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February 6, 2019

Victoria Lawless
Dockets Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37242

VIA E-MAIL AND HAND DELIVERY

RE: Atmos Energy Corporation – 2018 ARM Reconciliation Filing
TPUC Docket No. 18-00097

Dear Ms. Lawless:

Enclosed is Atmos Energy Corporation's Rebuttal Testimony of Gregory K. Waller and Jennifer K. Story in the referenced matter.

In accordance with TPUC practice, I have enclosed an electronic copy in PDF format for posting to the website, along with an original and four hard copies.

A second thumb drive is also included for Staff use which contains the material in PDF and native Excel format.

Please feel free to contact me if you have any questions.

Best regards.

Sincerely,

A. Scott Ross

ASR:prd

Enclosures

cc: Vance Broemel, Esq.
Karen Stachowski, Esq.
Wayne Irvin, Esq.

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE

IN RE:

ATMOS ENERGY CORPORATION	)	
ANNUAL RECONCILIATION	)	**DOCKET NO. 18-00097**
OF ANNUAL REVIEW MECHANISM	)	

REBUTTAL TESTIMONY OF GREGORY K. WALLER
ON BEHALF OF ATMOS ENERGY CORPORATION

I. INTRODUCTION OF WITNESS

Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A. My name is Gregory K. Waller. I am Manager, Rates and Regulatory Affairs with Atmos Energy Corporation ("Atmos Energy" or "Company"). My business address is 5420 LBJ Freeway, Ste. 1600, Dallas, Texas 75240.

Q. ARE YOU THE SAME GREG WALLER WHO FILED PRE-FILED TESTIMONY IN THIS PROCEEDING?

A. Yes.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to comment upon and rebut certain positions taken by Mr. Novak and Mr. Dittemore in their testimony filed on behalf of the Consumer Protection and Advocate Division ("CPAD").

Q. DO YOU HAVE ANY EXHIBITS ATTACHED TO YOUR TESTIMONY?

A. Yes. Exhibit GKW-R-1 is a revised revenue requirement model that reflects the rebuttal positions discussed throughout my testimony and that of Company witness Ms. Jennifer Story.

Q. WAS THE EXHIBIT LISTED ABOVE PREPARED BY YOU OR UNDER YOUR DIRECTION AND SUPERVISION?

A. Yes.

Q. WHAT CALCULATIONS HAVE YOU PERFORMED FOR YOUR TESTIMONY IN THIS PROCEEDING?

A. I have updated the Company's revenue requirement model, attached as Exhibit GKW-R-1, to reflect the Company's rebuttal positions and the impact of the response to CPAD 1-01 as reflected in the attachment to that response.

Q. PLEASE SUMMARIZE THE COMPANY'S REBUTTAL TESTIMONY.

A. The key components of the Company's rebuttal testimony are summarized as follows:

- Mr. Novak's positions on capital structure and debt cost should be rejected.
- Mr. Novak's position on the calculation of the gross-up factor should be partially accepted and partially rejected.
- Mr. Novak's positions on the tax rate used in the calculation of AFUDC impact should be accepted.
- Mr. Dittemore's position on the synchronization of ADIT components should be accepted, with the exception that he proposed to exclude one component of ADIT that is not actually excluded from cost of service. The issue is discussed in the testimony of Ms. Jennifer Story.
- Mr. Dittemore's position on the synchronization of ADIT with the statutory state tax rate should be accepted on a prospective basis as discussed in the testimony of Ms. Jennifer Story.
- Consideration of Mr. Dittemore's position on operating metrics should be postponed, with the merits of the issue reserved for Docket No. 18-00112.

III. CALCULATION OF CAPITAL STRUCTURE AND DEBT COST

Q. CAN YOU SUMMARIZE THE TWO POSITIONS TAKEN BY MR. NOVAK RELATING TO CAPITAL STRUCTURE AND DEBT COST?

A. Yes. Mr. Novak proposes two modifications to the calculations used to define capital structure and cost of capital used for ratemaking pursuant to the ARM tariff. His first proposal is to use average rather than ending balances for the balances of equity and long-term debt used to calculate the Company's capital structure. His second proposal is to change the calculation of the cost of long-term debt to ignore the annualization of the amortization expense for certain hedging instruments and debt discount.

Q. DO YOU AGREE WITH EITHER POSITION TAKEN BY MR. NOVAK?

A. No.

Q. WHY DO YOU DISAGREE WITH HIS POSITION ON CAPITAL STRUCTURE?

A. The calculation of capital structure is defined clearly in the Settlement Agreement from Docket 14-00146 in paragraph 13(l)(i) which specifies the use of ending balances for equity and long-term debt. In designing the Methodologies for the forward looking test year, the Parties agreed to use historic balances for the definition of capital structure in order to produce objective and repeatable results while hopefully avoiding pitfalls that can arise in attempting to forecast capital structure. Such pitfalls arise when, for example, the Company is planning a debt or equity issuance during the course of the forward looking test year but cannot disclose such plans prematurely without violating SEC rules. Given the desire to use historic balances for that reason, using ending balances for equity and long-term debt result in better estimates of what the capital structure will be over the course of the forward looking test year than historic averages. Due to the seasonal nature of short term debt, a 12-month average is logical. For these reasons, the Parties agreed to the language that appears in the Settlement Agreement pertaining to capital structure. While not specifically contemplated in the Settlement Agreement, the Company saw no reason to alter the methodology for calculating capital structure in preparing its annual reconciliation filings. The Company, therefore, has filed each annual reconciliation in this manner and has received approval from the Commission for each.

Q. WHY DO YOU DISAGREE WITH HIS POSITION ON DEBT COST?

A. As referenced in the response to the data request CPAD 3-16, paragraphs 13(l)(ii) and 13(m) of the Settlement Agreement describe the methodologies for the calculation of long-term debt cost for each forward looking test year. Paragraph 13(l)(ii) specifically references WP 9.3 for the appropriate calculation. The specific issue raised by Mr. Novak is not evident on the face of WP 9.3 and thus is governed by paragraph 13(m) "Other Methodologies Adopted". In the response to CPAD 3-16, the Company demonstrated, through reference to each source document used to calculate long-term debt cost filed since the inception of the ARM, that the calculation of long-term debt cost in this Docket was done consistently with prior ARM filings. The Company uses the capital structure reports referenced in the response as its single source definition of long-term debt cost. Mr. Novak admits that the calculations filed by the Company in this docket are done consistently with those in Docket No. 14-00146[1] and that his proposal results in an immaterial change to revenue requirement[2] For these reasons, the Company should not be required to manually re-calculate the cost of long-term debt in a manner that is inconsistent with Company practice and inconsistent with the Settlement Agreement.

[1] Novak testimony at page 13 lines 15-17.

[2] In fact, it does not change the calculated cost of long-term debt out to 2 decimal places (see Novak testimony at page 14 lines 17-19.

IV. CALCULATION OF GROSS-UP FACTOR

Q. DO YOU AGREE WITH MR. NOVAK'S ADJUSTMENTS RELATING TO THE CALCULATION OF THE GROSS-UP FACTOR?

A. Partially.

Q. PLEASE EXPLAIN.

A. The gross-up factor, as utilized in the revenue requirement model developed and used pursuant to the Company's ARM, recognizes that, in the instances when the Company is deficient (sufficient), incremental (reduced) margin required to satisfy the deficiency (sufficiency) in turn results in additional (reduced) forfeited discounts, bad debt expense, and, most notably, income and excise tax expense. As discussed in the response to CPAD 3-12, I agree with Mr. Novak that it is appropriate to use total revenues as the denominator in the calculation of the forfeited discount component. However, as discussed in the response to CPAD 3-13, I disagree with his proposal to similarly calculate the uncollectable (bad debt) component. Because the Company recovers the gas cost component of bad debt through its PGA mechanism, it is appropriate to use gross margin as the denominator in the calculation. Building upon the statement above, in the instances when the Company is deficient (sufficient), incremental (reduced) margin required to satisfy the deficiency (sufficiency) in turn results in additional (reduced) bad debt expense. However, the additional bad debt expense created by the change in margin is only that amount pertaining to the additional margin. The additional amount of bad debt expense pertaining to gas cost (the remaining component of total revenue) is recovered through the PGA.

V. TAX RATES USED TO DETERMINE AFUDC IMPACT

Q. DO YOU AGREE WITH MR. NOVAK'S POSITION?

A. Yes. I have corrected both tax rates consistent with his proposal and included the changes in Exhibit GKW-R-1.

VI. OPERATING METRICS

Q. CAN YOU SUMMARIZE MR. DITTEMORE'S POSITION ON OPERATING METRICS?

A. Yes. Mr. Dittemore proposes that the Company be required, on a prospective basis, to report performance metrics related to safety, customer service and costs as part of its ARM filings. Mr. Dittemore points out that his recommendation is not in response to any particular concern or perceived current shortfall in any of the areas he discusses.

Q. PLEASE COMMENT ON HIS RECOMMENDATION AND PROVIDE YOUR RECOMMENDATION FOR HANDLING THE ISSUE.

A. I believe the issue should be reserved for and its merits considered in Docket No. 18-00112. In that Docket, the Parties have been instructed to investigate the possibility of altering the Company's ARM tariff to include a single filing per year in lieu of the current two filings per year approach. Notably, Commission Staff is participating as a party to that proceeding. Because the Commission may have or may choose to take a position on the issue, and to the extent the Company is already providing similar information to the Commission's Staff responsible for gas pipeline safety and/or customer service, reserving the issue for consideration in a docket in which Staff is a party and an altered ARM is likely to result, seems to be the most prudent and efficient approach.

VII. <u>CONCLUSION</u>

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

IN RE:

ATMOS ENERGY CORPORATION	)	
ANNUAL RECONCILIATION	)	**Docket No. 18-00097**
OF ANNUAL REVIEW MECHANISM	)	

VERIFICATION

STATE OF TEXAS)

COUNTY OF DALLAS)

I, Gregory K. Waller, being first duly sworn, state that I am the Manager of Rates and Regulatory Affairs for Atmos Energy Corporation, that I am authorized to testify on behalf of Atmos Energy Corporation in the above referenced docket, that the Rebuttal Testimony of Gregory K. Waller in support of Atmos Energy Corporation's filing is true and correct to the best of my knowledge, information and belief.

Gregory K. Waller

Sworn and subscribed before me this 5th day of February, 2019.

Notary Public

My Commission Expires: 9/1/2020

GISELLE R HEROY
Notary Public, State of Texas
Comm. Expires 09-01-2020
Notary ID 13080484-2

Schedule 1

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

Line No.	Description	Reference	Amount	As Filed	Difference
	(a)	(b)	(c)	(d)	(e)
1	Cost of Gas	Schedule 3	$73,565,057	$40,904,923	$32,660,135
2					
3	Operation & Maintenance Expense	Schedule 4	20,712,003	20,384,327	327,676
4					
5	Taxes Other Than Income Taxes	Schedule 5	7,486,379	7,704,182	(217,803)
6					
7	Depreciation & Amortization Expense	Schedule 6	12,652,532	12,516,189	136,343
8					
9	Return	Schedule 7	24,246,645	22,691,145	1,555,500
10					
11	Federal Income and State Excise Tax	Schedule 8	9,051,589	10,064,573	(1,012,984)
12					
13	AFUDC	Wp 1-2	(149,964)	(50,693)	(99,271)
14					
15	Interest on Customer Deposits	Wp 1-1	78,864	165,200	(86,336)
16					
17	Total Cost of Service		$ 147,643,105	$ 114,379,845	$ 33,263,260
18					
19	Cost of Service w/o Gas Cost		74,078,048	73,474,922	603,125
20					
21	Non-Gas Revenues in Attrition Year (Gross Margin)		81,438,352		
22	Removal of 16-00105 ARM Recon Revenue included in 17-00012		4,612,293		
23	Non-Gas Revenues in Attrition Year with True-up Removal		76,826,059		
24					
23	Additional Revenue Required to Earn Authorized Rate of Return		(2,748,011)		
24					
25	Carrying Cost		(444,224)		
26					
27	*Amount to be added to revenue sufficiency / deficiency*		$ (3,192,235)		
28	*in February 1, 2019 ARM filing*				

WP 1-1

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

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

WP 1-2

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

Line No.	Description	Amount
	(a)	(b)
1	Base Period AFUDC per books - Div 093 (1)	$ (83,411)
2		
3	Less State Excise Tax Effect	(5,422)
4		
5		$ (77,989)
6		
7	Less Federal Tax Effect	(22,820)
8		
9	Net AFUDC - Base Period	$ (55,169)
10		
11	Change from Base Period to Attrition Year	(94,795)
12		
13	Attrition Year AFUDC per books - Div 093 (2)	$ (226,730)
14		
15	Less State Excise Tax Effect	(14,737)
16		
17		$ (211,993)
18		
19	Less Federal Tax Effect	(62,029)
20		
21	Net AFUDC - Attrition Period	$ (149,964)
22		
23	Note:	
24	1. Twelve months ended September 30, 2016 - Account 432	
25	2. Twelve months ended May 31, 2018	

Schedule 2

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

Line	Description		Amount
	(a)	(b)	(c)
1	Base period per books revenue (1)		$ 106,935,939
2	Attrition Period per books revenue (2)		155,003,409
3	Change from Base Period to Attrition Year		48,067,470
4			
5	Attrition Year Revenue:		
6	Gross Margin	$ 81,438,352	
7	Gas cost	73,565,057	
8	Total		$ 155,003,409
9			
10	Note:		
11	1. Twelve months ended September 30, 2016		
12	2. Twelve months ended May 31, 2018		

Schedule 3

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

Line No.	Description		Amount
	(a)		(b)
1	Base period per books cost of gas (1)	$	42,120,941
2	Adjustments		
3	Base Period Net Elimination of Intercompany Leased Storage Property	$	(1,216,018)
4			
5	Total Adjusted Gas Cost Base Period	$	40,904,923
6			
7	Attrition Period per books cost of gas (2)	$	74,744,487
8	Adjustments		
9	Attrition Period Net Elimination of Intercompany Leased Storage Property		(1,179,430)
10			
11	Total Adjusted Gas Cost	$	73,565,057
12			
13	Change from Base Period to Attrition Year	$	32,660,135
14			
15	Attrition Year Gas Cost	$	73,565,057
16			
17	Note:		
18	1. Twelve months ended September 30, 2016		
19	2. Twelve months ended May 31, 2018		

WP 3-1

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

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

Schedule 4

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

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

WP 4-1

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

Line		Tennessee			SSU			General Office			Total		
No.		Historic Base	Attrition	Difference	Historic Base	Attrition	Difference	Historic Base	Attrition	Difference	Historic Base	Attrition	Difference
1	**Labor**	$ 3,555,037	$ 3,453,549	$ (101,488)	$ 3,318,537	$ 3,183,789	$ (134,748)	$ 915,953	$ 1,142,807	$ 226,854	$ 7,789,527	$ 7,780,145	$ (9,382)
2	**Benefits**	$ 1,340,603	1,142,006	(198,597)	$ 1,134,962	$ 1,051,549	(83,413)	$ 312,042	$ 269,677	(42,365)	2,787,606	2,463,232	(324,374)
3	**Employee Welfare**	$ 33,262	30,015	(3,248)	$ 1,387,685	$ 1,649,400	261,716	$ 635,376	$ 526,409	(108,968)	2,056,323	2,205,824	149,501
4	**Insurance**	$ 178,945	181,455	2,510	$ 927,349	$ 980,511	53,162	$ 20,638	$ 28,742	8,104	1,126,932	1,190,708	63,776
5	**Rent, Maint., & Utilities**	$ 590,232	446,776	(143,456)	$ 373,165	$ 350,556	(22,609)	$ 153,665	$ 134,609	(19,056)	1,117,063	931,941	(185,121)
6	**Vehicles & Equip**	$ 507,567	524,880	17,313	$ 6,780	$ 3,211	(3,569)	$ 28,804	$ 29,871	1,067	543,151	557,963	14,811
7	**Materials & Supplies**	$ 389,975	417,683	27,708	$ 43,399	$ 42,328	(1,070)	$ 71,745	$ 83,526	11,781	505,119	543,538	38,419
8	**Information Technologies**	$ 9,358	3,267	(6,092)	$ 793,487	$ 918,274	124,787	$ 39,334	$ 28,756	(10,578)	842,179	950,296	108,117
9	**Telecom**	$ 190,673	264,497	73,823	$ 114,742	$ 108,133	(6,609)	$ 145,346	$ 127,409	(17,938)	450,762	500,038	49,276
10	**Marketing**	$ 89,851	96,025	6,174	$ 11,700	$ 10,702	(998)	$ 138,954	$ 170,651	31,697	240,505	277,378	36,873
11	**Directors & Shareholders &PR**	$ 3,633	-	(3,633)	$ 273,215	$ 308,542	35,327	$ 4	$ -	(4)	276,852	308,542	31,690
12	**Dues & Donations**	$ 73,045	106,746	33,701	$ 25,822	$ 23,982	(1,840)	$ 46,643	$ 10,735	(35,908)	145,510	141,463	(4,047)
13	**Print & Postages**	$ 8,695	8,703	7	$ 8,137	$ 7,756	(381)	$ 5,600	$ 5,593	(7)	22,432	22,052	(381)
14	**Travel & Entertainment**	$ 291,917	313,212	21,295	$ 112,851	$ 126,521	13,670	$ 173,488	$ 202,041	28,554	578,256	641,775	63,519
15	**Training**	$ 11,875	21,431	9,556	$ 75,243	$ 57,942	(17,301)	$ 20,414	$ 26,288	5,874	107,532	105,661	(1,871)
16	**Outside Services**	$ 3,486,914	4,395,915	909,000	$ 721,496	$ 745,901	24,405	$ 1,247,270	$ 564,965	(682,304)	5,455,681	5,706,781	251,101
17	**Provision for Bad Debt**	$ 286,637	268,238	(18,399)	$ -	$ -	-	$ -	$ -	-	286,637	268,238	(18,399)
18	**Miscellaneous**	$ 195,719	(55,954)	(251,673)	$ (2,655,742)	$ (2,962,854)	(307,112)	$ (43,717)	$ (89,469)	(45,752)	(2,503,739)	(3,108,276)	(604,537)
19	**Total O&M Expenses**	$ 11,243,940	$ 11,618,443	$ 374,503	$ 6,672,828	$ 6,606,245	$ (66,582)	$ 3,911,561	$ 3,262,610	$ (648,951)	$ 21,828,328	$ 21,487,298	$ (341,030)
20													
21	**Disallowed Items**												
22	Other (Sub 05416 and 05412)		(2,023)			(2,476)			(1,412)			(5,911)	(5,911)
23	Incentive Comp (MFR 38)		0			(612,869)			(425,536)			(1,038,405)	(1,038,405)
24	Benefits (FAS 87 Accrual)		(215,933)			(156,623)			(68,110)			(440,666)	(440,666)
25													
26	**Rate Case Expense**		-	-							-	-	-
27													
28	**Actual Allocable Pension Contribution**		272,435	272,435							-	272,435	272,435
29													
30	**Total O&M**	$ 11,243,940	$ 11,672,921	$ 646,937	$ 6,672,828	$ 5,834,277	$ (66,582)	$ 3,911,561	$ 2,767,553	$ (648,951)	$ 21,828,328	$ 20,274,751	$ (1,553,577)

WP 4-2

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

		Division 093	
Line No.	FERC Account	Historic Base Period	Attrition Year
1	7350	1,504	891
2	8400	-	-
3	8560	44,801	38,030
4	8600	6,308	-
5	8630	5,775	800
6	8650	-	-
7	8700	1,614,281	1,959,659
8	8710	-	63
9	8711	5,762	47,040
10	8740	3,656,775	4,055,596
11	8750	474,888	454,046
12	8760	7	262
13	8770	2,615	5,650
14	8780	681,638	692,491
15	8800	130,271	94,150
16	8810	493,974	302,506
17	8860	4,457	6,612
18	8870	34,771	43,374
19	8890	3,247	140,114
20	8900	-	33
21	8910	-	139
22	8920	8,229	(26,005)
23	8930	11,094	37,016
24	8940	(56)	150
25	9010	212	-
26	9020	947,850	481,768
27	9030	316,230	983,425
28	9040	286,637	268,238
29	9090	152,522	16,139
30	9100	-	33
31	9110	302,849	226,566
32	9120	42,872	63,690
33	9130	100	11,019
34	9160	-	-
35	9200	99,887	111,863
36	9210	20,297	14,242
37	9220	10,554,992	9,868,855
38	9230	160,931	154,589
39	9240	139,178	142,185
40	9250	27,773	50,130
41	9260	1,352,964	1,153,867
42	9270	-	-
43	9280	180,833	6,714
44	9302	21,871	70,525
45	9310	10,531	10,834
46	Total	21,798,867	21,487,298

WP 4-2

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

		Division 091	
Line No.	FERC Account	Historic Base Period	Attrition Year
	8160	-	62
44	8170	521	549
45	8180	544	520
46	8190	7,490	6,868
47	8210	2,213	2,882
48	8240	-	11
49	8250	12,765	15,258
50	8500	151	-
51	8560	1,026	901
52	8570	1,060	1,000
53	8640	-	-
54	8650	93	-
55	8700	3,100,485	3,133,634
56	8710	140	
57	8711	54,105	100,581
58	8740	90,489	119,576
59	8750	113,036	155,723
60	8760	70	2,856
61	8770	1,036	36,722
62	8780	478	82
63	8800	1,610	173
64	8810	309,396	274,246
65	8860	-	-
66	8940	-	-
67	9010	-	27,899
68	9020	-	-
69	9030	2,765,198	1,921,993
70	9090	388	-
71	9100	753	2,138
72	9110	131,544	170,230
73	9120	3,933	3,041
74	9130	8,759	5,998
75	9200	(104,066)	(219,098)
76	9210	69,126	(38,644)
77	9220	(8,980,256)	(7,786,772)
78	9230	175,505	141,485
79	9240	(11,528)	(14,370)
80	9250	371,198	146,225
81	9260	1,837,731	1,776,232
82	9280	-	441
83	9302	103,010	11,555
84	9310	-	-
85	Total	68,000	(0)

WP 4-2

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

Line No.	FERC Account	Division 002 Historic Base Period	Attrition Year
84	8210	-	440
85	8230	-	6,062
86	8560	463	6,983
87	8700	4,341	283,387
88	8740	112,666	45,956
89	8780	-	-
90	8800	(3,799)	-
91	8850	-	24,916,754
92	8900	-	-
93	9010	17,340	118
94	9030	1,883,902	72,748
95	9100	-	3,707
96	9120	7,034	17,895
97	9160	-	1,009
98	9200	(15,850,637)	(12,976,253)
99	9210	22,631,682	23,211,846
100	9220	(91,705,860)	(100,272,886)
101	9230	9,093,724	10,871,865
102	9240	126,521	135,293
103	9250	21,484,805	19,993,118
104	9260	41,979,578	47,668,559
105	9301	-	-
106	9302	5,798,774	6,591,533
107	9310	5,260,633	5,059,659
108	9320	304,218	396,046
109	Total	1,145,384	26,033,838

WP 4-2

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

Division 012			
Line No.	FERC Account	Historic Base Period	Attrition Year
107	8700	824	1,876
108	8740	21,423	19,316
109	8800	54	37
110	9010	5,191,977	4,140,074
111	9020	76	9,791
112	9030	22,338,905	18,683,675
113	9100	-	-
114	9200	4,339,176	4,045,370
115	9210	9,667,656	8,021,415
116	9220	(55,357,052)	(46,393,818)
117	9230	576,465	847,264
118	9240	121,818	95,934
119	9250	-	183
120	9260	11,150,347	8,846,083
121	9301	66	-
122	9302	88,362	
123	9310	1,849,962	1,672,147
124	9320	9,942	10,653
125	Total	0	0

WP 4-3

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

Line No.	Description	Number of Bills	Volumes Mcf	Adjustments to Bills	Adjustments to Volumes	Total Bills	Total Volumes	Proposed Customer Charge	Proposed Commodity Charge	Revenue @ Proposed Rates	Bad Debt Percentage	Total Bad Debt
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	210 Residential Gas Service (Summer)	613,707	810,777	19,113	25,250	632,820	836,027	14.50	1.262	10,231,124	0.5%	$ 51,156
2	210 Residential Gas Service (Winter) (weather sensitive)	853,797	6,668,956	26,590	207,694	880,387	6,876,650	17.50	1.262	24,086,492	0.5%	$ 120,432
3	210 Residential Gas Service Senior Citizen (Summer)	709	553	22	17	731	570	0.00	1.262	720	0.5%	$ 4
4	210 Residential Gas Service Senior Citizen (Winter) (weather sensitive)	1,011	6,211	31	193	1,042	6,405	0.00	1.262	8,084	0.5%	$ 40
5												
6	211 Residential/Sm. Commericial/Industrial Heating & Cooling Service	24	342	1	11	25	353	14.50	0.740	620	0.5%	$ 3
7												
8	220 Commercial Gas Service (weather sensitive)	194,355	5,146,491	3,267	86,498	197,622	5,232,989	36.00	2.431	19,833,871	0.5%	$ 99,169
9												
10	221 Experimental School Gas Service	53	69,275	1	1,164	54	70,439	36.00	1.177	84,826	0.5%	$ 424
11												
12	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0	0	0	0	0.00	1.262	0	0.5%	$ -
13	225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather Sensitive)	0	0	0	0	0	0	0.00	1.262	0	0.5%	$ -
14	225 Public Authority Gas Service (Summer)	2,974	7,439	93	232	3,067	7,671	14.50	1.262	54,148	0.5%	$ 271
15	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,166	40,992	130	1,277	4,296	42,268	17.50	1.262	128,527	0.5%	$ 643
16												
17	230 Large Commercial Gas Service (weather sensitive)	0	0	0	0	0	0	385.00	2.113	0	0.5%	$ -
18												
19	Total											272,142

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

Line No.	Description	Number of Participants	Estimated Liability	Percent of Contribution Applicable to Group	Actual Attrition Year Contribution	Allocation Factor to Tennessee	Amount Allocable to Tennessee	Composite Labor Capitalization Rate	Pension Contribution Assigned to Capital/Reduction to O&M Costs
	(a)	(b)	(c)	(d)	(e)	(f)	(g)		
1	All Other (not allocable to Tennessee)	4,410	$ 414,624,000	77.7%	$ 3,886,206.17	0.00%	$ -		
2	Co 010 - Shared Services	493	56,998,000	10.7%	534,233	4.26%	22,785		
3	Co 010 - CSO	371	18,248,000	3.4%	171,036	4.52%	7,730		
4	Active Tennessee Jurisdiction Employees	107	15,613,000	2.9%	146,338	100.00%	146,338	55.6%	(81,364)
5	Inactive Tennessee Jurisdiction Employees	192	15,783,000	3.0%	147,932	100.00%	147,932		
6	Active Division General Office Employees	25	5,090,000	1.0%	47,708	41.81%	19,948	53.7%	(10,712)
7	Inactive Division General Office Employees (pre-merger)(1)	47	5,625,000	1.1%	52,722	26.55%	13,998		
8	Inactive Division General Office Employees (post-merger)	5	1,475,000	0.3%	13,825	41.81%	5,781		
9									
10	Total Amount of Contribution Allocable to Tennessee	5,650	$ 533,456,000	100.00%	$ 5,000,000		$ 364,511		$ (92,076)

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

Source: Relied Upons\TN-FYE2015-AcctAllocation

Tennessee Distribution System
Operation and Maintenance Expenses, Forecast vs. Actuals
Twelve Months Ended May 31, 2018

Line No.		Tennessee			SSU			General Office			Total		
		Attrition Forecast	Attrition Actual	Difference	Attrition Forecast	Attrition Actual	Difference	Attrition Forecast	Attrition Actual	Difference	Attrition Forecast	Attrition Actual	Difference
1	Labor	$ 3,535,688	$ 3,453,549	$ (82,139)	$ 3,468,899	$ 3,183,789	$ (285,110)	$ 1,099,492	$ 1,142,807	$ 43,315	$ 8,104,079	$ 7,780,145	$ (323,934)
2	Benefits[1]	$ 1,375,104	$ 1,142,006	$ (233,098)	$ 1,230,090	$ 1,051,549	$ (178,541)	$ 540,273	$ 269,677	$ (270,596)	$ 3,145,467	$ 2,463,232	$ (682,235)
3	Employee Welfare	$ 41,542	$ 30,015	$ (11,527)	$ 1,385,338	$ 1,649,400	$ 264,063	$ 548,644	$ 526,409	$ (22,235)	$ 1,975,523	$ 2,205,824	$ 230,301
4	Insurance	$ 31,117	$ 181,455	$ 150,337	$ 897,083	$ 980,511	$ 83,429	$ 178,415	$ 28,742	$ (149,674)	$ 1,106,616	$ 1,190,708	$ 84,092
5	Rent, Maint., & Utilities	$ 587,888	$ 446,776	$ (141,112)	$ 349,634	$ 350,556	$ 922	$ 159,910	$ 134,609	$ (25,301)	$ 1,097,432	$ 931,941	$ (165,491)
6	Vehicles & Equip	$ 671,676	$ 524,880	$ (146,796)	$ 4,771	$ 3,211	$ (1,559)	$ 29,574	$ 29,871	$ 297	$ 706,021	$ 557,963	$ (148,058)
7	Materials & Supplies	$ 355,327	$ 417,683	$ 62,357	$ 52,610	$ 42,328	$ (10,282)	$ 67,344	$ 83,526	$ 16,183	$ 475,281	$ 543,538	$ 68,258
8	Information Technologies	$ -	$ 3,267	$ 3,267	$ 811,863	$ 918,274	$ 106,411	$ 50,701	$ 28,756	$ (21,945)	$ 862,563	$ 950,296	$ 87,733
9	Telecom	$ 197,698	$ 264,497	$ 66,799	$ 128,302	$ 108,133	$ (20,169)	$ 220,326	$ 127,409	$ (92,917)	$ 546,325	$ 500,038	$ (46,287)
10	Marketing	$ 75,863	$ 96,025	$ 20,161	$ 12,023	$ 10,702	$ (1,321)	$ 169,324	$ 170,651	$ 1,327	$ 257,210	$ 277,378	$ 20,167
11	Directors & Shareholders &PR	$ 2,412	$ -	$ (2,412)	$ 281,828	$ 308,542	$ 26,714	$ -	$ -	$ -	$ 284,240	$ 308,542	$ 24,302
12	Dues & Donations	$ 33,210	$ 106,746	$ 73,537	$ 25,110	$ 23,982	$ (1,128)	$ 77,604	$ 10,735	$ (66,869)	$ 135,923	$ 141,463	$ 5,540
13	Print & Postages	$ 10,632	$ 8,703	$ (1,930)	$ 11,610	$ 7,756	$ (3,854)	$ 5,689	$ 5,593	$ (96)	$ 27,932	$ 22,052	$ (5,880)
14	Travel & Entertainment	$ 208,521	$ 313,212	$ 104,692	$ 151,118	$ 126,521	$ (24,597)	$ 245,512	$ 202,041	$ (43,471)	$ 605,151	$ 641,775	$ 36,624
15	Training	$ 24,291	$ 21,431	$ (2,860)	$ 63,888	$ 57,942	$ (5,946)	$ 27,877	$ 26,288	$ (1,590)	$ 116,056	$ 105,661	$ (10,395)
16	Outside Services	$ 2,801,780	$ 4,395,915	$ 1,594,134	$ 685,856	$ 745,901	$ 60,045	$ 1,587,634	$ 564,965	$ (1,022,669)	$ 5,075,270	$ 5,706,781	$ 631,511
17	Provision for Bad Debt	$ 313,245	$ 268,238	$ (45,008)	$ -	$ -	$ -	$ -	$ -	$ -	$ 313,245	$ 268,238	$ (45,008)
18	Miscellaneous[2]	$ 46,558	$ (55,954)	$ (102,512)	$ (2,671,813)	$ (2,962,854)	$ (291,041)	$ 4,937	$ (89,469)	$ (94,406)	$ (2,620,318)	$ (3,108,276)	$ (487,958)
19	Total O&M Expenses	$ 10,312,553	$ 11,618,443	$ 1,305,890	$ 6,888,208	$ 6,606,245	$ (281,962)	$ 5,013,256	$ 3,262,610	$ (1,750,646)	$ 22,214,016	$ 21,487,298	$ (726,718)
20													
21	Disallowed Items												
22	Other (Sub 05416 and 05412)	$ (7,764)	$ (2,023)	$ 5,740	$ (3,722)	$ (2,476)	$ 1,246	$ (668)	$ (1,412)	$ (744)	$ (12,154)	$ (5,911)	$ 6,243
23	Incentive Comp (MFR 38)	$ -	$ -	$ -	$ (557,390)	$ (612,869)	$ (55,478)	$ (458,689)	$ (425,536)	$ 33,153	$ (1,016,079)	$ (1,038,405)	$ (22,325)
24	Benefits (FAS 87 Accrual)[1]	$ (267,333)	$ (215,933)	$ 51,401	$ (208,998)	$ (156,623)	$ 52,374	$ (80,872)	$ (68,110)	$ 12,763	$ (557,203)	$ (440,666)	$ 116,537
25													$ -
26	Rate Case Expense[2]	$ -	-	$ -							$ -	-	$ -
27													$ -
28	Actual Allocable Pension Contribution		$ 272,435	$ 272,435							-	$ 272,435	$ 272,435
29													
30	Total O&M	$ 10,037,456	$ 11,672,921	$ 1,635,465	$ 6,118,098	$ 5,834,277	$ (283,820)	$ 4,473,026	$ 2,767,553	$ (1,705,474)	$ 20,628,580	$ 20,274,751	$ (353,829)

1 FAS 87 accrual removed from "Benefits" in Forecast and on line 24 for Actuals
2 Rate Case Expense Amortization included in "Miscellaneous" in Actuals

Schedule 5

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

Line No.	Description	Total
	(a)	(b)
1	Base period per books Other Taxes Expense (1)	$ 7,811,449
2		
3	Change from Base Period to Attrition Year	(384,048)
4		
5	Attrition Year per books Other Taxes Expense (2)	$ 7,427,402
6		
7	Inclusion of Barnsley Storage Other taxes	58,978
8		
9	Attrition Year Adjusted Taxes Other Than Income Taxes	$ 7,486,379
10		
11	Note:	
12	1. Twelve months ended September 30, 2016 - Account 408	
	2. Twelve months ended May 31, 2018 - Account 408	

WP 5-1

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

Line No.	Descripton	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Base Period
1	**Division 093**													
2	FICA	33,910	42,678	2,556	28,602	18,153	12,192	37,419	15,206	13,758	16,235	10,522	31,968	263,198
3	FUTA	15	35	(8)	2,445	132	(248)	(24)	6	(2)	-	-	-	2,350
4	SUTA	24	97	(23)	2,961	994	(269)	(59)	3	(5)	-	-	-	3,724
5	Ad Valorem	344,854	344,854	344,854	344,854	344,854	344,854	344,854	344,854	344,854	384,854	384,854	384,854	4,258,248
6	Payroll Tax Projects					-	-	-	-	-	-	-	-	-
7	30105 Corp/State Franchise Tax	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	720,000
8	30107 City Franchise	167	167	167	167	167	167	167	167	167	167	167	167	2,000
9	30109 State Gross Receipts	76,927	130,959	219,903	262,085	202,641	171,911	94,924	66,627	63,521	51,441	72,780	68,801	1,482,520
10	30104 State Supv & Inspection	54,674	54,674	54,674	54,674	54,674	54,674	47,302	47,302	47,302	47,302	47,302	47,302	611,854
11	30108 Dot Transmission User Tax	-	-	-	-	-	-	20,299	-	-	-	-	-	20,299
12	Division 91 Allocations	12,378	13,192	3,993	11,352	7,998	6,258	12,498	7,282	6,714	7,419	6,071	11,656	106,811
13	Division 12 Allocations	9,805	26,736	8,022	13,560	10,955	11,957	10,815	12,939	9,651	10,050	10,271	9,814	144,575
14	Division 02 Allocations	13,292	38,075	10,245	17,794	14,168	15,404	14,078	17,818	13,683	13,750	14,324	13,241	195,871
15	Total	$ 606,045	$ 711,465	$ 704,381	$ 798,494	$ 714,736	$ 676,900	$ 642,272	$ 572,204	$ 559,643	$ 591,216	$ 606,290	$ 627,803	$ 7,811,449
16														
17	**Division 002**													
18	FICA	227,631	718,162	159,532	261,021	239,161	273,924	247,866	330,985	237,783	239,325	226,736	226,630	3,388,758
19	FUTA	447	544	199	24,163	1,812	402	(550)	186	73	96	100	525	27,996
20	SUTA	922	1,194	703	45,522	8,077	2,649	(594)	342	237	181	211	957	60,401
21	Ad Valorem	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	852,000
22	Payroll Tax Projects					-	-	-	-	-	-	-	-	-
23	Taxes Property and Other					-	-	-	-	-	-	-	-	-
24	30105 Corp/State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Total	$ 300,000	$ 790,901	$ 231,434	$ 401,707	$ 320,050	$ 347,975	$ 317,723	$ 402,513	$ 309,093	$ 310,602	$ 298,047	$ 299,112	$ 4,329,155
26														
27	**Division 012**													
28	FICA	163,784	542,963	124,111	196,246	182,879	210,608	188,319	234,683	161,124	170,059	174,987	163,894	2,513,656
29	FUTA	326	411	154	18,271	1,426	325	(426)	126	48	68	77	384	21,191
30	SUTA	670	904	542	34,421	6,239	2,070	(471)	220	157	129	163	699	45,743
31	Ad Valorem	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	660,000
32	Total	$ 219,779	$ 599,278	$ 179,807	$ 303,938	$ 245,543	$ 268,003	$ 242,422	$ 290,029	$ 216,330	$ 225,256	$ 230,228	$ 219,977	$ 3,240,590
33														
34	**Division 091**													
35	FICA	21,108	22,944	1,755	15,762	10,354	7,255	21,460	9,340	8,036	9,661	6,544	19,449	153,667
36	FUTA	9	19	(5)	1,355	80	(137)	(14)	4	(1)	-	-	-	1,310
37	SUTA	15	52	(13)	1,641	567	(142)	(35)	2	(3)	-	-	-	2,084
38	Occupational Licenses													
39	Payroll Tax Projects													
40	Ad Valorem	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
41	30105 Corp/State Franchise Tax	0	0	0	0	0	0	0	0	0	0	0	0	-
42	Total	$ 28,633	$ 30,515	$ 9,238	$ 26,259	$ 18,500	$ 14,475	$ 28,910	$ 16,846	$ 15,531	$ 17,161	$ 14,044	$ 26,949	$ 247,061

WP 5-1

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

Line No.	Descripton	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Attrition Year
1	**Division 093**													
2	FICA	13,491	13,872	8,435	32,288	9,276	39,621	7,638	23,503	17,293	25,851	12,391	12,968	216,627
3	FUTA	3	2	7	22	0	23	2	2,258	(197)	(212)	4	15	1,927
4	SUTA	3	9	3	14	11	10	(1)	1,377	(416)	63	(6)	3	1,069
5	Ad Valorem	374,854	374,854	374,854	374,854	377,854	377,854	377,854	408,454	408,454	408,454	408,454	408,454	4,675,248
6	Payroll Tax Projects	83	26	769	218	(34)	-	49	65	(936)	7	-	-	247
7	30105 Corp/State Franchise Tax	60,000	60,000	60,000	60,000	68,333	68,333	68,333	68,333	68,333	68,333	68,333	68,333	786,664
8	30107 City Franchise	-	167	167	167	167	167	167	167	167	167	167	167	1,833
9	30109 State Gross Receipts	69,870	35,108	34,946	36,013	52,046	76,407	115,027	156,472	111,360	99,961	57,444	37,266	881,921
10	30104 State Supv & Inspection	39,858	39,858	39,858	39,858	39,858	39,858	39,858	39,858	39,858	39,858	48,077	48,077	494,731
11	30108 Dot Transmission User Tax	10,343	-	-	-	-	-	-	-	-	-	-	21,740	32,083
12	Division 91 Allocations	14,530	13,313	16,498	3,776	15,034	30,811	11,261	15,835	(151,157)	6,362	13,491	15,378	5,133
13	Division 12 Allocations	8,677	8,360	12,571	7,017	9,173	24,327	7,564	13,545	9,370	11,197	10,040	12,270	134,110
14	Division 02 Allocations	13,066	14,100	18,813	11,563	13,310	39,720	10,383	18,144	12,892	13,099	13,724	16,993	195,806
15	Total	$ 604,778	$ 559,667	$ 566,921	$ 565,790	$ 585,027	$ 697,130	$ 638,133	$ 748,011	$ 515,021	$ 673,140	$ 632,119	$ 641,664	$ 7,427,402
16														
17	**Division 002**													
18	FICA	256,179	279,868	389,068	199,031	239,380	762,216	173,145	245,589	242,067	213,654	243,911	333,708	3,577,816
19	FUTA	272	399	171	496	393	410	136	29,755	(631)	(1,029)	76	695	31,141
20	SUTA	983	1,018	785	1,037	1,023	1,386	424	71,227	(15,357)	4,677	434	1,471	69,109
21	Ad Valorem	44,000	44,000	44,000	44,000	64,500	64,500	64,500	69,700	69,700	69,700	69,700	69,700	718,000
22	Payroll Tax Projects	-	-	-	-	-	-	-	-	-	13,529	743	152	14,424
23	Taxes Property and Other	180,544	26,608	-	1,117,807	65	82,788	-	-	-	-	-	(15,846)	1,391,966
24	30105 Corp/State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Total	$ 481,977	$ 351,893	$ 434,024	$ 1,362,370	$ 305,360	$ 911,301	$ 238,206	$ 416,271	$ 295,779	$ 300,531	$ 314,864	$ 389,879	$ 5,802,454
26														
27	**Division 012**													
28	FICA	147,260	140,256	233,551	110,406	151,302	482,774	116,549	183,399	162,535	190,014	166,897	214,727	2,299,670
29	FUTA	156	201	110	280	220	236	79	17,826	(587)	(501)	38	403	18,461
30	SUTA	566	508	485	582	572	796	245	42,673	(9,439)	2,993	239	851	41,072
31	Ad Valorem	44,000	44,000	44,000	44,000	48,700	48,700	48,700	52,600	52,600	52,600	52,600	52,600	585,100
32	Total	$ 191,981	$ 184,966	$ 278,146	$ 155,268	$ 200,793	$ 532,506	$ 165,572	$ 296,498	$ 205,109	$ 245,106	$ 219,775	$ 268,581	$ 2,944,303
33														
34	**Division 091**													
35	FICA	29,691	26,763	34,385	3,979	35,661	73,294	26,669	34,981	36,190	14,920	31,893	36,379	384,805
36	FUTA	3	2	6	18	0	16	1	1,554	(122)	(141)	3	12	1,352
37	SUTA	2	8	3	11	10	6	(1)	948	(284)	61	(5)	2	761
38	Occupational Licenses	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Payroll Tax Projects	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Ad Valorem	5,000	5,000	5,000	5,000	200	200	200	300	(396,474)	300	300	300	(374,674)
41	30105 Corp/State Franchise Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Total	$ 34,696	$ 31,772	$ 39,394	$ 9,008	$ 35,871	$ 73,516	$ 26,870	$ 37,784	$ (360,690)	$ 15,140	$ 32,191	$ 36,694	$ 12,244

Schedule 6

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

Line No.	Description	Reference	Amount
	(a)	(b)	(c)
1	Base period per books Depreciation Expense (1)		$ 11,358,190
3	Change from Base Period to Attrition Year		1,168,489
5	Attrition Year per books Depreciation Expense (2)	Wp 6-2	$ 12,526,680
7	Adjustment to reflect Proposed Depreciation Rates		-
9	Attrition Year per books Depreciation Expense	Wp 6-1	12,526,680
11	Amortization of Deferred Pension Regulated Asset*	Wp 7-3	0
13	Net Elimination of Intercompany Leased Property	Wp 3-1	208,434
15	Adjustment for Depreciation Expense on Capitalized Incentive Comp	Wp 7-8	(82,582)
17	Total Depreciation and Amortization Expense, As Adjusted		$ 12,652,532

19 Note:
20 1. Twelve months ended September 30, 2016
21 2. Twelve months ended May 31, 2018

WP 6-1

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

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

WP 6-2

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

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

Schedule 7

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

Line No.	Description	Historic Base Period (1)	Change	Attrition Year	Reference
	(a)	(b)	(c)	(d)	(e)
1	Original Cost of Plant	$ 486,264,877	$ 60,340,153	$ 546,605,030	Wp 7-1 Wp7-2
2					
3	Accumulated Depreciation and Amortization	(191,843,738)	(12,781,804)	(204,625,542)	Wp 7-1 Wp7-2
4					
5	Construction Work in Progress per Books	9,936,947	8,692,943	18,629,890	Wp 7-1 Wp7-2
6					
7	Storage Gas Investment	4,708,124	(152,170)	4,555,955	Wp 7-1 Wp7-2
8					
9	Cash Working Capital	1,035,838	95,439	1,131,278	Wp 7-5
10					
11	Material & Supplies	15,835	15,669	31,504	Wp 7-1 Wp7-2
12					
13	Regulatory Assets/Liabilities	-	(13,496,569)	(13,496,569)	Wp 7-3 Wp 7-10
14					
15	Accumulated Deferred Income Tax	(50,220,519)	8,645,366	(41,575,153)	Wp 7-1
16					
17	Customer Advances for Construction	(76,428)	56,432	(19,995)	Wp 7-1 Wp7-2
18					
19	Customer Deposits	(4,770,726)	3,146,701	(1,624,026)	Wp 7-1 Wp7-2
20					
21	Accumulated Interest on Customer Deposits	(71,237)	19,188	(52,049)	Wp 7-1 Wp7-2
22					
23	Unadjusted Rate Base	$ 254,978,975	$ 54,581,349	$ 309,560,323	
24					
25	Adjustments:	(2,415,620)	(986,367)	(3,401,987)	Wp 7-8
26					
27	Net Elimination of Intercompany Leased Property	$ 5,806,952	$ (311,751)	$ 5,495,201	Wp 7-1 Wp7-2
28					
29	Total Rate Base	$ 258,370,306	$ 53,283,231	$ 311,653,537	
30					
31	Return at Overall Cost of Capital on Rate Base	$ 19,498,097	$ 4,145,435	$ 24,246,645	
32					
33	Note:				
34	1. Twelve months ended September 30, 2016				

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

										Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN	
									FY16		43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%	
									Oct FY17		41.81%	4.52%	1.86%	4.26%	1.29%	5.20%	0.00%	
									Nov-Dec FY17		41.88%	4.52%	1.86%	4.36%	1.29%	5.37%	0.00%	
									Jan-Sep FY17		41.88%	4.52%	1.86%	4.33%	1.29%	5.36%	0.00%	
Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	100%	41.91%	4.57%	1.88%	4.36%	1.32%	5.36%	0.00%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
1	**Gas Plant in Service (Account 101) 13 month average Balances**																	
2																		
3	May-17	510,667,644	3,582,953	124,532,578	15,792,825	141,266,366	9,196,755	22,527,307	18,160,101	510,667,644	1,500,541	5,628,227	293,566	6,122,936	118,539	1,208,479	0	525,539,932
4	Jun-17	512,780,670	3,582,953	124,601,031	16,300,332	140,598,803	9,196,755	22,699,540	18,160,101	512,780,670	1,500,541	5,631,321	303,000	6,094,002	118,539	1,217,718	0	527,645,791
5	Jul-17	516,664,668	3,582,953	124,588,913	16,512,152	141,072,762	9,196,755	22,689,385	18,160,101	516,664,668	1,500,541	5,630,774	306,937	6,114,545	118,539	1,217,173	0	531,553,177
6	Aug-17	518,815,570	3,582,953	124,601,489	16,603,858	140,687,509	9,196,755	22,640,638	18,160,101	518,815,570	1,500,541	5,631,342	308,642	6,097,847	118,539	1,214,558	0	533,687,039
7	Sep-17	527,650,038	3,582,953	124,647,283	16,606,844	139,988,038	9,196,755	22,640,638	18,160,101	527,650,038	1,500,541	5,633,412	308,697	6,067,530	118,539	1,214,558	0	542,493,315
8	Oct-17	531,672,910	3,582,953	125,248,182	16,583,351	146,227,617	9,196,755	23,053,007	18,160,101	531,672,910	1,501,616	5,722,186	311,400	6,373,024	121,594	1,234,643	0	546,937,371
9	Nov-17	534,227,819	3,582,953	125,259,030	16,617,361	146,271,246	9,196,755	23,660,591	18,160,101	534,227,819	1,501,616	5,722,682	312,039	6,374,925	121,594	1,267,183	0	549,527,856
10	Dec-17	538,568,827	3,578,941	127,673,859	16,617,345	148,011,398	9,250,925	23,920,166	18,160,101	538,568,827	1,499,934	5,833,008	312,039	6,450,766	122,310	1,281,085	0	554,067,968
11	Jan-18	539,817,942	3,621,977	127,724,132	16,626,361	148,048,858	9,250,925	23,920,452	18,160,101	539,817,942	1,517,970	5,835,304	312,208	6,452,399	122,310	1,281,100	0	555,339,233
12	Feb-18	540,868,654	3,621,977	127,765,833	16,626,361	148,065,752	9,250,925	23,920,339	18,382,508	540,868,654	1,517,970	5,837,210	312,208	6,453,135	122,310	1,281,094	0	556,392,580
13	Mar-18	543,302,591	3,619,363	127,759,105	16,629,391	148,065,593	9,258,221	23,920,335	18,382,508	543,302,591	1,516,875	5,836,902	312,265	6,453,128	122,406	1,281,094	0	558,825,261
14	Apr-18	545,261,147	3,619,363	127,759,033	16,629,391	148,082,113	9,258,221	23,929,367	18,382,508	545,261,147	1,516,875	5,836,899	312,265	6,453,848	122,406	1,281,577	0	560,785,017
15	May-18	547,545,741	3,619,675	127,762,534	16,650,497	148,094,664	9,258,178	23,929,367	18,382,508	547,545,741	1,517,006	5,837,059	312,661	6,454,395	122,406	1,281,577	0	563,070,844
16	Average	531,372,632	3,597,074	126,147,923	16,522,774	144,960,055	9,223,437	23,342,395	18,228,534	531,372,632	1,507,120	5,739,717	309,071	6,304,806	120,772	1,250,911	0	546,605,030
17																		
18	**Construction Work in Process (Account 1070)**																	
19																		
20	May-17	16,432,691	980,617	2,851,995	0	7,905,731	0	0	0	16,432,691	410,682	128,895	0	342,660	0	0	0	17,314,928
21	Jun-17	16,140,813	549,837	3,405,055	0	9,307,306	0	0	0	16,140,813	230,272	153,891	0	403,408	0	0	0	16,928,384
22	Jul-17	17,030,243	601,312	4,068,481	0	8,332,443	0	0	0	17,030,243	251,829	183,874	0	361,155	0	0	0	17,827,102
23	Aug-17	18,264,926	325,370	4,419,253	0	10,085,662	0	0	0	18,264,926	136,265	199,727	0	437,145	0	0	0	19,038,064
24	Sep-17	11,509,545	404,491	4,577,333	0	16,534,753	0	0	0	11,509,545	169,401	206,872	0	716,669	0	0	0	12,602,487
25	Oct-17	17,780,221	(93,578)	4,056,653	0	11,567,688	0	0	0	17,780,221	(39,219)	185,335	0	504,153	0	0	0	18,430,491
26	Nov-17	18,391,940	(85,870)	4,278,176	0	11,500,465	0	0	0	18,391,940	(35,988)	195,456	0	501,224	0	0	0	19,052,631
27	Dec-17	15,745,362	562,277	1,782,757	0	6,900,741	0	0	0	15,745,362	235,650	81,448	0	300,754	0	0	0	16,363,215
28	Jan-18	16,042,270	893,130	1,805,353	0	7,854,803	0	0	0	16,042,270	374,311	82,481	0	342,335	0	0	0	16,841,396
29	Feb-18	17,176,206	1,092,899	1,909,412	0	7,580,110	0	0	0	17,176,206	458,034	87,235	0	330,363	0	0	0	18,051,838
30	Mar-18	19,077,682	706,699	2,309,501	0	14,397,497	0	0	0	19,077,682	296,177	105,514	0	627,485	0	0	0	20,106,858
31	Apr-18	22,345,079	638,313	3,315,500	0	12,852,141	0	0	0	22,345,079	267,517	151,475	0	560,134	0	0	0	23,324,204
32	May-18	25,266,597	775,828	3,667,881	0	12,565,828	0	0	0	25,266,597	325,150	167,574	0	547,655	0	0	0	26,306,976
33	Average	17,784,890	565,487	3,265,181	0	10,568,090	0	0	0	17,784,890	236,929	148,444	0	459,626	0	0	0	18,629,890
34																		

WP 7-1

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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN	Total Tennessee
									FY16		43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%	
									Oct FY17		41.81%	4.52%	1.86%	4.26%	1.29%	5.20%	0.00%	
									Nov-Dec FY17		41.88%	4.52%	1.86%	4.36%	1.29%	5.37%	0.00%	
									Jan-Sep FY17		41.88%	4.52%	1.86%	4.33%	1.29%	5.36%	0.00%	
										100%	41.91%	4.57%	1.88%	4.36%	1.32%	5.36%	0.00%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
35	Inventories- Plant Materials (Account 1540)																	
36																		
37	May-17	0	76,075	0	0	0	0	0	0	0	31,860	0	0	0	0	0	0	31,860
38	Jun-17	0	76,075	0	0	0	0	0	0	0	31,860	0	0	0	0	0	0	31,860
39	Jul-17	0	76,075	0	0	0	0	0	0	0	31,860	0	0	0	0	0	0	31,860
40	Aug-17	0	76,075	0	0	0	0	0	0	0	31,860	0	0	0	0	0	0	31,860
41	Sep-17	0	76,075	0	0	0	0	0	0	0	31,860	0	0	0	0	0	0	31,860
42	Oct-17	0	76,068	0	0	0	0	0	0	0	31,880	0	0	0	0	0	0	31,880
43	Nov-17	0	76,068	0	0	0	0	0	0	0	31,880	0	0	0	0	0	0	31,880
44	Dec-17	0	76,068	0	0	0	0	0	0	0	31,880	0	0	0	0	0	0	31,880
45	Jan-18	0	76,068	0	0	0	0	0	0	0	31,880	0	0	0	0	0	0	31,880
46	Feb-18	0	76,068	0	0	0	0	0	0	0	31,880	0	0	0	0	0	0	31,880
47	Mar-18	0	76,068	0	0	0	0	0	0	0	31,880	0	0	0	0	0	0	31,880
48	Apr-18	0	76,068	0	0	0	0	0	0	0	31,880	0	0	0	0	0	0	31,880
49	May-18	0	64,640	0	0	0	0	0	0	0	27,091	0	0	0	0	0	0	27,091
50	Average	0	75,192	0	0	0	0	0	0	0	31,504	0	0	0	0	0	0	31,504
51																		
52	Inventories- Gas Stored (Account 1641)																	
53																		
54	May-17	3,324,309	0	0	0	0	0	0	0	3,324,309	0	0	0	0	0	0	0	3,324,309
55	Jun-17	4,173,868	0	0	0	0	0	0	0	4,173,868	0	0	0	0	0	0	0	4,173,868
56	Jul-17	5,248,371	0	0	0	0	0	0	0	5,248,371	0	0	0	0	0	0	0	5,248,371
57	Aug-17	6,348,943	0	0	0	0	0	0	0	6,348,943	0	0	0	0	0	0	0	6,348,943
58	Sep-17	7,351,047	0	0	0	0	0	0	0	7,351,047	0	0	0	0	0	0	0	7,351,047
59	Oct-17	8,153,627	0	0	0	0	0	0	0	8,153,627	0	0	0	0	0	0	0	8,153,627
60	Nov-17	8,246,120	0	0	0	0	0	0	0	8,246,120	0	0	0	0	0	0	0	8,246,120
61	Dec-17	5,626,240	0	0	0	0	0	0	0	5,626,240	0	0	0	0	0	0	0	5,626,240
62	Jan-18	3,233,440	0	0	0	0	0	0	0	3,233,440	0	0	0	0	0	0	0	3,233,440
63	Feb-18	2,690,790	0	0	0	0	0	0	0	2,690,790	0	0	0	0	0	0	0	2,690,790
64	Mar-18	831,112	0	0	0	0	0	0	0	831,112	0	0	0	0	0	0	0	831,112
65	Apr-18	1,368,505	0	0	0	0	0	0	0	1,368,505	0	0	0	0	0	0	0	1,368,505
66	May-18	2,631,037	0	0	0	0	0	0	0	2,631,037	0	0	0	0	0	0	0	2,631,037
67	Average	4,555,955	0	0	0	0	0			4,555,955	0	0	0	0	0	0	0	4,555,955
68																		

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

WP 7-1

	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN
FY16		43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%
Oct FY17		41.81%	4.52%	1.86%	4.26%	1.29%	5.20%	0.00%
Nov-Dec FY17		41.88%	4.52%	1.86%	4.36%	1.29%	5.37%	0.00%
Jan-Sep FY17		41.88%	4.52%	1.86%	4.33%	1.29%	5.36%	0.00%

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	100%	41.91%	4.57%	1.88%	4.36%	1.32%	5.36%	0.00%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
69	**Customers Deposits (Account 2350)**																	
70																		
71	May-17	(1,855,686)	0	0	0	0	0	0	0	(1,855,686)	0	0	0	0	0	0	0	(1,855,686)
72	Jun-17	(1,789,099)	0	0	0	0	0	0	0	(1,789,099)	0	0	0	0	0	0	0	(1,789,099)
73	Jul-17	(1,726,902)	0	0	0	0	0	0	0	(1,726,902)	0	0	0	0	0	0	0	(1,726,902)
74	Aug-17	(1,679,874)	0	0	0	0	0	0	0	(1,679,874)	0	0	0	0	0	0	0	(1,679,874)
75	Sep-17	(1,647,626)	0	0	0	0	0	0	0	(1,647,626)	0	0	0	0	0	0	0	(1,647,626)
76	Oct-17	(1,640,924)	0	0	0	0	0	0	0	(1,640,924)	0	0	0	0	0	0	0	(1,640,924)
77	Nov-17	(1,608,700)	0	0	0	0	0	0	0	(1,608,700)	0	0	0	0	0	0	0	(1,608,700)
78	Dec-17	(1,580,328)	0	0	0	0	0	0	0	(1,580,328)	0	0	0	0	0	0	0	(1,580,328)
79	Jan-18	(1,548,410)	0	0	0	0	0	0	0	(1,548,410)	0	0	0	0	0	0	0	(1,548,410)
80	Feb-18	(1,555,682)	0	0	0	0	0	0	0	(1,555,682)	0	0	0	0	0	0	0	(1,555,682)
81	Mar-18	(1,556,309)	0	0	0	0	0	0	0	(1,556,309)	0	0	0	0	0	0	0	(1,556,309)
82	Apr-18	(1,470,098)	0	0	0	0	0	0	0	(1,470,098)	0	0	0	0	0	0	0	(1,470,098)
83	May-18	(1,452,699)	0	0	0	0	0	0	0	(1,452,699)	0	0	0	0	0	0	0	(1,452,699)
84	Average	(1,624,026)	0	0	0	0	0	0	0	(1,624,026)	0	0	0	0	0	0	0	(1,624,026)
85																		
86																		
87	**Accumulated Deferred FIT (Total Accounts 1900, 2820, 2830) adjusted to remove a non-utility item**																	
88																		
89	May-17	(85,402,623)	(6,231,569)	(27,916,940)	0	819,137,802	0	0	0	(85,402,623)	(2,609,781)	(1,261,701)	0	35,504,054	0	0	0	(53,770,052)
90	Jun-17	(85,402,623)	(9,643,508)	(27,916,940)	0	832,930,453	0	0	0	(85,402,623)	(4,038,701)	(1,261,701)	0	36,101,871	0	0	0	(54,601,154)
91	Jul-17	(85,402,623)	(9,643,508)	(27,916,940)	0	832,182,919	0	0	0	(85,402,623)	(4,038,701)	(1,261,701)	0	36,069,471	0	0	0	(54,633,555)
92	Aug-17	(85,402,623)	(9,643,508)	(27,916,940)	0	839,781,098	0	0	0	(85,402,623)	(4,038,701)	(1,261,701)	0	36,398,800	0	0	0	(54,304,225)
93	Sep-17	(89,403,238)	4,826,649	(28,507,890)	0	870,490,617	0	0	0	(89,403,238)	2,021,401	(1,288,409)	0	37,729,849	0	0	0	(50,940,397)
94	Oct-17	(89,403,238)	4,826,649	(28,507,890)	0	868,005,751	0	0	0	(89,403,238)	2,022,849	(1,302,434)	0	37,830,208	0	0	0	(50,852,615)
95	Nov-17	(89,403,238)	4,826,649	(28,507,890)	0	867,704,108	0	0	0	(89,403,238)	2,022,849	(1,302,434)	0	37,817,061	0	0	0	(50,865,762)
96	Dec-17	(46,302,235)	(5,505,684)	(17,823,388)	0	531,295,885	0	0	0	(46,302,235)	(2,307,432)	(814,293)	0	23,155,415	0	0	0	(26,268,545)
97	Jan-18	(46,302,235)	(5,505,684)	(17,823,388)	0	524,162,535	0	0	0	(46,302,235)	(2,307,432)	(814,293)	0	22,844,523	0	0	0	(26,579,437)
98	Feb-18	(46,302,235)	(5,505,684)	(17,823,388)	0	521,574,771	0	0	0	(46,302,235)	(2,307,432)	(814,293)	0	22,731,741	0	0	0	(26,692,219)
99	Mar-18	(49,678,703)	446,994	(18,073,407)	0	461,267,696	0	0	0	(49,678,703)	187,335	(825,716)	0	20,103,384	0	0	0	(30,213,700)
100	Apr-18	(49,678,703)	446,994	(18,073,407)	0	456,888,409	0	0	0	(49,678,703)	187,335	(825,716)	0	19,912,522	0	0	0	(30,404,562)
101	May-18	(49,678,703)	446,994	(18,073,407)	0	458,122,862	0	0	0	(49,678,703)	187,335	(825,716)	0	19,966,323	0	0	0	(30,350,761)
102	Average	(69,058,694)	(2,758,324)	(23,452,447)	0	683,349,608	0	0	0	(69,058,694)	(1,155,314)	(1,066,162)	0	29,705,017	0	0	0	(41,575,153)
103																		

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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN	Total Tennessee
									FY16		43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%	
									Oct FY17		41.81%	4.52%	1.86%	4.26%	1.29%	5.20%	0.00%	
									Nov-Dec FY17		41.88%	4.52%	1.86%	4.36%	1.29%	5.37%	0.00%	
									Jan-Sep FY17		41.88%	4.52%	1.86%	4.33%	1.29%	5.36%	0.00%	
										100%	41.91%	4.57%	1.88%	4.36%	1.32%	5.36%	0.00%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
104	**Accumulated Depreciation (Account 1080)**																	
105																		
106	May-17	(194,842,131)	(1,916,482)	(33,210,171)	(3,169,221)	(78,706,021)	(3,260,381)	(12,685,334)	(2,192,977)	(194,842,131)	(802,623)	(1,500,928)	(58,911)	(3,411,371)	(42,024)	(680,505)	0	(201,338,493)
107	Jun-17	(194,511,163)	(1,920,452)	(33,850,241)	(3,225,120)	(79,434,370)	(3,316,963)	(12,782,576)	(2,350,667)	(194,511,163)	(804,285)	(1,529,856)	(59,950)	(3,442,940)	(42,753)	(685,722)	0	(201,076,669)
108	Jul-17	(195,196,836)	(1,924,423)	(34,490,180)	(3,273,536)	(80,264,435)	(3,373,545)	(12,909,083)	(2,508,356)	(195,196,836)	(805,948)	(1,558,777)	(60,850)	(3,478,917)	(43,482)	(692,509)	0	(201,837,321)
109	Aug-17	(195,912,541)	(1,928,394)	(35,130,304)	(3,306,450)	(81,070,568)	(3,397,085)	(13,051,967)	(2,607,679)	(195,912,541)	(807,611)	(1,587,708)	(61,462)	(3,513,858)	(43,786)	(700,174)	0	(202,627,140)
110	Sep-17	(195,958,040)	(1,932,364)	(35,771,122)	(3,355,814)	(81,107,378)	(3,420,625)	(13,178,424)	(2,707,002)	(195,958,040)	(809,274)	(1,616,669)	(62,380)	(3,515,453)	(44,089)	(706,957)	0	(202,712,863)
111	Oct-17	(196,519,380)	(1,936,360)	(36,412,574)	(3,397,264)	(81,962,480)	(3,444,179)	(13,307,495)	(2,807,697)	(196,519,380)	(811,529)	(1,663,573)	(63,793)	(3,572,163)	(45,537)	(712,705)	0	(203,388,680)
112	Nov-17	(197,340,735)	(1,940,356)	(37,054,059)	(3,445,349)	(82,803,106)	(3,467,734)	(13,438,210)	(2,908,392)	(197,340,735)	(813,203)	(1,692,881)	(64,696)	(3,608,800)	(45,848)	(719,706)	0	(204,285,869)
113	Dec-17	(198,200,913)	(1,940,340)	(37,704,729)	(3,491,997)	(83,628,076)	(3,498,662)	(13,578,408)	(3,009,087)	(198,200,913)	(813,196)	(1,722,608)	(65,572)	(3,644,754)	(46,257)	(727,214)	0	(205,220,515)
114	Jan-18	(198,842,933)	(1,944,601)	(38,355,581)	(3,538,878)	(84,460,320)	(3,522,354)	(13,710,531)	(3,109,782)	(198,842,933)	(814,982)	(1,752,343)	(66,453)	(3,681,026)	(46,570)	(734,291)	0	(205,938,598)
115	Feb-18	(199,559,448)	(1,948,863)	(39,006,602)	(3,585,758)	(85,286,248)	(3,546,047)	(13,842,654)	(3,211,389)	(199,559,448)	(816,768)	(1,782,086)	(67,333)	(3,717,022)	(46,884)	(741,367)	0	(206,730,907)
116	Mar-18	(200,111,368)	(1,950,338)	(39,657,591)	(3,632,720)	(86,110,603)	(3,569,761)	(13,974,777)	(3,312,996)	(200,111,368)	(817,387)	(1,811,828)	(68,215)	(3,752,950)	(47,197)	(748,443)	0	(207,357,387)
117	Apr-18	(201,036,837)	(1,954,601)	(40,308,580)	(3,679,632)	(86,934,978)	(3,593,475)	(14,106,944)	(3,414,602)	(201,036,837)	(819,173)	(1,841,569)	(69,096)	(3,788,878)	(47,511)	(755,521)	0	(208,358,585)
118	May-18	(201,861,526)	(1,958,867)	(40,959,601)	(3,726,780)	(87,759,404)	(3,617,230)	(14,239,112)	(3,516,209)	(201,861,526)	(820,961)	(1,871,312)	(69,981)	(3,824,809)	(47,825)	(762,600)	0	(209,259,014)
119	Average	(197,684,142)	(1,938,188)	(37,070,103)	(3,448,348)	(83,040,614)	(3,463,695)	(13,446,578)	(2,896,680)	(197,684,142)	(812,072)	(1,687,088)	(64,515)	(3,611,765)	(45,366)	(720,593)	0	(204,625,542)
120																		
121																		
122	**Customers Advances (Account 2520)**																	
123																		
124	May-17	(16,580)	0	0	0	0	0			(16,580)	0	0	0	0	0	0	0	(16,580)
125	Jun-17	(20,280)	0	0	0	0	0			(20,280)	0	0	0	0	0	0	0	(20,280)
126	Jul-17	(20,280)	0	0	0	0	0			(20,280)	0	0	0	0	0	0	0	(20,280)
127	Aug-17	(20,280)	0	0	0	0	0			(20,280)	0	0	0	0	0	0	0	(20,280)
128	Sep-17	(20,280)	0	0	0	0	0			(20,280)	0	0	0	0	0	0	0	(20,280)
129	Oct-17	(20,280)	0	0	0	0	0			(20,280)	0	0	0	0	0	0	0	(20,280)
130	Nov-17	(20,280)	0	0	0	0	0			(20,280)	0	0	0	0	0	0	0	(20,280)
131	Dec-17	(20,280)	0	0	0	0	0			(20,280)	0	0	0	0	0	0	0	(20,280)
132	Jan-18	(20,280)	0	0	0	0	0			(20,280)	0	0	0	0	0	0	0	(20,280)
133	Feb-18	(20,280)	0	0	0	0	0			(20,280)	0	0	0	0	0	0	0	(20,280)
134	Mar-18	(20,280)	0	0	0	0	0			(20,280)	0	0	0	0	0	0	0	(20,280)
135	Apr-18	(20,280)	0	0	0	0	0			(20,280)	0	0	0	0	0	0	0	(20,280)
136	May-18	(20,280)	0	0	0	0	0			(20,280)	0	0	0	0	0	0	0	(20,280)
137	Average	(19,995)	0	0	0	0	0			(19,995)	0	0	0	0	0	0	0	(19,995)
138																		

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

	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN
FY16		43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%
Oct FY17		41.81%	4.52%	1.86%	4.26%	1.29%	5.20%	0.00%
Nov-Dec FY17		41.88%	4.52%	1.86%	4.36%	1.29%	5.37%	0.00%
Jan-Sep FY17		41.88%	4.52%	1.86%	4.33%	1.29%	5.36%	0.00%

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002- SSU General	Greenville	AEAM	ALGN	100%	41.91%	4.57%	1.88%	4.36%	1.32%	5.36%	0.00%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
139	Interest on Customer Deposits (Account 2370-26919)																	
140																		
141	May-17	(29,971)	0	0	0	0	0			(29,971)	0	0	0	0	0	0	0	(29,971)
142	Jun-17	(40,880)	0	0	0	0	0			(40,880)	0	0	0	0	0	0	0	(40,880)
143	Jul-17	(47,012)	0	0	0	0	0			(47,012)	0	0	0	0	0	0	0	(47,012)
144	Aug-17	(51,676)	0	0	0	0	0			(51,676)	0	0	0	0	0	0	0	(51,676)
145	Sep-17	(55,077)	0	0	0	0	0			(55,077)	0	0	0	0	0	0	0	(55,077)
146	Oct-17	(59,153)	0	0	0	0	0			(59,153)	0	0	0	0	0	0	0	(59,153)
147	Nov-17	(62,102)	0	0	0	0	0			(62,102)	0	0	0	0	0	0	0	(62,102)
148	Dec-17	(64,646)	0	0	0	0	0			(64,646)	0	0	0	0	0	0	0	(64,646)
149	Jan-18	(68,432)	0	0	0	0	0			(68,432)	0	0	0	0	0	0	0	(68,432)
150	Feb-18	(39,941)	0	0	0	0	0			(39,941)	0	0	0	0	0	0	0	(39,941)
151	Mar-18	(46,582)	0	0	0	0	0			(46,582)	0	0	0	0	0	0	0	(46,582)
152	Apr-18	(52,727)	0	0	0	0	0			(52,727)	0	0	0	0	0	0	0	(52,727)
153	May-18	(58,437)	0	0	0	0	0			(58,437)	0	0	0	0	0	0	0	(58,437)
154	Average	(52,049)	0	0	0	0	0			(52,049)	0	0	0	0	0	0	0	(52,049)
155																		
156	Net elimination of intercompany leased property																	
157																		
158	May-17	5,596,124	0	0	0	0	0			5,596,124	0	0	0	0	0	0	0	5,596,124
159	Jun-17	5,578,765	0	0	0	0	0			5,578,765	0	0	0	0	0	0	0	5,578,765
160	Jul-17	5,561,407	0	0	0	0	0			5,561,407	0	0	0	0	0	0	0	5,561,407
161	Aug-17	5,544,048	0	0	0	0	0			5,544,048	0	0	0	0	0	0	0	5,544,048
162	Sep-17	5,531,400	0	0	0	0	0			5,531,400	0	0	0	0	0	0	0	5,531,400
163	Oct-17	5,514,030	0	0	0	0	0			5,514,030	0	0	0	0	0	0	0	5,514,030
164	Nov-17	5,496,659	0	0	0	0	0			5,496,659	0	0	0	0	0	0	0	5,496,659
165	Dec-17	5,479,289	0	0	0	0	0			5,479,289	0	0	0	0	0	0	0	5,479,289
166	Jan-18	5,461,918	0	0	0	0	0			5,461,918	0	0	0	0	0	0	0	5,461,918
167	Feb-18	5,444,548	0	0	0	0	0			5,444,548	0	0	0	0	0	0	0	5,444,548
168	Mar-18	5,427,178	0	0	0	0	0			5,427,178	0	0	0	0	0	0	0	5,427,178
169	Apr-18	5,409,807	0	0	0	0	0			5,409,807	0	0	0	0	0	0	0	5,409,807
170	May-18	5,392,436	0	0	0	0	0			5,392,436	0	0	0	0	0	0	0	5,392,436
171	Average	5,495,201	0	0	0	0	0			5,495,201	0	0	0	0	0	0	0	5,495,201

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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	AEAM	ALGN
	(a)	(b)	(c)	(d)	(e)	(f)	(g)		
1	**Gas Plant in Service (Account 101)**								
2									
3	Sep-15	$ 459,640,793	$ 4,746,113	$ 143,900,780	$ 12,955,099	$ 179,508,845	$ 9,263,141	$ -	$ -
4	Oct-15	$ 460,728,864	$ 4,746,113	$ 146,405,312	$ 12,955,099	$ 179,574,986	$ 9,263,141	$ -	$ -
5	Nov-15	$ 462,660,091	$ 4,753,091	$ 146,432,452	$ 12,955,099	$ 179,570,339	$ 9,263,141	$ -	$ -
6	Dec-15	$ 463,898,281	$ 3,822,932	$ 148,392,553	$ 12,955,099	$ 165,810,802	$ 9,263,141	$ 21,681,034	$ -
7	Jan-16	$ 464,583,688	$ 3,822,821	$ 148,421,275	$ 12,955,099	$ 165,865,384	$ 9,196,755	$ 21,681,034	$ -
8	Feb-16	$ 465,934,928	$ 3,822,821	$ 148,453,724	$ 12,955,099	$ 165,899,953	$ 9,196,755	$ 21,681,034	$ -
9	Mar-16	$ 468,424,248	$ 3,821,715	$ 148,987,856	$ 12,955,099	$ 165,973,519	$ 9,196,755	$ 21,720,201	$ -
10	Apr-16	$ 469,795,847	$ 3,821,715	$ 148,981,307	$ 12,955,099	$ 166,017,098	$ 9,196,755	$ 21,720,201	$ -
11	May-16	$ 471,781,613	$ 3,844,890	$ 149,321,871	$ 12,955,099	$ 166,700,805	$ 9,196,755	$ 21,720,201	$ -
12	Jun-16	$ 472,633,989	$ 3,837,561	$ 149,400,613	$ 12,955,099	$ 166,749,207	$ 9,196,755	$ 21,720,201	$ -
13	Jul-16	$ 475,718,600	$ 3,838,277	$ 149,406,119	$ 12,955,099	$ 167,413,171	$ 9,196,755	$ 21,720,201	$ -
14	Aug-16	$ 479,025,599	$ 3,838,277	$ 149,325,218	$ 15,056,078	$ 165,513,148	$ 9,196,755	$ 21,694,056	$ -
15	Sep-16	$ 488,567,203	$ 3,838,257	$ 125,095,393	$ 15,067,448	$ 133,411,908	$ 9,196,755	$ 21,970,034	$ 17,637,860
16	Average	$ 469,491,827	$ 4,042,660	$ 146,348,036	$ 13,279,201	$ 166,769,936	$ 9,217,182	$ 16,716,015	$ 1,356,758
17									
18	**Construction Work in Process (Account 1070)**								
19									
20	Sep-15	$ 3,636,428	$ (31,787)	$ 3,289,307	$ -	$ 22,140,326	$ -	$ -	$ -
21	Oct-15	$ 5,466,732	$ 15,967	$ 1,946,758	$ -	$ 20,458,782	$ -	$ -	$ -
22	Nov-15	$ 6,563,188	$ (86,146)	$ 2,076,650	$ -	$ 21,792,320	$ -	$ -	$ -
23	Dec-15	$ 7,184,583	$ 104,199	$ 754,112	$ -	$ 19,265,568	$ -	$ -	$ -
24	Jan-16	$ 7,763,425	$ 291,405	$ 865,209	$ -	$ 19,014,421	$ -	$ -	$ -
25	Feb-16	$ 8,350,180	$ 226,541	$ 1,600,331	$ -	$ 19,801,001	$ -	$ -	$ -
26	Mar-16	$ 9,552,085	$ 657,200	$ 1,375,485	$ -	$ 24,496,289	$ -	$ -	$ -
27	Apr-16	$ 10,297,463	$ 683,333	$ 1,880,317	$ -	$ 25,393,188	$ -	$ -	$ -
28	May-16	$ 11,228,471	$ 750,911	$ 1,873,986	$ -	$ 25,332,896	$ -	$ -	$ -
29	Jun-16	$ 13,124,282	$ 663,366	$ 2,120,281	$ -	$ 28,458,555	$ -	$ -	$ -
30	Jul-16	$ 11,983,706	$ 846,475	$ 2,281,485	$ -	$ 28,786,709	$ -	$ -	$ -
31	Aug-16	$ 11,534,764	$ 479,088	$ 2,699,372	$ -	$ 29,472,446	$ -	$ -	$ -
32	Sep-16	$ 5,923,408	$ 478,270	$ 3,463,699	$ -	$ 14,245,888	$ -	$ -	$ -
33	Average	$ 8,662,209	$ 390,679	$ 2,017,461	$ -	$ 22,973,722	$ -	$ -	$ -

Line No.	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN	
	FY15	100.00%	40.68%	4.41%	0.84%	4.36%	1.28%	0.00%	0.00%	
	FY16	100.00%	43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%	Total Tennessee
		(h)	(i)	(j)	(k)	(l)	(m)			(n)
1										
2										
3		$ 459,640,793	$ 1,930,694	$ 6,345,948	$ 108,312	$ 7,820,791	$ 118,330	$ -	$ -	$ 475,964,868
4		460,728,864	2,051,933	6,532,445	125,056	7,950,068	123,634	0	0	$ 477,512,001
5		462,660,091	2,054,950	6,533,656	125,056	7,949,863	123,634	0	0	$ 479,447,251
6		463,898,281	1,652,805	6,621,114	125,056	7,340,706	123,634	1,151,074	0	$ 480,912,671
7		464,583,688	1,652,757	6,622,396	125,056	7,343,123	122,748	1,151,074	0	$ 481,600,842
8		465,934,928	1,652,757	6,623,843	125,056	7,344,653	122,748	1,151,074	0	$ 482,955,061
9		468,424,248	1,652,279	6,647,676	125,056	7,347,910	122,748	1,153,154	0	$ 485,473,071
10		469,795,847	1,652,279	6,647,384	125,056	7,349,839	122,748	1,153,154	0	$ 486,846,307
11		471,781,613	1,662,298	6,662,579	125,056	7,380,108	122,748	1,153,154	0	$ 488,887,557
12		472,633,989	1,659,130	6,666,093	125,056	7,382,251	122,748	1,153,154	0	$ 489,742,421
13		475,718,600	1,659,439	6,666,338	125,056	7,411,646	122,748	1,153,154	0	$ 492,856,982
14		479,025,599	1,659,439	6,662,728	145,337	7,327,529	122,748	1,151,766	0	$ 496,095,147
15		488,567,203	1,659,431	5,581,620	145,447	5,906,356	122,748	1,166,418	0	$ 503,149,223
16		$ 469,491,827	$ 1,738,476	$ 6,524,140	$ 126,897	$ 7,373,449	$ 122,613	$ 887,475	$ -	$ 486,264,877
17										
18										
19										
20		$ 3,636,428	$ (12,931)	$ 145,057	$ -	$ 964,604	$ -	$ -	$ -	$ 4,733,158
21		5,466,732	6,903	86,862	0	905,743	0	0	0	$ 6,466,240
22		6,563,188	(37,244)	92,658	0	964,780	0	0	0	$ 7,583,382
23		7,184,583	45,049	33,648	0	852,917	0	0	0	$ 8,116,197
24		7,763,425	125,986	38,605	0	841,798	0	0	0	$ 8,769,815
25		8,350,180	97,943	71,405	0	876,622	0	0	0	$ 9,396,149
26		9,552,085	284,134	61,373	0	1,084,489	0	0	0	$ 10,982,081
27		10,297,463	295,432	83,898	0	1,124,197	0	0	0	$ 11,800,989
28		11,228,471	324,649	83,615	0	1,121,527	0	0	0	$ 12,758,262
29		13,124,282	286,800	94,605	0	1,259,905	0	0	0	$ 14,765,591
30		11,983,706	365,965	101,797	0	1,274,433	0	0	0	$ 13,725,901
31		11,534,764	207,129	120,443	0	1,304,792	0	0	0	$ 13,167,127
32		5,923,408	206,775	154,546	0	630,688	0	0	0	$ 6,915,418
33		$ 8,662,209	$ 168,968	$ 89,885	$ -	$ 1,015,884	$ -	$ -	$ -	$ 9,936,947

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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	AEAM	ALGN	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN	Total Tennessee
										FY15	100.00%	40.68%	4.41%	0.84%	4.36%	1.28%	0.00%	0.00%	
										FY16	100.00%	43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)				(h)	(i)	(j)	(k)	(l)	(m)			(n)
34																			
35	**Inventories- Plant Materials (Account 1540)**																		
36																			
37	Sep-15	$ -	$ 12,038	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ 4,897	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,897
38	Oct-15	$ -	$ 12,038	$ -	$ -	$ -	$ -	$ -	$ -		0	5,205	0	0	0	0	0	0	$ 5,205
39	Nov-15	$ -	$ 12,038	$ -	$ -	$ -	$ -	$ -	$ -		0	5,205	0	0	0	0	0	0	$ 5,205
40	Dec-15	$ -	$ 12,038	$ -	$ -	$ -	$ -	$ -	$ -		0	5,205	0	0	0	0	0	0	$ 5,205
41	Jan-16	$ -	$ 12,038	$ -	$ -	$ -	$ -	$ -	$ -		0	5,205	0	0	0	0	0	0	$ 5,205
42	Feb-16	$ -	$ 12,038	$ -	$ -	$ -	$ -	$ -	$ -		0	5,205	0	0	0	0	0	0	$ 5,205
43	Mar-16	$ -	$ 12,038	$ -	$ -	$ -	$ -	$ -	$ -		0	5,205	0	0	0	0	0	0	$ 5,205
44	Apr-16	$ -	$ 12,038	$ -	$ -	$ -	$ -	$ -	$ -		0	5,205	0	0	0	0	0	0	$ 5,205
45	May-16	$ -	$ 76,110	$ -	$ -	$ -	$ -	$ -	$ -		0	32,906	0	0	0	0	0	0	$ 32,906
46	Jun-16	$ -	$ 76,110	$ -	$ -	$ -	$ -	$ -	$ -		0	32,906	0	0	0	0	0	0	$ 32,906
47	Jul-16	$ -	$ 76,110	$ -	$ -	$ -	$ -	$ -	$ -		0	32,906	0	0	0	0	0	0	$ 32,906
48	Aug-16	$ -	$ 76,110	$ -	$ -	$ -	$ -	$ -	$ -		0	32,906	0	0	0	0	0	0	$ 32,906
49	Sep-16	$ -	$ 76,110	$ -	$ -	$ -	$ -	$ -	$ -		0	32,906	0	0	0	0	0	0	$ 32,906
50	Average	$ -	$ 36,681	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ 15,835	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,835
51																			
52																			
53	**Inventories- Gas Stored (Account 1641)**																		
54	*Includes Tennessee stored gas in Division 93 and an allocated portion of Tennessee stored gas in Division 96*																		
55	Sep-15	$ 6,991,712	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ 6,991,712	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,991,712
56	Oct-15	$ 7,900,453	$ -	$ -	$ -	$ -	$ -	$ -	$ -		7,900,453	0	0	0	0	0	0	0	$ 7,900,453
57	Nov-15	$ 7,356,415	$ -	$ -	$ -	$ -	$ -	$ -	$ -		7,356,415	0	0	0	0	0	0	0	$ 7,356,415
58	Dec-15	$ 6,956,958	$ -	$ -	$ -	$ -	$ -	$ -	$ -		6,956,958	0	0	0	0	0	0	0	$ 6,956,958
59	Jan-16	$ 4,731,251	$ -	$ -	$ -	$ -	$ -	$ -	$ -		4,731,251	0	0	0	0	0	0	0	$ 4,731,251
60	Feb-16	$ 3,343,955	$ -	$ -	$ -	$ -	$ -	$ -	$ -		3,343,955	0	0	0	0	0	0	0	$ 3,343,955
61	Mar-16	$ 1,671,951	$ -	$ -	$ -	$ -	$ -	$ -	$ -		1,671,951	0	0	0	0	0	0	0	$ 1,671,951
62	Apr-16	$ 1,703,976	$ -	$ -	$ -	$ -	$ -	$ -	$ -		1,703,976	0	0	0	0	0	0	0	$ 1,703,976
63	May-16	$ 2,231,950	$ -	$ -	$ -	$ -	$ -	$ -	$ -		2,231,950	0	0	0	0	0	0	0	$ 2,231,950
64	Jun-16	$ 2,959,949	$ -	$ -	$ -	$ -	$ -	$ -	$ -		2,959,949	0	0	0	0	0	0	0	$ 2,959,949
65	Jul-16	$ 4,122,035	$ -	$ -	$ -	$ -	$ -	$ -	$ -		4,122,035	0	0	0	0	0	0	0	$ 4,122,035
66	Aug-16	$ 5,150,603	$ -	$ -	$ -	$ -	$ -	$ -	$ -		5,150,603	0	0	0	0	0	0	0	$ 5,150,603
67	Sep-16	$ 6,084,410	$ -	$ -	$ -	$ -	$ -	$ -	$ -		6,084,410	0	0	0	0	0	0	0	$ 6,084,410
68	Average	$ 4,708,124	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ 4,708,124	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,708,124

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

WP 7-2

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	AEAM	ALGN	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN	Total Tennessee
										FY15	100.00%	40.68%	4.41%	0.84%	4.36%	1.28%	0.00%	0.00%	
										FY16	100.00%	43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)				(h)	(i)	(j)	(k)	(l)	(m)			(n)
69																			
70	**Customers Deposits (Account 2350)**																		
71																			
72	Sep-15	$ (4,648,844)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ (4,648,844)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,648,844)
73	Oct-15	$ (4,735,437)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(4,735,437)	0	0	0	0	0	0	0	$ (4,735,437)
74	Nov-15	$ (4,812,967)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(4,812,967)	0	0	0	0	0	0	0	$ (4,812,967)
75	Dec-15	$ (4,823,925)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(4,823,925)	0	0	0	0	0	0	0	$ (4,823,925)
76	Jan-16	$ (4,846,090)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(4,846,090)	0	0	0	0	0	0	0	$ (4,846,090)
77	Feb-16	$ (4,854,041)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(4,854,041)	0	0	0	0	0	0	0	$ (4,854,041)
78	Mar-16	$ (4,867,719)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(4,867,719)	0	0	0	0	0	0	0	$ (4,867,719)
79	Apr-16	$ (4,790,060)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(4,790,060)	0	0	0	0	0	0	0	$ (4,790,060)
80	May-16	$ (4,760,196)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(4,760,196)	0	0	0	0	0	0	0	$ (4,760,196)
81	Jun-16	$ (4,740,792)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(4,740,792)	0	0	0	0	0	0	0	$ (4,740,792)
82	Jul-16	$ (4,737,015)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(4,737,015)	0	0	0	0	0	0	0	$ (4,737,015)
83	Aug-16	$ (4,701,580)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(4,701,580)	0	0	0	0	0	0	0	$ (4,701,580)
84	Sep-16	$ (4,700,779)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(4,700,779)	0	0	0	0	0	0	0	$ (4,700,779)
85	Average	$ (4,770,726)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ (4,770,726)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,770,726)
86																			
87																			
88	**Accumulated Deferred FIT (Total Accounts 1900, 2820, 2830)**																		
89																			
90	Sep-15	$ (76,912,475)	$ 7,829,665	$ (32,443,581)	$ -	$ 604,875,858	$ -	$ -	$ -		$ (76,912,475)	$ 3,185,067	$ (1,430,745)	$ -	$ 26,353,062	$ -	$ -	$ -	$ (48,805,091)
91	Oct-15	$ (76,912,475)	$ 7,829,665	$ (32,443,581)	$ -	$ 603,307,067	$ -	$ -	$ -		(76,912,475)	3,385,075	(1,447,597)	0	26,709,357	0	0	0	$ (48,265,641)
92	Nov-15	$ (76,912,475)	$ 7,829,665	$ (32,443,581)	$ -	$ 604,894,112	$ -	$ -	$ -		(76,912,475)	3,385,075	(1,447,597)	0	26,779,618	0	0	0	$ (48,195,380)
93	Dec-15	$ (76,912,475)	$ 681,702	$ (32,443,581)	$ -	$ 623,532,935	$ -	$ -	$ -		(76,912,475)	294,727	(1,447,597)	0	27,604,788	0	0	0	$ (50,460,558)
94	Jan-16	$ (76,912,475)	$ 681,702	$ (32,443,581)	$ -	$ 644,433,091	$ -	$ -	$ -		(76,912,475)	294,727	(1,447,597)	0	28,530,160	0	0	0	$ (49,535,186)
95	Feb-16	$ (76,912,475)	$ 681,702	$ (32,443,581)	$ -	$ 659,145,947	$ -	$ -	$ -		(76,912,475)	294,727	(1,447,597)	0	29,181,433	0	0	0	$ (48,883,913)
96	Mar-16	$ (76,874,172)	$ (4,699,211)	$ (32,443,581)	$ -	$ 639,629,829	$ -	$ -	$ -		(76,874,172)	(2,031,655)	(1,447,597)	0	28,317,423	0	0	0	$ (52,036,002)
97	Apr-16	$ (76,874,172)	$ (4,699,211)	$ (32,443,581)	$ -	$ 637,257,954	$ -	$ -	$ -		(76,874,172)	(2,031,655)	(1,447,597)	0	28,212,416	0	0	0	$ (52,141,008)
98	May-16	$ (76,874,172)	$ (4,699,211)	$ (32,443,581)	$ -	$ 641,357,702	$ -	$ -	$ -		(76,874,172)	(2,031,655)	(1,447,597)	0	28,393,919	0	0	0	$ (51,959,506)
99	Jun-16	$ (76,874,172)	$ (5,336,763)	$ (32,443,581)	$ -	$ 688,270,557	$ -	$ -	$ -		(76,874,172)	(2,307,294)	(1,447,597)	0	30,470,825	0	0	0	$ (50,158,239)
100	Jul-16	$ (76,874,172)	$ (5,336,763)	$ (32,443,581)	$ -	$ 696,819,996	$ -	$ -	$ -		(76,874,172)	(2,307,294)	(1,447,597)	0	30,849,322	0	0	0	$ (49,779,742)
101	Aug-16	$ (76,874,172)	$ (5,336,763)	$ (32,443,581)	$ -	$ 701,475,734	$ -	$ -	$ -		(76,874,172)	(2,307,294)	(1,447,597)	0	31,055,439	0	0	0	$ (49,573,625)
102	Sep-16	$ (85,402,623)	$ 9,879,810	$ (27,916,940)	$ -	$ 863,978,423	$ -	$ -	$ -		(85,402,623)	4,271,434	(1,245,623)	0	38,249,690	0	0	0	$ (44,127,123)
103	Average	$ (77,547,885)	$ 408,153	$ (32,095,377)	$ -	$ 662,229,324	$ -	$ -	$ -		$ (77,547,885)	$ 161,075	$ (1,430,764)	$ -	$ 29,285,189	$ -	$ -	$ -	$ (49,532,386)

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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	AEAM	ALGN	Factors	Division 093	Division 091	Division 012	CKV	Division 002	Greenville	AEAM	ALGN	Total Tennessee
										FY15	100.00%	40.68%	4.41%	0.84%	4.36%	1.28%	0.00%	0.00%	
										FY16	100.00%	43.23%	4.46%	0.97%	4.43%	1.33%	5.31%	0.00%	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)				(h)	(i)	(j)	(k)	(l)	(m)			(n)
104																			
105	**Accumulated Depreciation (Account 1080)**																		
106																			
107	Sep-15	$ (180,472,042)	$ (3,057,056)	$ (46,569,104)	$ (3,304,478)	$ (111,860,017)	$ (3,979,038)	$ (0)	$ -		$ (180,472,042)	$ (1,243,595)	$ (2,053,673)	$ (27,627)	$ (4,873,486)	$ (50,829)	$ -	$ -	$ (188,721,251)
108	Oct-15	$ (181,166,582)	$ (3,069,581)	$ (47,321,628)	$ (3,337,584)	$ (112,907,554)	$ (4,036,223)	$ (0)	$ -		(181,166,582)	(1,327,101)	(2,111,439)	(32,218)	(4,998,596)	(53,871)	(0)	0	$ (189,689,807)
109	Nov-15	$ (181,857,880)	$ (3,080,857)	$ (48,074,187)	$ (3,370,691)	$ (113,955,077)	$ (4,093,408)	$ (0)	$ -		(181,857,880)	(1,331,977)	(2,145,018)	(32,537)	(5,044,971)	(54,634)	(0)	0	$ (190,467,017)
110	Dec-15	$ (181,679,454)	$ (2,158,416)	$ (48,834,173)	$ (3,403,797)	$ (114,387,785)	$ (4,150,593)	$ (636,173)	$ -		(181,679,454)	(933,169)	(2,178,928)	(32,857)	(5,064,128)	(55,398)	(33,775)	0	$ (189,977,708)
111	Jan-16	$ (181,895,145)	$ (2,163,369)	$ (50,793,309)	$ (2,237,354)	$ (116,725,558)	$ (2,353,511)	$ (1,226,454)	$ -		(181,895,145)	(935,310)	(2,266,342)	(21,597)	(5,167,625)	(31,412)	(65,114)	0	$ (190,382,546)
112	Feb-16	$ (182,469,509)	$ (2,168,323)	$ (51,553,153)	$ (2,270,173)	$ (117,777,240)	$ (2,410,271)	$ (1,247,390)	$ -		(182,469,509)	(937,452)	(2,300,245)	(21,914)	(5,214,184)	(32,170)	(66,226)	0	$ (191,041,700)
113	Mar-16	$ (183,071,403)	$ (2,172,166)	$ (52,315,508)	$ (2,302,992)	$ (118,829,197)	$ (2,467,032)	$ (1,268,482)	$ -		(183,071,403)	(939,113)	(2,334,261)	(22,231)	(5,260,756)	(32,927)	(67,345)	0	$ (191,728,037)
114	Apr-16	$ (183,629,710)	$ (2,177,115)	$ (53,071,720)	$ (2,335,795)	$ (119,874,836)	$ (2,523,780)	$ (1,289,471)	$ -		(183,629,710)	(941,253)	(2,368,002)	(22,548)	(5,307,048)	(33,685)	(68,460)	0	$ (192,370,706)
115	May-16	$ (184,221,743)	$ (2,186,573)	$ (53,830,113)	$ (2,368,597)	$ (120,925,442)	$ (2,580,529)	$ (1,310,445)	$ -		(184,221,743)	(945,342)	(2,401,841)	(22,864)	(5,353,560)	(34,442)	(69,573)	0	$ (193,049,366)
116	Jun-16	$ (184,880,822)	$ (2,175,475)	$ (54,589,147)	$ (2,401,400)	$ (121,976,451)	$ (2,637,278)	$ (1,331,418)	$ -		(184,880,822)	(940,544)	(2,435,708)	(23,181)	(5,400,090)	(35,199)	(70,687)	0	$ (193,786,232)
117	Jul-16	$ (185,444,983)	$ (2,180,633)	$ (55,348,241)	$ (2,434,203)	$ (123,035,521)	$ (2,694,026)	$ (1,352,391)	$ -		(185,444,983)	(942,774)	(2,469,578)	(23,498)	(5,446,977)	(35,957)	(71,800)	0	$ (194,435,567)
118	Aug-16	$ (186,040,732)	$ (2,185,790)	$ (56,386,812)	$ (2,503,278)	$ (123,781,577)	$ (2,750,734)	$ (1,377,247)	$ -		(186,040,732)	(945,004)	(2,515,918)	(24,164)	(5,480,006)	(36,714)	(73,120)	0	$ (195,115,657)
119	Sep-16	$ (186,693,147)	$ (2,190,947)	$ (32,133,930)	$ (2,538,926)	$ (90,181,594)	$ (2,807,442)	$ (1,400,838)	$ (935,438)		(186,693,147)	(947,233)	(1,433,781)	(24,508)	(3,992,482)	(37,471)	(74,372)	0	$ (193,202,994)
120	Average	$ (183,347,935)	$ (2,382,023)	$ (50,063,156)	$ (2,677,636)	$ (115,862,911)	$ (3,037,221)	$ (956,947)	$ (71,957)		$ (183,347,935)	$ (1,023,836)	$ (2,231,903)	$ (25,519)	$ (5,123,378)	$ (40,362)	$ (50,806)	$ -	$ (191,843,738)
121																			
122																			
123	**Customers Advances (Account 2520)**																		
124																			
125	Sep-15	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (76,428)
126	Oct-15	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(76,428)	0	0	0	0	0	0	0	$ (76,428)
127	Nov-15	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(76,428)	0	0	0	0	0	0	0	$ (76,428)
128	Dec-15	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(76,428)	0	0	0	0	0	0	0	$ (76,428)
129	Jan-16	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(76,428)	0	0	0	0	0	0	0	$ (76,428)
130	Feb-16	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(76,428)	0	0	0	0	0	0	0	$ (76,428)
131	Mar-16	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(76,428)	0	0	0	0	0	0	0	$ (76,428)
132	Apr-16	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(76,428)	0	0	0	0	0	0	0	$ (76,428)
133	May-16	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(76,428)	0	0	0	0	0	0	0	$ (76,428)
134	Jun-16	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(76,428)	0	0	0	0	0	0	0	$ (76,428)
135	Jul-16	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(76,428)	0	0	0	0	0	0	0	$ (76,428)
136	Aug-16	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(76,428)	0	0	0	0	0	0	0	$ (76,428)
137	Sep-16	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(76,428)	0	0	0	0	0	0	0	$ (76,428)
138	Average	$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ (76,428)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (76,428)

WP 7-2

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

Line No.	Month	Division 093 - Tennessee	Division 091 - Mid-States General Office	Division 012 - SSU Customer	CKV	Division 002 - SSU General	Greenville	AEAM	ALGN	Factors FY15 / FY16	Division 093 FY15 100.00% FY16 100.00%	Division 091 FY15 40.68% FY16 43.23%	Division 012 FY15 4.41% FY16 4.46%	CKV FY15 0.84% FY16 0.97%	Division 002 FY15 4.36% FY16 4.43%	Greenville FY15 1.28% FY16 1.33%	AEAM FY15 0.00% FY16 5.31%	ALGN FY15 0.00% FY16 0.00%	Total Tennessee
	(a)	(b)	(c)	(d)	(e)	(f)	(g)				(h)	(i)	(j)	(k)	(l)	(m)			(n)
139																			
140	**Interest on Customer Deposits (Account 2370-26919)**																		
141																			
142	Sep-15	$ (85,557)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ (85,557)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (85,557)
143	Oct-15	$ (96,005)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(96,005)	0	0	0	0	0	0	0	$ (96,005)
144	Nov-15	$ (106,207)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(106,207)	0	0	0	0	0	0	0	$ (106,207)
145	Dec-15	$ (116,603)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(116,603)	0	0	0	0	0	0	0	$ (116,603)
146	Jan-16	$ (132,121)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(132,121)	0	0	0	0	0	0	0	$ (132,121)
147	Feb-16	$ (1,231)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(1,231)	0	0	0	0	0	0	0	$ (1,231)
148	Mar-16	$ (19,225)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(19,225)	0	0	0	0	0	0	0	$ (19,225)
149	Apr-16	$ (35,587)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(35,587)	0	0	0	0	0	0	0	$ (35,587)
150	May-16	$ (43,837)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(43,837)	0	0	0	0	0	0	0	$ (43,837)
151	Jun-16	$ (55,351)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(55,351)	0	0	0	0	0	0	0	$ (55,351)
152	Jul-16	$ (67,262)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(67,262)	0	0	0	0	0	0	0	$ (67,262)
153	Aug-16	$ (78,189)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(78,189)	0	0	0	0	0	0	0	$ (78,189)
154	Sep-16	$ (88,900)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		(88,900)	0	0	0	0	0	0	0	$ (88,900)
155	Average	$ (71,237)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ (71,237)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (71,237)
156																			
157																			
158	**Net elimination of intercompany leased property**																		
159																			
160	Sep-15	5,791,400	0	0	0	0	0	$ -	$ -		$ 5,791,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,791,400
161	Oct-15	5,814,029	0	0	0	0	0	$ -	$ -		5,814,029	0	0	0	0	0	0	0	$ 5,814,029
162	Nov-15	5,791,734	0	0	0	0	0	$ -	$ -		5,791,734	0	0	0	0	0	0	0	$ 5,791,734
163	Dec-15	5,769,439	0	0	0	0	0	$ -	$ -		5,769,439	0	0	0	0	0	0	0	$ 5,769,439
164	Jan-16	5,747,143	0	0	0	0	0	$ -	$ -		5,747,143	0	0	0	0	0	0	0	$ 5,747,143
165	Feb-16	5,724,848	0	0	0	0	0	$ -	$ -		5,724,848	0	0	0	0	0	0	0	$ 5,724,848
166	Mar-16	5,702,553	0	0	0	0	0	$ -	$ -		5,702,553	0	0	0	0	0	0	0	$ 5,702,553
167	Apr-16	5,680,258	0	0	0	0	0	$ -	$ -		5,680,258	0	0	0	0	0	0	0	$ 5,680,258
168	May-16	5,657,963	0	0	0	0	0	$ -	$ -		5,657,963	0	0	0	0	0	0	0	$ 5,657,963
169	Jun-16	5,813,349	0	0	0	0	0	$ -	$ -		5,813,349	0	0	0	0	0	0	0	$ 5,813,349
170	Jul-16	5,791,054	0	0	0	0	0	$ -	$ -		5,791,054	0	0	0	0	0	0	0	$ 5,791,054
171	Aug-16	5,768,759	0	0	0	0	0	$ -	$ -		5,768,759	0	0	0	0	0	0	0	$ 5,768,759
172	Sep-16	6,437,841	0	0	0	0	0	$ -	$ -		6,437,841	0	0	0	0	0	0	0	$ 6,437,841
173	Average	$ 5,806,952	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ 5,806,952	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,806,952

WP 7-3

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

Line No.					
1	Annual benchmark per Docket 12-00064		2,086,819		
2	Quarterly benchmark		521,705		
3					
4			Contribution	Benchmark	Difference
5	Quarter ended 3/31/13		521,705	521,705	-
6	Quarter ended 6/30/13		641,911	521,705	120,206
7	Quarter ended 9/30/13		1,038,413	521,705	516,708
8	Quarter ended 12/31/13		417,671	521,705	(104,034)
9	Quarter ended 3/30/14		390,181	521,705	(131,524)
10	Quarter ended 6/30/14		1,418,839	521,705	897,134
11			$ 4,428,719	$ 3,130,229	$ 1,298,490
12					
13	Monthly Amortization				
14	2 years amortization				$ 54,104
15					
16			Amortization Expense	Regulated Asset Balance	
17		May-15	-	1,298,490	
18		Jun-15	54,104	1,244,386	
19		Jul-15	54,104	1,190,283	
20		Aug-15	54,104	1,136,179	
21		Sep-15	54,104	1,082,075	
22		Oct-15	54,104	1,027,971	
23		Nov-15	54,104	973,868	
24		Dec-15	54,104	919,764	
25		Jan-16	54,104	865,660	
26		Feb-16	54,104	811,556	
27		Mar-16	54,104	757,453	
28		Apr-16	54,104	703,349	
29		May-16	54,104	649,245	
30		Jun-16	54,104	595,141	
31		Jul-16	54,104	541,038	
32		Aug-16	54,104	486,934	
33		Sep-16	54,104	432,830	
34		Oct-16	54,104	378,726	
35		Nov-16	54,104	324,623	
36		Dec-16	54,104	270,519	
37		Jan-17	54,104	216,415	
38		Feb-17	54,104	162,311	
39		Mar-17	54,104	108,208	
40		Apr-17	54,104	54,104	
41		May-17	54,104	-	
42		Jun-17		-	
43		Jul-17		-	
44		Aug-17		-	
45		Sep-17		-	
46		Oct-17		-	
47		Nov-17		-	
48		Dec-17		-	
49		Jan-18		-	
50		Feb-18		-	
51		Mar-18		-	
52		Apr-18		-	
53		May-18		-	
42	Annual Amortization*		$ -	$ -	13 month average

*This amount is included in Benefits actuals for Division 093

WP 7-4

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

Line No.	Month	Total SSU 002	Non-regulated NOL[1]	Regulated Utility NOL	Other ADIT	SSU Utilty ADIT
	(a)	(b)	(c)	(d)	(e)	(f)
1	Jun-14	205,011,038	(219,884,627)	405,828,177	19,067,488	424,895,665
2	Jul-14	208,298,312	(219,884,627)	405,828,177	22,354,762	428,182,939
3	Aug-14	224,949,437	(219,079,036)	405,022,586	39,005,887	444,028,473
4	Sep-14	267,982,820	(220,149,274)	444,334,650	43,797,444	488,132,094
5	Oct-14	276,895,783	(220,149,274)	444,334,650	52,710,407	497,045,057
6	Nov-14	284,975,299	(220,149,274)	444,334,650	60,789,923	505,124,573
7	Dec-14	321,070,352	(222,598,277)	469,818,580	73,850,049	543,668,629
8	Jan-15	353,945,345	(222,598,277)	469,818,580	106,725,042	576,543,622
9	Feb-15	333,570,147	(222,598,277)	469,818,580	86,349,844	556,168,424
10	Mar-15	290,103,994	(227,206,094)	425,654,746	91,655,342	517,310,088
11	Apr-15	281,416,540	(227,206,094)	425,654,746	82,967,888	508,622,634
12	May-15	276,100,280	(227,206,094)	425,654,746	77,651,628	503,306,374
13	Jun-15	252,513,161	(230,175,901)	407,851,903	74,837,159	482,689,062
14	Jul-15	264,175,149	(230,175,901)	407,851,903	86,499,147	494,351,050
15	Aug-15	266,520,916	(230,175,901)	407,851,903	88,844,914	496,696,817
16	Sep-15	372,778,731	(232,097,127)	530,457,730	74,418,128	604,875,858
17	Oct-15	371,209,940	(232,097,127)	530,457,730	72,849,337	603,307,067
18	Nov-15	372,796,985	(232,097,127)	530,457,730	74,436,382	604,894,112
19	Dec-15	391,604,960	(231,927,975)	554,535,985	68,996,950	623,532,935
20	Jan-16	412,507,116	(231,927,975)	554,535,985	89,899,106	644,435,091
21	Feb-16	427,217,972	(231,927,975)	554,535,985	104,609,962	659,145,947
22	Mar-16	418,072,350	(221,557,479)	541,564,884	98,064,945	639,629,829
23	Apr-16	415,700,475	(221,557,479)	542,923,119	94,334,835	637,257,954
24	May-16	419,800,223	(221,557,479)	542,923,119	98,434,583	641,357,702
25	Jun-16	461,899,931	(226,370,626)	570,484,105	117,786,452	688,270,557
26	Jul-16	470,449,370	(226,370,626)	570,484,105	126,335,891	696,819,996
27	Aug-16	475,105,108	(226,370,626)	570,484,105	130,991,629	701,475,734
28	Sep-16	632,296,868	(231,681,555)	725,716,695	138,261,728	863,978,423
29	Oct-16	614,493,197	(231,681,555)	725,716,695	120,458,057	846,174,752
30	Nov-16	585,395,823	(231,681,555)	725,716,695	91,360,683	817,077,378
31	Dec-16	605,920,449	(239,479,660)	761,090,475	84,309,634	845,400,109
32	Jan-17	603,593,470	(239,479,660)	761,090,475	81,982,655	843,073,130
33	Feb-17	601,980,215	(239,479,660)	761,090,475	80,369,400	841,459,875
34	Mar-17	552,104,926	(253,090,639)	725,798,687	79,396,878	805,195,565
35	Apr-17	560,034,799	(253,090,639)	725,798,687	87,326,751	813,125,438
36	May-17	566,047,163	(253,090,639)	725,798,687	93,339,115	819,137,802
37	Jun-17	563,932,097	(268,998,356)	745,188,374	87,742,080	832,930,453
38	Jul-17	563,184,563	(268,998,356)	745,188,374	86,994,545	832,182,919
39	Aug-17	570,782,742	(268,998,356)	745,188,374	94,592,724	839,781,098
40	Sep-17	621,073,570	(249,417,047)	782,273,564	88,217,053	870,490,617
41	Oct-17	618,588,704	(249,417,047)	782,273,564	85,732,187	868,005,751
42	Nov-17	618,287,061	(249,417,047)	782,273,564	85,430,544	867,704,108
43	Dec-17	381,635,843	(149,660,042)	480,066,663	51,229,222	531,295,885
44	Jan-18	374,502,493	(149,660,042)	480,066,663	44,095,872	524,162,535
45	Feb-18	371,914,729	(149,660,042)	480,066,663	41,508,108	521,574,771
46	Mar-18	310,582,063	(150,685,633)	425,350,912	35,916,784	461,267,696
47	Apr-18	306,202,776	(150,685,633)	425,350,912	31,537,497	456,888,409
48	May-18	307,437,229	(150,685,633)	425,350,912	32,771,950	458,122,862

[1] FD - NOL Credit Carryforward - Non Reg

WP 7-5

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

Line No.		Base Period	Attrition Year
1	Reveune Lag	37.50	37.50
2			
3	Expense Lag	34.02	34.70
4			
5	Net Lag	3.48	2.80
6			
7	Daily Cost of Service	299,101	404,092
8			
9	Cash Working Capital	955,030	1,131,278

WP 7-6

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

Line No.	Description		Attrition Year Expenses	Expense Lag	CWC Requirement (b) x (c)
	(a)		(b)	(c)	(d)
1	Gas Supply Expense				
2	Purchased Gas		73,565,057	39.33	2,893,313,708
3					
4	Operation and Maintenance Expense				
5	O&M, Labor		7,780,145	14.07	109,466,638
6	O&M, Non-Labor		12,931,858	29.44	380,713,903
7	Total O&M Expense		20,712,003		490,180,542
8					
9					
10	Taxes Other Than Income				
11	Ad Valorem		4,734,226	241.50	1,143,315,485
12	State Gross Receipts Tax		881,921	(151.50)	(133,611,066)
13	Payroll Taxes		219,870	15.41	3,388,130
14	Franchise Tax		788,497	37.50	29,568,651
15	TRA Inspection Fee		494,731	272.50	134,814,271
16	DOT		32,083	59.00	1,892,915
17					
18	Allocated Taxes-Shared Services				
19	Ad Valorem	31%	101,655	241.50	24,549,571
20	Payroll Taxes	69%	228,262	15.41	3,517,446
21					
22	Allocated Taxes-Business Unit				
23	Ad Valorem	-3060%	(157,078)	241.50	(37,934,328)
24	Payroll Taxes	3160%	162,211	15.41	2,499,619
25	Total Taxes Other Than Income		7,486,379		1,172,000,694
26					
27	Federal Income Tax		*7,313,886*		
28	Current Taxes		-	37.50	-
29	Deferred Taxes		7,313,886	-	-
30					
31	State Excise Tax		*1,737,703*		
32	Current Taxes		-	37.50	-
33	Deferred Taxes		1,737,703	-	-
34					
35	Depreciation		12,652,532	-	-
36					
37	Interest on Customer Deposits		52,781	182.50	9,632,503
38					
39	Interest Expense - LTD		6,139,575	91.25	560,236,190
40					
41	Interest Expense - STD		280,488	24.05	6,745,368
42					
43	Return on Equity		17,957,106	-	-
44					
45					
46	TOTAL		147,897,510	34.70	5,132,109,004
47					
48	Daily Cost of Service		404,092		
49					
50					

WP 7-7

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

Line No.	Description		Histori Base Period	Expense Lag	CWC Requirement (b) x (c)
	(a)		(b)	(c)	(d)
1	Gas Supply Expense				
2	Purchased Gas		40,904,923	39.33	1,608,790,612
3					
4	Operation and Maintenance Expense				
5	O&M, Labor		7,789,527	14.07	109,598,638
6	O&M, Non-Labor		13,794,549	29.44	406,111,511
7	Total O&M Expense		21,584,075		515,710,149
8					
9					
10	Taxes Other Than Income				
11	Ad Valorem		4,303,248	241.50	1,039,234,392
12	State Gross Receipts Tax		1,482,520	(151.50)	(224,601,780)
13	Payroll Taxes		269,272	15.41	4,149,389
14	Franchise Tax		722,000	37.50	27,075,002
15	TRA Inspection Fee		611,854	272.50	166,730,090
16	DOT		20,299	59.00	1,197,639
17					
18	Allocated Taxes-Shared Services				
19	Ad Valorem	0%	-	241.50	-
20	Payroll Taxes	100%	340,446	15.41	5,246,153
21					
22	Allocated Taxes-Business Unit				
23	Ad Valorem	36%	38,909	241.50	9,396,624
24	Payroll Taxes	64%	67,902	15.41	1,046,343
25	Total Taxes Other Than Income		7,856,449		1,029,473,851
26					
27	Federal Income Tax		*6,169,974*		
28	Current Taxes		-	37.50	-
29	Deferred Taxes		6,169,974	-	-
30					
31	State Excise Tax		*1,225,511*		
32	Current Taxes		-	37.50	-
33	Deferred Taxes		1,225,511	-	-
34					
35	Depreciation		11,541,971	-	-
36					
37	Interest on Customer Deposits		155,049	182.50	28,296,371
38					
39	Interest Expense - LTD		5,753,110	91.25	524,971,297
40					
41	Interest Expense - STD		286,354	24.05	6,886,430
42					
43	Return on Equity		13,694,294	-	-
44					
45					
46	TOTAL		109,171,709	34.02	3,714,128,710
47					
48	Daily Cost of Service		299,101		
49					
50					

WP 7-8

Tennessee Distribution System
Amortization Schedule of Capitalized Incentive Compensation Adjustment
For Attrition Year Twelve Months Ended May 31, 2018

Line No.	Description	Amounts	Amounts
1	(a)	(b)	(c)
2	Forward Looking Test Year	Rate Base	Depreciation Expense
	Docket No. 18-XXXXX, 2018 TN ARM Reconciliation Filing Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-18	$ 986,367	$ 22,939
3	Docket No. 17-00091, 2017 TN ARM Reconciliation Filing Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-17	1,253,558	29,847
4	Docket No. 16-00105, 2016 TN ARM Reconciliation Filing Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-16	1,162,062	29,796
5			
6			
7	Total	$ 3,401,987	$ 82,582
8			
9	Historic Base Period		
10	Docket No. 16-00105, 2016 TN ARM Reconciliation Filing Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-16	$ 1,162,062	$ 29,796
11	Docket No. 17-00091, 2017 TN ARM Reconciliation Filing Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-17	1,253,558	$ 29,847
12			
13	Total	$ 2,415,620	$ 59,643
14			

WP 7-9

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

Line No.	Description	Attrition Year Forecast	Variance	Attrition Year Actuals	Reference
	(a)	(b)	(c)	(d)	(e)
1	Original Cost of Plant	$ 553,915,203	$ (7,310,173)	$ 546,605,030	Wp 7-1 Wp7-2
2					
3	Accumulated Depreciation and Amortization	$ (202,597,056)	$ (2,028,486)	$ (204,625,542)	Wp 7-1 Wp7-2
4					
5	Construction Work in Progress per Books	$ 6,897,700	$ 11,732,191	$ 18,629,890	Wp 7-1 Wp7-2
6					
7	Storage Gas Investment	$ 5,943,713	$ (1,387,758)	$ 4,555,955	Wp 7-1 Wp7-2
8					
9	Cash Working Capital	$ 1,545,831	$ (414,554)	$ 1,131,278	Wp 7-5
10					
11	Material & Supplies	$ 31,873	$ (369)	$ 31,504	Wp 7-1 Wp7-2
12					
13	Regulatory Assets/Liabilities	$ -	$ (13,496,569)	$ (13,496,569)	Wp 7-3; Wp 7-10
14					
15	Accumulated Deferred Income Tax	$ (60,285,092)	$ 18,709,939	$ (41,575,153)	Wp 7-1
16					
17	Customer Advances for Construction	$ (76,428)	$ 56,432	$ (19,995)	Wp 7-1 Wp7-2
18					
19	Customer Deposits	$ (4,720,013)	$ 3,095,987	$ (1,624,026)	Wp 7-1 Wp7-2
20					
21	Accumulated Interest on Customer Deposits	$ (89,264)	$ 37,215	$ (52,049)	Wp 7-1 Wp7-2
22					
23	Unadjusted Rate Base	$ 300,566,468	$ 8,993,856	$ 309,560,323	
24					
25	Adjustments:	(2,927,113)	$ (474,874)	(3,401,987)	
26					
27	Net Elimination of Intercompany Leased Property	$ 5,313,186	$ 182,015	$ 5,495,201	Wp 7-1 Wp7-2
28					
29	Total Rate Base	$ 302,952,541	$ 8,700,996	$ 311,653,537	
30					
31	Return at Overall Cost of Capital on Rate Base	$ 22,691,145	$ 1,555,500	$ 24,246,645	
32					
33					
34					
35					

Tennessee Distribution System
Deferred Regulatory Liability Amortization
Test Year Ending May 31, 2018

ESTIMATED Amortization Period in Years [1] 28

	ADIT Excess Deferred Liabilities	12 Mos Ended May 31, 20XX	Excess Deferred Balance		Amortization Expense
1	Account 2530 - 27909	2018		(29,164,084)	(1,041,574)
2		2019		(28,122,510)	(1,041,574)
3		2020		(27,080,935)	(1,041,574)
4		2021		(26,039,361)	(1,041,574)
5		2022		(24,997,786)	(1,041,574)
6		2023		(23,956,212)	(1,041,574)
7		2024		(22,914,638)	(1,041,574)
8		2025		(21,873,063)	(1,041,574)
9		2026		(20,831,489)	(1,041,574)
10		2027		(19,789,914)	(1,041,574)
11		2028		(18,748,340)	(1,041,574)
12		2029		(17,706,765)	(1,041,574)
13		2030		(16,665,191)	(1,041,574)
14		2031		(15,623,616)	(1,041,574)
15		2032		(14,582,042)	(1,041,574)
16		2033		(13,540,468)	(1,041,574)
17		2034		(12,498,893)	(1,041,574)
18		2035		(11,457,319)	(1,041,574)
19		2036		(10,415,744)	(1,041,574)
20		2037		(9,374,170)	(1,041,574)
21		2038		(8,332,595)	(1,041,574)
22		2039		(7,291,021)	(1,041,574)
23		2040		(6,249,447)	(1,041,574)
24		2041		(5,207,872)	(1,041,574)
25		2042		(4,166,298)	(1,041,574)
26		2043		(3,124,723)	(1,041,574)
27		2044		(2,083,149)	(1,041,574)
28		2045		(1,041,574)	(1,041,574)
		2046		0	(1,041,574)

Monthly Balance	Account 2530 - 27909
May-17	-
Jun-17	-
Jul-17	-
Aug-17	-
Sep-17	-
Oct-17	-
Nov-17	-
Dec-17	(29,321,046)
Jan-18	(29,321,046)
Feb-18	(29,321,046)
Mar-18	(29,164,084)
Apr-18	(29,164,084)
May-18	(29,164,084)
13 Month Average	(13,496,569)

Schedule 8

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

Line No.	Description	Tax Rate	Base Period [1]	Attrition Year [2]	Change
	(a)	(b)	(c)	(d)	
2					
3	Required Return		$ 19,498,097	$ 24,246,645	$ 4,748,548
1	Current Return		$ 17,548,681	$ 26,066,158	$ 8,517,477
4					
5	Pre-Tax Deficiency from Current Return		1,949,416	(1,819,513)	(3,768,929)
6	Tax Expansion Factor		1.6365	1.5103	
7	After-Tax Deficiency from Current Return		3,190,220	(2,748,011)	(5,938,231)
8					
9	Tax Liability Increase / Decrease (Ln 7 - Ln 3)		1,240,803	(928,498)	(2,169,301)
10	Current Tax Liability		$ 7,395,485	$ 9,980,087	$ 2,584,602
11					
12	Income Tax Liability		$ 8,636,288	$ 9,051,589	$ 415,301
13					
14	Less: ITC Amortization		-		-
15					
16	Total Income Tax Liability		8,636,288	9,051,589	415,301
17					
18	Note:				
19	1. Twelve months ended September 30, 2016				
20	2. Twelve months ended May 31, 2018				

WP 8-1

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

Line No.	Description	Amortization	Allocation Factor [1]	Tennessee Allocation
	(a)	(b)	(c)	(d)
1	Fiscal year ended September 30, 2011	50,990		
2	Fiscal year ended September 30, 2012	12,229		
3	Fiscal year ended September 30, 2013	5,820		
4	Fiscal year ended September 30, 2014	-		
5				
6	Base Period ended June 30, 2014	1,455	0%	-
7				
8	Attrition Year ended May 31, 2016	-	0%	-
9				
10	[1] Division 091 - Mid-States General Office allocation factor excluding Kentucky			

WP 8-2

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

		Attrition Year	
Line No.		Amount	Balance
1	Operating Revenues		1.000000
2			
3	Add: Forfeited Discounts	0.005167	0.005167
4			
5	Balance		1.005167
6			
7	Uncollectible Ratio	0.004058	0.004079
8			
9	Balance		1.001088
10			
11	State Excise Tax	0.065000	0.065071
12			
13	Balance		0.936017
14			
15	Federal Income Tax	0.292600	0.273879
16			
17	Balance		0.662138
18			
19	Revenue Conversion Factor (Line 1/Line 9)		1.510300

Schedule 9

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

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

WP 9-1

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

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

WP 9-2

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

Line No.	Date	Atmos Consolidated Balances: Long-Term Debt	Short-Term Debt	Equity	Atmos Consolidated - calc of STD rate: 12 Month Avg STD Avg Daily Bal	12 Month Avg STD Int Exp & fees	STD avg rate	Interest on CP or Interest on Draws on Credit Facilitiy — Detail of Colm (f) Consolidated Int Exp & Fees: Int Exp	Commitment Fees on Credit Facility: Commit fees	Bank Fees on AEC Credit Facility With RBS 30121: Utility Bank Admin
	(a)	(b)	(c)	(d)	(e)	(f)	(g)			
1	May-17	2,564,900,664	629,857,850	3,864,281,638						
2	Jun-17	3,066,734,196	258,573,383	3,901,710,103	424,284,267	625,683		400,813	127,568	97,301
3	Jul-17	3,066,772,609	262,202,530	3,923,183,120	231,767,129	474,145		245,023	131,821	97,301
4	Aug-17	3,066,904,471	362,721,572	3,876,930,951	277,363,548	524,041		294,919	131,821	97,301
5	Sep-17	3,067,045,495	447,745,269	3,898,665,243	382,200,000	619,875		395,006	127,568	97,301
6	Oct-17	3,067,186,078	572,550,585	3,933,727,046	492,516,129	759,849		530,727	131,821	97,301
7	Nov-17	3,067,327,541	657,589,374	3,925,107,994	636,332,033	899,754		674,884	127,568	97,301
8	Dec-17	3,067,468,564	336,816,271	4,563,619,781	384,445,161	677,636		448,514	131,821	97,301
9	Jan-18	3,067,609,587	268,675,525	4,666,561,070	261,155,645	563,862		334,740	131,821	97,301
10	Feb-18	3,067,750,610	215,748,079	4,695,448,924	208,922,143	471,328		254,963	119,064	97,301
11	Mar-18	3,067,891,633	129,601,816	4,721,346,388	133,250,645	427,969		195,328	131,821	100,820
12	Apr-18	3,068,032,657	109,795,722	4,768,024,508	70,122,333	351,221		108,170	127,568	115,483
13	May-18	3,068,173,680	143,846,586	4,738,600,109	99,967,742	415,026		167,723	131,821	115,483
14						6,810,388		4,050,809.95	1,552,080.98	1,207,496.86
15			12 Month Avg							
16	Average	3,028,753,676	313,822,226	4,267,477,452	300,193,898		2.27%	per STD rpts:	6,810,388	

WP 9-3

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

Line No.	Debt Series (a)	Issued (b)	Outstanding 5/31/2017 (c)	Outstanding 6/30/2017 (d)	Outstanding 7/31/2017 (e)	Outstanding 8/31/2017 (f)	Outstanding 9/30/2017 (g)	Outstanding 10/31/2017 (h)	Outstanding 11/30/2017 (i)	Outstanding 12/31/2017 (j)	Outstanding 1/31/2018 (k)
1	9.40% First Mortgage Bond J due May 2021/RET 2005	04/01/91	-	-	-	-	-	-	-	-	-
2	6.75% Debentures Unsecured due July 2028	07/27/98	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
3	5.125% Senior Notes due Jan 2013	01/13/03	-	-	-	-	-	-	-	-	-
4	10.43% First Mortgage Bond P due 2017 (eff 2012)	11/01/87	-	-	-	-	-	-	-	-	-
5	9.75% First Mortgage Bond Q due Apr 2020/RET 2005	04/01/90	-	-	-	-	-	-	-	-	-
6	9.32% First Mortgage Bond T due June 2021/RET 2005	06/01/91	-	-	-	-	-	-	-	-	-
7	8.77% First Mortgage Bond U due May 2022/RET 2005	05/01/92	-	-	-	-	-	-	-	-	-
8	6.67% MTN A1 due Dec 2025	12/15/95	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
9	(1) 4.125% Sr Note due 10/15/2044	10/15/2014	-	-	-	-	-	-	-	-	-
10	5.95% Sr Note due 10/15/2034	10/22/04	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
11	6.35% Sr Note due 6/15/2017	6/2007	250,000,000	-	-	-	-	-	-	-	-
12	Sr Note 5.50% Due 06/15/2041	6/10/2011	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000
13	8.50% Sr Note due 3/15/2019	03/23/09	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000	450,000,000
14	4.15% Sr Note due 1/15/2043	01/15/13	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
15	Debt Issuance Cost - Amort is pending new debt issue	10/2014	500,000,000	750,000,000	750,000,000	750,000,000	750,000,000	750,000,000	750,000,000	750,000,000	750,000,000
16	Debt Issuance Cost - Amort is pending new debt issue	06/2017	-	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
17	March 2019 - Swap Position	03/2019	-	-	-	-	-	-	-	-	-
18	$200MM 3YR, Sr Credit Facility (Established 9/22/16)		125,000,000	125,000,000	125,000,000	125,000,000	125,000,000	125,000,000	125,000,000	125,000,000	125,000,000
19	Subtotal -- Utility Long-Term Debt		$ 2,585,000,000	$ 3,085,000,000	$ 3,085,000,000	$ 3,085,000,000	$ 3,085,000,000	$ 3,085,000,000	$ 3,085,000,000	$ 3,085,000,000	$ 3,085,000,000
20											
21	Atmos Leasing, Inc.										
22	Industrial Develop Revenue Bond 07/13	1991	-	-	-	-	-	-	-	-	-
23	**Total Long-Term Debt**		2,585,000,000	3,085,000,000	3,085,000,000	3,085,000,000	3,085,000,000	3,085,000,000	3,085,000,000	3,085,000,000	3,085,000,000
24	Less Unamortized Debt Discount		$ 4,041,392	$ (4,370,288)	$ (4,384,189)	$ (4,379,586)	$ (4,384,143)	$ (4,388,700)	$ (4,393,258)	$ (4,397,815)	$ (4,402,372)
25	Less Unamortized Debt Expense		$ 16,057,945	$ 22,636,092	$ 22,611,581	$ 22,475,115	$ 22,338,649	$ 22,202,623	$ 22,065,717	$ 21,929,251	$ 21,792,785
26	Annualized Amortization of T-Lock Settlement, Debt Exp. & Debt Disct.										
27											
28	Effective Avg Cost of Consol Debt										

Note
1. Notes issued in October of 2014 represents the refinancing of the 4.95% 500M Sr Note due October 2014.

WP 9-3

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

Line No.	Debt Series (a)	Issued (b)	Outstanding 2/28/2018 (l)	Outstanding 3/31/2018 (m)	Outstanding 4/30/2018 (n)	Outstanding 5/31/2018 (o)	End Int Rate (p)	Annual Int at 5/31/2018 (q)	(r) (v)	Annualized 4270 Amort for T-lock (w)	Annualized 4280-81 Amort Debt Exp&Dsct (x)	Exp 1810 Penalty 1890 Dsct 2260 1/0/1900 (y)
1	9.40% First Mortgage Bond J due May 2021/RET 2005	04/01/91	-	-	-	-	9.40%	0		0	560,397	1,634,493
2	6.75% Debentures Unsecured due July 2028	07/27/98	150,000,000	150,000,000	150,000,000	150,000,000	6.75%	10,125,000		0	99,936	1,012,351
3	5.125% Senior Notes due Jan 2013	01/13/03	-	-	-	-	5.13%	0		0	0	0
4	10.43% First Mortgage Bond P due 2017 (eff 2012)	11/01/87	-	-	-	-	10.43%	0		0	0	0
5	9.75% First Mortgage Bond Q due Apr 2020/RET 2005	04/01/90	-	-	-	-	9.75%	0		0	337,581	647,030
6	9.32% First Mortgage Bond T due June 2021/RET 2005	06/01/91	-	-	-	-	9.32%	0		0	362,746	1,088,239
7	8.77% First Mortgage Bond U due May 2022/RET 2005	05/01/92	-	-	-	-	8.77%	0		0	368,719	1,444,150
8	6.67% MTN A1 due Dec 2025	12/15/95	10,000,000	10,000,000	10,000,000	10,000,000	6.67%	667,000		0	7,777	58,651
9	(1) 4.125% Sr Note due 10/15/2044	10/15/2014	-	-	-	-	4.125%	0		0	0	0
10	5.95% Sr Note due 10/15/2034	10/22/04	200,000,000	200,000,000	200,000,000	200,000,000	5.95%	11,900,000		(7,047)	115,724	1,896,418
11	6.35% Sr Note due 6/15/2017	6/2007	-	-	-	-	6.35%	0		0	0	0
12	Sr Note 5.50% Due 06/15/2041	6/10/2011	400,000,000	400,000,000	400,000,000	400,000,000	5.50%	22,000,000		(669,302)	186,860	4,297,771
13	8.50% Sr Note due 3/15/2019	03/23/09	450,000,000	450,000,000	450,000,000	450,000,000	8.50%	38,250,000		(77,734)	1,161,169	967,641
14	4.15% Sr Note due 1/15/2043	01/15/13	500,000,000	500,000,000	500,000,000	500,000,000	4.15%	20,750,000		2,220,857	378,080	9,308,919
15	Debt Issuance Cost - Amort is pending new debt issue	10/2014	750,000,000	750,000,000	750,000,000	750,000,000	4.125%	30,937,500		908,016	(43,555)	(1,150,071)
16	Debt Issuance Cost - Amort is pending new debt issue	06/2017	500,000,000	500,000,000	500,000,000	500,000,000	3.00%	15,000,000		0	555,072	5,018,776
17	March 2019 - Swap Position	03/2019	-	-	-	-		0		0	0	0
18	$200MM 3YR. Sr Credit Facility (Established 9/22/16)		125,000,000	125,000,000	125,000,000	125,000,000	2.95%	3,687,500		0	115,667	141,581
19	Subtotal -- Utility Long-Term Debt		$ 3,085,000,000	$ 3,085,000,000	$ 3,085,000,000	$ 3,085,000,000		$ 153,317,000		$ 2,374,790	$ 4,206,175	$ 26,365,949
20												
21	Atmos Leasing, Inc.											
22	Industrial Develop Revenue Bond 07/13	1991	-	-	-	-	7.90%	-		0	0	0
23	**Total Long-Term Debt**		3,085,000,000	3,085,000,000	3,085,000,000	3,085,000,000		$ 153,317,000				
24	Less Unamortized Debt Discount		$ (4,406,929)	$ (4,411,486)	$ (4,416,043)	$ (4,420,600)				$ 2,374,790	$ 4,206,175	$ 26,365,949
25	Less Unamortized Debt Expense		$ 21,656,319	$ 21,519,853	$ 21,383,387	$ 21,246,921						
26	Annualized Amortization of T-Lock Settlement, Debt Exp. & Debt Disct.							$ 6,580,966				
27						$ 3,068,173,680		$ 159,897,966				
28	Effective Avg Cost of Consol Debt						5.21%	end of period				

Note
1. Notes issued in October of 2014 represents the refinancing of the 4.95% 500M Sr Note due October

Schedule 10

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

Line No.	Description	Reference	Historic Base Period (1)	Change	Attrition Year (2)	Ratemaking Adjustments	Current Rate of Return
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Total Revenues	Sch. 2	$ 106,935,939	$ 48,067,470	$ 155,003,409	$ (4,612,293)	$ 150,391,116
2							
3	Gas Cost	Sch. 3	40,904,923	32,660,135	73,565,057	-	73,565,057
4							
5	Operation & Maintenance Expense	Sch. 4	21,584,075	(872,072)	20,712,003	-	20,712,003
6							
7	Taxes Other Than Income Taxes	Sch. 5	7,856,449	(370,070)	7,486,379	-	7,486,379
8							
9	Depreciation & Amortization Expense	Sch. 6	11,541,971	1,193,143	12,735,114	(82,582)	12,652,532
10							
11	Federal Income and State Excise Tax	Wp 10-1	7,395,485	4,132,876	11,528,361	(1,548,274)	9,980,087
12							
13	Interest on Customer Deposits	Wp 1-1	155,049	(76,185)	78,864	-	78,864
14							
15	AFUDC Interest credit	Wp 1-2	(50,693)	(99,271)	(149,964)	-	(149,964)
16							
17	Return on Rate Base		$ 17,548,681	$ 11,498,914	$ 29,047,595	$ (2,981,437)	$ 26,066,158
18							
19	Total Rate Base	Sch. 7	$ 258,370,306	$ 51,190,017	$ 309,560,323	$ 2,093,214	$ 311,653,537
20							
21	Rate of Return on Rate Base		6.79%		9.38%		8.36%
22							
23	Interest Expense	Sch. 8	6,039,464	337,479	6,376,943	43,120	6,420,063
24							
25							
26	Return on Equity		$ 11,509,217		$ 22,670,653		$ 19,646,095
27							
28	Rate of Return on Equity		8.38%		12.55%		10.80%
29							
30	Note:						
31	1. Twelve months ended June 30, 2016						
32	2. Twelve months ended May 31, 2018						

Wp 10-1

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

Line	Description	Tax Rate	Historic Base Period (1)	Attrition Period Amount (2)	Adjusted Amount
	(a)	(b)	(c)	(d)	(e)
1	Net Operating Income Before Income Tax		$ 24,893,472	$ 40,425,992	$ 35,896,281
2					
3	Interest Deduction		6,039,464	6,376,943	6,420,063
4					
5	Equity Portion of Return		$ 18,854,008	$ 34,049,049	$ 29,476,218
6					
7	Application of Tax Rate to Equity Return - Tennessee	6.5%	1,225,511	2,213,188	1,915,954
8					
9	Application of Tax Rate to Equity Return - Federal	29%	6,169,974	9,315,173	8,064,133
10					
11	Income Tax Expense		$ 7,395,485	$ 11,528,361	$ 9,980,087
12					
13	Less: ITC Amortization		-	-	-
14					
15	Total Income Tax Liability		$ 7,395,485	$ 11,528,361	$ 9,980,087
16					
17	Note:				
18	1. Twelve months ended June 30, 2016				
19	2. Twelve months ended May 31, 2018				

Schedule 11-1

Tennessee Distribution System
Proof of Revenues and Calculation of Rates
Historic Base Period Margin at Present Rates
Actual Twelve Months Ended September 30, 2016

Line No.	Description	12 Mths Ended Sep 16 Base Count	Volumes Mcf	Rates effective Sep 16 Monthly Customer chg	Commodity Charge/Mcf	12 mths Sep16 Margin at Sep16 rates	Weather Adjustment Volumes Mcf	12 mths Sep16 WNA Adjusted Volumes Mcf	12 mths Sep16 Weather adj Margin at Sep16 rates	12 mths Sep16 WNA $ Adj at Sep16 rates
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	RESIDENTIAL									
2	210 Residential Gas Service (Summer)	613,707	810,777	$15.30	$1.322	10,461,564		810,777	10,461,564	$0
3	210 Residential Gas Service (Winter) (weather sensitive)	853,797	5,514,947	18.30	$1.322	22,915,245	1,154,008	6,668,956	24,440,845	$1,525,599
4	210 Residential Gas Service Senior Citizen (Summer)	709	553	0.00	$1.322	731		553	731	$0
5	210 Residential Gas Service Senior Citizen (Winter) (weather sensitive)	1,011	6,211	0.00	$1.322	8,211		6,211	8,211	$0
6	211 Residential/Sm. Commericial/Industrial Heating & Cooling Service	12	178	15.30	$0.769	320	53	231	361	$41
7	Total Residential	1,469,236	6,332,666			33,386,072	1,154,061	7,486,727	34,911,712	1,525,640
8										
9	COMMERCIAL									
10	211 Residential/Sm. Commericial/Industrial Heating & Cooling Service	12	112	15.30	0.769	269		112	269	$0
11	220 Commercial Gas Service (weather sensitive)	194,355	4,584,814	37.80	2.548	19,028,725	561,677	5,146,491	20,459,877	$1,431,152
12	230 Large Commercial Gas Service (weather sensitive)	0	0	405.00	2.224	0	0	0	0	$0
13	250 Commercial Interruptible Gas Service			440.00		0		0	0	
14	Block 1 Volumes				1.246	0		0	0	
15	Block 2 Volumes				0.825	0		0	0	
16	Block 3 Volumes				0.382	0		0	0	
17	293 Large Tonnage Air Conditioning Gas Service	12		37.80		454		0	454	
18	Block 1 Volumes		12,501		1.246	15,577		12,501	15,577	
19	Block 2 Volumes		683		0.825	563		683	563	
20	Block 3 Volumes		0		0.382	0		0	0	
21	Total Commercial	194,379	4,598,110			19,045,588	561,677	5,159,786	20,476,740	1,431,152
22										
23	INDUSTRIAL									
24	220 Industrial Gas Service (weather sensitive)	3,823	543,069	37.80	2.548	1,528,250	66,530	609,600	1,697,770	$169,519
25	230 Large Industrial Gas Service	72	41,070	405.00	2.224	120,500		41,070	120,500	
26	240 DEMAND/COMM GS	0		440.00		0		0	0	
27	Block 1 Volumes		0		1.246	0		0	0	
28	Block 2 Volumes		0		0.825	0		0	0	
29	Block 3 Volumes		0		0.382	0		0	0	
30	Demand Volumes		0		16.283	0		0	0	
31	250 Industrial Interruptible Gas Service	312		440.00		137,280		0	137,280	
32	Block 1 Volumes		289,442		1.246	360,644		289,442	360,644	
33	Block 2 Volumes		288,058		0.825	237,648		288,058	237,648	
34	Block 3 Volumes		0		0.382	0		0	0	
35	250/240/280 Industrial/Demand/Economic Dev	4		440.00		1,760		0	1,760	
36	Block 1 Volumes		0		1.246	0		0	0	
37	Block 1 Volumes @ Discount Rate		5,119		0.935	4,783		5,119	4,783	
38	Block 2 Volumes		0		0.825	0		0	0	
39	Block 2 Volumes @ Discount Rate		0		0.619	0		0	0	
40	Block 3 Volumes		0		0.382	0		0	0	
41	Block 3 Volumes @ Discount Rate		0		0.287	0		0	0	
42	Demand Volumes		0		16.283	0		0	0	
43	Demand Volumes @ Discount Rate		425		12.212	5,184		425	5,184	
44	280/250 Economic Development Gas Service	5		440.00		2,200		0	2,200	
45	Block 1 Volumes		0		1.246	0		0	0	
46	Block 1 Volumes @ Discount Rate		10,000		0.935	9,345		10,000	9,345	
47	Block 2 Volumes		0		0.825	0		0	0 -	
48	Block 2 Volumes @ Discount Rate		8,195		0.619	5,071		8,195	5,071	
49	Block 3 Volumes		0		0.382	0		0	0	
50	Block 3 Volumes @ Discount Rate		0		0.287	0		0	0	
51	292 Cogeneration, CNG, Prime Movers Service	12		37.80		454		0	454	
52	Block 1 Volumes		0		1.246	0		0	0	
53	Block 2 Volumes		0		0.825	0		0	0	
54	Block 3 Volumes		0		0.382	0		0	0	
55	Total Industrial	4,228	1,184,952			2,413,119	66,530	1,251,483	2,582,638	169,519
56										
57	PUBLIC AUTHORITY									
58	211 Residential/Sm. Commericial/Industrial Heating & Cooling Service	0	0	15.30	$0.769	0		0	0	$0
59	221 Experimental School Gas Service	53	61,714	37.80	1.234	78,159	7,560	69,275	87,488	$9,330
60	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0.00	1.322	0		0	0	$0
61	225 Public Authority Gas Service (Sr. Citizen) (Winter)	0	0	0.00	1.322	0		0	0	$0
62	225 Public Authority Gas Service (Summer)	2,974	7,439	15.30	1.322	55,337		7,439	55,337	$0
63	225 Public Authority Gas Service (Winter)	4,166	33,526	18.30	1.322	120,560	7,465	40,992	130,429	9,869
64	Total Public Authority	7,193	102,680			254,055	15,026	117,706	273,254	19,199
65										
66	TRANSPORTATION									
67	260 - TRANSP (220 SML COM/INDG)	144	138,035	440.00	2.548	415,074		138,035	415,074	
68	260 - TRANSP (230 LRG COM/INDG)	515	1,306,542	440.00	2.224	3,265,790		1,366,542	3,265,790	
69	260 - TRANSP (240 DEMAND)	54		440.00		23,760		0	23,760	
70	Block 1 Volumes		108,000		1.246	134,568		108,000	134,568	
71	Block 2 Volumes		276,281		0.825	227,931		276,281	227,931	
72	Block 3 Volumes		0		0.382	0		0	0	
73	Demand Volumes		20,660		16.283	336,410		20,660	336,410	
74	260 - TRANSP (250 OPT GS)	631		440.00		277,640		0	277,640	
75	Block 1 Volumes		1,200,990		1.246	1,496,434		1,200,990	1,496,434	
76	Block 2 Volumes		3,810,515		0.825	3,143,675		3,810,515	3,143,675	
77	Block 3 Volumes		0		0.382	0		0	0	
78	260 - TRANSP (280/240 ECON DEV/DEMAND)	4		440.00		1,760		0	1,760	
79	Block 1 Volumes		0		1.246	0		0	0	
80	Block 1 Volumes @ Discount Rate		2,109		0.935	1,971		2,109	1,971	
81	Block 2 Volumes		0		0.825	0		0	0	
82	Block 2 Volumes @ Discount Rate		0		0.619	0		0	0	
83	Block 3 Volumes		0		0.382	0		0	0	
84	Block 3 Volumes @ Discount Rate		0		0.287	0		0	0	
85	Demand Volumes		0		16.283	0		0	0	
86	Demand Volumes @ Discount Rate		348		12.212	4,252		348	4,252	
87	260 - TRANSP (280/250 ECON DEV - OPT GS)	24		440.00		10,560		0	10,560	
88	Block 1 Volumes		48,000		1.246	59,808		48,000	59,808	
89	Block 1 Volumes @ Discount Rate		0		0.935	0		0	0	
90	Block 2 Volumes		547,461		0.825	451,655		547,461	451,655	
91	Block 2 Volumes @ Discount Rate		84,438		0.619	52,246		84,438	52,246	
92	Block 3 Volumes		0		0.382	0		0	0	
93	Block 3 Volumes @ Discount Rate		41,217		0.287	11,809		41,217	11,809	
94	SPECIAL CONTRACTS	38	1,002,197			368,140		1,002,197	368,140	
95	Total Transportation	1,410	8,625,785			10,283,484	0	8,625,785	10,283,484	0
96										
97	TOTALS	1,676,446	20,844,193			$65,382,317	1,797,294	22,641,487	$68,527,828	$3,145,511
98										
99	4870 - Forfeited Discount					$554,280			$554,280	
100	4880 - Miscellaneous Service charges					$413,789			413,789	
101	TOTAL MARGIN REVENUES					$66,350,387			$69,495,897	

Schedule 11-2

Tennessee Distribution System
Proof of Revenues and Calculation of Rates
Forward Looking Test Year Margin at Present Rates
Historic Base Period Ended September 30, 2016 and Forward Looking Test Year Ended May 31, 2018

										210,211,225	1.67%	0.00%			
										220,221,230C	1.01%	0.00%			
		12 Mths Ended Sep 16		Rates effective Sep 16		12 mths Sep16	N	Customer Changes		Customer Growth		Declining	Adjusted	Adjusted	Total
Line		Base	Weather Adj.	Monthly	Commodity	Weather adj Margin	O	Base	Volumes	Base	Volumes	Usage	Base	Volumes	Adjusted
No.	Description	Count	Vol Mcf	Customer chg	Charge/Mcf	at Sep16 rates	T E	Count	Mcf	Count	Mcf	Volumes Mcf	Count	Mcf	Margin Rev
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
1	**RESIDENTIAL**														
2	210 Residential Gas Service (Summer)	613,707	810,777	15.30	1.322	$10,461,564				19,113	25,250	0	632,820	836,027	$10,787,373
3	210 Residental Gas Service (Winter) (weather sensitive)	853,797	6,668,956	18.30	1.322	24,440,845				26,590	207,694	0	880,387	6,876,650	25,202,017
4	210 Residential Gas Service Senior Citizen (Summer)	709	553	0.00	1.322	731				22	17	0	731	570	754
5	210 Residential Gas Service Senior Citizen (Winter) (weather	1,011	6,211	0.00	1.322	8,211				31	193	0	1,042	6,405	8,467
6	211 Residental/Sm. Commericial/Industrial Heating & Cooling	12	231	15.30	0.769	361				0	7	0	12	238	372
7	Total Residential	1,469,236	7,486,727			34,911,712		0	0	45,757	233,162	0	1,514,993	7,719,890	35,998,982
8															
9	**COMMERCIAL**														
10	211 Residential/Sm. Commericial/Industrial Heating & Cooling	12	112	15.30	0.769	269				0	3		12	115	278
11	220 Commercial Gas Service (weather sensitive)	194,355	5,146,491	37.80	2.548	20,459,877				3,267	86,498	0	197,622	5,232,989	20,803,750
12	230 Large Commercial Gas Service (weather sensitive)	0	0	405.00	2.224	0							0	0	0
13	250 Commercial Interruptible Gas Service	0		440.00		0							0	0	0
14	Block 1 Volumes		0		1.246	0							0	0	0
15	Block 2 Volumes		0		0.825	0							0	0	0
16	Block 3 Volumes		0		0.382	0							0	0	0
17	293 Large Tonnage Air Conditioning Gas Service	12		37.80		454							12	0	454
18	Block 1 Volumes		12,501		1.246	15,577							0	12,501	15,577
19	Block 2 Volumes		683		0.825	563							0	683	563
20	Block 3 Volumes		0		0.382	0							0	0	0
21	Total Commercial	194,379	5,159,786			20,476,740		0	0	3,267	86,501	0	197,646	5,246,286	20,820,621
22															
23	**INDUSTRIAL**														
24	220 Industrial Gas Service (weather sensitive)	3,823	609,600	37.80	2.548	1,697,770		0	0	64	10,246		3,887	619,845	1,726,304
25	230 Large Industrial Gas Service	72	41,070	405.00	2.224	120,500		(1)	(30)				71	41,040	120,028
26	240 DEMAND/COMM GS	0		440.00		0							0	0	0
27	Block 1 Volumes		0		1.246	0							0	0	0
28	Block 2 Volumes		0		0.825	0							0	0	0
29	Block 3 Volumes		0		0.382	0							0	0	0
30	Demand Volumes		0		16.283	0							0	0	0
31	250 Industrial Interruptible Gas Service	312		440.00		137,280		(4)					308	0	135,520
32	Block 1 Volumes		289,442		1.246	360,644			(6,859)				0	282,582	352,098
33	Block 2 Volumes		288,058		0.825	237,648			0				0	288,058	237,648
34	Block 3 Volumes		0		0.382	0			0				0	0	0
35	250/240/280 Industrial/Demand/Economic Dev	4		440.00		1,760		(4)					0	0	0
36	Block 1 Volumes		0		1.246	0			0				0	0	0
37	Block 1 Volumes @ Discount Rate		5,119		0.935	4,783			(5,119)				0	0	0
38	Block 2 Volumes		0		0.825	0			0				0	0	0
39	Block 2 Volumes @ Discount Rate		0		0.619	0			0				0	0	0
40	Block 3 Volumes		0		0.382	0			0				0	0	0
41	Block 3 Volumes @ Discount Rate		0		0.287	0			0				0	0	0
42	Demand Volumes		0		16.283	0			0				0	0	0
43	Demand Volumes @ Discount Rate		425		12.212	5,184			(425)				0	0	0
44	280/250 Economic Development Gas Service	5		440.000		2,200		7					12	0	5,280
45	Block 1 Volumes		0		1.246	0			0				0	0	0
46	Block 1 Volumes @ Discount Rate		10,000		0.935	9,345			14,000				0	24,000	22,428
47	Block 2 Volumes		0		0.825	0			0				0	0	0
48	Block 2 Volumes @ Discount Rate		8,195		0.619	5,071			7,405				0	15,600	9,653
49	Block 3 Volumes		0		0.382	0			0				0	0	0
50	Block 3 Volumes @ Discount Rate		0		0.287	0			0				0	0	0
51	292 Cogeneration, CNG, Prime Movers Service	12		37.80		454		0					12	0	454
52	Block 1 Volumes		0		1.246	0			0				0	0	0
53	Block 2 Volumes		0		0.825	0			0				0	0	0
54	Block 3 Volumes		0		0.382	0			0				0	0	0
55	Total Industrial	4,228	1,251,483			2,582,638		(2)	9,397	64	10,246	0	4,290	1,271,126	2,609,412
56															
57	**PUBLIC AUTHORITY**														
58	211 Residential/Sm. Commericial/Industrial Heating & Cooling	0	0	15.30	0.769	0							0	0	0
59	221 Experimental School Gas Service	53	69,275	37.80	1.234	87,488				1	1,164		54	70,439	88,959
60	225 Public Authority Gas Service (Sr. Citizen) (Summer)	0	0	0.00	1.322	0							0	0	0
61	225 Public Authority Gas Service (Sr. Citizen) (Winter) (weath	0	0	0.00	1.322	0							0	0	0
62	225 Public Authority Gas Service (Summer)	2,974	7,439	15.30	1.322	55,337				93	232		3,067	7,671	57,060
63	225 Public Authority Gas Service (Winter) (weather Sensitive)	4,166	40,992	18.30	1.322	130,429				130	1,277		4,296	42,268	134,491
64	Total Public Authority	7,193	117,706			273,254		0	0	223	2,673	0	7,416	120,378	280,510
65															
66	**TRANSPORTATION**														
67	260 - TRANSP (220 SML COM/INDG)	144	138,035	440.00	2.548	415,074		0	0				144	138,035	415,074
68	260 - TRANSP (230 LRG COM/INDG)	515	1,366,542	440.00	2.224	3,265,790		1	10,665				516	1,377,207	3,289,948
69	260 - TRANSP (240 DEMAND)	54		440.00		23,760		(6)					48	0	21,120
70	Block 1 Volumes		108,000		1.246	134,568			(12,000)				0	96,000	119,616
71	Block 2 Volumes		276,281		0.825	227,931			(10,130)				0	266,150	219,574
72	Block 3 Volumes		0		0.382	0			0				0	0	0
73	Demand Volumes		20,660		16.283	336,410			(1,011)				0	19,649	319,941
74	260 - TRANSP (250 OPT GS)	631		440.00		277,640		5					636	0	279,840
75	Block 1 Volumes		1,200,990		1.246	1,496,434			11,263				0	1,212,253	1,510,467
76	Block 2 Volumes		3,810,515		0.825	3,143,675			10,130				0	3,820,645	3,152,032
77	Block 3 Volumes		0		0.382	0			0				0	0	0
78	260 - TRANSP (280/240 ECON DEV/DEMAND)	4		440.00		1,760		8					12	0	5,280
79	Block 1 Volumes		0		1.246	0			0				0	0	0
80	Block 1 Volumes @ Discount Rate		2,109		0.935	1,971			6,691				0	8,800	8,224
81	Block 2 Volumes		0		0.825	0			0				0	0	0
82	Block 2 Volumes @ Discount Rate		0		0.619	0			0				0	0	0
83	Block 3 Volumes		0		0.382	0			0				0	0	0
84	Block 3 Volumes @ Discount Rate		0		0.287	0			0				0	0	0
85	Demand Volumes		0		16.283	0			0				0	0	0
86	Demand Volumes @ Discount Rate		348		12.212	4,252			1,275				0	1,624	19,826
87	260 - TRANSP (280/250 ECON DEV - OPT GS)	24		440.0000		10,560		0					24	0	10,560
88	Block 1 Volumes		48,000		1.246	59,808			0				0	48,000	59,808
89	Block 1 Volumes @ Discount Rate		0		0.935	0			0				0	0	0
90	Block 2 Volumes		547,461		0.825	451,655			0				0	547,461	451,655
91	Block 2 Volumes @ Discount Rate		84,438		0.619	52,246			0				0	84,438	52,246
92	Block 3 Volumes		0		0.382	0			0				0	0	0
93	Block 3 Volumes @ Discount Rate		41,217		0.287	11,809			0				0	41,217	11,809
94	SPECIAL CONTRACTS	38	1,002,197			368,140		(2)	659,423				36	1,661,620	572,170
95	Total Transportation	1,410	8,626,133			10,283,484		6	676,041	0	0	0	1,416	9,301,826	10,519,192
96															
97	TOTALS	1,676,446	22,641,835			$68,527,828		4	685,438	49,311	332,582	0	1,725,761	23,659,507	$70,228,717
98															
99	4870 - Forfeited Discount					554,280									$800,893
100	4880 - Miscellaneous Service charges					413,789									438,105
101	TOTAL MARGIN REVENUES					$69,495,897									$71,467,716

Tennessee Distribution System
Proof of Revenues and Calculation of Rates
Rate Design
Historic Base Period Ended September 30, 2016 and Forward Looking Test Year Ended May 31, 2018

Additional Revenue: (3,192,235)

Line No.	Description	Rates effective Sep15 Monthly Customer chg	Rates effective Sep15 Commodity Charge/Mcf	Adjusted Base Count	Adjusted Volumes Mcf	Total Adjusted Margin Rev	Cust Charge Rev	Commodity Charge Rev	Cust Charge %	Commodity Charge %	% of Total Rev	Allocated Amount of Increase	Proposed Cust Charge	Proposed Commodity Charge	Proposed Cust Rev	Proposed Commodity Rev	Total	Cust Charge %	Commodity Charge %	% of Total Rev	Check
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	
1	Rate Schedule 210/225																				
2	210/225 SUMMER	$15.30	$1.32	635,887	843,698	$10,844,433	$9,729,064	$1,115,369					14.50	1.262	$9,220,355	$1,064,917	10,285,272				
3	210/225 WINTER (weather sensitive)	$18.30	$1.32	884,683	6,918,918	25,336,507	$16,189,697	$9,146,810					17.50	1.262	$15,481,951	$8,733,068	24,215,019				
4	210/225 SR CIT	$0.00	$1.32	1,774	6,975	9,221	$0	$9,221					0.00	1.262	$0	$8,804	8,804				
5	Total 210/225			1,522,343	7,769,591	36,190,161	25,918,762	10,271,400	72%	28%	52.21%	(1,566,660)			24,702,306	9,806,789	34,509,095	72%	28%	52.21%	(14,407)
6																					
7	Rate Schedule 211																				
8	211 HVAC	$15.30	$0.769	25	353	650	$379	$271	58%	42%	0.00%	(30)	14.50	0.740	$359	$261	620	58%	42%	0.00%	(0)
9																					
10	Rate Schedule 220																				
11	220 Commercial / Industrial Gas Service	$37.80	$2.548	201,509	5,852,834	22,530,054	$7,617,033	$14,913,021	34%	66%			36.00	2.431	$7,254,317	$14,226,115	21,480,432	34%	66%		
12	220 Transportation	$440.00	$2.548	144	138,035	415,074	$63,360	$351,714	15%	85%			440.00	2.431	$63,360	$335,514	398,874	16%	84%		
13	Total 220			201,653	5,990,869	22,945,128	7,680,393	15,264,735	33%	67%	33.10%	(1,056,668)			7,317,677	14,561,629	21,879,306	33%	67%	33.10%	(9,134)
14																					
15	Rate Schedule 221																				
16	221 Experimental School Gas Service	$37.80	$1.234	54	70,439	88,959	$2,037	$86,922	2%	98%	0.13%	(4,097)	36.00	1.177	$1,940	$82,886	84,826	2%	98%	0.13%	(35)
17																					
18	Rate Schedule 230																				
19	230 Large Commercial / Industrial Gas Service	$405.00	$2.224	71	41,040	120,028	$28,765	$91,273	24%	76%			385.00	2.113	$27,335	$86,731	114,066	24%	76%		
20	230 Transportation	$440.00	$2.224	516	1,377,207	3,289,948	$227,040	$3,062,908	7%	93%			440.00	2.113	$227,040	$2,910,474	3,137,514	7%	93%		
21	Total 230			587	1,418,247	3,409,976	255,795	3,154,181	8%	92%	4.92%	(157,039)			254,375	2,997,204	3,251,579	8%	92%	4.92%	(1,357)
22																					
23	Rate Schedule 240/250/280/292/293																				
24	240 Demand/Commodity Gas Service	$440.00		48		21,120	$21,120						440.00		$21,120		21,120				
25	Block 1 Volumes		$1.246		96,000	119,616		$119,616						1.184		$113,650	113,650				
26	Block 2 Volumes		$0.825		266,150	219,574		$219,574						0.784		$208,609	208,609				
27	Block 3 Volumes		$0.382		0	0		$0						0.363		$0	0				
28	250 Interruptible Gas Service	$440.00		944		415,360	$415,360						440.00		$415,360		415,360				
29	Block 1 Volumes		$1.246		1,494,836	1,862,565		$1,862,565						1.184		$1,769,663	1,769,663				
30	Block 2 Volumes		$0.825		4,108,703	3,389,680		$3,389,680						0.784		$3,220,401	3,220,401				
31	Block 3 Volumes		$0.382		0	0		$0						0.363		$0	0				
32	280 ECON DEV - OPT GS	$440.00		48		21,120	$21,120						440.00		$21,120		21,120				
33	Block 1 Volumes		$1.246		48,000	59,808		$59,808						1.184		$56,825	56,825				
34	Block 1 Volumes @ Discount Rate		$0.935		32,800	30,652		$30,652						0.888		$29,123	29,123				
35	Block 2 Volumes		$0.825		547,461	451,655		$451,655						0.784		$429,100	429,100				
36	Block 2 Volumes @ Discount Rate		$0.619		100,038	61,899		$61,899						0.588		$58,807	58,807				
37	Block 3 Volumes		$0.382		0	0		$0						0.363		$0	0				
38	Block 3 Volumes @ Discount Rate		$0.29		41,217	11,809		$11,809						0.272		$11,219	11,219				
39	292 Cogeneration, CNG, Prime Movers Service	$37.80		12		454	$454						36.00		$432		432				
40	Block 1 Volumes		$1.246		0	0		$0						1.184		$0	0				
41	Block 2 Volumes		$0.825		0	0		$0						0.784		$0	0				
42	Block 3 Volumes		$0.382		0	0		$0						0.363		$0	0				
43	293 Large Tonnage Air Conditioning Gas Service	$37.80		12		454	$454						36.00		$432		432				
44	Block 1 Volumes		$1.246		12,501	15,577		$15,577						1.184		$14,800	14,800				
45	Block 2 Volumes		$0.825		683	563		$563						0.784		$535	535				
46	Block 3 Volumes		$0.382		0	0		$0						0.363		$0	0				
47	Total 240/250/280/292/293			1,064	6,746,389	6,681,904	458,507	6,223,397	7%	93%	9.64%	(307,721)			$458,464	$5,912,731	6,371,195	7%	93%	9.64%	(2,989)
48																					
49	TOTALS			1,725,725	21,997,888	69,316,778	34,315,873	35,000,906	50%	50%	100.00%	(3,192,235)			32,735,121	33,361,500	66,096,621	50%	50%	100.00%	(27,923)

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	$ 27,078,919	894,302	7,032,718	$ 27,751,455	13,915	156,068	$ 672,535
4	210 Residential Gas Service Senior Citizen (Summer)	731	570	$ 803	532	528	$ 741	(199)	(42)	$ (63)
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	12 37372119	238	$ 409	12	275	$ 431	(0)	38	$ 22
7	Total Residential	1,514,993	7,719,890	39,499,926	1,524,248	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	$ 933,628
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	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	5,246,289	22,860,141	198,559	5,508,135	23,791,883	913	261,848	$ 931,741
16										
17	INDUSTRIAL									
18	220 Industrial Gas Service (weather sensitive)	3,887	619,845	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	843,889	$ 1,024,906	(23)	273,248	$ 234,953
22	280/250 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	1,619,618	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	97,609	36	25,799	$ 38,008	(18)	(44,640)	$ (59,601)
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	3,126	7,264	$ 65,724	59	(408)	$ 481
32	226 Public Authority Gas Service (Winter) (weather Sensitive)	4,296	42,268	144,410	5,201	31,944	$ 148,678	905	(10,324)	$ 4,269
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 COMMNDG)	144	138,035	449,093	135	148,327	$ 471,281	(9)	10,292	$ 22,188
37	260 - TRANSP (230 LRG COMMNDG)	516	1,377,207	3,609,408	502	1,444,889	$ 3,711,614	(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	$ 5,489,227	(1)	43,043	$ 62,529
40	260 - TRANSP (280/240 ECON DEV/DEMAND)	12	8,800	34,349	-	-	$ -	(12)	(8,800)	$ (34,349)
41	260 - TRANSP (280/250 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	12,271,966	(17)	1,768,840	$ 819,695
44										
45	TOTALS	1,725,761	23,659,507	76,968,716	1,736,794	26,308,777	79,959,102	11,033	2,649,270	2,990,386
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			$ 81,438,352			$ 3,351,137

Schedule 12-1

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

Line No.	Description	Attrition Year	Amount
	(a)	(b)	(c)
1	Schedule 1 Net Revenue Deficiency	5/31/2018	3,192,235
2			
3	**Cost of Service**		
4	Actual Cost of Service	5/31/2018	147,643,105
5			
6	**Revenue**		
7	Total Book Revenues	5/31/2018	155,003,409
8	Less: Prior True - Up revenues	5/31/2017	4,612,293
9	Total Attrition Year Revenues	5/31/2018	150,391,116
10			
11	True - Up	5/31/2018	(2,748,011)
12			
13	Cost of Capital	5/31/2018	(444,224)
14			
15	True - Up Incl. Cost of Capital	5/31/2018	(3,192,235)
16			
17	Deficiency Net of True - Up		0

Schedule 1

Atmos Energy Corporation
Revenue Deficiency (Surplus)
For the Twelve Months Ended May 31, 2018

Line No.		Company	Reference
1	Rate Base	311,653,537	See 2RB
2	Operating Income at Present Rates	26,066,158	See 3 IS
3	Earned Rate of Return (L 2 / L 1)	8.36%	
4	Fair Rate of Return	7.78%	See 8 CC
5	Required Operating Income (L 1 x L 4)	24,246,645	
6	Operating Income Deficiency (Surplus) (L 5 - L 2)	(1,819,513)	
7	Gross Revenue Conversion Factor	1.510300	See 7 GU
8	Additional Revenue Required to Earn Authorized Rate of Return	(2,748,010)	
9	Carrying Cost	(444,224)	
10	*Amount to be added to revenue sufficiency / deficiency in February 1, 2018 ARM filing*	(3,192,234)	

Schedule 2

Atmos Energy Corporation
Rate Base
For the Twelve Months Ended May 31, 2018

Line No.		Company	Reference
1	Utility Plant in Service	546,605,030	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 1
2	Construction Work in Progress	18,629,890	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 5
3	Materials and Supplies / Storage Gas	4,587,459	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 11
4	Working Capital/Deferred Rate Case	1,131,278	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 9
5	Net Elimination of Intercompany Leased Property	5,495,201	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 27
6	Deferred Pension Regulated Asset	(13,496,569)	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 13
7	Total Additions	562,952,288	
	Deductions:		
8	Accumulated Depreciation	204,625,542	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 3
9	Customer Deposits	1,624,026	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 19
10	Contributions and Advances in Aid of Construction	19,995	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 17
11	Accumulated Deferred Tax-Accel. Depreciation	41,575,153	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 15
12	Accrued Interest on Customer Deposits	52,049	2016 revenue requirement schedules.xls, Sch 7, Col (d), Ln 21
13		3,401,987	
14	Total Deductions	251,298,751	
15	Rate Base	311,653,537	

Schedule 3

Atmos Energy Corporation
Income Statement
For the Twelve Months Ended May 31, 2018

Line No.		Company	Reference
1	Revenues - Sales, forfeited discounts & other	150,391,116	2016 revenue requirement schedules.xls, Sch 10, Col (h), Ln 11
2	Cost of Gas	73,565,057	2016 revenue requirement schedules.xls, Sch 1, Col (c), Ln 1
3	Gross margin on sales and service	76,826,059	
4	AFUDC	149,964	2016 revenue requirement schedules.xls, Sch 1, Col (c), Ln 13
5	Operating Margin	76,976,023	
6	Other Operation and Maintenance	20,712,003	See 4 O&M
7	Interest on Customer Deposits	78,864	2016 revenue requirement schedules.xls, Sch 1, Col (c), Ln 13
8	Depreciation and Amortization Exp.	12,652,532	2016 revenue requirement schedules.xls, Sch 1, Col (c), Ln 13
9	Taxes Other Than Income	7,486,379	See 5 Tax
10	State Excise Tax	1,915,954	See 6 FIT
11	Federal Income Tax	8,064,133	See 6 FIT
12	Total Operating Expense	50,909,865	
13	Net Operating Income for Return	26,066,158	
14	Plus amortization-Gain	-	
15	Plus adjustments	-	
16	Adjusted Net Operating Income	26,066,158	

Schedule 4

Atmos Energy Corporation
Operations and Maintenance Expenses
For the Twelve Months Ended May 31, 2018

Line No.		Company	Reference
1	Salaries and Wages		
1	Labor	7,780,145	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 1
2	Benefits	2,463,232	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 2
3	Employee Welfare	2,205,824	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 3
4	Insurance	1,190,708	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 4
5	Rent, Maint., & Utilities	931,941	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 5
6	Vehicles & Equip	557,963	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 6
7	Materials and Supplies	543,538	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 7
8	Information Technologies	950,296	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 8
9	Telecom	500,038	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 9
10	Marketing	277,378	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 10
11	Directors & Shareholders & PR	308,542	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 11
12	Dues & Donations	141,463	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 12
13	Print & Postage	22,052	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 13
14	Travel & Entertainment	641,775	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 14
15	Training	105,661	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 15
16	Outside Services	5,706,781	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 16
17	Provision for Bad Debt	288,238	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 17
18	Miscellaneous	(3,108,276)	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 18
19	Rate Case Expense	-	2016 revenue requirement schedules.xls, WP 4-1, Excel Col Q, Ln 21
20	Elimination of Intercompany Leased Property - Rent	-	2016 revenue requirement schedules.xls, WP 4-1, Excel Col C, Ln 14
21	Inclusion of Barnsley Storage Operating Expense	437,252	2016 revenue requirement schedules.xls, WP 4-1, Excel Col D, Ln 14
22	Interest Expense	6,420,063	2016 revenue requirement schedules.xls, Sch 8, Col (e), Ln 3
23	Disallowed Items	(1,484,982)	
24	Actual Allocable Pension Contribution	272,435	
25			
26	Total O&M Expense	27,132,065	

Schedule 5

Atmos Energy Corporation
Operations and Maintenance Expense
For the Twelve Months Ended may 31, 2018

Line No.		Company	Reference
1	Property Taxes	4,678,802	2016 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 11+Ln19+Ln23
2	State Gross Receipts Tax	881,921	2016 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 12
3	Payroll Taxes	610,344	2016 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 13+Ln20+Ln24
4	State Franchise Tax	788,497	2016 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 14
5	Other General Taxes	32,083	2016 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 16
6	TRA Inspection Fee	494,731	2016 revenue requirement schedules.xls, WP 7-6, Col (b), Ln 15
7	Total Taxes Other Than Income Taxes	7,486,379	

Schedule 6

Atmos Energy Corporation
Federal and Excise Taxes
For the Twleve Months Ended May 31, 2018

Line No.		Company
1	Operating Margin	76,826,059
2	Other Operation and Maintenance	20,712,003
3	Depreciation and Amortization Expense	12,652,532
4	Taxes Other Than Income	7,486,379
5	NOI Before Excise and Income Taxes	35,975,145
6	less Interest on Customer Deposits	78,864
7	less Interest Expense	6,420,063
8	Pre-tax Book Income	29,476,218
9	Schedule M Adjustments	-
10	Excise Taxable Income	29,476,218
11	Excise Tax Rate	6.50%
12	Excise Tax	1,915,954
13	Pre-tax Book Income	29,476,218
14	Excise Tax	1,915,954
15	Schedule M Adjustments	-
16	FIT Taxable Income	27,560,264
17	FIT Rate	29.26%
18	Subtotal FIT	8,064,133
19	Less: ITC Amortization	-
20	Federal Income Tax Expense	8,064,133

Schedule 7

Atmos Energy Corporation
Gross Revenue Conversion Factor
For the Twelve Months Ended May 31, 2018

Line No.		Amount		Balance
1	Operating Revenues			1.000000
2	Add: Forfeited Discounts	0.005167	A/	0.005167
3	Balance			1.005167
4	Uncollectible Ratio	0.004058	B/	0.004079
5	Balance			1.001088
6	State Excise Tax	0.065000	C/	0.065071
7	Balance			0.936017
8	Federal Income Tax	0.292600	C/	0.273879
9	Balance			0.662138
10	Revenue Conversion Factor (1 / Line 9)			1.510300

A/ Forfeited discounts on gross revenues = forfeited discounts/gross revenues (excluding forfeited discounts)
B/ Uncolletible expense/Gross margin on sales
C/ Statutory Rate

Schedule 8

Atmos Energy Corporation
Cost of Capital

Line No.		Ratio	Cost	Weighted Cost
1	Short Term Debt	3.86%	2.27%	0.1%
2	Long Term Debt	37.78%	5.21%	2.0%
3	Preferred Stock			
4	Stockholder's Equity	58.35%	9.80%	5.7%
5	Total	100.00% A/		7.78%

A/ Should be 100%