41 | 672.42 | 9,389.83 |
| Total | | <u>9,389.83</u> | |
| | | Beginning Balance | \$0.00 |
| | | Activity Jul 17 thru Jun 18 | <u>9,389.83</u> |
| | | Ending Balance | <u>\$9,389.83</u> |
| | | | 43734.04 |
| | | | \$53,123.87 |