IN THE TENNESSEE PUBLIC UTILITY COMMISSION AT NASHVILLE, TENNESSEE

| IN RE: |) |
|---|------------------------------|
| TENNESSEE PUBLIC UTILITY COMMISSION INVESTIGATION OF |)))) Dealrot No. 18 00024 |
| IMPACTS OF FEDERAL TAX REFORM ON THE PUBLIC UTILITY REVENUE REQUIREMENTS |) Docket No. 18-00034) |
| ATMOS ENERGY CORPORATION ANNUAL RECONICLIATION OF ANNUAL REVIEW MECHANISM |) Docket No. 18-00097 |

STIPULATION AND SETTLEMENT AGREEMENT

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

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

- 1. On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (TCJA). Among other provisions, the TCJA lowers the federal corporate tax rate from 35% to 21%.
- 2. In the public utility context, regulated utilities will realize significantly reduced federal income tax expense as a result of the TCJA.² Further, as a result of the lower federal tax rate, utilities will experience excess deferred tax reserves.³ These reserves accumulate funds for the future payment of federal income tax. Effective with implementation of a lower federal income tax rate, a portion of these future obligations, paid by ratepayers, was effectively cancelled. Funding for these cancelled obligations was provided by ratepayers, and such funds should be returned to ratepayers.⁴
- 3. On February 6, 2018, the Commission issued its Order in TPUC Docket No. 18-00001 opening an investigation into the effects of the TCJA on certain public utilities.⁵ The Order required Tennessee's five largest public utilities Tennessee American Water Company, Piedmont Natural Gas, Kingsport Power Company, Atmos Energy Corporation, and Chattanooga

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

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

³ Commission's Order, TPUC Docket No. 18-00001, pg. 4.

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

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

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

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

⁶ Commission's Order, TPUC Docket No. 18-00001, pgs. 5-6.

⁷ Commission's Order, TPUC Docket No. 18-00001, pgs. 4-5.

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

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

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

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

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

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

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

- 11. On September 4, 2018, Atmos Energy filed its *Petition of Atmos Energy For Approval of 2018 Annual Reconciliation Filing* in TPUC Docket No. 18-00097 (ARM Reconciliation Petition). ¹⁵ In the same filing on this date, Atmos Energy's witness, Gregory K. Waller, filed testimony in support of the ARM Reconciliation Petition. ¹⁶
- 12. On October 9, 2018, the Consumer Advocate filed a Petition to Intervene in this Docket. ¹⁷ The intervention petition was subsequently granted without objection. ¹⁸
- 13. On January 9, 2019, the Consumer Advocate filed direct testimony of two witnesses, David Dittemore¹⁹ and William H. Novak.²⁰
 - 14. On February 6, 2018, Atmos Energy filed rebuttal testimony of two witnesses,

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

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

¹⁵ In Re: Atmos Energy Corporation Annual Reconciliation of Annual Review Mechanism, TPUC Docket No. 18-00097 (September 4, 2018).

¹⁶ Pre-Filed Testimony of Gregory K. Waller on Behalf of Atmos Energy Corporation, TPUC Docket No. 18-00097 (September 4, 2018).

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

¹⁸ Order Granting the Petition to Intervene Filed by the Consumer Advocate, TPUC Docket No. 18-00097 (October 25, 2018).

¹⁹ Direct Testimony of David Dittemore, TPUC Docket No. 18-00097 (January 9, 2019).

²⁰ Direct Testimony of William H. Novak, TPUC Docket No. 18-00097 (January 9, 2019).

Gregory K. Waller²¹ and Jennifer K. Story²².

II. SETTLEMENT AGREEMENT TERMS

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

A. Reduction in Federal Income Tax Rate

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

²¹ Rebuttal Testimony of Gregory K. Waller on Behalf of Atmos Energy Corporation, TPUC Docket No. 18-00097 (February 6, 2019).

²² Rebuttal Testimony of Jennifer K. Story on Behalf of Atmos Energy Corporation, TPUC Docket No. 18-00097 (February 6, 2019).

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

²⁴ *Id*.

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

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

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

C. Calculation of Gross-Up Factors

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

²⁵ Novak Direct Testimony at pg. 18, line 9, Table 6.

²⁶ Novak Direct Testimony at pg. 15, Table 5.

²⁷ Novak Direct Testimony at pg. 16, lines 8-14.

Reconciliation Docket, that a forfeited discount ratio of 0.005167 and an uncollectible expense ratio of 0.001731.²⁸

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

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

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

E. Annualizing Versus Actual Expenses for Long Term Debt

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

²⁸ Novak Direct Testimony at pg. 15, line 11, Table 5.

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

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

F. Synchronization of Accumulated Deferred Income Tax (ADIT)

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

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

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

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

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

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

- 32. The issue in this subsection concerning synchronization of ADIT with a Tennessee specific excise tax rate was raised in TPUC Docket No. 18-00097.
- 33. Atmos Energy's proposed ADIT balance is comprised of a number of individual book/tax timing differences multiplied by federal and state tax rates. The Parties agree to use the Tennessee specific excise tax rate for both income tax expense and ADIT. More specifically, the Parties agree that Atmos Energy shall calculate the Tennessee ADIT using the Tennessee State Excise Tax Rate in its Income Tax Expense and within its Division 93 (TN) ADIT balances.
- 34. The result of this modification is an increase in the 13-month average balance of ADIT of \$6,953,884 and reduction to Atmos Energy's rate base of \$6,955,572.³⁰ The difference

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

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

³⁰ The difference in ADIT balance and rate base adjustment is due to the impact of the ADIT adjustment on cash working capital.

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

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

36. The Rate Base as set forth in the Settlement Agreement (settlement Rate Base) is reconciled with the Company's original Rate Base³¹ as set forth in Exhibit A. This settlement Rate Base also incorporates changes to the balance of Cash Working Capital consistent with other Rate Base adjustments. The original balance of ADIT³² is reconciled with the settlement balance of ADIT as set forth in Exhibit B. The original balance of Cash Working Capital³³ is reconciled with the settlement balance of Cash Working Capital as set forth in Exhibit C. The original balance of the Atmos Regulatory Liability is reconciled with the settlement balance of the Atmos Regulatory Liability as set forth in Exhibit D.³⁴ The original balance of Accumulated Depreciation and Amortization³⁵ is reconciled with the settlement balance of Accumulated Depreciation and Amortization as set forth in Exhibit E. The original balance of Storage and Gas Investment³⁶ is reconciled with the settlement balance of Storage and Gas Investment as set forth in Exhibit F.

³¹ Waller Direct Testimony, Exhibit GKW-1, Schedule 7, line 29.

³² Waller Direct Testimony, Exhibit GKW-1, Schedule 7, line 15.

³³ Id. at Schedule 7, line 9.

³⁴ *Id.* at Schedule 7, line 13.

³⁵ Id. at Schedule 7, line 3.

³⁶ *Id.* at Schedule 7, line 7.

H. Classification of the Repair Deduction

- 37. The issue in this subsection concerning the classification of the Repair Deduction was raised in TPUC Docket No. 18-00034.
- 38. The Repair Deduction results from the current deduction for certain costs as incurred in computing federal taxable income, while those same costs are capitalized as plant-inservice for financial reporting purposes and included in rate base for ratemaking purposes.³⁷ Although the Parties agree to the current estimate of total Excess ADIT, there is a difference of opinion on the categorization of the Repair Deduction as either Protected³⁸ or Unprotected Excess ADIT³⁹ as reflected in the testimonies of Mr. Dittemore and Ms. Story in the Tax Docket. The Parties agree to resolve the issue of the classification of the Repair Deduction in TPUC Docket 18-00034 through the Private Letter Ruling (PLR) Process with the Internal Revenue Service (IRS) in accordance with Rev Proc 2019-1 or its successor.
- 39. Atmos Energy hereby represents that it does not have the vintage plant books and records that would be required to calculate the reversal of excess ADIT under the Average Rate Assumption Method (ARAM); therefore, Atmos Energy is utilizing the Reverse South Georgia Method (RSGM).
- 40. The Parties agree that the question posed to the IRS within the PLR is whether a Company utilizing RSGM, due to lack of vintage plant records, must normalize Excess ADIT associated with the Repair Deduction or whether Excess ADIT associated with the Repair

³⁷ Dittemore Direct Testimony at pg. 16, lines 2-6.

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

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

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

- 41. The Parties agree to continue their strong, collaborative working relationship during this process of resolving the classification of the Repair Deduction. This includes collaboration and information-sharing, in good faith, during the drafting of the PLR request prior to Atmos Energy's formal submittal of the PLR request to the Commission. Accordingly, Atmos Energy agrees to (a) provide a draft copy of the PLR to the Consumer Advocate a reasonable period of time before any filing of such draft at the Commission or IRS to permit review and comment by the Consumer Advocate; (b) in good faith consider such comment and input from the Consumer Advocate into such draft; (c) provide prompt notice to the Consumer Advocate of each interaction, teleconference, or meeting with the Commission or IRS related to the PLR; and (d) to not object to the participation by the Consumer Advocate in any proceeding, teleconference, or meeting with the Commission or IRS related by Rev Proc 2019-1 or its successor.
- 42. Within 90 days of the Commission's written approval of this Settlement Agreement, Atmos Energy shall submit its draft PLR request to the Commission for review of the request to determine whether it is adequate and complete with a copy provided to the Consumer Advocate concurrently therewith. Atmos Energy agrees to provide prior notice to the Consumer Advocate of any meeting or telephone conference with Commission staff concerning such submission (along with a copy of any documents or materials pertinent to such meeting or telephone conference) and, further, Atmos Energy agrees not to object to the intervention or participation of the Consumer Advocate in any proceeding related to such submission. Within 30

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

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

I. Amortization Periods of Excess ADIT

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

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

J. Revenue Requirement Surplus

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

⁴⁰ The Company commenced 28 year amortization of Protected and Unprotected Excess ADIT on October 15, 2018.

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

K. Safety and Operating Performance Metrics

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

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

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

M. Atmos Energy's Plant Accounting Accumulated Reserve Records

- 61. The issue in this subsection was raised in TPUC Docket No. 18-00034.
- 62. The Parties agree that for the purpose of resolving this issue in the Atmos Tax

 Docket, Atmos Energy will not be required to upgrade its plant accounting accumulated reserve

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

records or modify its accounting systems to accommodate ARAM.

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

J. General Terms

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

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

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

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

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

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

The foregoing is agreed and stipulated to this _25_ day of March, 2019.

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

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

ATMOS ENERGY CORPORATION.

HAVE SEEN AND AGREED.

BY:

A. SCOTT ROSS, (BPR # 15634)

Neal & Harwell, PLC

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

FINANCIAL DIVISION, CONSUMER ADVOCATE UNIT

HAVE SEEN AND AGREED.

By:

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Attorney General and Reporter

State of Tennessee

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SETTLEMENT EXHIBIT A

Settlement Exhibit A

Resulting from the Application Adjustments to Cash Working Capital and ADIT

| g com the representation of chemical control o | | A/ As Filed | Adjustments | B/ Settlement | Adjustment Reference |
|--|----|----------------|-------------|------------------|----------------------|
| Original Cost of Plant | \$ | 546,605,030 | | \$ 546,605,030 | |
| Accumulated Depreciation and Amortization | | (204,635,275) | 9,733 | (204,625,542) | Settlement Exhibit E |
| Construction Work in Progress per Books | | 18,629,890 | | 18,629,890 | |
| Storage Gas Investment | | 4,561,487 | (5,532) | 4,555,955 | Settlement Exhibit F |
| Cash Working Capital | | 1,129,457 | (40,061) | 1,089,396 | Settlement Exhibit C |
| Material & Supplies | | 31,504 | | 31,504 | |
| Regulatory Assets/Liabilities | | (13,496,569) | (31,755) | (13,528,323) | Settlement Exhibit D |
| Accumulated Deferred Income Tax | | (41,694,823) | (6,819,767) | (48,514,590) | Settlement Exhibit B |
| Customer Advances for Construction | | (19,995) | | (19,995) | |
| Customer Deposits | | (1,624,026) | | (1,624,026) | |
| Accumulated Interest on Customer Deposits | - | (52,049) | | (52,049) | |
| Unadjusted Rate Base | | 309,434,632 | | 302,547,250 | |
| Adjustments: | | (3,401,987) | | (3,401,987) | |
| Net Elimination of Intercompany Leased Property | | 5,495,201 | | 5,495,201 | |
| Total Rate Base | 20 | 311,527,846 | | 304,640,464 | |

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

SETTLEMENT EXHIBIT B

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

Settlement Exhibit B

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

A/ GKW-1 Reconciliation Revenue Requirement Model, Sch. 7, cell E19B/ Settlement Exhibit SA-1 Reconciliation Revenue Requirement Model v3

SETTLEMENT EXHIBIT C

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

Settlement Exhibit C

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

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

SETTLEMENT EXHIBIT D

Settlement Exhibit D

| | A/ | В/ | |
|-------------------------------|----------------------|----------------------|-------------|
| | As Filed Settlement | | Difference |
| Regulatory Assets/Liabilities | \$ (13,496,569) | (13,528,323) | \$ (31,755) |
| | | | |
| | | | |
| | | | |
| Monthly Balance | Account 2530 - 27909 | Account 2530 - 27909 | |
| May-17 | 1645 | ₩ | \$ - |
| Jun-17 | (⊕) | y H | \$ - |
| Jul-17 | 195 | · | \$ - |
| Aug-17 | | 篁 | \$ - |
| Sep-17 | V# | = | \$ # |
| Oct-17 | (#I | 94 | \$ - |
| Nov-17 | £ | : | \$ = |
| Dec-17 | (29,321,046) | (29,389,848) | \$ (68,802) |
| Jan-18 | (29,321,046) | (29,389,848) | \$ (68,802) |
| Feb-18 | (29,321,046) | (29,389,848) | \$ (68,802) |
| Mar-18 | (29,164,084) | (29,232,886) | \$ (68,802) |
| Apr-18 | (29,164,084) | (29,232,886) | \$ (68,802) |
| May-18 | (29,164,084) | (29,232,886) | \$ (68,802) |
| 13 Month Average | (13,496,569) | (13,528,323) | (31,755) |
| | | | |

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

SETTLEMENT EXHIBIT E

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

Settlement Exhibit E

| As Filed Accumulated Depreciation and Amortization | \$ | (204,635,275) | A / |
|---|----|---------------|------------|
| Adjustment 1 Inclusion of SubAcct 39918 in Calculation of CKV Accum. Deprec. | | (6,795) | B / |
| Adjustment 2 To Adjust Div 12 Accum. Deprec. for the Removal of the Updated CKV Calculation | | 16,529 | В/ |
| Total Adjustments | | 9,733 | 85 85 |
| Settlement Accumulated Depreciation and Amortization | S | (204,625,542) | C/ |

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

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

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

SETTLEMENT EXHIBIT F

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

Settlement Exhibit F

| Storage Gas Investment | A/ As Filed \$ 4,561,487 | B/ Settlement 4,555,955 | \$ (5,532) |
|------------------------|--------------------------------|-------------------------------|---------------|
| Inventories- Gas S | tored (Accour | nt 1641) | |
| May-17 | 3,324,309 | 3,324,309 | ŝ |
| Jun-17 | 4,173,868 | 4,173,868 | = |
| Jul-17 | 5,248,371 | 5,248,371 | * |
| Aug-17 | 6,348,943 | 6,348,943 | # |
| Sep-17 | 7,351,047 | 7,351,047 | = |
| Oct-17 | 8,153,627 | 8,153,627 | ₩. |
| Nov-17 | 8,246,120 | 8,246,120 | # |
| Dec-17 | 5,636,711 | 5,626,240 | (10,471) |
| Jan-18 | 3,247,369 | 3,233,440 | (13,929) |
| Feb-18 | 2,701,708 | 2,690,790 | (10,918) |
| Mar-18 | 840,077 | 831,112 | (8,965) |
| Apr-18 | 1,380,990 | 1,368,505 | (12,485) |
| May-18 | 2,646,189 | 2,631,037 | (15,152) |
| Average | 4,561,487 | 4,555,955 | (5,532) |

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

Settlement Exhibit SA-1 Reconciliation Revenue Requirement Model v3

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

SETTLEMENT AGREEMENT SCHEDULE 1

Schedule 1

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

| Line | | | | | | |
|----------------|---|-------------------|-------------|--------|--------------|---------------|
| No. | Description | Reference | Amount | | As Filed | Difference |
| - | (a) | (b) | (c) | | (d) | (e) |
| 1 | Cost of Gas | Schedule 3 | \$73,565, | 057 | \$40,904,923 | \$32,660,135 |
| 2 | Operation & Maintenance Expense | Schedule 4 | 20,712, | 003 | 20,384,327 | 327,676 |
| 5 | Taxes Other Than Income Taxes | Schedule 5 | 7,486, | 379 | 7,704,182 | (217,803) |
| 6 7 | Depreciation & Amortization Expense | Schedule 6 | 12,652, | 532 | 12,516,189 | 136,343 |
| 8 | Return | Schedule 7 | 23,701, | 028 | 22,691,145 | 1,009,883 |
| 10 11 | Federal Income and State Excise Tax | Schedule 8 | 8,855, | 376 | 10,064,573 | (1,209,197) |
| 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 | | \$ 146,901. | 275 \$ | 114,379,845 | \$ 32,521,429 |
| 18 19 | Cost of Service w/o Gas Cost | | 73,336 | 218 | 73,474,922 | (138,705) |
| 20 21 | Non-Gas Revenues in Attrition Year (Gross M | | 81,438 | | | |
| 22 23 | Removal of 16-00105 ARM Recon Revenue in Non-Gas Revenues in Attrition Year with True | | 76,826 | | | |
| 24 | Additional Revenue Required to Earn Authoriz | ed Rate of Return | (3,489, | 841) | | |
| 24 25 | Carrying Cost | | (564, | 143) | | |
| 26 27 28 | Amount to be added to revenue sufficiency / de in February 1, 2019 ARM filing | ficiency | \$ (4,053, | 984) | | |

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

| Line | | 50 | | |
|------|------------------------------------|----|----|-----------|
| No. | Description | | | Amount |
| | (a) | | | (b) |
| 1 | Average Customer Deposit Balance | | \$ | 1,624,026 |
| 2 3 | Interest Data on Customar Danasita | | | 3.25% |
| 4 | Interest Rate on Customer Deposits | * | - | 3.2370 |
| 5 | Adjusted Customer Deposit Interest | | \$ | 52,781 |
| 6 | | | | |
| 7 | Per Book Customer Deposit Interest | | \$ | 78,864 |

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

| Line | | | |
|------|---|-------|------------|
| No. | Description | | Amount |
| | (a) | | (b) |
| 1 | Base Period AFUDC per books - Div 093 (1) | \$ | (83,411) |
| 2 | Base Period AFODC per books - Div 093 (1) | Φ | (05,411) |
| 3 | Less State Excise Tax Effect | | (5,422) |
| 4 | Loss State Excise Tax Effect | - | (0,122) |
| 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 | N. ADVDC AVVII D. 1.1 | ф | (1.40.064) |
| 21 | Net AFUDC - Attrition Period | 2 | (149,964) |
| 22 | NT . | | |
| 23 | Note: | 422 | |
| 24 | 1. Twelve months ended September 30, 2016 - Account | . 432 | |
| 25 | 2. Twelve months ended May 31, 2018 | | |

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

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

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 | |
| 19 | 2. I work months offeed that 51, 2010 | |

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

| Line No. | Description (a) | | t O&M (b) | | Storage Expense O&M | Leased Property preciation | Е | Storage Expense ner Taxes | S | torage Rent Gas Cost (c) |
|-------------|-----------------|----|--------------|----|---------------------------|----------------------------------|----|---------------------------------|----|--------------------------|
| 1 | I 17 | ф | | Φ | 29 140 | \$ 17,359 | \$ | 3,050 | \$ | (86,646) |
| 1 | June-17 | \$ | -5 | \$ | 28,140 | | | | | |
| 2 | July-17 | \$ | 18 | \$ | 22,751 | \$ 17,359 | \$ | 3,050 | \$ | (86,646) |
| 3 | August-17 | \$ | F. | \$ | 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 | \$ | 2 | \$ | 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 | \$ | <u>=</u> | \$ | 49,746 | \$ 17,371 | \$ | 18,371 | \$ | (106,600) |
| 13 | • | | | | | | | | | |
| 14 | Total Per Books | \$ | | \$ | 437,252 | \$ 208,434 | \$ | 58,978 | \$ | (1,179,430) |

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

| Line | | | |
|------|---|------|-------------|
| No. | Description | | Amount |
| | (b) | | (c) |
| | ¥3 | | |
| 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 | | 7 | |
| 15 | Note: | | |
| 16 | 1. Twelve months ended September 30, 2016 | | |
| 17 | 2. Twelve months ended May 31, 2018 | | |
| | | | |

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

| Line | | | Tennessee | | | | SSU | | | ~ | General Office | | | | | |
|--|-----|---------------------------|---------------|--------------|--------|----------------|-------------|--------------|----|---------------|----------------|--------------|---------------|------------------|------------|-------------|
| No. | J≡I | Historic Base | Attrition | Difference | Histor | Historic Base | Attrition | Difference | 田 | Historic Base | Attrition | Difference | Historic Base | Attrition | 7/ | Difference |
| Lahor | 6 | 3 555 037 \$ | 3 453 549 | \$ (101,488) | 3 | 318.537 | 3.183.789 | \$ (134,748) | 49 | 915,953 \$ | 1,142,807 | \$ 226,854 | \$ 7,789,527 | 7,780,145 | ,145 \$ | (9,382) |
| 2 Benefits | 649 | | 1,142,006 | | S | ,134,962 \$ | 1,051,549 | (83,413) | 69 | 312,042 \$ | 269,677 | (42,365) | | | ,232 | (324,374) |
| 3 Employee Welfare | 69 | 33,262 | 30,015 | (3,248) | S | 387,685 | 1,649,400 | 261,716 | 64 | 635,376 \$ | 526,409 | (108,968) | 2,056,323 | 3 2,205,824 | ,824 | 149,501 |
| 4 Insurance | 8 | 178,945 | 181,455 | 2,510 | S | 927,349 \$ | 980,511 | 53,162 | 69 | 20,638 \$ | 28,742 | 8,104 | 1,126,932 | _ | ,190,708 | 63,776 |
| 5 Rent, Maint, & Utilities | 69 | 590,232 | 446,776 | (143,456) | v | 373,165 \$ | 350,556 | (22,609) | 69 | 153,665 \$ | 134,609 | (19,056) | 1,117,063 | | 931,941 | (185,121) |
| 6 Vehicles & Equip | 69 | 507,567 | 524,880 | 17,313 | S | 8 082'9 | 3,211 | (3,569) | 69 | 28,804 \$ | 29,871 | 1,067 | 543,151 | | 557,963 | 14,811 |
| 7 Materials & Supplies | 69 | 389,975 | 417,683 | 27,708 | S | 43,399 \$ | 42,328 | (1,070) | 69 | 71,745 \$ | 83,526 | 11,781 | 505,119 | | 543,538 | 38,419 |
| 8 Information Technologies | 69 | 9,358 | 3,267 | (6,092) | 65 | 793,487 \$ | 918,274 | 124,787 | 9 | 39,334 \$ | 28,756 | (10,578) | 842,179 | | 950,296 | 108,117 |
| 9 Telecom | 64) | 190,673 | 264,497 | 73,823 | S | 114,742 \$ | 108,133 | (6,609) | 69 | 145,346 \$ | 127,409 | (17,938) | 450,762 | | 500,038 | 49,276 |
| 10 Marketing | 69 | 89,851 | 96,025 | 6,174 | S | 11,700 \$ | 10,702 | (866) | 69 | 138,954 \$ | 170,651 | 31,697 | 240,505 | | 277,378 | 36,873 |
| 11 Directors & Shareholders &PR | 69 | 3,633 | (10) | (3,633) | O5 | 273,215 \$ | 308,542 | 35,327 | 69 | 4 \$ | | (4) | 276,852 | | 308,542 | 31,690 |
| 12 Dues & Donations | 69 | 73,045 | 106.746 | 33,701 | S | 25,822 \$ | 23,982 | (1,840) | 69 | 46,643 \$ | 10,735 | (35,908) | 145,510 | | 141,463 | (4,047) |
| 13 Print & Postages | 69 | 8,695 | 8,703 | 7 | V) | 8,137 \$ | 7,756 | (381) | 69 | 5,600 \$ | 5,593 | (E) | 22,432 | | 22,052 | (381) |
| 14 Travel & Entertainment | 69 | 291,917 | 313,212 | 21,295 | S | 112,851 \$ | 126,521 | 13,670 | 64 | 173,488 \$ | 202,041 | 28,554 | 578,256 | | 641,775 | 63,519 |
| 15 Training | 69 | 11,875 | 21,431 | 9,556 | S | 75,243 S | 57,942 | (17,301) | 69 | 20,414 \$ | 26,288 | 5,874 | 107,532 | | 105,661 | (1,871) |
| 16 Outside Services | 69 | 3,486,914 | 4,395,915 | 909,000 | S | 721,496 \$ | 745,901 | 24,405 | 69 | 1,247,270 \$ | 564,965 | (682,304) | 5,455,681 | 5, | 5,781 | 251,101 |
| 17 Provision for Bad Debt | 69 | 286,637 | 268,238 | (18,399) | w | | 99 | Ä | 69 | 9 | • | (i | 286,637 | | 268,238 | (18,399) |
| 18 Miscellaneous | 69 | 195,719 | (55,954) | (251,673) | \$ (2, | (2,655,742) \$ | (2,962,854) | (307,112) | 69 | (43,717) \$ | (89,469) | (45,752) | (2,503,739) | | 3,108,276) | (604,537) |
| 19 Total O&M Expenses | 69 | | \$ 11,618,443 | \$ 374,503 | \$ 6, | 6,672,828 \$ | 6,606,245 | \$ (66,582) | 65 | 3,911,561 \$ | 3,262,610 | \$ (648,951) | \$ 21,828,328 | 28 \$ 21,487,298 | 7,298 \$ | (341,030) |
| 20 | | | | | | | | | | | | | | | | |
| 21 Disallowed Items | | | | | | | | | | | | | | | | |
| 22 Other (Sub 05416 and 05412) | | | (2,023) | | | | (2,476) | | | | (1,412) | | | | | (5,911) |
| 23 Incentive Comp (MFR 38) | | | 0 | | | | (612,869) | | | | (425,536) | | | (1,03 | _ | 1,038,405) |
| 24 Benefits (FAS 87 Accrual) | | | (215,933) | | | | (156,623) | | | | (68,110) | | | (44(| (440,666) | (440,666) |
| 25 | | | × | | * | | | ٠ | | | 7,0 | | | *: | | |
| 26 Rate Case Expense | | | i.e. | 10 | | | | | | | | | ¥. | | ží. | E) |
| 27 | | | | | | | | | | | | | | (P. | | 201000 |
| 28 Actual Allocable Pension Contribution | | | 272,435 | 272,435 | | | | | | | | | | 77. | 212,435 | 2/2,455 |
| 20 Total O&M | 4 | 179 243 940 \$ 11 677 971 | 11 677 971 | \$ 646 937 | \$ | \$ 828 629 8 | 5 834 277 | \$ (66.582) | 69 | 3.911.561 \$ | 2.767.553 \$ | \$ (648.951) | \$ 21.828.328 | 28 \$ 20,274,751 | S | (1,553,577) |
| SO LOTAL CALVA | | 21 77 77 77 | 110000 | ı | | | | | | | 1 | | | | l | |

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

| | | Division 093 | |
|------|---------|-----------------------|----------------------|
| Line | FERC | Historic Base | |
| No. | Account | Period | Attrition Year |
| 1 | 7350 | 1,504 | 891 |
| 2 | 8400 | 5 | |
| 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 | 70 | 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 |
| | 8770 | 2,615 | 5,650 |
| | 8780 | 681,638 | 692,491 |
| | 8800 | 130,271 | 94,150 |
| | 8810 | 493,974 | 302,506 |
| | 8860 | 4,457 | 6,612 |
| | 8870 | 34,771 | 43,374 |
| | 8890 | 3,247 | 140,114 |
| | 8900 | 2 | 33 |
| | 8910 | <u> </u> | 139 |
| | 8920 | 8,229 | (26,005) |
| | 8930 | 11,094 | 37,016 |
| | 8940 | (56) | 150 |
| | 9010 | 212 | 2 # 3 |
| | 9020 | 947,850 | 481,768 |
| | 9030 | 316,230 | 983,425 |
| | 9040 | 286,637 | 268,238 |
| | 9090 | 152,522 | 16,139 |
| | 9100 | 102,022 | 33 |
| | 9110 | 302,849 | 226,566 |
| | 9120 | 42,872 | 63,690 |
| | 9130 | 100 | 11,019 |
| | 9160 | * | 11,017 |
| | 9200 | 99,887 | 111,863 |
| | | 20,297 | |
| | 9210 | , | 14,242 9,868,855 |
| | 9220 | 10,554,992 160,931 | 154,589 |
| | 9230 | | 142,185 |
| | 9240 | 139,178 | 50,130 |
| | 9250 | 27,773 | |
| | 9260 | 1,352,964 | 1,153,867 |
| | 9270 | 100 022 | 6.714 |
| | 9280 | 180,833 | 6,714 |
| | 9302 | 21,871 | 70,525 |
| | 9310 | 10,531 | 10,834 21,487,298 |
| 46 | Total | 21,798,867 | 21,407,298 |

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

| | | Division 091 | |
|------|---------|---------------|---------------------------------------|
| Line | FERC | Historic Base | |
| No. | Account | Period | Attrition Year |
| 110. | 8160 | 1 0110 0 | 62 |
| 44 | 8170 | 521 | 549 |
| | 8180 | 544 | 520 |
| | 8190 | 7,490 | 6,868 |
| | 8210 | 2,213 | 2,882 |
| | 8240 | 2,215 | 11 |
| | 8250 | 12,765 | 15,258 |
| | 8500 | 151 | 13,230 |
| | 8560 | 1,026 | 901 |
| | 8570 | 1,060 | 1,000 |
| | 8640 | * | 1,000 |
| | 8650 | 93 | |
| | 8700 | 3,100,485 | 3,133,634 |
| | 8710 | 140 | 3,133,031 |
| | 8711 | 54,105 | 100,581 |
| | 8740 | 90,489 | 119,576 |
| | 8750 | 113,036 | 155,723 |
| | 8760 | 70 | 2,856 |
| | 8770 | 1,036 | 36,722 |
| | 8780 | 478 | 82 |
| | 8800 | 1,610 | 173 |
| | 8810 | 309,396 | 274,246 |
| | 8860 | 177: | |
| | 8940 | | · · · · · · · · · · · · · · · · · · · |
| | 9010 | | 27,899 |
| | 9020 | | |
| | 9030 | 2,765,198 | 1,921,993 |
| | 9090 | 388 | |
| | 9100 | 753 | 2,138 |
| | 9110 | 131,544 | 170,230 |
| | 9120 | 3,933 | 3,041 |
| | 9130 | 8,759 | 5,998 |
| | 9200 | (104,066) | (219,098) |
| 76 | 9210 | 69,126 | (38,644) |
| | 9220 | (8,980,256) | (7,786,772) |
| 78 | 9230 | 175,505 | 141,485 |
| | 9240 | (11,528) | (14,370) |
| 80 | 9250 | 371,198 | 146,225 |
| 81 | 9260 | 1,837,731 | 1,776,232 |
| 82 | 9280 | ¥ | 441 |
| | 9302 | 103,010 | 11,555 |
| | 9310 | | <u>==);</u> |
| 85 | Total | 68,000 | (0) |
| | | | |

WP 4-2

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

| | | Division 002 | |
|------|---------|--|----------------|
| Line | FERC | Historic Base | |
| No. | Account | Period | Attrition Year |
| 84 | 8210 | (¥) | 440 |
| 85 | 8230 | 3#3 | 6,062 |
| 86 | 8560 | 463 | 6,983 |
| 87 | 8700 | 4,341 | 283,387 |
| 88 | 8740 | 112,666 | 45,956 |
| 89 | 8780 | - | i+ |
| 90 | 8800 | (3,799) | |
| 91 | 8850 | | 24,916,754 |
| 92 | 8900 | - | æ |
| 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 | FERC | Historic Base | |
| No. | Account | Period | Attrition Year |
| 107 | 8700 | 824 | 1,876 |
| 108 | 8740 | 21,423 | 19,316 |
| 109 | 8800 | 54 | 37 |
| 110 | 9010 | 5,191,977 | 4,140,074 |
| 111 | 9020 | 76 | 9,791 |
| 112 | 9030 | 22,338,905 | 18,683,675 |
| 113 | 9100 | (8) | 者 |
| 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 | 5 |
| 122 | 9302 | 88,362 | |
| 123 | 9310 | 1,849,962 | 1,672,147 |
| 124 | 9320 | 9,942 | 10,653 |
| 125 | Total | 0 | 0 |

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

| | | | | | | | Proposed | Proposed | Revenue | | | |
|--|----------|-----------|-------------|-------------|---------|-----------|----------|-----------|------------|------------|------------|----------|
| Line | Number | Volumes | Adjustments | Adjustments | Total | Total | Customer | Commodity | @ Proposed | Bad Debt | Total | |
| No. | of Bills | Mcf | to Bills | to Volumes | BIIIS | Volumes | Charge | Charge | Rates | Percentage | Bad Debt | 1 |
| (a) | (q) | (2) | (p) | (e) | (t) | (g) | (h) | (1) | 6 | (k) | (1) | |
| 1 210 Residential Gas Service (Summer) | 613.707 | 810,777 | 19.113 | 25.250 | 632,820 | 836,027 | 14.50 | 1.206 | 10,184,383 | 0,5% | \$ 50,922 | 2 |
| 2 210 Residential Gas Service (Winter) (weather sensitive) | 853,797 | 6,668,956 | 26,590 | 207,694 | 880,387 | 6,876,650 | 17.50 | 1,206 | 23,702,037 | 0.5% | \$ 118,510 | 0 |
| 3 210 Residential Gas Service Senior Citizen (Summer) | 709 | 553 | 22 | 17 | 731 | 220 | 00.0 | 1,206 | 688 | 0,5% | 49 | 3 |
| 4 210 Residential Gas Service Senior Citizen (Winter) (weather sensitive) | 1,011 | 6,211 | 31 | 193 | 1,042 | 6,405 | 0.00 | 1,206 | 7,726 | 0.5% | 69 | 33 |
| 50 | | | | | | | | | | | | |
| 6 211 Residential/Sm. Commericial/Industrial Heating & Cooling Service | 24 | 342 | - | 1 | 22 | 353 | 14,25 | 0.735 | 612 | 0.5% | 69 | 33 |
| 7 | | | | | | | | | | | | |
| 8 220 Commercial Gas Service (weather sensitive) | 194,355 | 5,146,491 | 3,267 | 86,498 | 197,622 | 5,232,989 | 36,00 | 2,385 | 19,593,309 | 0.5% | \$ 97,967 | 2 |
| 6 | | | | | | | | | | | | |
| 10 221 Experimental School Gas Service | 53 | 69,275 | _ | 1,164 | 54 | 70,439 | 36,00 | 1.162 | 83,759 | 0.5% | \$ 419 | 6 |
| = | | | | | | | | | | | | |
| 12 225 Public Authority Gas Service (Sr. Citizen) (Summer) | 0 | 0 | 0 | 0 | 0 | 0 | 00.00 | 1.206 | 0 | 0.5% | :: 69 | |
| 13 225 Public Authority Gas Service (Sr. Citizen) (Winter) (weather Sensitive) | 0 | 0 | 0 | 0 | 0 | 0 | 00'0 | 1,206 | 0 | 0.5% | 69 | |
| 14 225 Public Authority Gas Service (Summer) | 2,974 | 7,439 | 93 | 232 | 3,067 | 7,671 | 14,50 | 1,206 | 53,720 | 0.5% | \$ 269 | 66 |
| 15 225 Public Authority Gas Service (Winter) (weather Sensitive) | 4,166 | 40,992 | 130 | 1,277 | 4,296 | 42,268 | 17,50 | 1.206 | 126,164 | 0.5% | \$ 631 | <u>=</u> |
| 116 | | | | | | | | | | | | |
| 17 230 Large Commercial Gas Service (weather sensitive) | 0 | 0 | 0 | 0 | 0 | 0 | 385.00 | 2.084 | 0 | 0,5% | 69 | |
| 81 | | | | | | | | | | | | Ì |
| 19_Total | 8 | | | ų: | | | | | 23 | | 268,762 | 23 |

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

| Pension Contribution | Capital/Reduction to O&M | Costs | | | | | (81,364) | | (10,712) | | | | (92,076) | |
|----------------------|---------------------------------------|---------------------------------------|-----|--|--------------------------|--------------|---|---|--|--|--|---|---|--|
| | | Capitalization Rate | | | | | 25.6% | | 53,7% | | | | 69 | |
| | Amount Allocable | to Tennessee | (g) | #!! | 22,785 | 7,730 | 146,338 | 147,932 | 19,948 | 13,998 | 5,781 | | \$ 364,511 | |
| | Allocation Factor to Amount Allocable | Tennessee | (j) | %000 | 4.26% | 4.52% | 100 00% | 100.00% | 41.81% | 26.55% | 41.81% | | | |
| | Actual Attrition | ear Contribution | (e) | 3,886,206.17 | 534,233 | 171,036 | 146,338 | 147,932 | 47,708 | 52,722 | 13,825 | | 5,000,000 | |
| Doesone of | Contribution A | Applicable to Group Year Contribution | (p) | \$ %L'LL | 10,7% | 3.4% | 2.9% | 3.0% | 1.0% | 1,1% | 0.3% | | 100,00% \$ | |
| | Estimated | Liability | (0) | 414,624,000 | 56,998,000 | 18,248,000 | 15,613,000 | 15,783,000 | 5,090,000 | 5,625,000 | 1,475,000 | | 5,650 \$ 533,456,000 | |
| | Number of | Participants | (p) | 4,410 \$ | 493 | 371 | 107 | 192 | 25 | 47 | 5 | | \$ 059°5 | |
| | | Description | (a) | All Other (not allocable to Tennessee) | Co 010 - Shared Services | Co 010 - CSO | Active Tennessee Jurisdiction Employees | Inactive Tennessee Jurisdiction Employees | Active Division General Office Employees | Inactive Division General Office Employees (pre-merger)(1) | Inactive Division General Office Employees (post-merger) | | Total Amount of Contribution Allocable to Tennessee | |
| | | Line No. | | _ | 2 | 3 | 4 | 5 | 9 | 7 | 00 | 6 | 10 | |

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

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

| 23.349 5.000 | | | | Termosee | | | | 381 | | | 9 | General Office | | | | Total | |
|--|----------------------------------|---------|--------------|----------------|--------------|-------|----------------|------------------|--------------|-------|--------------------|------------------|---------------------|------|--------------------|---|--------------|
| 1,142 1,142,006 1,142,00 | | Arminon | | MITTHON Actual | Difference | Attri | tion Forecast | Attrition Actual | Difference | Attri | Attrition Forecast | Attrition Actual | Біпетелсе | Arth | Attrition Forecast | Attrition Actual | Difference |
| 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, | | 45 | 3.535.688 \$ | 3,453,549 | (82 139) | W | 3,468,899 \$ | 3,183,789 | \$ (285,110) | s | .099,492 | 1,142,807 | 43.315 | N) | 8,104,079 | 7,780,145 | S (323.934 |
| String | <u>"a</u> | v | 1,375,104 \$ | 1,142,006 | \$ (233.098) | W | 1.230,090 | 1,051 549 | \$ (178,541) | w | 540.273 | 269,677 | (270,596) | и | 3,145,467 | 2 463 232 | \$ (682.235 |
| Hiller | oyee Welfare | W | 41.542 .\$ | 30,015 | (11.527) | W | 1385338 \$ | 1,649,400 | \$ 264,063 | w | 548,644 | 526,409 | (22.235) | × | 1,975,523 | 2 205 824 | 5 230.301 |
| title \$ \$57,588 \$ 46,776 \$ (41)112 \$ 349,644 <td>Ance</td> <td>w</td> <td>31.117</td> <td>181,455</td> <td>8 150,337</td> <td>w</td> <td>897,083 \$</td> <td>980,511</td> <td>£ 83,429</td> <td>66</td> <td>[78,415 \$</td> <td>28.742</td> <td>(149,674)</td> <td>i.</td> <td>1,106,616</td> <td>1,190,708</td> <td>\$ 84,09</td> | Ance | w | 31.117 | 181,455 | 8 150,337 | w | 897,083 \$ | 980,511 | £ 83,429 | 66 | [78,415 \$ | 28.742 | (149,674) | i. | 1,106,616 | 1,190,708 | \$ 84,09 |
| time 5 6 01,676 5 32,880 8 (4,374) 8 4,471 8 total decrease 5 1,275 5 4,475 5 4,475 5 4,477 1 8 total decrease 5 1,275 5 4,475 5 4,477 1 8 total decrease 6 1,277 5 4,477 1 8 total decrease 7 15,863 8 2,644 7 8 6,439 8 128,20 5 1 | Maint, & Utilities | v | \$87.888 | 446.776 | 5 (141,112) | и | 3 H59'6HE | 350,556 | \$ 922 | un. | 159.910 | 134,609 | \$ (25.301) | 44 | 1 097 432 \$ | 931,941 | \$ (165,491) |
| size S 35.32.7 3 .1/63.3 \$.52.610 modegim \$ 35.22.7 \$.1/63.3 \$.52.610 \$.51.610 modera &PR \$ 19.68.3 3.264.9 \$.52.610 \$.51.610 sholder &PR \$ 19.68.3 6.67.99 \$.52.610 \$.51.60 moment \$ 10.62.2 0.05.61 \$.21.20 \$.21.20 \$.21.20 moment \$ 2.08.21 \$.00.76 \$.13.51 \$.21.13 <td< td=""><td>des & Equip</td><td>W</td><td>₹ 9291129</td><td>524.880</td><td>(146,796)</td><td>65</td><td>4.771 \$</td><td>3211</td><td>\$ (1.559)</td><td>165</td><td>29.574 \$</td><td>29.871</td><td>297</td><td>u</td><td>706.021</td><td>557.963</td><td>\$ (148.058</td></td<> | des & Equip | W | ₹ 9291129 | 524.880 | (146,796) | 65 | 4.771 \$ | 3211 | \$ (1.559) | 165 | 29.574 \$ | 29.871 | 297 | u | 706.021 | 557.963 | \$ (148.058 |
| 1,2,4,5,5,5,5,5,5,5,5,5,5,5,5,5,5,5,5,5,5 | rials & Supplier | W | 355,327 \$ | 417,683 | 5 62,357 | W | 52,610 \$ | 42,328 | \$ (10.282) | 10 | 67.344 \$ | 83,526 | 5 16,183 | 40 | 475.281 \$ | 543,538 | 5 68.258 |
| S 1976 8 2 6.6799 S 122.02 5 | nation Technologies | W | ** | 3.267 | 3,267 | w | 811.863 \$ | 918274 | \$ 106,411 | ø | \$0.701 | 28.756 | (21.945) | M | 862,563 \$ | 950.296 | \$ 87,733 |
| Abdders &PR 5 73,63 5 8,003 5 70,161 5 12,023 5 12,023 5 12,03 | ш | un. | \$ 869'161 | 264,497 | \$ 66.799 | w | 128,302 \$ | 108,133 | \$ (20,169) | 8 | 220,326 \$ | 127,409 | (92.917) | ** | S46.325 S | \$00,038 | \$ (46.287) |
| Abolden & PR | eting | en. | 75,863 \$ | 96.025 | 5 20,161 | in | 12.023 \$ | 10,702 | (1.321) | 10 | 169.324 \$ | 170.651 | 1.327 | 4 | 257.210 \$ | 277.378 | \$ 20.16 |
| 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, | tors & Shareholders &PR | 64 | 2,412 \$ | | \$ (2,412) | 10 | 281,828 \$ | 308,542 | £ 26,714 | M | 47 | 1 | in | ia | 284,240 \$ | 308,542 | \$ 24.30 |
| S 10.62 \$ 8.703 \$ 11.610 \$ | & Donations | vi. | 33.210 \$ | 106,746 | 5 73,537 | w | 25,110 \$ | 23,982 | \$ (1,128) | in | 77.604 \$ | 10.735 | (698 99) | 4 | 135.923 | 141.463 | S 5,54 |
| S 24,201 S 21,421 S 10,4622 S 51,118 S | & Postages | ys | 10.632 \$ | 8,703 | \$ (1.930) | w | 11,610 5 | 7,756 | \$ (3,854) | W | \$ 689'\$ | 5.593 | (96) | 44 | 27,932 \$ | 22.052 | (5,880) |
| S 23,231 S 23,431 S 23,431 S 23,831 S | 4 & Entertainment | w | 208.521 \$ | 313.212 | \$ 104,692 | in | 151,118 \$ | 126 521 | \$ (24.597) | м | 245,512 \$ | 202.041 | (43.471) | w | \$ 151,509 | 641,775 | \$ 36,62 |
| Debt 8 2.007.170 5.4.059.018 1.2.041.134 5.6.053.6.5 5. Debt 8 2.007.170 5.4.059.018 5.6.050.018 5.6.053.6.5 5. Debt 8 2.007.170 5.4.059.018 5.6.050 | ing | ķc. | 24.291 \$ | 21.431 | (2.860) | ú | 63.888 \$ | 57.942 | (5,946) | W | 27.877 \$ | 26,288 | \$ (1,590) | 49 | 116,056 \$ | 105,661 | \$ (10,395) |
| Debt 8 13245 5 202.18 (15,00) 8 5 | de Services | 95 | 2,801,780 \$ | 4395915 | \$ 1.594,134 | u | \$ 958,888 | 745,901 | \$ 60.045 | art. | 1,587,634 \$ | \$64,965 | (1,022,669) | 4 | 5.075.270 | 5,706.781 | \$ 631,51 |
| S 14,554 \$ (10,512) S (10, | sion for Bad Debt | pA. | 313,245 \$ | 268 238 | 5 (45,008) | w | 10 | A) | 100 | 9 | 40 | ** | | 4 | 313.245 \$ | 268,238 | 66 |
| Dece. S 10,312.52) \$ 11,618,443 \$ 1,305,990 \$ 6,888,304 \$ 6,888,304 \$ 6,888,304 \$ 6,888,304 \$ 6,888,304 \$ 6,3723 \$ 6,888,304 \$ 6,3723 \$ 6,888,304 \$ 6,3723 \$ 6,888,304 \$ 6,3723 \$ 6,888,304 \$ 6,3723 \$ 6, | Haneous ² | w | 46.558 5 | (\$55354) | c (102.512) | śń | (2.671,313) \$ | CHECKET | \$ (291.041) | in | 4,937. \$ | (89,400) | \$ (94,406) | w | (2,620,318) \$ | (3,101,276) | \$ (487,958) |
| HR 34) HR 34) Larrandy | O&M Expenses | S | 0,312,553 \$ | 11,618,443 | S 1.305,890 | 4 | 8,888,20R S | 6,606,345 | \$ (281962) | 44 | 5,013,256. \$ | 3,262,610 | s (1,750,646) | s | 22.214.016 \$ | 20,000 | 141 |
| \$ (7.764) \$ (2.023) \$ 5.740 \$ (5.723) \$ (5.723) \$ \$ (5.7290) \$ (5.7290) \$ \$ (5.7290 | owed Items | | | | | | | | | | | | | | | | |
| \$ (267.359) \$ (215.933) \$ 51.401 \$ (208.998) \$ 41.4 | (Sub 05416 and 05412) | in | (7,764) \$ | (2.023) | 5 5,740 | yr. | (3.722) \$ | | 10 | W | \$ (899) | (1,412) | 5 | W | (12,154) | (5.911) | \$ 6.243 |
| roual) \$ (267333) \$ (215.933) \$ 51,401 \$ (208,998) \$. **Solution | ive Comp (MFR 38) | 30 | | • | 10 | M | (557.390) \$ | | \$ (55,478) | ¥ | (458.689) \$ | (425,536) | \$ 33,153 | w | (1,016.079) | (1.038.405) | - |
| 8 | its (FAS 87 Acerual) | M. | (267.333) \$ | | | 66 | (208.998) | | un | 'n | (80.872) | (68,110) | 40 | 90 | (357.203) \$ | (440,666) | \$ 116,537 |
| \$ 272.435 \$ | Case Expense ² | 4 | Œ | 58 | | | | | | | | | | 8 | ě | | |
| | d Allocable Pension Contribution | | | 272,435 | \$ 272.435 | | | | | | | | | | | 272,435 | \$ 272,435 |
| 23 | | | 4 | -1 | | ļ | 11000000 | | | | | | THE PERSON NAMED IN | | 100000 | 100000000000000000000000000000000000000 | |

AS 87 accrual removed from "Banefia" in Forecast and on line 24 for Actual site Case Expense Amortization included in "Manalaments" in Actuals

in Achiels

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

| Line | | |
|-----------|---|-----------------|
| No. | Description | Total |
| \ <u></u> | (a) 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

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

| Sep-16 | 31.968 | W | | 384,854 | 9 | 000,09 | 167 | 68,801 | 47,302 | ж | 11,656 | 9,814 | 15,241 | 627,805 | | 226,630 | 525 | 957 | 71,000 | €: | 90 | × | 299,112 | | 163,894 | 384 | 669 | 55,000 | 219,977 | | 19,449 |)% | (* | | 7 500 | 0000 | 26.949 |
|-------------|----------------------|-------|-------|------------|----------------------|--------------------------------|----------------------|----------------------------|-------------------------------|---------------------------------|-------------------------|-------------------------|-------------------|-------------|--------------|---------|--------|--------|------------|----------------------|--------------------------|--------------------------------|---------------|--------------|---------|--------|--------|------------|---------------|--------------|--------|-------|-------|-----------------------|----------------------|---|--------------|
| Aug-16 | 10,522 | · · | ng. | 384,854 | ú | 000,09 | 167 | 72,780 | 47,302 | ï | 6,071 | 10,271 | 14,324 | 606,290 5 | | 226,736 | 100 | 211 | 71,000 | 25. | ¥ | ¥ | 298,047 \$ | | 174,987 | 77 | 163 | 55,000 | 230,228 \$ | | 6,544 | ж | æ | | 7 500 | 0000 | 14.044 \$ |
| Jul-16 | 16,235 | . # | ٠ | 384,854 | ij. | 000,09 | 191 | 51,441 | 47,302 | * | 7,419 | 10,050 | 13.750 | S 291,216 S | | 239,325 | 96 | 181 | 71,000 | | | ¥ | \$ 310,602 \$ | | 170,059 | 89 | 129 | 55,000 | \$ 225,256 \$ | | 9,661 | ï | ă. | | 7 500 | 0000 | 17.161 \$ |
| Jun-16 | 13,758 | (2) | (5) | 344,854 | jų. | 000,09 | 167 | 63,521 | 47,302 | ì | 6,714 | 9,651 | | 2 229,643 | | 237,783 | 73 | 237 | 71,000 | Ŷ | ř | (*) | \$ 309,093 \$ | | 161,124 | 48 | 157 | 55,000 | \$ 216,330 \$ | | 8,036 | (1) | (3) | | 7 500 | 007. | \$ 15,531 \$ |
| May-16 | 15.206 | 9 | 33 | 344,854 | (*) | 60,000 | 167 | 66,627 | 47,302 | 20 | 7,282 | 12,939 | - 1 | 2 2/2,204 | | 330,985 | 981 | 342 | 71,000 | M. | Ţ | 50 E | \$ 402,513 | | 234,683 | 126 | 220 | 55,000 | S 290,029 | | 9,340 | 4 | 2 | | 7 500 | 000. | \$ 16.846 |
| Apr-16 | 37.419 | (24) | (65) | 344,854 | 50 | 000'09 | 167 | 94,924 | 47,302 | 20,299 | 12,498 | 10,815 | 14,078 | 5 642,272 | | 247,866 | (550) | (294) | 71,000 | X | ×. | œ | \$ 317,723 | | 188,319 | (426) | (471) | 55,000 | \$ 242,422 | | 21,460 | (14) | (35) | | 7 500 | 000. | 016.82 S |
| Mar-16 | 12.192 | (248) | (269) | 344,854 | GE: | 000,09 | 167 | 171,911 | 54,674 | 90 | 6,258 | 11,957 | 15,404 | 006,970 | | 273,924 | 402 | 2,649 | 71,000 | ¥E | × | 30 60 | \$ 347,975 | | 210,608 | 325 | 2,070 | 55,000 | \$ 268,003 | | 7,255 | (137) | (142) | | 7 500 | 00000 | \$ 14.475 |
| Feb-16 | 18.153 | 132 | 994 | 344,854 | ٠ | 000,09 | 167 | 202,641 | 54,674 | X | 7,998 | 10,955 | 14,168 | 5 714,736 | | 239,161 | 1,812 | 8,077 | 71,000 | W | Ä | ¥ | \$ 320,050 | | 182,879 | 1,426 | 6,239 | 55,000 | \$ 245,543 | | 10,354 | 80 | 267 | | 7 500 | 000. | 005 81 3 |
| Jan-16 | 28.602 | 2,445 | 2,961 | 344,854 | | 000'09 | 191 | 262,085 | 54,674 | ě | 11,352 | 13,560 | 17,794 | N 798,494 | | 261,021 | 24,163 | 45,522 | 71,000 | | | * | \$ 401,707 | | 196,246 | 18,271 | 34,421 | 55,000 | \$ 303,938 | | 15,762 | 1,355 | 1,641 | | 7 500 | 000, | 656.96 3 |
| Dec-15 | 2.556 | (8) | (23) | 344,854 | | 60,000 | 167 | 219,903 | 54,674 | 9 | 3,993 | 8,022 | 10,245 | S 704,381 | | 159,532 | 199 | 703 | 71,000 | | | (i) 11 | \$ 231,434 | | 124,111 | 154 | 542 | 55,000 | S 179,807 | | 1,755 | (5) | (13) | | 7 500 | 000, | 8526 \$ |
| Nov-15 | 42.678 | 35 | 76 | 344,854 | | 000'09 | 167 | 130,959 | 54,674 | ř | 13,192 | 26,736 | 38,075 | S 711,465 | | 718,162 | 544 | 1,194 | 71,000 | | | (4) | \$ 790,901 | | 542,963 | 411 | 904 | 55,000 | \$ 599,278 | | 22,944 | 19 | 52 | | 7 500 | 000, | C 30 515 |
| Oct-15 | 33.910 | 15 | 24 | 344,854 | | 000,009 | 167 | 76,927 | 54,674 | Ó | 12,378 | 9,805 | 13,292 | \$ 606,045 | | 227,631 | 447 | 922 | 71,000 | | | (4) | \$ 300,000 | | 163,784 | 326 | 029 | 55,000 | \$ 219,779 | | 21,108 | 6 | 15 | | 7 500 | 0000 | ш |
| Descripton | Division 093 FICA | FUTA | SUTA | Ad Valorem | Payroll Tax Projects | 30105 Coтр/State Franchise Tax | 30107 City Franchise | 30109 State Gross Receipts | 30104 State Supv & Inspection | 30108 Dot Transmission User Tax | Division 91 Allocations | Division 12 Allocations | on 02 Allocations | Total | Division 002 | FICA | FUTA | SUTA | Ad Valorem | Payroll Tax Projects | Taxes Property and Other | 30105 Corp/State Franchise Tax | Total | Division 012 | FICA | FUTA | SUTA | Ad Valorem | Total | Division 091 | FICA | FUTA | SUTA | Occupational Licenses | Payroll Tax Projects | Au Valoicili 20105 Com/State Branchice Tov | 1 |
| Line No. | 1 0 | ויי | 4 | 5 | 9 | 7 | 00 | 6 | 10 | 11 | 12 | 13 | 14 | 15 | 17 | 18 | 61 | 20 | 21 | 22 | 23 | 74 | 25 | 26 | 28 | 29 | 30 | 31 | 32 | 33 | 35 | 36 | 37 | 38 | 39 | 7 1 | 47 |

| FICA | 263,198 2,350 |
|--|------------------|
| SUTA Ad Valorem | 3,724 |
| Payroll Tax Projects | |
| 30105 Corp/State Franchise Tax 30107 City Franchise | 720,000 |
| 30109 State Gross Receipts | 1,482,520 |
| 30104 State Supv & Inspection | 611,854 |
| 30108 Dot Transmission User Tax | 20,299 |
| Division 91 Allocations | 106,811 |
| Division 12 Allocations | 144,575 |
| Division 02 Allocations | 195,871 |
| 177 | |
| 000 | |
| DIVISION 002 | 3 388 758 |
| FITA | 27,996 |
| SUTA | 60,401 |
| Ad Valorem | 852,000 |
| Payroll Tax Projects | î |
| Taxes Property and Other | i i |
| 30105 Corp/State Franchise Tax | \$ 4 320 155 |
| The state of the s | |
| Division 012 | |
| FICA | 2,513,656 |
| FUTA | 21,191 |
| SUTA | 45,743 |
| Ad Valorem | |
| Total | \$ 3,240,590 |
| | |
| Division 091 | 277 631 |
| FICA | 153,667 |
| FUTA | 1,310 |
| SUTA | 2,084 |
| Occupational Licenses | |
| Payroll Tax Projects | |
| Ad Valorem | 000'06 |
| 30105 Corp/State Franchise Tax | |
| Total | \$ 247,061 |

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 | Mav-18 |
|-------------|---------------------------------|------------|------------|------------|-------------|------------|-------------|---------------|------------|-----------------|---------------|---------|------------|
| _ | Division 093 | | | | | | | | | | | | |
| CI | 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 |
| 3 | FUTA | 3 | 2 | 7 | 22 | 0 | 23 | 2 | 2,258 | (197) | (212) | 4 | 15 |
| 4 | SUTA | 50 | 6 | () | 14 | 11 | 10 | (1) | 1,377 | (416) | 63 | (9) | ęη |
| 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 |
| 9 | Payroll Tax Projects | 83 | 26 | 692 | 218 | (34) |) | 49 | 65 | (936) | 7 | 00 | • |
| 7 | 30105 Corp/State Franchise Tax | 000,00 | 60,000 | 000,09 | 60,000 | 68,333 | 68,333 | 68,333 | 68,333 | 68,333 | 68,333 | 68,333 | 68,333 |
| 00 | 30107 City Franchise | 10 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 |
| 6 | 30109 State Gross Receipts | 69,870 | 35,108 | 34,946 | 36,013 | 52,046 | 76,407 | 115,027 | 156,472 | 111,360 | 196,66 | 57,444 | 37,266 |
| 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 |
| - | 30108 Dot Transmission User Tax | 10,343 | ě | r | E | : 10 | (1) | (18) | 0 | Ų. | 15 | 9 | 21,740 |
| 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 |
| 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 |
| 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 |
| 15 | Total | \$ 604,778 | 299,665 | \$ 566,921 | \$ 565,790 | \$ 585,027 | S 697,130 S | 638,133 \$ | 748,011 | 5 515,021 \$ | 673,140 \$ | 632,119 | \$ 641,664 |
| 16 | Division 002 | | | | | | | | | | | | |
| 18 | EICA | 256 179 | 279 868 | 389 088 | 199 031 | 239.380 | 762 216 | 173.145 | 245.589 | 242.067 | 213.654 | 243,911 | 333,708 |
| 10 | FITA | 272 | 399 | 171 | 496 | 393 | 410 | 136 | 29,755 | (631) | (1,029) | 76 | 695 |
| 20 | | 983 | 1.018 | 785 | 1,037 | 1,023 | 1,386 | 424 | 71,227 | (15,357) | 4,677 | 434 | 1,471 |
| 21 | | 44,000 | 44,000 | 44,000 | 44,000 | 64,500 | 64,500 | 64,500 | 69,700 | 69,700 | 69,700 | 69,700 | 69,700 |
| 22 | Payroll Tax Projects | | , | | . 1 | 00 | 3.65 | À | N. | 3 | 13,529 | 743 | 152 |
| 23 | Taxes Property and Other | 180,544 | 26,608 | 11 | 1,117,807 | 65 | 82,788 | , etc | 4 | 91 | 56 | 21 | (15,846) |
| 24 | | | i | Š | R | · | , t | | | × | ٠ | o. | (8) |
| 25 | | \$ 481,977 | \$ 351,893 | \$ 434,024 | S 1,362,370 | \$ 305,360 | \$ 911,301 | \$ 238,206 \$ | 416,271 | 622,295 | 300,531 \$ | 314,864 | \$ 389,879 |
| 26 | | | | | | | | | | | | | |
| 27 | | | | | 707011 | 200 | 177 501 | 117.540 | 107 200 | 362 671 | 100.014 | 166 907 | 707 710 |
| 200 | FICA BITA | 14/,260 | 140,230 | 110,552 | 280 | 205,101 | 736 | 79 | 17.826 | (587) | (501) | 38 | 403 |
| 27 | | 961 | 208 | 485 | 282 | 577 | 962 | 245 | 42,673 | (9 439) | 2.993 | 239 | 851 |
| 31 | | 44 000 | 44 000 | 44 000 | 44.000 | 48.700 | 48.700 | 48,700 | 52,600 | 52,600 | 52,600 | 52,600 | 52,600 |
| 32 | | 186 161 \$ | \$ 184,966 | \$ 278,146 | \$ 155,268 | \$ 200,793 | \$ 532,506 | \$ 165,572 \$ | \$ 296,498 | \$ 205,109 | \$ 245,106 \$ | 219,775 | \$ 268,581 |
| 33 | | | | | | | | | | | | | |
| 34 | | ; | | | 1 | | 6 | | | | 000 | 000 | 00000 |
| 35 | | 29,691 | 26,763 | 34,385 | 3,979 | 35,661 | 73,294 | 26,669 | 34,981 | 36,190 | 14,920 | 51,895 | 56,5/9 |
| 36 | | 3 | 2 | 9 | 18 | 0 | 16 | - | 1,554 | (122) | (141) | m. | 12 |
| 37 | | 2 | 00 | 'n | 11 | 10 | 9 | \equiv | 948 | (284) | 61 | (5) | 2 |
| 38 | | :¥: | æ | (4) | х | ı | ř | • | ï | | 92 | ı | ٠ |
| 39 | Payroll Tax Projects | | ٠ | х | × | 1 | * | • | | 36 | x | 1 | , 1 |
| 40 | • | 2,000 | 5,000 | 5,000 | 2,000 | 200 | 200 | 200 | 300 | (396,474) | 300 | 300 | 300 |
| 41 | | 4 | ٠ | r | ar l | | Ý | 00 | | æ | - | | |
| 42 | Total | \$ 34,696 | \$ 31,772 | \$ 39,394 | 800°6 S | \$ 35,871 | \$ 73,516 | \$ 26,870 | 37,784 | \$ (360,690) \$ | \$ 15,140 | 32,191 | \$ 36,694 |

| Attrition Year | 216,627 | 1,927 | 1,069 | 4,675,248 | 247 | 786,664 | 1,833 | 881,921 | 494,/31 | 32,063 | 5,153 | 195 806 | \$ 7,427,402 | | | 3,577,816 | 31,141 | 69,109 | 718,000 | 14,424 | 1,391,966 | | \$ 5.802.454 | | | 2,299,670 | 18,461 | 41,0/2 | \$ 2,944,303 | | | 384,805 | 1,352 | 761 | * | * | (374,674) | 6 | \$ 12,244 |
|----------------|----------------------|-------|-------|------------|----------------------|--------------------------------|----------------------|----------------------------|-------------------------------|-----------------------------------|-------------------------|-------------------------|--------------|----|--------------|-----------|--------|--------|------------|----------------------|--------------------------|--------------------------------|--------------|----|--------------|-----------|--------|--------|--------------|----|--------------|---------|-------|------|-----------------------|----------------------|------------|--------------------------------|-----------|
| Descripton | Division 093 FICA | FUTA | SUTA | Ad Valorem | Payroll Tax Projects | 30105 Corp/State Franchise Tax | 30107 City Franchise | 30109 State Gross Receipts | 30104 State Supv & Inspection | SULUS DOI ITAINSHIDISION USET LAX | Division 91 Allocations | Division 02 Allocations | Total | | Division 002 | FICA | FUTA | SUTA | Ad Valorem | Payroll Tax Projects | Taxes Property and Other | 30105 Corp/State Franchise Tax | Total | | Division 012 | FICA | FULL | SULA | Total | | Division 091 | FICA | FUTA | SUTA | Occupational Licenses | Payroll Tax Projects | Ad Valorem | 30105 Corp/State Franchise Tax | Total |
| Line No. | 1 2 | 3 | 4 | 2 | 9 | 7 | 00 0 | ٦, | 0 : | Ι: | 12 | 17 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 56 | 27 | 28 | 67 | 20 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 |

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 |
| 2 | | | | 4 4 40 400 |
| 3 | Change from Base Period to Attrition Year | | _ | 1,168,489 |
| 4 | | | | |
| 5 | Attrition Year per books Depreciation Expense (2) | Wp 6-2 | \$ | 12,526,680 |
| 6 | | | | |
| 7 | Adjustment to reflect Proposed Depreciation Rates | | _ | |
| 8 | | | | |
| 9 | Attrition Year per books Depreciation Expense | Wp 6-1 | | 12,526,680 |
| 10 | | | | • |
| 11 | Amortization of Deferred Pension Regulated Asset* | Wp 7-3 | | 0 |
| 12 | | *** | | 000 404 |
| 13 | Net Elimination of Intercompany Leased Property | Wp 3-1 | | 208,434 |
| 14 | | XX = 0 | | (00, 500) |
| 15 | Adjustment for Depreciation Expense on Capitalized Incentive Comp | Wp 7-8 | _ | (82,582) |
| 16 | | | Φ | 10 (50 520 |
| 17 | Total Depreciation and Amortization Expense, As Adjusted | | <u></u> | 12,652,532 |
| 18 | | | | |
| 19 | Note: | | | |
| 20 | 1. Twelve months ended September 30, 2016 | | | |
| 21 | 2. Twelve months ended May 31, 2018 | | | |

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

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

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

| Line | | | |
|------|---|-----|------------|
| 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 |

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

| Line | TO 1000 | I | Historic Base | Changa | Attrition Year | Reference |
|----------|---|----|----------------|--------------|----------------|-----------------|
| No. | Description | | Period (1) | Change | (d) | |
| | (a) | | (b) | (c) | (u) | (e) |
| 1 | Original Cost of Plant | \$ | 486,264,877 \$ | 60,340,153 | \$ 546,605,030 | Wp 7-1 Wp7-2 |
| 2 | | | | | | |
| 3 4 | Accumulated Depreciation and Amortization | | (191,843,738) | (12,781,804) | (204,625,542) | Wp 7-1 Wp7-2 |
| 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 10 | Cash Working Capital | | 1,035,838 | 53,558 | 1,089,396 | Wp 7-5 |
| 11 | Material & Supplies | | 15,835 | 15,669 | 31,504 | Wp 7-1 Wp7-2 |
| 12 | | | | | | |
| 13 14 | Regulatory Assets/Liabilities | | - | (13,528,323) | (13,528,323) | Wp 7-3 Wp 7-10 |
| 15 | Accumulated Deferred Income Tax | | (50,220,519) | 1,705,929 | (48,514,590) | 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 | Customer Deposits | | (4,770,720) | 5,110,701 | (1,021,020) | 11p / 1 11p / 2 |
| 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 \$ | 47,568,275 | \$ 302,547,250 | |
| 24 25 | Adjustments: | | (2,415,620) | (986,367) | (3,401,987) | Wp 7-8 |
| 26 | Adjustments. | | (2,113,020) | (500,507) | (5,101,207) | |
| 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 \$ | 46,270,158 | \$ 304,640,464 | |
| 30 | | | 40.400.00 | 0.500.010 | 6 02 701 000 | |
| 31 | Return at Overall Cost of Capital on Rate Base | \$ | 19,498,097 \$ | 3,599,818 | \$ 23,701,028 | |
| 32 | X | | | | | |
| 33 | Note: 1. Twelve months ended September 30, 2016 | | | | | |
| 34 | 1. I weive months ended September 30, 2016 | | 45 | | | |

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

| | Total Tennessee | (t) | | 676 630 023 | 527 645 791 | 531,553,177 | 533,687,039 | 542,493,315 | 546.937.371 | 549,527,856 | 554 067,968 | 555,339,233 | 556,392,580 | 558,825,261 | 560,785,017 | 563,070,844 | 546.605,030 | | | 17.314,928 | 16.928.384 | 17.827,102 | 19,038,064 | 12,602,487 | 18,430,491 | 19,052,631 | 16,363,215 | 16,841,396 | 18,051,838 | 20.106.858 | 23,324,204 | 26.306.976 | 18,629,890 |
|---|--|-----|--|-------------|--------------|--------------|-------------|--------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|----------|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Tot | | | 16 | | | 0 | 0 | 0 | 0 | 0 | 0 | ÷ | 0 | ٥ | 0 | 0 | | | 0 | œ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ALGN 0.00% 0.00% 0.00% | %00'0 | (b) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 531% 531% 537% 537% 536% | 536% | (d) | | 1 208 470 | 1217.718 | 1217,173 | 1.214.558 | 1214,558 | 1,234,643 | 1.267.183 | 1.281.085 | 1,281,100 | 1281,094 | 1.281,094 | 1.281.577 | 1,281,577 | 1,250,911 | | | ٥ | 0 | 0 | 0 | c | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Greenville 1,29% 1,29% 1,29% | 1.32% | (0) | | 119 620 | 118 539 | 118,539 | 118 539 | 118,539 | 121.594 | 121,594 | 122.310 | 122.310 | 122310 | 122,406 | 122,406 | 122.406 | 120.772 | | | 0 | 0 | 0 | 0 | 0 | 9 | a | Ø. | 0 | 9 | 0 | Ď. | 0 | 0 |
| Javiston 002 4,43% 4,26% 4,36% 4,33% | 436% | (n) | | 6 177 936 | 6,094,002 | 6,114,545 | 6,097,847 | 6,067,530 | 6.373.024 | 6.374,925 | 992,051-9 | 6,452,399 | 6,453,135 | 6,453,128 | 6,453.848 | 6,454,395 | 6.304,806 | | | 342,660 | 403.408 | 361,155 | 437, M5 | 716,669 | 504,153 | 501,224 | 300,754 | 342,335 | 330.363 | 627,485 | 560,134 | 547,655 | 749 676 |
| UNV 0.97% 1,86% 1.86% | 1,88% | (ш) | | 203 566 | 303,000 | 306,937 | 308,642 | 308,697 | 311,400 | 312,039 | 312,039 | 312.208 | 312.208 | 312.265 | 312.265 | 312,661 | 309,071 | | | 0 | 0 | 0 | 0 | 0 | 0 | 9 | e. | œ | 0 | 0 | 0 | 0 | 0 |
| 4.52% 4.52% 4.52% 4.52% | 4.57% | (1) | | Tee Bey > | 5.631.321 | 5,630,774 | 5,631,342 | 5,633,412 | 5,722,186 | 5,722,682 | 5,833.008 | 5,835,304 | 5,837,210 | 5,836,902 | 5.836,899 | 5,837,059 | 5,739,717 | | | 128,895 | 153,891 | 183,874 | 199,727 | 206,872 | 185,335 | 195,456 | 81,448 | 82,481 | 87.235 | 105.514 | 151,475 | 167.574 | 148 444 |
| Division 1931 43.23% 41.81% 41.88% 41.88% | 41,91% | (K) | | 7 500 511 | 1 500 541 | 1.500.541 | 1,500,541 | 1,500,541 | 1.501.616 | 1,501,616 | 1,499,934 | 1.517.970 | 1,517,970 | 1.516.875 | 1,516,875 | 1,517,006 | 1,507,120 | | | 410,682 | 230.272 | 251,829 | 136,265 | 109,401 | (39.219) | (35.988) | 235,650 | 374.311 | 458 034 | 296.177 | 267,517 | 325,150 | 236 979 |
| CAN WARREN | 100% | () | | FTY LYY 015 | \$12.780.670 | \$16,664,668 | 518,815,570 | \$27,650,038 | 531,672,910 | 534.227,819 | 538.568.827 | 539,817,942 | \$40.868,654 | 543,302,591 | 545,261,147 | 547,545,741 | 531,372,632 | | | 16,432,691 | 16,140,813 | 17,030,243 | 18.264,926 | 11,509,545 | 17,780,221 | 18.391.940 | 15.745.362 | 16,042,270 | 17,176,206 | 19,077,682 | 22.345.079 | 25 266 597 | 17 784 890 |
| FY16 Oct FY17 Nov-Dec FY17 Jan-Sep FY17 | ALGN | () | | 18 160 101 | 18.160.101 | 18,160,101 | 18,160,101 | 18,160,101 | 18,160,101 | 18,160,101 | 18,160,101 | 18,160,101 | 18.382.508 | 18.382.508 | 18.382.508 | 18.382.508 | 18.228,534 | | | 0 | 0 | 0 | 0 | 0 | Q | 9 | 0 | 0 | o | 0 | 0 | 0 | 0 |
| | AEAM | (h) | | 27 477 307 | 22,699,540 | 22 689 385 | 22,640,638 | 22,640,638 | 23,053,007 | 23 660.591 | 23,920,166 | 23,920,452 | 23,920,339 | 23 920 335 | 23,929,367 | 23.929 367 | 23.342.395 | | | 0 | o | 0 | 0 | 0 | a | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Greenville | (9) | | 9 196 755 | 9.196.755 | 9,196,755 | 9,196,755 | 9,196,755 | 9,196,755 | 9.196.755 | 9.250,925 | 9.250.925 | 9.250,925 | 9.258.221 | 9.258.221 | 9.258 178 | 9 223,437 | | | 0 | 0 | 0 | 0 | ٥ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Division 002. SSU General | (3) | | 797 796 151 | 140.598.803 | 141,072,762 | 140 687 509 | 139,988,038 | 146.227.617 | 146.271.246 | 148,011.398 | 148,048,858 | 148 065.752 | 148,065,593 | 148,082,113 | 148 094.664 | 144,960.055 | | | 7,905,731 | 9307306 | 8.332,443 | 10.085.662 | 16,534,753 | 11,567,688 | 11.500.465 | 6,900,741 | 7,854,803 | 7,580,110 | 14,397,497 | 12,852,141 | 12.565.928 | 10.568.090 |
| | CKV. | (9) | | 14 707 874 | 16.300.332 | 16.512.152 | 16,603,858 | 16,606,844 | 16.583.351 | 16 617 361 | 16.617.345 | 16.626.361 | 16 626 361 | 16 629 391 | 16.629.391 | 16.650.497 | 16.522.774 | | | 0 | 0 | 0 | • | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Division 012 - SSU Customer | (p) | * Ralances | 124 532 578 | 124.601.031 | 124,588,913 | 124,601,489 | 124,647,283 | 125,248,182 | 125,259,030 | 127,673,859 | 127,724,132 | 127,765,833 | 127 759,105 | 127,759,033 | 127.762.534 | 126,147,923 | | | 2,851,995 | 3,405,055 | 4,068,481 | 4,419,253 | 4,577,333 | 4.056,653 | 4,278,176 | 1,782,757 | 1,805,353 | 1,909,412 | 2,309,501 | 3,315,500 | 3,667,993 | 0.265.183 |
| | Division 091 - Mid-States General Office | (0) | Gas Plant (it Survice (Account 181). 13 month average Balances | 1 482 041 | 3,582,953 | 3,582,953 | 3,582,953 | 3,582,953 | 3,582,953 | 3,582,953 | 3.578.941 | 3,621,977 | 3,621.977 | 3,619,363 | 3,619,363 | 3,619,675 | 3,597,074 | The same | Carporal III in | 719"086 | 549,837 | 601,312 | 325.370 | 404,491 | (93.578) | (85,870) | 562.277 | 893,130 | 092.899 | 706,699 | 638.313 | 175.625 | 565.487 |
| | Division 093 - Tenneasee | (p) | rvice (Account 10) | 510 667 644 | 512,780,670 | 516,664,668 | 518,815,570 | 527,650,038 | 531,672,910 | 534.227.819 | 538,568,827 | 539,817,942 | \$40.868,654 | 543,302,591 | 545.261.147 | 547.545,741 | 531.372.632 | | WALLS FIRETON | 16,432,691 | 16,140,813 | 17,030.243 | | 11,509,545 | 17,780,221 | 18,391,940 | 15,745,362 | 16,042,270 | 17,176,206 | 19,077,682 | 22.345.079 | 25,246,397 | 17,734,800 |
| | Month | (a) | Cas Plant in Su | Maccil | Jun-17 | Jul-17 | Aug-17 | Sep-17 | 04-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 | Average | | Complete Com | May-17 | 71-unc | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 | Mar-18 | Apr-18 | Manylik | Average |
| | No. | | - (| 7 6 | т - | 5 | 9 | 7 | 80 | 6 | 10 | Ξ | 17 | 3 | 7 | 5 | 91 | 17 | 19 | 20 | 21 | 22 | 23 | 77 | 25 | 56 | 27 | 28 | 29 | 30 | 31 | 32 | 33 |

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% | | |
| | | | | | | | | ſ | an-Sep FY17 | | 41.88% | 4.52% | 1.86% | 4.33% | 129% | 5.36% | 0.00% | | |
| Çin. | Month | Division 093 - | Division 091 - Mid-States General Office | Division 012 - SSU Customer | CRV | Division 902- SSU General | Greenville | AEAM | ALGN | 100% | 41.91% | 4.57% | 1.88% | 436% | 1.32% | 236% | 0.00% | Total Te | Total Tennessee |
| | (11) | (9) | (0) | (p) | (*) | (3) | (3) | (h) | () | 0 | (K) | € | (ш) | (u) | (0) | (d) | (b) | | (r) |
| 35 | Inventories- P. | Inventories-Plant Materials (Account 1940) | Sount 1540) | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| 37 | May-17 | 0 | 76.075 | 0 | | 9 | 0 | | 0 | 0 | 31,860 | 0 | 2 | ۰ | 0 | 0 | | 0 | 31,860 |
| 38 | Jun-17 | .0 | 76,075 | 0 | | 0 | 0 | 9 | 0 | O | 31,860 | 0 | · u | 9 | Q | 0 | | 0 | 31.860 |
| 39 | Jul-17 | | 76,075 | 0 | | 0 | 0 | 0 | 0 | 0 | 31,860 | 0 | 0 | 0 | 0 | 6 | | 0 | 31.860 |
| 40 | Aug-17 | 0 | 76,075 | 0 | | 0 | o | 0 | 0 | 0 | 31,860 | 0 | o. | 0 | ٥ | 0 | | 0 | 31.860 |
| 41 | Sep-17 | 0 | 76,075 | 0 | | 0 | 0 | 9 | 0 | ٥ | 31.860 | ٥ | 0 | 0 | a | 0 | | 0 | 31,860 |
| 42 | 04-17 | 0 | 76.068 | 0 | | 0 0 | 0 | 0 | 0 | 9 | 31,880 | 0 | 0 | 9 | 0 | 0 | | 0 | 31,880 |
| 43 | Nov-17 | 0 | 76.068 | D | | 0 0 | 0 | D | 0 | 0 | 31.880 | 0 | 0 | 0 | 0 | 0 | | .0 | 31,880 |
| 44 | Dec-17 | 0 | 76,068 | ٥ | | 0 | 0 | 0 | ø | a | 31.880 | 0 | 0 | 0 | n | 6 | | 0 | 31,880 |
| 45 | Jun-18 | 0 | 76,068 | 0 | | 0 0 | 0 | 0 | 0 | 9 | 31,880 | 0 | 0 | 0 | 0 | Đ | | 0 | 31,880 |
| 46 | Feb-18 | 0 | 76,068 | 0 | | 0 0 | 0 | 0 | 8 | 0 | 31.880 | c | 0 | 0 | 0 | 0 | | 0 | 31,880 |
| 47 | Mar-18 | 0 | 76,068 | o | | 0 | 0 | 0 | 0 | 0 | 31,880 | 0 | 0 | 0 | 0 | G | | 0 | 31,880 |
| 48 | Apr-18 | 0 | 76,068 | 0 | | 0 0 | 0 | 0 | 0 | 9 | 31,880 | 0 | 0 | 9 | ٥ | 9 | | 0 | 31.880 |
| 49 | Massille | | 64,540 | 9 | | 0 0 | 0 | 0 | 9 | 0 | 27.091 | 0 | 0 | .0 | 0 | 0 | 3 | 0 | 100722 |
| 20 | Average | 0 | 75.192 | 0 | | 0 0 | 0 | 0 | 0 | 0 | 31,504 | a | 0 | 0 | 0 | 0 | | 0 | 31.504 |
| | favoratories- C | Investories Gas Stered (Account 1941) | 01 1841) | | | | | | | | | | | | | | | | |
| 53 | | | | | | | | | | | | | | | | | | | |
| K | May-17 | 3.324.309 | 0 | o. | | 0 0 | 0 | a | 0 | 3.324.309 | 0 | 0 | 0 | 0 | 0 | ٥ | | 3 | 3.324.309 |
| \$5 | Jun-17 | | 0 | 0 | | 0 | 0 | 0 | 0 | 4.173,868 | 0 | D | 0 | 0 | 0 | | | | 4 173 868 |
| 26 | Jul-17 | | | 0 | | 0 | 0 | ٥ | a | 5.248.371 | o | 0 | 0 | 0 | 9 | | | | 5.248.371 |
| 57 | Aug-17 | _ | 0. | 0 | | | 0 | 0 | 0 | 6.348,943 | 0 | 0 | * | 0 | ÷ | | | | 6.348,943 |
| 28 | Sep-17 | | | | | | 0 | 0 | • | 7.351.047 | G. | 0 | | 0 | 0 | • | | | 7.351.047 |
| 29 | Oet-17 | | | | | | 0 | 9 | 0 | 8,153,627 | 0 | 0 | 0 | 0 | 0 | 0: | | 8 | 8.153.627 |
| 9 | Nov-17 | | | | | 0 | 0 | 0 | 0 | 8.246.120 | 0 | 0 | 0 | 0 | 0 | 0 | | .0 | 8.246,120 |
| 19 | Dec-17 | | | | | | 0 | 0 | 0 | 5.626.240 | 0 | 0 | 0 | 0 | 0 | 0 | | | 5.626.240 |
| 62 | Jan-18 | | | | | 0 | 0 | 0 | 0 | 3.233.440 | G | 0 | 0 | 0 | a | 0 | | 9 | 3.233,440 |
| 63 | Feb-18 | 3 2.690.790 | | | | | 0 | O | 0 | 2 690,790 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 2.690,790 |
| 64 | Mar-18 | | | | | | 0 | 0 | 0 | 831,112 | 0 | 0 | 0 | 0 | 0 | 0. | | 0 | 831,112 |
| 65 | Apr-18 | | 0 | 0 | | | 0 | 0 | D | 1.368,505 | α. | 0 | 0. | 0 | 0 | • | | 0 | 1,368,505 |
| 99 | May-18 | 2,631,037 | 0 | 0 | | 0 0 | 9 | 0 | 0 | 2,631,037 | O | 0 | 9 | 0 | 0 | 0 | | 0 | 2,631,037 |
| 67 | Average | 4,555,955 | 0 | 0 | | 0 | 0 | | | 4355.455 | 9 | 0 | 0 | 9 | 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

| | | | | | | | | | FY16 Oct FY17 Nov-Dec FY17 | 6 '17 FY17 | | 43,23% 41.81% 41.88% | 1.46% | 0.97% 1.86% 1.86% | 4.43% | 1.29% | \$31% \$20% \$37% | 0.00% | | |
|-----------|---------------|--|-------------------|--|-----------------|----------------|------------|------|----------------------------------|------------------|---------------|----------------------------|-------------|-------------------------|------------|-------|-------------------------|-------|------------|-----------------|
| .5 | 2 | The city of the ci | Division 091 - | Division 017 | | Division 002 | | | Jan-Sep FY17 | FY17 | | 41.88% | 4,52% | 1.86% | 133% | 1.29% | 5.36% | %00'0 | | |
| | Month | | General Office | SSU Customer | CKV | SSU General | Greenville | AEAM | I ALGN | | 100% | 41.91% | 4.57% | 1.88% | 436% | 1.32% | 5.36% | %000 | Total | Total Tennessee |
| | (a) | (b) | (c) | (b) | (a) | (a) | (3) | (b) | (9) | | () | (k) | ⊕ | (m) | (u) | (0) | (d) | (b) | | (r) |
| 69 Custon | where Deposit | Customers Deposits (Account 2350) | 10 | | | | | | | | | | | | | | | | | |
| 70 | | | i | | | | | | | | | | | | | | | | | |
| 71 | May-17 | (1.855,686) | 0 | 0 | | 0 | 9 | 0 | 9 | 0 | (1.855,686) | 0 | 0 | 0 | 0 | 0 | | 0 | D | (1,855,686) |
| 72 | Jun-17 | (1.789,099) | 0 | 0 | | | .9 | . 0 | 9 | 9 | (1.789.099) | 0 | 9 | 0 | 0 | 0 | | 0 | | (1.789.099) |
| 7.3 | Jul-17 | (1.726 902) | c | 0 | | | | 0 | 0 | 0 | (1.726,902) | 0 | 0 | 0 | 0 | 0 | | 0 | a | (1 726 902) |
| 74 | Aug-17 | (1.679,874) | 0 | 0 | | ф | | 0 | 0 | 0 | (1,679,874) | а | а | 0 | 0 | 0 | | 0 | 0 | (1.679.874) |
| 75 | Sep-17 | (1,647,626) | 0 | 0 | | 0 | | 0 | 0 | 9 | (1,647,626) | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | (1.647.626) |
| 76 | Out-17 | (1,640,924) | 0 | D | | 0 | | | 0 | | (1,640,924) | 0 | 0 | 0 | 0 | 6 | | 0 | 0 | (1,640,924) |
| 11 | Nov-17 | (1,608,700) | e. | 0 | | ٥ | | 0 | 0 | 0 | (1,608,700) | D | 0 | 0 | œ | 0 | | 0 | ٥ | (1,608,700) |
| 78 | Dec-17 | (1.580,328) | 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) | ø | 0 | | 0 | 0 | 0 | 0 | 0 | (1,548,410) | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | (1.548,410) |
| 80 | Fcb-18 | (1.555,682) | O | 0 | | 0 | 0 | 0 | 0 | 0 | (1.555,682) | 0 | o | 0. | 0 | 0 | | 0 | a | (1,555,682) |
| 100 | Mar-18 | (1.556,309) | D | ø | | 0 | g | 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 | 9 | 0 | 0 | (1.470,098) | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | (1.470.098) |
| 83 | May-18 | (1,452,099) | 0 | 0 | | .0 | | 0 | 0 | 0 | (1,452,699) | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | (1 452 699) |
| Z | Average | (1,624,026) | 0 | Ø. | | 0 | 0 | er. | 0 | 0 | (1.624,026) | 0) | 0 | 0 | 0 | a | | 0 | 0 | 1,654,0201 |
| 95 | | | | | | | | | | | | | | | | | | | | |
| | metaded Deb | bernd STI (Tutal | Arresunts 1900, 2 | Normanian and Deferred FIT (Treat Accounts 1990, 2820, 2830) adjusted to comove a mo-artificy form | d to remove a m | e-utility flem | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 68 | May-17 | (85,402,623) | (6.231,569) | (27,916,940) | | 819,137,802 | | | 9 | 17 | (85 402 623) | (2,609,781) | (1.261,701) | 0 | 35,504,054 | ٥ | | 0 | 0 | (53.770.052) |
| 8 | Jun-17 | (85,402 623) | (9,643,508) | | | - | | 0 | 0 | | (85,402,623) | (4.038,701) | (1.261,701) | 0 | 36,101,871 | o | | 0 | 0 | (51.601.154) |
| 91 | Jul-17 | (85.402.623) | (9.643,508) | _ | * | | | 0 | 0 . | | (85,402,623) | (4.038,70 P) | (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 | 0 | | (85,402,623) | (4.038.701) | (1.261.701) | D (| 36.398,800 | 0 1 | | 0 | 0.7 | (54.304.225) |
| 93 | Sep-17 | (89.403.238) | 4.826,649 | (28,031,233) | | | | | D | | (89.403.238) | 2,021,401 | (1.200.867) | 0 | 21,129,849 | 0 | | 5 | 0 | (50.918.832) |
| 8 | 0d-17 | (89,403,238) | 4.826 649 | (28 03 1 233) | | - | | 0 | 0 | ó | (89,403,238) | 2,022,849 | (1,280,657) | 0 | 37,830,208 | 0 | | 0 | 5 (| (50.830.838) |
| 9.2 | Nov-17 | (89,403,238) | 4.826,649 | | | | | 0 | à | | (89,403,238) | 2,022,849 | (1,280,657) | 0 | 37,817,061 | 0 | | 0 | 0. | (50,843,985) |
| 96 | Dec-17 | (46.302.235) | (5,505,684) | | | | | 0 | 0 | | (46.302.235) | (2,307,432) | (800.678) | 0 | 23,155,415 | 0 | | 0 | 0 | (26.254.930) |
| 66 | Jen-18 | (46.302.235) | (5,505,684) | | | | | 0 | 0 | | (46.302.235) | (2,307,432) | (800,678) | 0 | 22,844,523 | 0. | | 0 | 0 | (26 565 822) |
| 86 | Feb-18 | (46.302.235) | (5,505,684) | | | | | 0 | ō | | (46,302,235) | (2,307,432) | (800'028) | œ. | 22,731,741 | c | | 0 | e. | (26 678 604) |
| 66 | Mar-18 | (49,678.703) | 446.994 | (17,476,104) | | 0 461.267.696 | 96 | 0 | 0 | | (49.678.703) | 187,335 | (798,427) | 0 | 20,103,384 | ø: | | 0 | ė. | (30,186,411) |
| 100 | Apr-18 | (49,678,703) | 446,994 | (17.476.104) | | | 60 | 0 | 0 | | (49,678,703) | 187.335 | (798.427) | 0 | 19.912.522 | ۰ | | 0 | 0 | (30,377,273) |
| 101 | Mar-18 | (45,678,703) | 448,994 | (17,476,104) | | 0 458,322,862 | 200 | .0 | 9 | 0 | (40.678,783). | 187.335 | (758,427) | 0 | 19.966.323 | 0 | | 0 | 0 | (30,323,472) |
| 103 | - | CALL STATE STATE | AN INCH AN AL | COMP. STATE STATE | | D. CRESCHIE | 300 | 0 | | | 700 050 OOK | VL166 31.11 | 17 067 7161 | W | 29.705.017 | O . | | | . 0 | (48.514.590) |

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

| | | | | | | | FY16 | | 43.23% | 4.46% | 0.97% | 4.43% | 1.33% | 5.31% | 0.00% | |
|--|-------------|--------------------------------|-------------|------------------------------|-------------|--------------|--------------------------|---------------|-----------|-------------|----------|-------------|----------|-----------|-------|-----------------|
| | | | | | | <u></u> | Oct FY17 Nov-Dec FY17 | | 41.81% | 4.52% | 1,86% | 4.26% | 1.29% | 5.20% | 0.00% | |
| Division 091 - Mid-States General Office | | Division 012 - SSU Customer | CIRC | Division 002- SSU General | Greenville | AEAM | ALGN | 100% | 41.91% | 4.57% | %881 | 136% | 132% | 236% | 8.00% | Total Tennessee |
| ٤ | | (p) | (9) | ε | (3) | (b) | () | (j) | (K) | € | (m) | (u) | (0) | (d) | (b) | ε |
| Accumulated Deprescration (Account 1010) | 62 | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| ď. | (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 1 | (201,338,493) |
| = = | (1 920.452) | (33,850,241) | (3.225.120) | (79,434,370) | (3.316,963) | (12.782.576) | (2.350.067) | (195 196 836) | (804.285) | (1.529,856) | (60.850) | (3.442.940) | (42,755) | (692-509) | 0.0 | (201,076,669) |
| | (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) | a | |
| | (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 | |
| | (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 |
| | (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) |
| | (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) |
| | (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) |
| | (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) |
| | (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 | (7857357387) |
| | (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) | (960'69) | (3.788,878) | (47,511) | (755,521) | 9 | (208.358,585) |
| | (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 | |
| | (1.938,188) | (37,070,1039 | (3.448.348) | (83,040,614) | (3.463 (95) | (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) |
| | | | | | | | | | | | | | | | | |
| Contrasers Advances (Account 250) | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | 0 | D | œ. | 0 | 0 | | | (16.580) | 0 | c | 0 | 0 | | 0 | 0 | |
| | 0 | 0 | 0 | 0 | | | | (20.280) | 0 | 0 | Ð | D | 0 | 0 | 0 | |
| | 0 | . 0 | 0 | 0 | .0 | | | (20,280) | • | 0 | 0 | 0 | 0 | 0 | 0 | |
| | 0. | 0 | 0 | 0 | 0 | | | (20.280) | 0 | 0 | c | 0 | 0 | 0 | 0 | |
| | D | 0 | 0 | 0 | 0 | | | (20.280) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | 0 | 0 | 0 | 0 | 0 | | | (20.280) | 9 | 0 | 9 | 0 | 9 | 0 | 0 | |
| | 0 | 0 | o | 0 | 0 | | | (20.280) | œ | 0 | 0 | o | ó | 0 | 0 | |
| | 0 | G | 0 | 0 | 0 | | | (20.280) | 0 | e | 0 | 0 | o: | 0 | 0 | |
| | 0 | 0 | 0 | 0 | 0 | | | (20.280) | 0 | 0 | 0 | 0 | o | 0 | 0 | |
| | P | 0 | 0 | 0 | 0 | | | (20.280) | 9 | 9 | o | 0 | 0 | 0 | 0. | |
| | d | 0 | 0 | 6 | 0 | | | (20.280) | 0 | 9. | 6 | 0 | a | 0 | | |
| | ٥ | 0 | 0 | 0 | 0 | | | (20.280) | 0 | 9. | 0 | 0 | 0 | 0 | 0 | |
| | 0 | :0 | Đ | 0 | 0 | | | C20.2x03 | 9 | 9 | 0 | 9 | 0 | .0 | 0 | |
| | 0 | 0 | 0 | 0 | 0 | | | (H9393) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (19.995) |

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

| Total Tenessee | E | (29,971) | (40,880) | (47,012) | (51.676) | (55,077) | (59.153) | (62,102) | (64.646) | (68,432) | (39,941) | (46.582) | (52,727) | (58.437) | (52,049) | | 5.596,124 | 5,578,765 | 5,561,407 | 5,944,048 | 5.531,400 | 5,514,030 | 5,496,659 | 5.479.289 | 5,461,918 | 5,444 548 | 5,427,178 | 5,409,807 | 5,102,436 | 5.495.201 |
|--|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Тв | | 0 | 0 | 0 | 0 | 0 | 6 | ¢ | 0 | 0 | o | 12 | q | 0 | ŏ | | o | 9 | 0 | ō. | 0 | o | ÷ | 0 | 0 | 0 | 0 | 0 | 0 | ٥ |
| ALGN 8.00% 0.00% 6.00% 8.00% | Ð | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AEAM 5.20% 5.20% 5.30% 5.36% (0) | } | 0 | 0 | a | zi. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | ٥ | 0 | 0 |
| Greenville 1.33% 1.29% 1.29% 1.29% | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | ó | 0 | 0 | 0 | e e | | c | 0 | 0 | | 0 | ņ | 0 | o | 62 | D | ď | 0 | 0 | 0 |
| Division 002 4,43% 4,26% 4,36% 4,33% | 3 | 0 | 0 | ø | 20 | 0 | 0 | 0 | 0 | 90 | 0 | 0 | 0 | b | 0 | | a | 0 | .0 | 0 | 0 | o | 0 | 0 | 0 | 0 | 0 | 0 | P | 0 |
| CKV 0.97% 1.86% 1.86% 1.86% 1.86% (m) | Ì | 0 | 0 | 0 | 0 | 0 | 0 | 0 | ٥ | 0 | 0 | 0 | 0 | O | 0 | | 0 | 0 | o | ō | 0 | D. | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 9 |
| Division 012 4.46% 4.52% 4.52% 4.52% 4.52% | 3 | 0 | Ŷ. | 6 | 0 | 0 | 0 | 0 | ø | 0 | 0 | 0 | 0 | 0 | 0 | | a | ٥ | Ф | 9. | 0 | 9 | 0 | 0 | 0 | 0 | 0 | • | 0 | 0 |
| 11.88% 41.88% 41.88% 41.88% 41.88% | 3 | 0 | 9 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | ø | 0 | O. | | a | ٥ | 0 | 0 | 0 | 0 | 0 | D | a | 0 | 0 | 0 | 0 | 9 |
| Division 093 | 9 | (29.971) | (40.880) | (47,012) | (51,676) | (55.077) | (59,153) | (62.102) | (64.646) | (68,432) | (39.941) | (46,582) | (52.727) | (58,437) | (52,049) | | 5,596,124 | 5.578.765 | 5,561,407 | 5.544,048 | 5.531,400 | 5.514,030 | 5.496.659 | 5,479,289 | 5,461,918 | 5.444.54B | 5,427,178 | 5,409,807 | 3,392,436 | 5,495,201 |
| FY16 Oct FY17 Nov-Dec FY17 Jan-Sep FY17 ALGN | | | | | | | | | | | | | | | | | | | | G. | | | | | | | | | | |
| AEAM | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Greenville | <u>B</u> | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | a | 0 | 0 | 0 | | 0.0 | a | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Division 002- SSU General | 3 | * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | | 0 | c | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 00 | 0 | 0 | 0 |
| CKV | Ū. | 0 | D | 0 | 0 | P | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | .0 | 0 | 2) | P | 0 | 0 | 0 | 8 | o | ٥ | 0 | 0 | а | 0 |
| Division 912 - SSU Customer | | e | 0 | • | a | 0 | 0 | 0 | a | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | D |
| Division 091 - Mid-Sintes General Office | (a) (b) (c) (c) (b) (d) (d) (d) (d) (d) (d) (d) (d) (d) (d | 0 | 0 | 0 | 0 | 0 | 0 | C | 0 | 0 | 0 | 0 | o | 0 | :0: | and property | 0 | 0 | o | P | œ. | ¢ | 9 | 0 | α | 0 | 0 | 0 | 0 | D |
| Division 1993 - Tuntrasse | (D) meet Deposits (As | (29 971) | (40.880) | (47.012) | (51,676) | (55,077) | (59,153) | (62,102) | (64.646) | (68,432) | (39,941) | (46,582) | (52,727) | (58,40T) | (\$2,049) | Not elimination of intercommony leased monects | 5 596 124 | 5.578.765 | 5,561,407 | 5,544,048 | 5.531,400 | 5 514 030 | 5.496 659 | 5,479,289 | 5,461,918 | 5,444,548 | 5,427,178 | 5,409,807 | 3,392,436 | 5,495,201 |
| -45 | (a) Interest on Canto | Mey-17 | Jun-17 | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Doc-17 | Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 | Attende | No ofference in | Mav-17 | Jun-17 | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 | Аменве |
| No. | 139 | 4 | 142 | 143 | 144 | 145 | 146 | 147 | 148 | 149 | 150 | 151 | 152 | 153 | Z | 155 | 158 | 159 | 160 | 161 | 162 | 163 | 19 | 165 | 166 | 167 | 168 | 691 | 170 | 171 |

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

| Total Tennessee | | (u) | | 475,964,868 | 477,512,001 | 479,447,251 | 480,912,671 | 481,600,842 | 482,955,061 | 485,473,071 | 486,846,307 | 488,887,557 | 489,742,421 | 492,856,982 | 496,095,147 | 503,149,223 | 486,264,877 | | 4,733,158 | 6,466,240 | 7,583,382 | 8,116,197 | 8,769,815 | 9,396,149 | 10,982,081 | 11,800,989 | 12,758,262 | 14,765,591 | 13,725,901 | 13,167,127 | 6.915.418 |
|---|-----------|--|---|------------------|----------------|------------------|---------------|----------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|
| | ÷ | | | и | \$ 0 | ¥ 0 | 0 | \$ 0 | 0 8 | \$ 0 | \$ 0 | \$ 0 | . 0 | \$ 0 | \$ 0 | 0. 5 | | | 5 | 0. 2 | 0 | 0 | 0 8 | 0 0 | 0 8 | 0 8 | 0 2 | 0 | 0 5 | 0 5 | 3 0 |
| ALGN 0.00% | 0000 | | | 10 | | | | | | | | | | | | | \$ | | 375 | | | | | | | | | | | | |
| 0.00% 0.00% 5.31% | | | | | 0 | 0 | 1,151,074 | 1,151,074 | 1,151,074 | 1,153,154 | 1,153,154 | 1,153,154 | 1,153,154 | 1,153,154 | 1,151,766 | 1,156,418 | 887,475 | | 96 | 0 | 0 | 0 | 9 | 0 | 0 | 0 | o. | = | 0 | D | |
| Greenville 1,28% 1,33% | | E) | | 118,330 \$ | 123,634 | 123,634 | 123,634 | 122,748 | 122,748 | 122,748 | 122,748 | 122,748 | 122,748 | 122,748 | 122,748 | 122,748 | 122,617 \$ | | MA L | Ü | o | 0 | 0 | 0 | 00 | 0 | c | c | 0 | 0 | × |
| 4 36% 4 36% 4 43% | 200 | 3 | | 7,820,791 \$ | 7,950,068 | 7,949,863 | 7,340,706 | 7,343,123 | 7,344,653 | 7,347,910 | 7,349,839 | 7,380,108 | 7,382,251 | 7,411,646 | 7,327,529 | 5,906,156 | 7373,449 \$ | | 964,604 | 905,743 | 964,780 | 852,917 | 841,798 | 876,622 | 1,084,489 | 1,124,197 | 1,121,527 | 1,259,905 | 1,274,433 | 1,304,792 | Carried and |
| 0,84% 0,97% | 0/16/ | (K) | | 108,312 \$ | 125,056 | 125,056 | 125,056 | 125,056 | 125,056 | 125,056 | 125,056 | 125,056 | 125,056 | 125,056 | 145,337 | 145,447 | 126,897 3 | | 98 10 | 0 | 0 | c | c | 0 | 0 | 0 | 0 | 0 | 0 | q | 140 |
| Division 012 441% 0 | | 6 | | 6,345,948 \$ | 6,532,445 | 6,533,656 | 6,621,114 | 6,622,396 | 6,623,843 | 6,647,676 | 6,647,384 | 6,662,579 | 6,666,093 | 6,666,338 | 6,662,728 | 5,581,620 | 6,524,140 \$ | | 145,057 \$ | 86,862 | 92,658 | 33,648 | 38,605 | 71,405 | 61,373 | 83,898 | 83,615 | 94,605 | 101,797 | 120,443 | 一名 古代 古代 古 |
| Division 091 Div 40 68% 43 23% | | 6 | | \$ 169'066'1 | 2,051,933 | 2,054,950 | 1,652,805 | 1,652,757 | 1,652,757 | 1,652,279 | 1,652,279 | 1,662,298 | 1,659,130 | 1,659,439 | 1,659,439 | 1059,431 | 1,738,476 \$ | | (12,931) \$ | 6,903 | (37,244) | 45,049 | 125,986 | 97,943 | 284,134 | 295,432 | 324,649 | 286,800 | 365,965 | 207,129 | The Party of the Party of |
| Division 093 Divis 100 00% 40 100 00% 43 | | (u) | | 459,640,793 \$ 1 | 460,728,864 | 162,660,091 | 463,898,281 | 164,583,688 | 465,934,928 | 468,424,248 | 1469,795,847 | 171,781,613 | 172,633,989 | 175,718,600 | 179,025,599 | 1808.567.203 | 469,491,827 \$ | | 3,636,428 | 5,466,732 | 6,563,188 | 7,184,583 | 7,763,425 | 8,350,180 | 9,552,085 | 0,297,463 | 1,228,471 | 3,124,282 | 1,983,706 | 1,534,764 | Charles Salary |
| Division 1000 | 707 | 2 | | \$ 459 | 460 | 462 | 463 | 464 | 465 | 468 | 469 | 471 | 472 | 475 | 475 | 94 | \$ 468 | | 34 | 47 | ٣ | 4.4 | | 33 | 5 |)1 | - | = | 13 | 11 | * |
| FY15 FY16 | 0111 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ALGN | 1000 | | | 311 |)) | 0(0) | 00 | Ιŧ | * | (4) | 90 | 6 | 29 | :04 | | 17,637,860 | 1,356,758 | | 300 | (*) | (0) | ėli | til | 4 | iit | 1251 | 250 | ε | 51 | 1.53 | |
| AEAM | TAN POR | | | * | 1 | * | 21,681,034 \$ | 21,681,034 \$ | 21,681,034 :\$ | 21,720,201 \$ | 21,720,201 \$ | 21,720,201 \$ | 21,720,201 \$ | 21,720,201 | 21,694,056 \$ | 21,970,034 \$ | \$ 516,017,01 | | S | 5 | S | 49 | 49 50 | 9 | 69 | 5 | 2 | и | 69 7) | S | |
| Greenville | | (%) | | 9,263,141 \$ | 9,263,141 \$ | 9,263,141 \$ | 9,263,141 \$ | 9,196,755 \$ | 9,196,755 \$ | 9,196,755 \$ | 9,196,755 \$ | 9,196,755 \$ | 9,196,755 \$ | 9,196,755 \$ | 9,196,755 \$ | 9,196,755 \$ | 9,217,182 \$ | | | \$ · | * | | 'n | | 5 | 4 | * | , | 10 | 40 | |
| DSS. | | (E) | | 179,508,845 \$ | 79,574,986 \$ | \$ 65,570,339 \$ | 65,810,802 \$ | 65,865,384 \$ | \$ 65,899,953 \$ | 65,973,519 \$ | \$ 860,710,88 | \$ 508,007,993 | 66,749,207 \$ | 167,413,171 \$ | 165,513,148 \$ | 133,411,908 \$ | 106,769,936 \$ | | 22,140,326 \$ | 20,458,782 \$ | 21,792,320 \$ | 19,265,568 \$ | 19,014,421 \$ | 19,801,001 \$ | 24,496,289 \$ | 25,393,188 \$ | 25,332,896 \$ | 28,458,555 \$ | 28,786,709 \$ | 29,472,446 \$ | A 25 MARK MARK W. |
| Division 002 | 5 | _ | | \$ 179 | \$ 179 | \$ 179 | \$ 165 | 91 8 | \$ 16 | \$ 163 | \$ 160 | \$ 160 | \$ 160 | 91 \$ | 3 16 | \$ 13 | 3 100 | | 2 2 | \$ 2 | \$ 2 | 45 | * | 60 | \$ 2 | \$ 2 | \$ 2 | 2 | 2 | 5 | |
| CKV | Chr | (e) | | 12,955,099 | 12,955,099 | 12,955,099 | 12,955,099 | 12,955,099 | 12,955,099 | 12,955,099 | 12,955,099 | 12,955,099 | 12,955,099 | 12,955,099 | 15,056,078 | 15,067,443 | 13.279,201 | | 3 | 8 | 280 | 180 | <u>*</u>) | 200 | 19 | 8 | (8) | 8 | * | | |
| Division 012 - SSU | Sionica | (p) | | 143,900,780 \$ | 146,405,312 \$ | 46,432,452 \$ | 48,392,553 \$ | 48,421,275 \$ | 148,453,724 \$ | 148,987,856 \$ | 148,981,307 | 149,321,871 \$ | 149,400,613 \$ | \$ 611,904,041 | 149,325,218 \$ | 125,095,393 \$ | 146,348,036 \$ | | 3,289,307 | 1,946,758 \$ | 2,076,650 \$ | 754,112 \$ | 865,209 \$ | 1,600,331 | 1,375,485 \$ | 1,880,317 | 1,873,986 \$ | 2,120,281 | 2,281,485 \$ | 2,699,372 \$ | A Line seeks |
| | 5 | | | 10 | W | 11 | 40 | W | 94 | 64 | w | N | w | 91 | ** | s | | | 2 (1 | 7 \$ | 5 (5 | 5 6 | 10 | 2 | S C | 3 8 | 5 1 | 99 | 5 5 | 64 00 | 1900 |
| Division 091 - Mid- States General Office | OHICE | (c) | | 4,746,113 | 4,746,113 | 4,753,091 | 3,822,932 | 3,822,821 | 3,822,821 | 3,821,715 | 3,821,715 | 3,844,890 | 3,837,561 | 3,838,277 | 3,838,277 | 3,838,257 | 4,042,660 \$ | 102.00 | \$ (787,18) | 15,967 | (86,146) | 104,199 | 291,405 | 226,541 | 657,200 | 683,333 | 750,911 | 995,166 | 846,475 | 479,088 | OF STREET |
| Division 093 - S | CITICONOC | (a) (b) Gas Plant in Service (Account 101) | | 459,640,793 \$ | 460,728,864 | 462,660,091 \$ | 463,898,281 | 464,583,688 \$ | 465,934,928 \$ | 468,424,248 | 469,795,847 \$ | 471,781,613 \$ | 472,633,989 | 475,718,600 \$ | 479,025,599 \$ | 488,507,203 \$ | 469,491,827 \$ | Constitution White is Towns and the 1970. | 3,636,428 \$ | 5,466,732 \$ | 6,563,188 \$ | 7,184,583 \$ | 7,763,425 \$ | 8,350,180 \$ | 9,552,085 \$ | 10,297,463 \$ | 11,228,471 \$ | 13,124,282 \$ | 11,983,706 \$ | 11,534,764 \$ | STATE SALE |
| ivid | | (3) s Plant in Servi | | Sep-15 \$ | Oct-15 \$ | Nov-15 \$ | Dec-15 \$ | Jan-16 \$ | Feb-16 💲 | Mar-16 \$ | Apr-16 \$ | May-16 \$ | Jun-16 \$ | Jul-16 S | Aug-16 5 | Sep-16 \$ | Average S. | | Sep-15 \$ | Oct-15 \$ | Nov-15 \$ | Dec-15 \$ | Jan-16 \$ | Feb-16 \$ | Mar-16 \$ | Apr-16 \$ | May-16 \$ | Jun-16 \$ | Jul-16 \$ | Aug-16 \$ | 7 |
| - | 1 | Ü | 1 | | | 15 | 9 | 7 | 00 | 6 | 01 | _ | 12 | 13 | 7 | 15 | 91 | 7 0 | 20 | 21 | 22 | 3 | 24 | 25 | 26 | 27 | 700 | 0 | 30 | 31 | |

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

| 4B-00-04FG | | | | | 4,897 | 5,205 | 5,205 | 5,205 | 5,205 | 5,205 | 5,205 | 5,205 | 32,906 | 32,906 | 32,906 | 32,906 | 32,906 | 15,875 | | | 6 001 713 | 7,900,453 | 7,356,415 | 6,956,958 | 4,731,251 | 3,343,955 | 1,671,951 | 1,703,976 | 2,231,950 | 2,959,949 | 4,122,035 | 5,150,603 | 6.084,410 |
|---------------------------------------|--------|-----|---|----|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------|----------------|-----------|-----------|-----------|-----------|----|---------------------------------------|-----------|-----------|-------------|--------------|--------------|--------------|-----------|--------------|--------------|-------------|-------------|--------------|-------------|
| Toot | (n) | | | | 69 | 14 | 44 | | 45 | ú | | 45 | 4 | in | 44 | * | w | 5 | | | 3 | \$ 7,5 | 5 7.3 | \$ 6,5 | 5 4,7 | 3,3 | 5 1,6 | 5,1,7 | \$ 2,2 | 2,5 | 5 4,1 | 5,1 | 29 8 |
| ALGN 0.00% | 0/00/0 | | | | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | ٠ | | | å | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | w | q | 0 | - | 0 | D | D. | 0 | 0 | 9 | 0 | 0 | 0 | 9 | | | 9 | 0 | 0 | ¢ | c | = | o | 0 | 0 | 0 | • | æ | 0 |
| 0.00% | 100 | | | | 10 | | | | | | | | | | | | | 'n | | | | | | | | | | | | | | | |
| Greenville 1,28% | (E) | (m) | | | * | 0 | 0 | 0 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | × | | | 79 R | 0 | 0 | 0 | 0 | 0 | 0 | 00 | 0 | Q | 0 | 9 | 0 |
| 4 36% | | | | | .es | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | | | | 9 | (0) | O | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | ď | 0 |
| Division 43 | | | | | 100 | _ | | | ۰ | | _ | _ | _ | | | 0 | 0 | × | | | * | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CKV 0.84% | (R) | 3 | | | (E) | | | - 90 | ~ | 18 | 9 | | ~ | - | ~ | _ | | * | | | - | |) | _ | _ | 9 | _ | <u>_</u> |) | _ | 9 | _ | |
| Division 012 4.41% | (i) | à | | | | 5 | 0 | 0 | 0 | 0 | 0 | e. | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | С |
| | | | | | 4,897 \$ | 5 | 5 | 15 | 5 | 5 | 15 | 5 | 90 | 90 | 90 | 90 | 9 | \$ \$ | | | | 0 | 0 | 0 | 0 | 0 | Ü | 0 | 0 | 0 | 0 | 0 | 0 |
| Division 091 40 68% | ? ? | È | | | | 5,205 | 5,205 | 5,205 | 5,205 | 5,205 | 5,205 | 5,205 | 32,906 | 32,906 | 32,906 | 32,906 | 32,906 | 15,835 | | | 8 | | | | | | | | | | | | |
| | | | | | | g | g | 0 | 0 | 0 | 0 | 0 | 0 | 0 | o | 0 | 0 | | | | K 991 717 | 7,900,453 | 7,356,415 | 6,956,958 | 4,731,251 | 3,343,955 | 1,671,951 | 1,703,976 | 2,231,950 | 2,959,949 | 4,122,035 | 5,150,603 | 6.084.410 |
| Division 093 100 00% | (4) | | | | 19 | | | | | | | | | | | | | 2 | | | 8 | | 7, | 9 | 4 | 'n | - | 1, | 2, | 2, | 4, | 5, | (9) |
| FY15 FY15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NG IN | | | | | (*) | *0 | 6 | 169 | (Œ | 76 | (8) | 10 | 6 | (19) | ΟŒ | 98 | × | | | | 3 | × | 191 | 90 | 60 | 13 | 13 | 96 | 30 | 80 | 60 | 3(5 | (1) |
| | | | | | * | 49 | * | v | 4 | * | vs | | in | ** | 8 | 4 | 49 | | | | 9 | 69 | 8 | in . | is. | ** | s · | S | 90 | en | er. | 96 | 45 |
| AFAM | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ė | | | | | | * | | | | ** | | * | | | | | | | | | 8 | | * | * | | | * | | * | * | * | * | * |
| Smennille | (A) | 9 | | | 10 | | S | м | 55 | 4 | 5 | 'n | | in. | | 50 | 45 | | | 70 | 2 | 1 49 | S | 45 | M | 69 | 69 | N | S | 9 | 10 | S | 35 |
| Division 002 - SSU | | 7. | | | Ŷ | 71 | | 116 | 4 | 14 | i i | 1 | | D _a | W | ¥ | i. | ٠ | | 10 | | * | i. | 411 | ni e | î i | ii. | 4 | Ŧ | ě. | 251 | î | ÷ |
| Division | | | | | м | и | w | 44 | w | 8 | 111 | 'n | м | 89 | w | ۳ | 'n | * | | | * | м | 14 | ** | | w | 45 | m | 49 | 49 | 4 | w | ** |
| Ş | (e) | 0 | | | Ť | 111 | HP) | 1.1 | 13 | (*) | (*) | 7 | 2 | 0.5 | U | ð | (*) | ٠ | | 200 | and form | × | * | D | ė. | á | 18 | 7 | (7) | 8) | Ð | | 3 |
| ns | | | | | ** | 10 | 50 | m | | ** | 8 | in. | * | 503 | ** | 50 | 5 | | | 1000 | | 9 | 5 | 69 | 64 | 69 | 69 | \$ | 8 | 8 | ø | 8 | 100 |
| Division 012 - SSU | (p) | Đ. | | | | | | | | | | | | | | | | | | And one of the | | | | | | | | | | | | | |
| | | | | | 12,038 \$ | 12,038 \$ | 12,038 \$ | 12,038 \$ | 12,038 \$ | 12,038 \$ | 12,038 \$ | 12,038 \$ | 76,110 | 76,110 \$ | 76,110 \$ | \$ 011'92 | 76,110 \$ | \$ 189'90 | | minister 02 | 3. P. | 9 | 9 | 5 | 5 | 2 | 69 | 2 | 69 | 9 | 69 | 9 | |
| Division 091 - Mid- States General | (0) | | ount 1540) | | 12 | 12 | 12 | 12 | 2 12 | 12 | 12 | 12 | 76 | 76 | 76 | 76 | ř. | 36 | | Clean | 2 | ():5=1 | | | 201 | | 74 | - | 100 | 100 | 241 | 1- | 924 |
| Division 093 | (b) | î. | Inventories: Plant Materials (Account 1540) | | 77 | 11 | 100 | 1 | | 40 | 4 | 40 | - | 24 | 17 | - | 4 | | | Inventories Gas Shared (Account 1641) | 6 991 717 | 7,900,453 | 7,356,415 | \$ 856,956,9 | 4,731,251 \$ | 3,343,955 \$ | 1,671,951 | 1,703,976 \$ | 2,231,950 \$ | 2,959,949 | 4,122,035 | 5,150,603 \$ | 6.084.410 S |
| | | | use Plant M | | Sep-15 \$ | 15 \$ | 15.5 | \$ 51 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 9 | \$ 91 | Aug-16 5 | \$ 9 | × 00 | | we Gas Sta | Sm.15 C | | Nov-15 \$ 7 | 63 | Jan-16 \$ 4 | | Mar-16 \$ | Apr-16 5 | May-16 \$ 2 | Jun-16 \$ 2 | Jul-16 \$ 4 | | Sep-16 \$ |
| ž Ž | | | | | | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | | Sep-16 | Avurage | | | | | | Dec-15 | | | | | | | | | |
| E. K. | | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 4] | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 35 | 51 | 53 | 17 | 56 | 57 | 58 | 59 | 9 | 19 | 62 | 63 | 3 | 65 | 99 | 67 |

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

| | | | | | | | | | | | | | | Factors FY15 | Division 093 100.00% | Division 091 40 68% | Division 012 4 41% | CKV 0.84% | Division 002 4.36% | Greenville 1.28% | c AEAM 0.00% | | ALGN 0.00% | | |
|-------|-------------|---|---|--------------------------------|-----|--------------|-------------------------------|----------|------------|-----|-----------|-----|-------|-----------------|-------------------------|------------------------|-----------------------------|--------------|-----------------------|---------------------|-----------------|-----|---------------|----------|-----------------|
| N S | Month | Division 093 - S Tennessoe | Division 091 - Mid- States General Di- Office | Division 012 - SSU Customer | CKV | | Division 002 - SSU General | | Greenville | | AEAM | | ALGN | FY16 | 100 00% | 43.23% | 4 46% | 0.97% | 4.43% | 1.33% | 5.31% | | %00.0 | Total Te | Total Termessee |
| н | Undokin | (b) | (0) | Φ) | (4) | | (A) | | (0) | | | | | | (h) | (3) | (| (k) | 0 | (E) | | | | ٦ | (n) |
| 69 | (Z) | (0) | (2) | (n) | 9 | | 3 | | 9 | | | | | | | 3 | è | È | 5 | Ì | | | | , | ì |
| 70 07 | extorners D | Customers Deposits (Account 2350) | 34 | | | | | | | | | | | | | | | | | | | | | | |
| 17 | | | | | | | | | | | | | | | | | | | | | | (9) | | | |
| 72 | Sep-15 \$ | \$ (4,648,844) \$ | or or | * | w | | 50 | * | 11. | M | d2 | N | (4) | 64 | _ | 2 | | XI. | 990 | * | 6 | | | y. | (4,648,844) |
| 7.3 | Oct-15 | \$ (4,735,437) \$ | | 8 | u | 5 | 10 | | * | w | 50 | 8 | ¥EI | | (4,735,437) | 6 | 0 | 0 | | 0 | 0 | 0 | 0 | A. | (4,735,437) |
| 74 | Nov-15 | \$ (4,812,967) \$ | ** | 12.0 | и | 75) 53 | - | * | 10 | W | 500 | 69 | 160 | | (4,812,967) | 0 | G. | = | | 0 | 0 | D | 9 | 3 | (4,812,967) |
| 7.5 | Dec-15 | \$ (4,823,925) \$ | | * | so. | :*! :e | - | * | (12 | 95 | ne! | 45 | Ģ | | (4,823,925) | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 4) | (4,823,925) |
| 76 | Jan-16 | \$ (4,846,090) \$ | * | 14 | us | est No. | LPL. | * | 107 | W | æ | 16 | × | | (4,846,090) | (0) | 0 | 0 | - | 0 | 0 | o | 0 | 7) | (4,846,090) |
| 77 | Feb-16 | \$ (4,854,041) \$ | * | 8 | 1/5 | offi offi | 100 | \$ | 12) | 99 | 16 | 100 | (*) | | (4,854,041) | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | y (4 | (4,854,041) |
| 78 | Mar-16 | \$ (4,867,719) \$ | * | 300 | 95 | * | - | | (1) | 10 | ď | 69 | 90 | | (4,867,719) | 0 | 9 | 0 | _ | 0 | 0 | 0 | 0 | vi vi | (4,867,719) |
| 42 | Apr-16 | \$ (4,790,060) \$ | | * | 99 | 1 | | | , | 44 | * | 19 | * | | (4,790,060) | 0 | 0 | 9 | | 0 | 0 | 0 | 0 | M. | (4,790,060) |
| 80 | May-16 | 10 | | 1 | 99 | . T. | į, | 5 | | ** | . 10 | 69 | 0 | | (4,760,196) | 0 | 0 | g | | 0 | 0 | o | 0 | 4 | (4,760,196) |
| 50 | Jun-16 | v | 8 | | ** | eri ee | 40 | • | 11.0 | 49 | TES | 8 | (13) | | (4,740,792) | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 7) | (4,740,792) |
| 82 | Jul-16 | 69 | | | ** | | - | 40 | 48 | 44 | 1.1 | 95 | :06 | | (4,737,015) | 0 | 0 | 0 | | 0 | .0 | 0 | Q | 9 | (4,737,015) |
| 83 | Aug-16 \$ | | ** | iii | to | .15 .5 | 96 | * | | * | 15 | 45 | (30) | | (4,701,580) | 0 | 0 | 9 | _ | 0 | 0. | 0 | 0 | 8 | (4,701,580) |
| 84 | Sep-16 | | \$ - | | ыя | - | 5 | 9 | ٠ | 49 | | 55 | ٠ | | (4,700,779) | 0 | 0 | 0 | | 0 | 0 | 0 | 0 |) S | (4,700,779) |
| 85 | Average \$ | \$ (4,770,726) \$ | - 8 | ı | s | , | 3 | | | 69 | | S | | 2 | 5 (4,770,726) \$ | - 2 | . 9 | | , s | S | 59 | · · | | , (| (4,770,726) |
| 98 | et i | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| | commisto | Accumulated Deferred PIT (Total Accessate 1900, 2820, 2830) | Accounts 1900, 282, | 9,2830) | | | | | | | | | | | | | | | | | | | | | |
| 86 | | | | | | | | | | | | | | | | | | | | | | | | į | |
| 8 | Sep-15 \$ | _ | | | 50 | * | \$ 604,875,858 | 5,858 \$ | ď. | | nië Si | | 74 | 50 | | | 3,185,067 \$ (1,430,745) \$ | | 9 | 25 | * | 9 | 5 | 4 | (48,805,091) |
| 16 | Oct-15 \$ | in 1 | 7,829,665 | _ | 4 | 9) 9) | 1907/08/509 | 1,00,7 | 1) | * * | | • | ¥. | | (7,912,473) | 3,385,075 | (1,441,397) | 7 | 165,601,02 | /6 | | 2 0 | 2 2 | n 6 | (48,203,041) |
| 76 | Nov-13 | \$ (76,912,475) \$ | # COD, 428,1 | (32,443,381) | 9 6 | ne S | 2004,094,112 | 4 7114 | | | TT I | | * | | (76,912,475) | 757 806 | C 447 597) | . 0 | | 9 91 | 000 | | | | 50.460.558) |
| 5 8 | [lan.16 | n v | \$ 201,102 | (37 443 581) | n 6 | | 644 435 (191 | 5.001 | CO! | • | | | 000 | | (76 917 475) | 294 727 | (1,47,597) | - 9 | | 9 | 0 | . 0 | 0 | 4 | (49.535,186) |
| 62 | Feb-16 \$ | | 681.702 \$ | | 113 | | \$ 659,145,947 | 5,947 \$ | 68 | W | od. | 91 | Nie. | | (76,912,475) | 294,727 | (1,447,597) | 9 | 0 29,181,433 | 63 | 0 | 0 | 0 | ** | (48,883,913) |
| 8 | Mar-16 \$ | | (4,699,211) \$ | | 69 | i i | \$ 639,629,829 | 9,829 \$ | 8 | M | 125 | 119 | 115 | | (76,874,172) | (2,031,655) | (1,447,597) | 2 | 0 28,317,423 | 5 | 0 | 0 | 0 | \$ (5) | (52,036,002) |
| 76 | Apr-16 \$ | \$ (76,874,172) \$ | \$ (11,699,211) | (32,443,581) | ы | | \$ 637,257,954 | 7,954 \$ | | * | | 10 | | | (76,874,172) | (2,031,655) | (1,447,597) | 0 | 1 28,212,416 | 91 | 0 | 0 | 0 | \$ (5. | (52,141,008) |
| 86 | May-16 \$ | \$ (76,874,172) \$ | (4,699,211) \$ | (32,443,581) | ы | 1 | \$ 641,357,702 | 7,702 \$ | 6; | * | (1) | 10 | | | (76,874,172) | (2,031,655) | (1,447,597) | 40 | | 61 | 0 | 0 | g | 5) | (51,959,506) |
| 66 | Jun-16 | \$ (76,874,172) \$ | (5,336,763) \$ | (32,443,581) | м | + | \$ 688,270,557 | 0,557 \$ | | * | .50 | 14 | til | | (76,874,172) | (2,307,294) | (1,447,597) | | 30,470,825 | 25 | 0 | 0 | 0 | w | (50,158,239) |
| 001 | Jul-16 | \$ (76,874,172) \$ | (5,336,763) \$ | (32,443,581) | 69 | | \$ 696,819,996 | \$ 966'6 | | M | 000 | 8 | | | (76,874,172) | (2,307,294) | (1,447,597) | 9 | 30,849,322 | 12 | 0 | 0 | d | w | (49,779,742) |
| 101 | Aug-16 \$ | \$ (76,874,172) \$ | (5,336,763) \$ | (32,443,581) | S | | \$ 701,475,734 | 5,734 \$ | .55 | vi | of. | ** | 19 | | (76,874,172) | (2,307,294) | (1,447,597) | 0 | | 61 | 0 | 0 | 0 | w | (49,573,625) |
| 102 | Sep-16 \$ | \$ (85,401,623) \$ | 9,829,810 \$ | (27,916,940) | 14 | * | \$ 862,978,423 | 8,423 \$ | 55 | S | 12 | ** | 115.1 | | (85,402,633) | | (1,245,623) | 0 | | 70: | 0 | 0. | 0 | 57 | (#1,127,123) |
| 103 | Average 5 | \$ (77,547,885) \$ | 408,153 \$ | (32,095,377) \$ | \$ | e E | 5 602,229,324 | 9,324 \$ | ×. | 8 | 0 | * | * | ** | \$ (27.547,816) \$ | | 161,075 \$ (1,430,764) | 50 | \$ 29,285,189 | | iii | 90 | (4) | 2 | (49,532,386) |

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

| | Total Tennessee | (u) | | | | 188,721,251) | 189,689,807) | 190,467,017) | (189,977,708) | 190,382,546) | (191,041,700) | (191,728,037) | (192,370,706) | (193,049,366) | (193,786,232) | (194,435,567) | (195,115,657) | 193,202,994) | (191,843,738) | | | | 2000 | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,42%) |
|----------------------------|---|-----|-----|--|-----|------------------|------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|--------------------|-------------------|-----|-----|-----------------------------------|------|-------------|-------------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Total | | | | 3 | 0 | 5 | 9 | (E) | \$ | \$ G | 8 | 5 | ÷ | 5 | 9 | T * | 3 | * | | | | - | w 1 | | | 'n | 'n | 50 | n | ŝ | 50 | 50 | 50 | ** | in. |
| VTCN 0'00% | %00 0 | | | | | ٠ | 0 | 0 | 0 | o. | 0 | 0 | a | G | 0 | e · | 0 | 000 | | | | | 9 | • | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| AEAM 0.00% | 531% | | | | | 1 | 6) | (0) | (33,775) | (65,114) | (66,226) | (67,345) | (68,460) | (69,573) | (70,687) | (71,800) | (73,120) | (74,372) | \$ (90%)05) | | | | 3 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | o | 0 | O |
| Greenville 1.28% | | (m) | | | | (50,829) \$ | (53,871) | (54,634) | (55,398) | (31,412) | (32,170) | (32,927) | (33,685) | (34,442) | (35,199) | (35,957) | (36,714) | (02920) | \$ (\$9£0±) | | | | 3 | i i | 0 | 0 | 0 | 0 | s | 0 | () | 0 | 0 | 0 | G. | 0 |
| Division 002 Gre 436% 1 | | € | | | | (4,873,486) \$ | (4,998,596) | 5,044,971) | 5,064,128) | 5,167,625) | (5,214,184) | (5,260,756) | (5,307,048) | (5,353,560) | (5,400,090) | (5,446,977) | (5,480,006) | (3,992,482) | (5,123,378) \$ | | | | 9 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | MT. | (32,218) (4, | 32,537) (5, | (32,857) (5, | (21,597) (5, | (21,914) (5, | (5,231) (5, | (22,548) (5, | (22,864) (5, | (23,181) (5, | (23,498) (5, | _ | (24,508) (3, | (25,519) \$ (5, | | | | , | 90 | 0 | 0 | D | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 CKV 0.84% | %160 | (k) | | | | | | | | | | | | _ | | | | | | | | | | 19) | 0 | 0 | q | a | | ū | 0 | 0 | 0 | 0 | 8 | 9 |
| Division 012 4.41% | 4 46% | (0) | | | | _ | (2,111,439) | _ | (2,178,928) | (2,266,342) | (2,300,245) | (2,334,261) | | | (2,435,708) | (2,469,578) | (2,515,918) | CHESCHE) | \$ (2,231,903) \$ | | | | 3 | | | | | | | | | | | | | |
| Division 091 40.68% | 43.23% | (3) | | | | | (1,327,101) | (1,331,977) | (933,169) | (935,310) | (937,452) | (639,113) | (941,253) | (945,342) | (940,544) | (942,774) | (945,004) | (947,233) | (1,023,836) \$ | | | | | | 0 | 0 | 0 | • | ٥ | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Division 093 1 100 00% | %00 001 | (4) | | | | (180,472,042) \$ | (181,166,582) | (181,857,880) | (181,679,454) | (181,895,145) | (182,469,509) | (183,071,403) | (183,629,710) | (184,221,743) | (184,880,822) | (185,444,983) | (186,040,732) | (186,593,147) | (183,347,935) \$ | | | | | (76,428) \$ | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) |
| Factors D FY15 | FY16 | ۲. | | | | 92 | | | | | | | | | | | | | .5 | | | | 9 | w | | | | | | | | | | | | |
| | ALGN | | | | | (*) | Œ | ĸ | 900 | (9) | -2 | 1.5 | ٠ | (*) | 80 | 511 | 939 | (935,438) | (71,957) | | | | | 2 1 | ė | iti | *6 | 20 | | je | QI. | 22 | | 5 | 12 | |
| | AEAM | | | | | \$ (0) | \$ (0) | \$ (0) | (636,173) \$ | 1,226,454) \$ | (1,247,390) \$ | 1,268,482) \$ | (1,289,471) \$ | (1,310,445) \$ | (1,331,418) \$ | (1,352,391) \$ | 1,377,247) \$ | 1,480,8380 S | (956,947) \$ | | | | | 69 | 0 | 69 | 42 | 69 8: | 5 | 9 | N. | \$ | \$ | S | 9 | \$ |
| | | | | | | (3,979,038) \$ | (4,036,223) \$ | (4,093,408) \$ | (4,150,593) \$ | (2,353,511) \$ (| (2,410,271) \$ (| (2,467,032) \$ (| (2,523,780) \$ (|) \$ (625085,2) | (2,637,278) \$ (| (2,694,026) \$ (| (2,750,734) \$ (| 3 (2452) \$ | (3,037,221) \$ | | | | 1 | w | ** | | 90 | 'n | in i | * | 35 | * | 4 | M. | sA. | eq. |
| | SU Greenville | (g) | | | | 6/3 | 49 | 69 | 19 | 64) | 69 | 69 | 10 | S | 67 | м | 69 | w | 15 | | | | 9 | on o | 545 | 96 | un. | м | 50 | w | ** | 95 | 69. | м | 165 | w |
| | Division 002 - SSU General | (J) | | | | | (112,907,554) | (113,955,077) | (114,387,785) | (116,725,558) | (117,777,240) | (118,829,197) | (119,874,836) | (120,925,442) | (121,976,451) | (123,035,521) | (123,781,577) | (90,181,594) | (115,862,911) | | | | | | 200 | 95.5 | | *1 | #00 0000 | 28 | -125 | .02 | : AF | | | 110 |
| | CKV | (c) | | | | (3,304,478) \$ | (3,337,584) \$ | \$ (169,075,5) | (3,403,797) \$ | (2,237,354) \$ | (2,270,173) \$ | (2,302,992) \$ | (2,335,795) \$ | (2,368,597) \$ | (2,401,400) \$ | (2,434,203) \$ | (2,503,278) \$ | (2,538,926) \$ | \$ 1929/2/22) | | | | | | () | 8 | * | 8 | - | | • | | 5 | 2 | • | |
| | 312 - SSU | (p) | | | | (46,569,104) \$ | (47,321,628) \$ | (48,074,187) \$ | (48,834,173) \$ | (50,793,309) \$ | (51,553,153) \$ | (52,315,508) \$ | (53,071,720) \$ | \$ (63,830,113) \$ | (54,589,147) \$ | (55,348,241) \$ | (56,386,812) \$ | \$ (32,133,930) \$ | (\$0,063,136) \$ | | | | | 4 | 96 14 | MA C | | | 99 | 10 | 10 | 9 | W. | 66 (C | | |
| | fid- Division 012 - SSU Customer | 9) | | | | | 69 | 49 | M3 | 69 | 1/2 | 69 | 69 | 49 | 1/2 | 69 | 67 | 44 | 5 | | | | | | 49 | | 9 | 19 | w | vı | w | ** | * | 50 | 'n | * |
| | Division 091 - Mid- States General Office | (5) | | unt 10805 | | (3,057,056) \$ | (3,069,581) | (3,080,857) | (2,158,416) | (2,163,369) | (2,168,323) | (2,172,166) | (2,177,115) | \$ (2,186,573) | (2,175,475) | (2,180,633) | (2,185,790) | \$ (2,190,047) | (1382.035) | | | 520 | | 10 | 50 | i. | | 9 | 7) | w | of w | | | 95 | | 10 |
| | Division 093 = Temessee | (p) | | Accumulated Depreciation (Account 1980) | | (180,472,042) | (181,166,582) \$ | (181,857,880) | (181,679,454) | (181,895,145) | (182,469,509) | (183,071,403) | (183,629,710) | (184,221,743) | (184,880,822) \$ | (185,444,983) | (186,040,732) | (186,693,147) \$ | (183,347,935) S | | | Customers Advances (Account 2526) | | (76,428) \$ | (76,428) \$ | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) | (76,428) |
| | Maeth T | (8) | | sumulated Des | | Sep-15 \$ (| Oct-15 \$ (| Nov-15 \$ | Dec-15 \$ (| Jan-16 \$ | Feb-16 \$ | Mar-16 \$ | Apr-16 S | May-16 \$ | Jun-16 \$ | Jul-16 \$ | Aug-16 \$ | Sep-16 \$ | Average \$ | | | Istomers Adva | | Sep-15 S | Oct-15 \$ | Nov-15 \$ | Dec-15 \$ | Jan-16 \$ | Feb-16 \$ | Mar-16 \$ | Apr-16 \$ | May-16 \$ | Jun-16 \$ | Jul-16 \$ | Aug-16 \$ | Sep-16 \$ |
| | Line No. | | 104 | 105 Ac | 901 | 107 | 108 | 109 | 110 | 111 | 112 | 113 | 114 | 115 | 116 | 117 | 118 | 611 | 120 | 121 | 122 | 123 (2) | 124 | 125 | 126 | 127 | 128 | 129 | 130 | 131 | 132 | 133 | 134 | 135 | 136 | 137 |

Tennessee Distribution System Reallocation of Rate Base Items at Proforma Allocation Factors Twelve Months Ended September 39, 2016

| | Total Tennessee | (u) | | 100 200 | 100,000 | (400,000) | (106,207) | (116,603) | (132,121) | (1231) | (19229) | (35,587) | (43,837) | (155,331) | (67,262) | (78,1189) | 188,9001 | (71,237) | | | | 5,791,400 | 5,814,029 | 5,791,734 | 5,769,439 | 5,747,143 | 5,724,848 | 5,702,553 | 5,680,258 | 5,657,963 | 5,813,349 | 5,791,054 | 5,768,759 | 6,437,841 |
|-------------------------|--------------------------------|------|--|--------------|-------------------|-----------|-----------|--------------|-------------|-----------|-----------|-----------|-----------|-----------|-------------|-----------|-----------|------------|---|---------------|-------------|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Tot | | | | | 0 1 | 2 0 | | 5 0 | s 0 | \$ 0 | 2 0 | \$ 0 | 5 0 | S 0 | 0 8 | 8 0 | M | | | | m | . 0 | . 0 | 0 | 0 | \$ 0 | 4 | 9 | * 0 | 0 | \$ 0 | \$ 0 | \$ 0 |
| ALGN 0.00% | 0.00% | | | li | † | | | | | | | | | | | | | int. | | | | e di | | | | | | | | | | | | |
| ₩ % | % | | | 3 | 3 | 0 1 | 0 | 0 | 0 | С | 0 | 0 | 0 | О | o | ¢ | 0 | | | | | (0 | o. | 0 | 0 | 0 | g. | œ. | = | 0 | 0 | 0 | 0 | e |
| 0.00% | 531% | | | 9 | 4). | | | | | | | | | | | | | * | | | | W | | | | | | | | | | | | |
| Greenville | 1 33% | (EE) | | | | 0 | 0 | e | ε. | g. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | | | | ĝ | 0 | 0 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 1 | | | 3 | | o : | 0 | e: | 0 | ± | 0 | 0 | 0 | 0 | = | 0 | | 35 | | | | 95 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Division 002 4 36% | 4 43% | () | | | • | | | | | | | | | | | | | .* | | | | | | | | | | | | | | | | |
| | | | | 3 | 4 | o i | 0. | e: | 0 | G. | 0 | 0 | 0 | e. | σ. | 0 | 0 | 8 | | | | 360 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0.84% | 0,97% | (k) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| .012 % | % | | | | | 0 | 0 | 0 | Q. | 0 | Q | 0 | 0 | o | 0 | 0 | q | | | | | | U | 0 | 0 | 0 | 0 | 0 | ū | 0 | 0 | G | B | E. |
| Division 012 4 41% | 4 46% | 9 | | - | 4 | | | | | | | | | | | | | * | | | | ** | | | | | | | | | | | | |
| 160 11 | %1 | | | 1 | | 0 | 0 | 9 | 6 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 7 | | | | 100 | Q. | 0 | 0 | 0 | C . | 0 | 0 | e. | 0 | 0 | D | 0 |
| Division 091 40,68% | 43,23% | Θ | | 9 | ^ | | | | | | | | | | | | | * | | | | 69 | | | | | | | | | | | | |
| Division 093 100 00% | %00 001 | (p) | | The state of | 4 (2522) | (96,003) | (106,207) | (116,603) | (137,121) | (131) | (10,225) | 35,587. | (43,837) | 158,351 | (67,262) | (78,189) | (88,900) | (71,237) | | | | 5,791,400 \$ | 5,814,029 | 5,791,734 | 5,769,439 | 5,747,143 | 5,724,848 | 5,702,553 | 5,680,258 | 5,657,963 | 5,813,349 | 5,791,054 | 5,768,759 | 6.437.841 |
| Divisii 100 | 100 | | | 3 | n | | | | | | | | | | | | | 99 | | | | 95 | | | | | | | | | | | | 7 |
| Fuctors FY15 | FY16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | ALGN | | | | 1 | ¥ | × | 90 |) () | 6 | 9 | 30 | 30 | Œ | * | Ē | 34 | æ | | | | 100 | 0 | 9 | | · | Œ | ξ; | Ç, | (9 | ж | 90 | 30 | • |
| | V | | | | 913 | n : | 99 | 99 | 19 | w | 99 | 39 | 99 | 69 | w | ** | v | M) | | | | w | и | uq. | и | 49 | w. | w | vi. | v | in. | S | w | ø |
| | AEAM | | | | 1 | × | ٠ | Œ. | ĸ | 5 | () | 1.5 | ٠ | × | 90 | 6 | * | e. | | | | ox ^t ii | 2 | | j(t | .5 | * | 50 | 9 | it. | t | (3) | £ | |
| | AE | | | | 4 | in 1 | M | w . | w | w | s | S | 8 | in | 49 | 65 | 8 | | | | | 50 | 62 | 69 | M3 | 10 | 69 | и | 69 | 50 | 69 | N | S | 40 |
| | ville | | | | | | ō | 1 | 20 | 1 | Į. | 13 | Ť | , | | 20 | | 20 | | | | G | 0 | ¢ | 0 | c | 0 | 0 | 0 | 0 | D | 0.8 | 0 | 5 0 |
| | Greenville | (8) | | - | | | in / | 227 | 127 | | | | - | | in. | 15 | | | | | | | | | | | | | | | | | | |
| | - SSU | | | 8 | | ÷ | 8 | 1 | • | 1 | | 3 | 8 | 15 | | av av | 4 | i i | | | | 0 | 0 | a | 0 | 0 | 0 | c | ٥ | 0 | c | 0 | o | 0 |
| | Division 002 - SSU General | (g) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | ă | | | | 90 | e e | er t | | vs. | 4 | in | in. | \$ | | • | N | S | | | | | 0. | 0 | 0 | 0 | 0 | 0 | С | 0 | 0 | 0 | 0 | 0 | 9 |
| | CKV | (c) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | nss | | | | • | , | è. | * | * | * | * | in. | 60 | | | 10 | 85 | 99 | | | | 0 | 0 | 0 | 0 | 0 | c | c | = | 0 | 0 | 0 | 0 | С |
| | Division 012 - SSU Customer | (p) | | | 54 | ıT i | d. | (I) | 53 | | - 53 | W. | 雨 | S. | 8 | - | | 1 | | | | | | | | | | | | | | | | |
| | Divisio | | 191 | 9 | 9.3 | vo : | 90 | 57 | w | w | vi | u). | S | 49 | s | w | s | 24 | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Division 091 - M6d- | States General Office | (c) | 2378-26 | | *0 | it i | it. | * | *) | ti | 5 | 29 | it. | (#) | 8 | ti | | 37 | | 1 | THE PERSON |) | _ | , | _ | | _ | _ | _ | _ | _ | ~ | 7 | - |
| Division 0 | States (| 9) | Account | ä | | 4 | 15 | w | w | 9 | v | 10 | W | W | 4 | 6 | * | 41 | | of particular | Mary 1 | 3 | | | | | | | | | | | | |
| | 393 - tec | | Sports (| 2007-02 | (((((())) | (500'96) | 106,2071 | (116,603) \$ | (132.121) | (1231) | (19,225) | (35.587) | (43,837) | (155,251) | \$ (202,70) | 78,189) | (88,900) | (11.337) | | | volution to | 5,791,400 | 5,814,029 | 5,791,734 | 5,769,439 | 5,747,143 | 5,724,848 | 5,702,553 | 5,680,258 | 5,657,963 | 5,813,349 | 5,791,054 | 5,768,759 | 6.437.841 |
| | | 9 | mer D | | | | = | = | 2 | | ~ | ~ | | 3 | * | 1 | | 7 | | and the same | n or mar | 5,7 | 5,8 | 5,7 | 5,5 | 5,7 | 5,1 | 5,7 | 5,6 | 5,0 | 3,5 | 5,7 | 5,7 | 99 |
| | Division 093 Tennessee | | 升 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Month Tennessee | (8) | 140 Interest on Customer Deposits (Assempt 2378-26919) | 1 | Sep-15 | Oct-15 \$ | Nov-15 \$ | Dec-15 \$ | Jan-16 \$ | Feb-16 \$ | Mar-16 \$ | Apr-16 \$ | May-16 \$ | Jun-16 \$ | Jul-16 \$ | Aug-16 \$ | Sep-16 \$ | Average \$ | 1 | 157 | | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Small |

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

| Line No. | | | | | | | | | |
|-------------|--|------------------|----|--|----------------------|----|------------------------|----|---------------|
| 1 2 | Annual benchmark per Docket 12-00064 Quarterly benchmark | | | 18 | 2,086,819 521,705 | | | | |
| 3 | | | | | | | | | D:00 |
| 4 | | | | Contribution | 521 705 | В | Jenchmark | | Difference |
| | Quarter ended 3/31/13 | | | | 521,705 | | 521,705 521,705 | | 120,206 |
| | Quarter ended 6/30/13 Quarter ended 9/30/13 | | | | 641,911 1,038,413 | | 521,705 | | 516,708 |
| | Quarter ended 12/31/13 | | | | 417,671 | | 521,705 | | (104,034) |
| | Quarter ended 3/30/14 | | | | 390,181 | | 521,705 | | (131,524) |
| | 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 | | | - 2 | | | | 5 | 54,104 |
| 15 | | | | | | _ | | | |
| | | | 97 | connect the state of the Connect Charles | | | gulated Asset | | |
| 16 | | | A | mortization Expe | ense | _ | Balance | | |
| 17 | | May-15 | | | 54,104 | | 1,298,490 1,244,386 | | |
| 18 19 | | Jun-15 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 | | 270,519 216,415 | | |
| 37 | | Jan-17 Feb-17 | | | 54,104 54,104 | | 162,311 | | |
| 38 39 | | Mar-17 | | | 54,104 | | 108,208 | | |
| 40 | | Apr-17 | | • | 54,104 | | 54,104 | | |
| 41 | | May-17 | | | 54,104 | | - | | |
| 42 | | Jun-17 | | | - 1,201 | | 92 | | |
| 43 | | Jul-17 | | | | | ⊊ | | |
| 44 | | Aug-17 | | | | | 9 | | |
| 45 | | Sep-17 | | | | | | | |
| 46 | | Oct-17 | | | | | * | | |
| 47 | | Nov-17 | | | | | * | | |
| 48 | | Dec-17 | | | | | * | | |
| 49 | | Jan-18 | | | | | - | | |
| 50 | | Feb-18 | | | | | | | |
| 51 | | Mar-18 | | | | | 5 | | |
| 52 | | Apr-18 | | 594 | | | * | | |
| 53 | | May-18 | | | - | \$ | | 12 | month average |
| 42 | Annual Amortization* | | \$ | | | Φ | - | 13 | month average |

^{*}This amount is included in Benefits actuals for Division 093

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

| Line | | | Non-regulated | Regulated Utility | | |
|----------|------------------|----------------------------|--------------------------------|----------------------------|-------------|-----------------|
| No. | Month | Total SSU 002 | NOL[1] | NOL | Other ADIT | SSU Utilty ADIT |
| 110. | (a) | (b) | (c) | (d) | (e) | (f) |
| | (a) | (0) | (0) | (u) | (0) | (1) |
| 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 |
| | _ * | | (-1-1-1- | | 85,732,187 | 868,005,751 |
| 41 42 | Oct-17 Nov-17 | 618,588,704 618,287,061 | (249,417,047) (249,417,047) | 782,273,564 782,273,564 | 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 |
| 47 | May-18 | 307,437,229 | (150,685,633) | 425,350,912 | 32,771,950 | 458,122,862 |
| 40 | 1v1ay-10 | 301,431,447 | (150,005,055) | 720,000,712 | 52,111,750 | 150,122,002 |

^[1] FD - NOL Credit Carryforward - Non Reg

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

| Line | | | |
|--------|-----------------------|-------------|----------------|
| No. | | Base Period | Attrition Year |
| 1 | Reveune Lag | 37.50 | 37.50 |
| 2 | | | |
| 3 | Expense Lag | 34.02 | 34.79 |
| 4 5 | Net Lag | 3.48 | 2.71 |
| 6 | 1100 200 | | |
| 7 | Daily Cost of Service | 299,101 | 402,047 |
| 8 | | | |
| 9 | Cash Working Capital | 955,030 | 1,089,396 |

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

| Line | | | Attrition Year Expenses | Expense Lag | CWC Requirement (b) x (c) |
|----------|---|-----------------|----------------------------|-----------------|---------------------------------|
| No. | Description (a) | | (b) | (c) | (d) |
| | (4) | | (0) | (-) | (") |
| 1 | Gas Supply Expense | | | | |
| 2 | Purchased Gas | | 73,565,057 | 39.33 | 2,893,313,708 |
| 3 | | | | | |
| 4 | Operation and Maintenance Expense | | 7 700 145 | 14.07 | 109,466,638 |
| 5 | O&M, Labor | | 7,780,145 12,931,858 | 29.44 | 380,713,903 |
| 6 | O&M, Non-Labor | | 20,712,003 | 25,44 | 490,180,542 |
| 7 8 | Total O&M Expense | | 20,712,003 | | 470,100,512 |
| 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 | 20.000/ | (157,070) | 241.50 | (27.024.220) |
| 23 | Ad Valorem | -3060% 3160% | (157;078) 162,211 | 241.50 15.41 | (37,934,328) 2,499,619 |
| 24 | Payroll Taxes Total Taxes Other Than Income | 310070_ | 7,486,379 | 15.41 | 1,172,000,694 |
| 25 26 | Total Taxes Other Than income | | 7,400,575 | | 1,172,000,031 |
| 27 | Federal Income Tax | | 7,155,341 | | |
| 28 | Current Taxes | | ¥ | 37.50 | £ |
| 29 | Deferred Taxes | | 7,155,341 | # | 8 |
| 30 | | | | | |
| 31 | State Excise Tax | | 1,700,035 | | |
| 32 | Current Taxes | | - | 37.50 | 발 |
| 33 | Deferred Taxes | | 1,700,035 | 異 | * |
| 34 | | | | | |
| 35 | Depreciation | | 12,652,532 | 77 | |
| 36 | | | 50.701 | 102.50 | 0.622.502 |
| | Interest on Customer Deposits | | 52,781 | 182.50 | 9,632,503 |
| 38 | Interest Ermanas I TD | | 6,001,417 | 91.25 | 547,629,314 |
| 39 40 | Interest Expense - LTD | | 0,001,417 | 71.25 | 547,025,514 |
| 41 | Interest Expense - STD | | 274,176 | 24.05 | 6,593,578 |
| 42 | Interest Expense - 01D | | | | -,, |
| 43 | Return on Equity | | 17,549,647 | € | ≘ |
| 44 | | - | , , | | |
| 45 | | | | | |
| 46 | TOTAL | : 14 | 147,149,368 | 34.79 | 5,119,350,338 |
| 47 | | - | | | |
| 48 | Daily Cost of Service | - | 402,047 | | |
| 49 | | | | | |
| 50 | | | | | |

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

| Line | | | Histori Base | Expense | CWC Requirement |
|----------|--|------|----------------------|-------------------|----------------------------|
| No. | Description (a) | | Period (b) | Lag (c) | (b) x (c) |
| | (a) | | (0) | (0) | (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 | The Color The Land | | | | |
| 10 | Taxes Other Than Income | | 1 202 210 | 241.50 | 1 020 224 202 |
| 11 | Ad Valorem | | 4,303,248 | 241.50 | 1,039,234,392 |
| 12 13 | State Gross Receipts Tax Payroll Taxes | | 1,482,520 269,272 | (151.50) 15.41 | (224,601,780) 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 | DOT | | 20,277 | 53.00 | 1,171,007 |
| 18 | Allocated Taxes-Shared Services | | * | | |
| 19 | Ad Valorem | 0% | - | 241.50 | 2: |
| 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 | 25.50 | |
| 28 | Current Taxes | | C 1 CO 074 | 37.50 | ## ## |
| 29 | Deferred Taxes | | 6,169,974 | m | 5. |
| 30 | State Evering Tox | | 1 225 511 | | |
| 31 32 | State Excise Tax Current Taxes | | 1,225,511 | 37.50 | _ |
| 33 | Deferred Taxes | | 1,225,511 | 37.50 | E E |
| 34 | Deterred Taxes | | 1,225,511 | | |
| 35 | Depreciation | | 11,541,971 | * | #: |
| 36 | | | ,- | | |
| | Interest on Customer Deposits | | 155,049 | 182.50 | 28,296,371 |
| 38 | • | | 85 | | |
| 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 | | | 40.504.004 | | |
| 43 | Return on Equity | 2 | 13,694,294 | | |
| 44 | | | | | |
| 45 | TOTAL | | 100 171 700 | 24.00 | 3,714,128,710 |
| 46 | TOTAL | = | 109,171,709 | 34.02 | 3,714,126,710 |
| 47 | Daily Cost of Samica | - | 299,101 | | |
| 48 | Daily Cost of Service | = | 299,101 | | |
| 49 | | | | | |
| 50 | | | | | |

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

| Line No. | Description | Amounts | 756 | Amounts | Ì |
|----------|---|-----------|-----------|----------------------|--------|
| je | (a) | q) | | (c) | |
| re | Forward Looking Test Year | Rate Base | _ | Depreciation Expense | nse |
| | Docket No. 18-XXXXXX, 2018 TN ARM Reconciliation Filing Amortization Schedule of Capitalized Incentive Compensation Adjustment, TVE 5-31-18 | so. | 7986,367 | \$ 22 | 2,939 |
| 6 | Doeker No. 17-00091, 2017 TIN ARM Reconciliation Filing Amortization Schedule of Capitalized Incentive Compensation Adjustment, TVE 5-31-17 | - | .253,558 | 25 | 29,847 |
| 4 | Docket No. 16-00105, 2016 TIN ARM Reconciliation Filing Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-16 | _ | ,162,062 | 25 | 29,796 |
| 2 | | | | | |
| 9 | | | | | |
| 7 | Total | 2 | 3,401,987 | 8.3 | 82.582 |
| 60 | | | | | |
| Ø | Historic Base Period | | | | |
| 10 | Docket No. 16-00105, 2016 TN ARM Reconciliation Filing Amortization Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-16 | 8 | 1,162,062 | \$ 25 | 29,796 |
| 1 | Docket No. 17-00091, 2017 TN ARM Reconciliation Filing Amortization Schedule of Capitalized Intentive Compensation Adjustment, TYE 5-31-17 | 1 | ,253,558 | \$ 25 | 29,847 |
| 12 | | | | | |
| 13 | Total | 5 2 | 2,415,620 | S 59 | 59,643 |
| 14 | | | | | |

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

| Line No. | Description | A | Attrition Year Forecast | | Variance | 1 | Attrition Year Actuals | Reference |
|----------------|---|-----|----------------------------|----|--------------|----|---------------------------|-----------------|
| 110. | (a) | | (b) | | (c) | | (d) | (e) |
| 1 | Original Cost of Plant | \$ | 553,915,203 | \$ | (7,310,173) | \$ | 546,605,030 | Wp 7-1 Wp7-2 |
| 3 | Accumulated Depreciation and Amortization | \$ | (202,597,056) | \$ | (2,028,486) | \$ | (204,625,542) | Wp 7-1 Wp7-2 |
| 4 5 6 | Construction Work in Progress per Books | \$ | 6,897,700 | \$ | 11,732,191 | \$ | 18,629,890 | Wp 7-1 Wp7-2 |
| 7 | Storage Gas Investment | \$ | 5,943,713 | \$ | (1,387,758) | \$ | 4,555,955 | Wp 7-1 Wp7-2 |
| 9 10 | Cash Working Capital | \$ | 1,545,831 | \$ | (456,435) | \$ | 1,089,396 | Wp 7-5 |
| 11 12 | Material & Supplies | \$ | 31,873 | \$ | (369) | \$ | 31,504 | Wp 7-1 Wp7-2 |
| 13 14 | Regulatory Assets/Liabilities | \$ | • | \$ | (13,528,323) | \$ | (13,528,323) | Wp 7-3; Wp 7-10 |
| 15 16 | Accumulated Deferred Income Tax | \$ | (60,285,092) | \$ | 11,770,502 | | (48,514,590) | Wp 7-1 |
| 17 18 | Customer Advances for Construction | \$ | (76,428) | | 56,432 | | (19,995) | Wp 7-1 Wp7-2 |
| 19 20 | Customer Deposits | \$ | (4,720,013) | \$ | 3,095,987 | \$ | (1,624,026) | Wp 7-1 Wp7-2 |
| 21 22 | Accumulated Interest on Customer Deposits | _\$ | (89,264) | | 37,215 | \$ | (52,049) | Wp 7-1 Wp7-2 |
| 23 24 | Unadjusted Rate Base | \$ | 300,566,468 | \$ | 1,980,782 | \$ | 302,547,250 | |
| 25 26 | Adjustments: | | (2,927,113) | | (474,874) | | (3,401,987) | |
| 27 28 | Net Elimination of Intercompany Leased Property | \$ | 5,313,186 | | 182,015 | | 5,495,201 | Wp 7-1 Wp7-2 |
| 29 30 | Total Rate Base | \$ | 302,952,541 | 5 | 1,687,923 | \$ | 304,640,464 | |
| 31 32 33 | Return at Overall Cost of Capital on Rate Base | \$ | 22,691,145 | \$ | 1,009,883 | \$ | 23,701,028 | |
| 34 35 | | | | | | | | |

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

28

ESTMANTED Amortization Period in Years [1]

| ADIT Excess Deferred Liabilities | 12 Mos Ended May 31, 20XX | Excess Deferred Balance | | etination Expense | | 530 - 27909 |
|---|---------------------------|-------------------------|---------------|-------------------|------------------|--------------|
| 1 Account 2630 - 27909 | | 2018 | (29,164,084) | (1,041,574) | May-17 | |
| 2 | | 2019 | (38,122,510) | (1,041,574) | fun-17 | > |
| 3 | | 2020 | [27,080,935] | (1,041,574) | Jul-17 | |
| 4 | | 2021 | (26,039,361) | (1,041,574) | Aug-17 | |
| 5 | | 2022 | [24,997,786] | (1,041,574) | Sep-17 | |
| 6 | | 2023 | (23,95%,212) | (1,041,574) | Oct-17 | |
| 7 | | 2024 | [22,914,638] | (1,041,574) | Nov-17 | |
| 8 | | 2025 | [21,873,061] | (1,041,574) | Dec-17 | (29,389,848) |
| 9 | | 2026 | (20,831,689) | (1,041,574) | Jan-16 | (29,389,848) |
| 10 | | 2027 | (19,789,914) | (1,041,574) | Feb-18 | (29,389,848) |
| 11 | | 2028 | (18,748,340) | (1,041,574) | Mar-18 | (29,232,886) |
| 12 | | 2029 | (17,706,765) | (1,041,574) | Apr-18 | (29,232,886) |
| 13 | | 2030 | (16,665,191) | (1,041,574) | May-18 | (20,212,010) |
| 14 | | 2031 | (15,621,610) | (1,041,574) | 13 Month Average | (13,528,323) |
| 15 | | 2032 | (14,582,042) | (1,041,574) | | |
| 16 | | 2033 | (13,540,466) | {1,041,574} | | |
| 17 | | 2034 | (12,498,893) | (1,041,574) | | |
| 18 | | 2035 | (11,457,119) | (1,041,574) | | |
| 19 | | 2036 | (10,415,744) | (1,041,574) | | |
| 20 | | 2037 | (9, 174, 170) | (1,041,574) | | |
| 21 | | 2038 | (8,332,595) | (1,041,574) | | |
| 22 | | 2039 | (7,291,021) | (1,041,574) | | |
| 23 | | 2040 | (8,249,447) | (1,041,574) | | |
| 24 | | 2041 | (5,207,872) | (1,041,574) | | |
| 25 | | 2042 | (4,166,798) | (1,041,574) | | |
| 26 | | 2043 | (0,124,723) | (1,041,574) | | |
| 27 | | 2044 | (2,083,145) | (1,041,574) | | |
| 28 | | 2045 | (1,D41,574) | (1,041,574) | | |
| | | 2046 | 0 | (1,041,574) | | |

5#

9

525

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

| Line | | Тах | | | | | |
|------|---|------|-----|-----------------|------|--------------------|-------------|
| No. | Description | Rate | Bas | Base Period (1) | Attr | Attrition Year (2) | Change |
| | (a) | (q) | | (0) | | (p) | |
| 2 | | | | , | | | |
| 3 | Required Return | | € | 19,498,097 | ↔ | \$ 23,701,028 \$ | 4,202,931 |
| | | | | | | | |
| | Current Return | | ↔ | 17,548,681 | ↔ | 26,017,243 \$ | 8,468,562 |
| 4 | | | | | | | |
| 5 | Pre-Tax Deficiency from Current Return | | | 1,949,416 | | (2,316,215) | (4,265,631) |
| 9 | Tax Expansion Factor | | | 1.6365 | | 1.5067 | |
| 7 | After-Tax Deficiency from Current Return | I. | | 3,190,220 | | (3,489,842) | (6,680,061) |
| ∞ | | | | | | | |
| 6 | Tax Liability Increase / Decrease (Ln 7 - Ln 3) | | | 1,240,803 | | (1,173,626) | (2,414,430) |
| 10 | Current Tax Liability | | €> | 7,395,485 | ↔ | 10,029,002 \$ | 2,633,517 |
| 11 | | | | | | | |
| 12 | Income Tax Liability | | €> | 8,636,288 | ↔ | 8,855,376 \$ | 219,087 |
| 13 | | | | | | | |
| 14 | Less: ITC Amortization | | | ű | | | (1) |
| 15 | | ı | | | | | |
| 16 | Total Income Tax Liability | | | 8,636,288 | | 8,855,376 | 219,087 |
| 17 | | Ш | | | | | |
| 18 | Note: | | | | | | |

19 1. Twelve months ended September 30, 201620 2. Twelve months ended May 31, 2018

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

| Line | | | Allocation | Tennessee |
|------|---|------------------------|-------------|-------------------|
| No. | Description | Amortization | Factor [1] | 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 | 8 <u>4</u> | | |
| 5 | | | | |
| 6 | Base Period ended June 30, 2014 | 1,455 | 0% | (5) : |
| 7 | | | | |
| 8 | Attrition Year ended May 31, 2016 | * | 0% | :=: |
| 9 | | | | |
| 10 | [1] Division 091 - Mid-States General Off | fice allocation factor | excluding K | entucky |

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 | 0.001731 | 0.001739 |
| 8 | | | |
| 9 | Balance | | 1.003427 |
| 10 | | | |
| 11 | State Excise Tax | 0.065000 | 0.065223 |
| 12 | | | |
| 13 | Balance | | 0.938205 |
| 14 | | | |
| 15 | Federal Income Tax | 0.292600 | 0.274519 |
| 16 | | | |
| 17 | Balance | | 0.663686 |
| 18 | | | |
| 19 | Revenue Conversion Factor (Line 1/Line 9) | | 1.506700 |

Schedule 9

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

| LIIIC | | | | Overall Cost of |
|-------|------------------------|---------|-----------|-----------------|
| No. | Description | Percent | Cost Rate | Capital |
| | (a) | (9) | (0) | (p) |
| | Long Term Debt Capital | 37.78% | 5.21% | 1.97% |
| 7 | Short Term Debt | 3.86% | 2.27% | %60.0 |
| 3 | Equity Capital | 58.35% | %08.6 | 5.72% |
| 4 | | | 2 | |
| 2 | Fotal Capital | 100.0% | .11 | 7.78% |

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

| | | | May 31, 20 | <u> 17</u> |
|----------|-------------|------|---------------|------------|
| Line No. | Description | | \$ | % |
| | (a) | | (b) | (c) |
| 1 | LT Debt | \$ | 3,068,173,680 | 37.78% |
| 2 | ST Debt | | 313,822,226 | 3.86% |
| 3 | Equity | 74.1 | 4,738,600,109 | 58.35% |
| 4 | | | | |

Total Capital \$ 8,120,596,015 100.00%

5

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

| | | | | | | | | Commitment | Bank Fees on |
|------------|---------------|-----------------------------|---------------|---------------------------------------|---------------------------------------|--------|-------------------------------|--|---------------------|
| | | | | | | | Interest on CP or Interest on | Fees on Credit | AEC Credit Facility |
| | | | | 12 Month Avg 12 Month Avg | 12 Month Avg | 9 | Draws on Credit Facilitiy | Facility | With RBS |
| | Atmos | Atmos Consolidated Balances | ances | Atmos Consolidated - calc of STD rate | - calc of STD rate | | | | 30121 |
| Line | Long-Term | Short-Term | | CTS | STD | OL: | Detail of Colm (f) | Detail of Colm (f) Consolidated Int Exp & Fees | xp & Fees |
| No. Date | Debt | Debt | Equity | Avg Daily Bal | Avg Daily Bal Int Exp & fees avg rate | g rate | | | Utility |
| (a) | (q) | (0) | (p) | (e) | (J) | (g) | Int Exp | Commit fees | Bank Admin |
| 1 Mav-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 | | 55 | | | | | |
| 16 Average | 3,028,753,676 | 313,822,226 | 4,267,477,452 | 300,193,898 | | 2.27% | per STD rpts: | 6,810,388 | |
| | | | | | | | | | |

Trinnwere Destribution System Cost of Capitals Long Term Debt Sale Tweive Months Ended May 31, 2018

| (a) The Merrague Board of the May 2018 T. 2005 (b) A Decision of the May 2018 T. 2005 (c) A Decision of the Decision of the May 2018 T. 2005 (c) A Decision of the May 2018 T. 2005 (c) A Decision of the Decision of the May 2018 T. 2005 (c) A Decision of the Decision of the May 2018 T. 2005 (c) A Decision of the Decision of | | (8) (9) (1007;2794; (1007;7794; (1007;777;7494; (1007;777;7495; (1007;777;7495; (1007;777;7495; (1007;777;7495; (1007;777;7495; (1007;779;7495; (1007;779;7495; (1007;779;7495; (1007;779;7495; (1007;779;7495; (1007;779;7495; (1007;779; (1007;7 | (c) 139,000,000 10,000,000 200,000,000 | (d) 150,000,000 10,000,000 | (e) 190,000,000 110,000,000 | (1) | 150.000.000 | E) | | 9 | (F) |
|---|--|--|---|----------------------------------|-----------------------------------|------------------|------------------|----------------|--------------------|------------------|----------------|
| Louise Franch August Beach Lab Andre 2010/RIS. 1.1245 Selective Beach and August Beach Lab 2015 1.1245 Selective Beach and 2015 (Ed. 20) 1.2455 Selective Beach and 2015 (Ed. 20) 1.2455 Selective Beach Beach 2015 (Ed. 20) 1.2455 Selective Beach 2015 (Ed. 2 | | 1/21 1/03 1/05 1/05 1/05 1/05 1/05 1/05 1/05 1/05 | 150,000,000 | 159,000,000 | 150,000,000 | 150,000,000 | 150.000.000 | 1 | | | |
| Extractive the state of the sta | | 7/98 1/90 1/90 1/90 1/90 1/90 1/90 1/90 1/90 | 150,000,000 | 150,000,000 | 190,000,000 | 150,000,000 | 150.000.000 | | | | |
| (1.9% Sizel (wind at 19.30) 19.00 (1.9% Sizel (wind at 19.30) (1.9% | | 1/87 1/87 1/87 1/92 1/92 1/92 1/92 1/92 1/92 1/92 1/92 | 10,000,000 | 10,000,000 | 10,000,000 | ann'non'nc i | 130.080.000 | 940 000 000 | 160 000 000 | 140,000,000 | 3 40 000 000 |
| 1.13% Sealer (when dee has 2011) (ed 20) (ed 2 | | 1.1/877 1.1/877 1.1/91 | 10,000,000 | 10,000,000 | 10,000,000 | , | | 170,000,000 | 000,000,000 | 120,000,000 | 120,000,000 |
| 4.0.4. First New York ground to All 1975 and | | 1/87 1/90 1/91 1/91 1/92 5/95 5/2014 5/7 1/97 1/97 | 10,000,000 | 10,000,000 | 10,000,000 | | , | | | • | 4 |
| 17.3% in the Margin Bond (a deep 2020)RE2. 17.3% in the Marging Bond (a deep 2020)RE2. 17.3% in the Marging Bond (a deep 3020)RE2. 17.3% in the Marging Bo | | 1/90 1/91 1/92 1/92 5/2014 2/04 1/7 2/01 1/97 | 10,000,000 | 10,400,000 | 10,000,000 | 341 | 00 | * | ě | | |
| 12.3% er in Artigolis bend T das his 2021/PS. (17% er in Artigolis bend T das his 2021/PS. (15% MTN Al Borte 2024) (14.12% S) had est 10.15/2034 (15.42% S) had est 10.15/2034 (15.4% | | 1.91 1.92 5.95 5.7014 0.7 0.01 0.09 | 10,000,000 | 10,000,000 | 10,000,000 | 14 | . 10 | * | | ٠ | |
| Try. The Marging board Libe May 2022 RE. 10 12 12 15 10 10 10 10 10 10 10 10 10 10 10 10 10 | | 1/92 5/95 5/72014 1/2004 1/2011 1/2011 | 10,000,000 | 10,600,000 | 10,000,000 | 34 | 330 | (4) | G | 4 | |
| Circh MTM A Lab Che 2024 1) 1,179-8 New date (10/2034) 1) 2,99-8 New date (10/2034) 1) 2,99-8 New date (10/2034) 1,99-8 New date (10/2034) 1,99-8 New date (19/2034) 1,99-8 New d | 12.1 10.1 10.2 10.2 10.2 10.2 10.2 10.2 | 5995 572014 572014 107 107 109 | 10,000,000 | 10,000,000 | 10,000,000 | , | , | 2 | | | i a |
| 1), 117.9% Sy New are 1015/03/14 195% & New are 1015/03/1 17.9% Sy New are 1015/03/1 17.9% Sy New are 1015/03/1 17.9% Sy New are 119/20/19 200% Sy New 219/20/19 200% Sy New 219/20 200% Sy New 219/20 | 101 201 27/9 | 2004 2004 07 2001 | 200,000,000 | | | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| 2.5% So Note due (1) (2021), 1.5% So Note due (1) (2011) 1.5% So Note due (1) (2011) 1.5% Note due (1) (2011) 1.5% So Note due (1) (2011) 2.5% So Note due (| 701 77.9 71.9 | 2/04 07 22011 3/09 | 200,000,000 | | | | | 0.00 | i | 71 | T |
| Fig. 28. None for Q (1920) 7 (1924 - 1820) 100 (1920) 1 (2020) 28. None for 1920) 1 (2020) 28. None | 6/10 | 2011 2011 209 | | 200,000,000 | 200,000,000 | 200,000,000 | 200,000,000 | 200,000,000 | 200,000,000 | 200,000,000 | 200,000,002 |
| 1995-85 Note day 197191 113- 25 Note day 197219 113- 27 Note day 115 Third 2004 Harms Colm - Amer ni profiting new debt i 2004 Harms Colm - Amer ni profiting new debt i 2004 Harms Colm - Amer ni profiting new debt i 2004 Harms Colm - Amer ni profiting new debt i 2004 Shell (Final Shell | 01/0 | 2011 | 250,000,000 | | | | • | 78.0 | ė | | 4 |
| 15th-5x Note due 3/15/2019 113-x Note due 1/15/2019 114-x Note due 1/15/2019 Abbel Imanese Cent - Ameri is pending mew debt i Debt Imanese Cent - Ameri is pending mew debt i Nette 12019 - Swap Pending mew debt i Attech 2019 - Swap Pending mew debt i Attech | 037 | 3/09 | 400,000,000 | 100,000,000 | 400,000,000 | 400,000,000 | 100,000,000 | 100,000,000 | 000'000'001 | 100,000,000 | 100,000,000 |
| LIPS, at Now due #115 TIDAT. Abd Imarco Com - Amort is peraling new debt i Debt Imarco Com - Amort is peraling new debt i March 2019 - Swap Preside new debt i State Transfer of the Amort in peraling new debt i State Transfer of the Amort in peraling new debt i State Transfer of the Amort Inch Inch Inch Inch Inch Inch Inch Inch | | | 150,000,000 | 150,000,000 | 150,000,000 | 450,000,000 | 450,000,000 | 450,000,000 | 150,000,000 | 450,000,000 | 150,000,000 |
| John Imanos Crail - Ament is pending new debt is John Imanos Crail - Ament is pending new debt is Acres, 2019 - Swap Prailen 200MM 37R 26 Cred Facility (Established 1972) sidelool — Uhlity Long-Term Debt | [/10 | 01/15/13 | 900,000,000 | 500,000,000 | 500,000,000 | 500,000,000 | 500,000,000 | 500,000,000 | 500,000,000 | 500,000,000 | 500,000,000 |
| John Laurace Crail - Amort is pending row dobt is March 2019 - Swap Praision 7200MM 37R St Credit Facility (Established 97227 Subtotal — Utility Long-Torm Dobt | | 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 |
| vlarch 2019 - Swap Prakiero 2200AM 37R Sr Crede Factory (Established 97227) Subtotal — Utility Long-Torm Debt | | 06/2017 | 15 | 500,000,000 | 500,000,000 | 900,000,000 | 500,000,000 | 500,000,000 | 900,000,000 | 900,000,000 | 500,000,000 |
| 2000MM 3YR, 26 Creda Facility (Established B722)1 Subtotal — Chility Long-Torm Debt | | 972019 | (1) | * | | | | 8 | | 4, | d |
| Subtotal - Utility Long-Term Debt | 6 | | 125,000,000 | 123,1601,000 | 124,000,000 | 125 000 000 | 000,000 | 125,000,000 | 125,000,000 | 125 000,000 | 125,000,000 |
| | | s | 2.585 000,000 \$ | 3,045,000,000 \$ | 3,000,000,800,8 | 3,085,000,000 \$ | 3,081 000 000 \$ | 1 000,000 1 | 3.005.000.000.3 | 1 militation 5 | 3.095,000,000 |
| | | | | | | | | | | | |
| Armes Leaving, Inc. | | | | | | | | | | | |
| Industrial Develop Revenue Bond 07/13 | 1991 | | (2) | * | 100 | | 38 | (8) | * | .00 | |
| Total Long-Term Debt | | | 2,585,000,000 | 3,045,000,000 | 3,0115,000,000 | 3,005,000,000 | 3,005,000,000 | 3,000,000,000 | 3,0015,000,000 | 3,085,000,000 | 3,0115,000,000 |
| Low Unanertical Dain Discount | | 10 | 4 041 392 \$ | (4.370.286) \$ | (4 354 188) \$ | \$ (885,978.4) | (4.384.143) S | (4,388,700) \$ | 8 (822,293,358) \$ | \$ (\$187.825.4) | (4 402 372) |
| Less Unamortized Debt Expense | | 99 | 16,057,945 \$ | 22,830,082, \$ | \$2,811,581 B | 22,475,115 1 | 2234544 5 | 8 CD1202.02 | 2006,717 | 1 425 324 1 | 21,792,785 |
| Amazakized Amortizzation of T-Lock Scallement, Debt Exp. & Debt Diect. | Debi Exp. & Debi Direct. | | | | | | | | | | |

24 Effective Ave Com of Comed Debt News 1. Nexts insert in Catebor of 2014 represents the refuncting of the 459% 500M.5s News das Outsber 20

S

3

Tomorer Distribution System
Cont of Capital Long Term Debt Rate
Twelve Months Ended May 31, 2018

| | | | | | | | | | | Annualized | Amenican | Exp 1810 Perofix 1890 |
|--|----------------|-----|-----------------|--------------------------------|--|---|------------------------|---------------------------------|---------|-------------------|---------------|-----------------------------|
| Debi Saries (a) | Journal (b) | 277 | (1) | Outstanding 3/3/2018 (m) | Outstanding <u>4/30/2018</u> (n) | Ovastarefrag <u>9/31/2018</u> (n) | End Int Rate (p) | Amad Int at \$33/2018 (q) | (a) (b) | for T-lock (w) | Debr Exp&Dict | Dwi 2244 1/0/1900 (v) |
| 9.40% First Morapage Bond J due May 2021/RET 2005 | 16/10/00 | | * | Š | ï | į. | 9.40% | | | e | 580 397 | 1.634.69 |
| 6.75% Debentures Unaccured the July 2028 | 07/27/98 | | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | 6,75% | 10,125,000 | | 0 | 80 936 | 1 012,351 |
| 5,12,5% Scalest Notes due 5 at 2013 | 01/13/03 | | | (*) | ÷ | | 5 13% | 0 | | ** | 0 | |
| 10.43% First Minrapage Board P due 2017 (eff 2012) | 11/01/87 | | 11 | * | (4) | (1) | 10,43% | 2 | | 15 | 0 | 0 |
| 9.75% First Mortgage Bond Q due Apr 2020/RET 2005 | 06/10/100 | | i de | 3 | 19 | ÇC. | 9.73% | 0 | | 04 | 337 581 | 647,030 |
| 9.32% First Mortgage Bornd T due June 2021/RET 2005 | 16/10/90 | | 1 | | | | 9,32% | 0 | | ito | 362,746 | 1,088 239 |
| 8.77% First Mortgage Bond U due May 2022/RET 2005 | 04/01/92 | | Ť | | 2 | 3 | B 77 | e | | cs | 368 719 | 1 444 150 |
| 6.67% MTN A1 due Dec 2025 | 12/15/95 | | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 6.67% | 000'299 | | es | 1117 | 58,661 |
| (1) 4.125% Sr Note due 10/15/2044 | 10/15/2014 | | | | | * | 4 123% | 0 | | 0 | 0 | |
| 5,95% Sr Note dae 10/15/2034 | 10/22/04 | 7 | 200,000,000 | 200,000,000 | 200,000,000 | 200,000,000 | 5.93% | 11,900,000 | | (7,047) | 115 724 | 1,886,418 |
| 6.33% Sr Note due 6/15/2017 | 6/2007 | | t | | á | 3 | 6.35% | 0 | | 0 | 0 | 0 |
| Sr Note 5,50% Due 06/15/2041 | 1102/01/9 | * | 000,000,000 | 400,000,000 | 400,000,000 400,000,000 | 400,000,000 | 5,50% | 22,000,000 | | (508,302) | 188 880 | 4,297,771 |
| 8,50% Sr Note due 3/15/2019 | 63/23/09 | * | 150,000,000 | 450,000,000 | 450,000,000 | 150,000,000 | 8005 II | 38,250,000 | | (77,734) | E 161 169 | 140,7841 |
| 4,15% Sr Note dae 1/15/2043 | 01/13/13 | * | 000'000'000 | \$00,000,000 | 900,000,000 | 500,000,000 | 4.15% | 20,750,000 | | 2,220,857 | 378 080 | g 308 gra |
| Debt Laurance Cont - Amort is perufung new debt imme | 10/2014 | 7 | 750,000,000 | 750,000,000 | 750,000,000 | 750,000,000 | 4 123% | 30,937,500 | | 808,018 | (43,565) | 1150 021 13 |
| Debt Immunes Cont - Amort is pending new debt imme | 7102/90 | * | 900,000,000 | 200,000,000 | 500,000,000 | 500,000,000 | 3.00% | 15,000,000 | | 0 | 555 072 | 5,018,778 |
| March 2019 - Swap Ponition | 03/2019 | | | 9 | ĆĄ. | įŤ | | 0 | | 0 | 0 | 0 |
| \$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 | | 155.867 | 147,385 |
| Subsoula — Lilliny Long-Term Debt | | 3,0 | 3,085,000,000 S | 3,085,000,000 \$ | 3,085,000,000 \$ | 3,045,000,000 | 101 | \$ 153,317,000 | ** | W. 725 | 4.206.175 | \$ 200 Miles and |
| | | | | | | | | | l | | | |
| Amos Leaving, Inc. | | | | | | | | | | | | |
| Industrial Develop Revenue Bond 07/13 | 1661 | | (*) | (8) | (4) | (4) | 7.90% | | | 0 | ٥ | 0 |
| Total Long-Term Debt | | 3,0 | 3,085,000,000 | 3,085,000,000 | 3,005,000,000 | 3,085,000,000 | 65 | \$ 153,317,000 | b)) | 100 | | |
| Loss Unzammitized Debt Discount | | S | (4.406 925) 5 | (4.411,488) \$ | (4,416,043) S | (4,420,600) | | | 100 | 2,374,790 \$ | ш | 4,206,175 \$ 26,365,949 |
| Lense Unamortized Debt Expense | | 69 | 21.656,319 \$ | 21,519,853 \$ | 21,383,387 \$ | 77, 248, 9721 | | | ı | | | |
| Annibiased Anamization of T-Lock Scalement, Debt Exp. & Debt Died. | | | | | | | 4 | 6,580,966 | | | | |
| | | | | | 5 | 3,068,173,680 | ľ | 159,897,966 | | | | |
| | | | | | | | | 5 71% and of nation | ľ | | | |

Schedule 10

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

| Line | | | 田 | Historic Base | | | | Ratemaking | Curr | Current Rate of |
|----------------|--|-------------|----|----------------|------------|-----|--------------------|-------------------|------|-----------------|
| % | Desc | Reference | | Period (1) | Change | Ā | Attrition Year (2) | Adjustments | | Return |
| | (a) | (Q) | | (0) | (p) | | (e) | E) | | (g) |
| (| Total Revenues | Sch. 2 | 69 | 106,935,939 \$ | 48,067,470 | 69 | 155,003,409 | \$ (4,612,293) \$ | | 150,391,116 |
| 1 m = | Gas Cost | Sch. 3 | | 40,904,923 | 32,660,135 | | 73,565,057 | ä | | 73,565,057 |
| 4 10 1 | Operation & Maintenance Expense | Sch. 4 | | 21,584,075 | (872,072) | _ | 20,712,003 | 91 | | 20,712,003 |
| 0 / 0 | Taxes Other Than Income Taxes | Sch. 5 | | 7,856,449 | (370,070) | | 7,486,379 | 62 | | 7,486,379 |
| 0 0 5 | Depreciation & Amortization Expense | Sch. 6 | | 11,541,971 | 1,193,143 | | 12,735,114 | (82,582) | | 12,652,532 |
| 111 | Federal Income and State Excise Tax | Wp 10-1 | | 7,395,485 | 4,181,791 | | 11,577,276 | (1,548,274) | | 10,029,002 |
| 13 | Interest on Customer Deposits | Wp 1-1 | | 155,049 | (76,185) | | 78,864 | r | 27: | 78,864 |
| 15 | AFUDC Interest credit | Wp 1-2 | | (50,693) | (99,271) | | (149,964) | 3 € | | (149,964) |
| 17 | Return on Rate Base | | 69 | 17,548,681 \$ | 11,449,999 | 69 | 28,998,680 | \$ (2,981,437) | 643 | 26,017,243 |
| 18 | Total Rate Base | Sch. 7 | €9 | 258,370,306 \$ | 44,176,944 | 69 | 302,547,250 | \$ 2,093,214 | €9 | 304,640,464 |
| 21 2 | Rate of Return on Rate Base | | | 9.79% | | | 9.58% | | | 8.54% |
| 23 | Interest Expense | Sch. 8 | | 6,039,464 | 193,009 | | 6,232,473 | 43,120 | | 6,275,594 |
| 25 26 27 | . Return on Equity | | 69 | 11,509,217 | | 6/9 | 22,766,207 | | 69 | 19,741,650 |
| 28 | Rate of Return on Equity | | | 8.38% | | | 12.90% | | | 11.11% |
| 30 31 32 | Note: 1. Twelve months ended June 30, 2016 2. Twelve months ended May 31, 2018 | | | | | | | | | |

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

| Lin | | Тах | Historic Base | At | Attrition Period | | Adjusted |
|----------|---|----------------|---------------|----|--------------------------|-----|------------|
| ð | Description | Rate | Period (1) | 7 | Amount (2) | | Amount |
| | (a) | (p) | (0) | | (p) | | (e) |
| 1 0 | Net Operating Income Before Income Tax | 93 | \$ 24,893,472 | € | 40,425,992 | <>> | 35,896,281 |
| 1 W Z | Interest Deduction | | 6,039,464 | | 6,232,473 | | 6,275,594 |
| 9, 22 | Equity Portion of Return | 93 | \$ 18,854,008 | €> | 34,193,519 | ↔ | 29,620,687 |
| 7 % | Application of Tax Rate to Equity Return - Tennessee | 6.5% | 1,225,511 | | 2,222,579 | | 1,925,345 |
| 9 10 | Application of Tax Rate to Equity Return - Federal | 29% | 6,169,974 | | 9,354,697 | | 8,103,657 |
| 11 12 | 11 Income Tax Expense12 | ↔ ∥ | 7,395,485 | €9 | 11,577,276 \$ 10,029,002 | ↔ | 10,029,002 |
| 13 | 13 Less: ITC Amortization 14 | 1 | E | | 6 | | |
| 15 | 15 Total Income Tax Liability16 | ⇔ ∥ | 7,395,485 | €> | 11,577,276 \$ 10,029,002 | ↔ | 10,029,002 |
| 17 18 19 | 17 Note:18 1. Twelve months ended June 30, 201619 2. Twelve months ended May 31, 2018 | | | | | | |

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

| Company Comp | | Î | 12 Mins End | | Rates where | | 12 mms Sep 16 | Weather | 12 mfts Sep15 | 12 mth Sep 16 | 12 miles Sep 16 |
|---|------|---|-------------|------------|--------------|---------|---------------|-----------|---------------|-----------------|-------------------|
| PRINCESTON 1,000 | | | | | Customar chg | | | | Valumen McF | at Sep 16 rains | WNA S Adj |
| 20 10 10 10 10 10 10 10 | 4 | | (b) | (1) | [d] | ful. | 10 | 101 | 043 | | ()) |
| 2 10 10 10 10 10 10 10 | 3 | 210 Residential Gas Service (Summer) | | | | | | | | | \$0 |
| 2016 100 | | | | | | | | 1 154 009 | | | 11 525 599 \$0 |
| 20 1 1 1 1 1 1 1 1 1 | | | | | | | | | | | \$0 |
| Commercial Commercial Action Values 2 Colony Series 12 | | 211 Residential/Sm Commercial/Industrial Heating & Cooling Service | | | | | 325 | | 231 | 361 | 541 |
| 20 10 10 10 10 10 10 10 | 2. | Total Residential | 1,469,236 | 6,332,666 | 18 | | 33,586,672 | 1.154.061 | 7,486,721 | 34,911,212 | 1,525-640 |
| 20 10 10 10 10 10 10 10 | | COMMEDCIAL | | | | | | | | | |
| 20 20 20 20 20 20 20 20 | | 211 Residential/Sm. Commercial/Industrial Healing & Cooling Service | 12 | 112 | 15 30 | 0 769 | 269 | | | | \$0 |
| Bod Vision Final Process | | 220 Commercial Gas Service (weather sensitive) | | 4,584,814 | | | | | | | \$1,431,152 |
| Control Values 1.00 0.00 | | | 0 | 0 | | 2 224 | | 0: | | | \$0 |
| Box 2 Values | | | | | 440.00 | 1 246 | | | | | |
| Bill | | | | | | | | | | | |
| Book Verlowers | 300 | | | | | 0 382 | | | | | |
| Book Yellower | | | 12 | 12 501 | J7 BU | 1.246 | | | | | |
| ## 17-10-12-12-12-12-12-12-12-12-12-12-12-12-12- | | | | | | | | | | | |
| BIGUSTEAL 3,200 54,100 72 10 54,00 10 10 10 10 10 10 10 | | Block 3 Volumes | | | | 0 382 | | | | | |
| ## Description 1,000 | | Total Commercial | 194,379 | 4,598,110 | | - 1 | 19,049,588 | 561.677 | 5,159,766 | 20,476,740 | 1.431.157 |
| 22 Zul pay short of a Server (perfeit reamwhy) 23 Zul pay short of a Server 24 Zul pay short of a Server 25 Zul pay short of a Server 26 Zul pay short of a Server 26 Zul pay short of a Server 27 4 Sul pay short of a Server 28 Zul pay short of a Server 29 Zul pay short of a Server 20 Zul pay short of a Ser | | INDUSTRIAL | | | | - 1 | | | | | |
| 2 201 CAMPORTOMICS 9 0 0 40 0 970 0 | | | 3,823 | 543,069 | 37 80 | 2 548 | 1,528,250 | 65 530 | 609 600 | 1,697,770 | \$169,510 |
| Book Veilmen | | 230 Large Industrial Gas Service | | 41,070 | | 2 224 | | | | | |
| Book 2 Valueme | | | 0 | | 440 00 | | | | | | |
| Demon's Victories | | | | | | | | | | | |
| 170 | | | | | | | | | | | |
| Biols Visioners 296,42 200614 286,42 200614 286,42 200614 286,42 200614 286,42 200614 286,42 200614 286,42 200614 286,42 200614 286,42 200614 286,42 200614 286,42 200614 286,42 200614 286,42 | 30 | Demand Volumes | | | | | | | | | |
| Bioc 2 Volume 286.056 | | | 312 | 000 410 | 440 00 | 1.040 | | | | | |
| BibCA 3 Volumes | | | | | | | | | | | |
| BibSA 1 Volume (G Decomi Rate 5,19 | | | | | | | | | 0 | 0 | |
| Biock Visioner © Tracom Rate 5,19 955 6,28 1,19 8662 Visioner © Decominate 0 0 0 0 0 0 0 0 0 | 28 | 250/240/280 Industrial/Demand/Economic Dev | 4 | | 440 00 | | 1,760 | | | | |
| Biods 2 Victimes Biods 2 Victimes Biods 2 Victimes Biods 3 Victimes Biods 4 Vic | | Diagram 1 Talantas | | 0 | | | | | | | |
| Box 2 Valuers @ Decord Values 0 | | | | | | | | | | | |
| Book 3 Visioner @ Domand Vis | | | | | | | | | | | |
| Demand Volumer Demand Florismer Demand Florismer Demand Volumer Demand Volumer Demand Florismer | | | | | | | | | | | |
| 20 | | | | | | | | | | | |
| Book Volume Commercial for Service Ser | | | | | | | | | | | |
| Book Volumer @ Discoul Rate 10,000 0 9,055 0,155 0,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | | | 1.5 | | 440 00 | | | | 0 | 2,200 | |
| Book Notine Book | | | | | | | | | | | |
| Bibox 2 Volumer Bibox 3 Volumer Bibox 2 Volumer Bibox 3 Vo | | | | | | | | | | | |
| Bebril 20/comes Decord Flab Bebril 20/comes Decord Fla | | | | | | | | | | | |
| 12 | | | | | | 0 382 | | | 0 | 0 | |
| Bibsk Vulumes | | | | 0 | | 0 207 | | | | | |
| Bibox 2 Vulumes | | | 12 | 0 | 37 80 | 1246 | | | | | |
| Bibb.ch Volumes 0 | | | | | | | | | | | |
| ### PUBLIC AUTHORITY 22 TREASMOND COMMINICATION 23 TREASMOND COMMINICATION 24 TREASMOND COMMINICATION 25 PORT COMMINICATION 26 TREASMOND COMMINICATION 27 TREASMOND COMMINICATION 28 TREASMOND COMMINICATION 28 TREASMOND COMMINICATION 29 TREASMOND COMMINICATION 29 TREASMOND COMMINICATION 20 TREASMOND COMM | | | | 0 | | 0 382 | | | | | |
| Figure Page | | Total Industrial | 4,226 | 1,184952 | | | 2,413,119 | 66,530 | 1,251,483 | 3 485 939 | 199,519 |
| 22 | | PHIS IC AUTHORITY | | | | | | | | | |
| 10 21 Experimental School (as Service 50 61,714 37 80 1274 78,199 7,580 69,275 87,486 225 Pake Authority Cas Service (SC Clazen) (Summer) 0 | | | 0 | 0 | 15 30 | \$0.769 | 0 | | 0 | 0 | 50 |
| 22 25 Public Authority Cars Service (Scarce) (Menter) 2 2574 7, 459 153 1322 129,563 7,445 43,992 130,429 14,165 134,565 18 30 1327 129,563 7,445 43,992 130,429 14,165 | | 221 Experimental School Ges Service | 53 | 61,714 | | | | 7,560 | | | \$9,330 |
| 2.25 2.06 Authority Can Service (Summer) 2.977 7.439 15.30 1.322 1.93656 7.485 8.9592 1.937.65 1.936.75 1. | | 225 Public Authority Gas Service (Sr. Crizen) (Summer) | | | | | | | | | \$0 \$0 |
| 225 PLBAS Authority Cars Service (Winter) | | | | | | | | | | | 50 |
| TRANSP (220 SML COM/NDG) | | | | | | | 129,568 | | | | 9,869 |
| MARTERITATION | | Total Public Authority | 7,193 | 102,640 | | | 254,055 | 15,675 | 117,706 | 273,254 | 损特 |
| ## 260 - TRANSP (220 SM COMMPC) | | TRANSPORTATION | | | | | | | | | |
| 280 - TRANSEP (240 DEC COMMODO) | | | 144 | 138.035 | 440 00 | 2 548 | 415 074 | | 138 035 | 415.074 | |
| Block 1 Volumes | | 260 - TRANSP (230 LRG COM/INDG) | | 1,366,542 | | 2 224 | | | | | |
| Block 2 Volumes | | | 54 | 100.000 | 440 00 | 1 240 | | | | | |
| Biock J Volumes 0 | | | | | | | | | | | |
| Demand Volumes 20,560 16,283 336,410 20,660 336,410 20,660 336,410 20,660 336,410 20,660 36,061 | | Block 3 Volumes | | 0 | l | 0 382 | 0 | | 0 | 0 | |
| Block Volumes 1,200,990 1,465,344 1,200,990 1,465,344 1,200,990 1,465,344 1,200,990 1,465,344 1,200,990 1,465,344 1,200,990 1,465,345 | | | 222 | 20.660 | | 16 283 | | | | | |
| Block 2 Volumes | | | 631 | (200,000 | 440 00 | 1 240 | | | | | |
| | | | | . 200 500 | 1 | | 1,100,101 | | | -1.0001.00 | |
| 280 - TRANSP (28002/0 ECKN DEVIDEMAND) 4 440 00 1,750 0 1,750 0 0 0 0 0 0 0 0 0 | | Block 3 Volumes | | | | | 0 | | 0 | 0 | |
| Block 1 Volumes @ Drocom Rate 2,100 0.935 1,971 2,100 1,971 1,97 | - 19 | | 4 | | 440 00 | | | | | | |
| Bock 2 Volumes 0 | | | | | | | | | | | |
| Block 2 Volumes (Discount Rate 0 | | | | | | | | | | | |
| TOTALS 166.04 167.05 167.04 167.05 167.04 167.05 1 | | Block 2 Volumes @ Orscount Rate | | 0 | ľ | 0 619 | 0 | | 0 | | |
| Demard Volumes Decount Rate 0 16 933 0 0 0 0 0 0 0 0 0 | | | | | | | | | | | |
| Demand Volumes @ Decount Rate 346 12 212 4.752 348 4.752 4.752 750 - TRUNSP (280720 ECKN DEV - OPT GS) 24 440.00 1 246 99.00 43.000 59.808 80.61 Volumes @ Decount Rate 0 0 0.93.5 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | | | | | - 8 | | | | | | |
| 7 260 - TRANSP (280/250 ECON DEV - OPT GS) 24 | | | | | | | | | | | |
| Bioch 1 Volumes 44,000 1246 59,008 40,000 59,008 | | | 24 | | 440 00 | | 10,560 | | 0 | | |
| Biock 2 Volumes Section Sectio | 22 | Block 1 Volumes | | | | | | | | | |
| | | | | | | | | | | | |
| Block 3 Volumes 0 0 0 0 0 0 0 0 0 | | | | | | | | | | | |
| Biods 3 Volumes & Decount Rate | | | | 0 | | 0 382 | 0 | | 0 | 0 | |
| Total Transportation | 61 | Block 3 Volumes @ Discount Rate | | | | 0 267 | | | | | |
| ## TOTALS 1.676.446 20.844,190 \$65,082,317 LT97.294 22.841,467 \$60,027,828 \$1 \$4 \$67.0 Forfeired Discount \$554,280 \$554,280 \$554,280 \$1 \$113,789 \$411,189 | | | | | 1 | | | - 6 | | | 0 |
| ## TOTALS 1.676.446 20.844.190 \$685,862.917 1,797.294 22,641,667 \$686,052,928 \$3.644.690 \$457.0,729.24 \$2,641,667 \$686,052,928 \$3.644.690 \$457.0,729.24 \$2,641,667 \$458.0,729.24 \$3.644.690 \$457.0,729.24 \$3.644.000 \$457.0,7 | | Loral transportation | 1500 | 2742/199 | | | 10,000,000 | | | W.200, 767 | - 3 |
| ## 4870 Forferted Dispound \$554,280 \$554,280 \$1,180 \$1,180 \$411,18 | | TOTALS | 1,676,446 | 20.844.193 | | | 565,362.317 | 1,797,294 | 22,641,467 | \$68,527,928 | 93(18)511 |
| tile 4860 = Miscellaneous Service charges \$113,785 433,785 | | | | | | | | | | **** | |
| 100 Illischialeous Service Granges | | | | | | | | | | | |
| TOTAL MARGIN REVENUES SHIP SO \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 | | | | | | | 500,350,347 | | 1 | \$60,495,897 | |

Tennessee Distribution System Proof of Playenuss and Calculation of Plates Forwerd Lobing Test Year Regin at Presen Rates Historic Base Period Ended September 30, 2016 and Forward Looking Test Year Ended May 31, 2018

| | | | | | | | |)* | ĺ | 210,211,225 220 221,230C | 1.87% | 0.00% | | | |
|-------------|--|--------------------|---------------------------|------------------|-----------------------|-------------------------------------|--------|-----------------|----------------------|-----------------------------|-------------------|--------------------|--------------------|------------------------|----------------------------|
| 16. | | 12 Mittu En | dod Sep 16 Wealher Adu | Rates effective | e Sep 16 Commodity | 12 mths Sep16 Weather adj Margin | 0 | Custome Base | Changes Volumes | Customer Grovi Base | | Declining Usage | Adjusted Base | Adjusted Volumes | Total Adjusted |
| Line No. | Description | Count | VolMd | Customer phy | Charge Md | al Seo16 rates | T E | Count | Md | Count | Mol | Volumes Md | Court | Mcf (6) | Margin Rev |
| 1 | RESIDENTIAL (b) | 0.0 | (0) | 90. | (4) | .00 | (9) | (h) | | () | (k) | .00 | (m) | | 01) |
| 2 | 210 Residential Gas Service (Summer) 210 Residential Gas Service (Winter) (weather sensitive) | 613,707 853,797 | 810,777 6,668,956 | 15 30 18 30 | 1 322 | \$10,461,564 24,440,845 | | | | 19,113 26,590 | 25,250 207,694 | 0 | 632,820 880,387 | 836,027 6,876,650 | \$10,787,373 25,202,017 |
| 4 | 210 Residential Gas Service Senior Citizen (Summer) | 709 | 553 | 0.00 | 1 322 | 731 | | | | 22 | 17 | 0 | 731 | 570 6.406 | 754 8,467 |
| 5 | 211 Residential Cas Seniore Senior Crizen (Winter) (Weither o 211 Residential/Sm. Commercial/Industrial Heating & Cooling | 1,011 | 6,211 | 0 00 | 1 322 0 769 | 8,211 361 | | | | 31 | 193 7 | 0 | 1,042 | 6,405 238 | 372 |
| 7 | Total Residential | 1,458,236 | 7,451,727 | | | 34,911,712 | | 0 | 0 | 45,757 | 233,162 | 0 | 1,514,993 | 7,719 890 | 35 998 982 |
| 9 | COMMERCIAL | D. | | | | | | | | 0 | 2 | | 12 | 115 | 278 |
| 10 | 211 Residential/Sm Commercial/Industrial Heating & Cooling 220 Commercial Gas Service (weather sensitive) | 194 355 | 5,146,491 | 15 30 37 80 | 0 769 2 548 | 269 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 00 440 00 | 2 224 | 0 | | | | | | | 0 | 0 | 0 |
| 14 | Block 1 Volumes | | 0 | 11000 | 1 246 | 0 | | 12 | | | | | 0 | 0 | 0 |
| 15 16 | Block 2 Volumes Block 3 Volumes | | 0 | | 0 825 0 382 | 0 | | | | | | | 0 | 0 | 0 |
| 17 | | :12 | 12.501 | 27.89 | 1 246 | 454 15,577 | | | | | | | 12 | 12 501 | 454 15 577 |
| 18 19 | Block 1 Volumes Block 2 Volumes | | 681 | | 0 825 | 563 | | | | | | | 0 | 683 | 563 |
| 20 21 | Block 3 Volumes Total Commercial | 194,379 | 5,159,786 | | 0 382 | 20 476 740 | 8 | - 0 | 0 | 3,267 | 86,501 | 0 | 197,646 | 5,246,288 | 20,820 621 |
| 22 | | AMARIA. | -18-4111/4/3 | | | | | | | | | | | | |
| 24 | INDUSTRIAL 2/O Industrial Gas Service (weather serrorities) | 3 823 | 809,600 | 37 80 | 2 548 | 1,697,770 | | 0 | 0 | 64 | 10,245 | | 3,887 | 619 845 | 1 726 304 |
| 25 26 | 230 Large Industrial Gas Service 240 DEMAND/COMM GS | 72 0 | 41,070 | 405 00 440 00 | 2 224 | 120,500 | | (0) | (30) | | | | 71 0 | 41,040 | 120 028 0 |
| 27 | Block I Volumes | | 0 | | 1 246 | 0 | | | | | | | 0 | 0 | 0 |
| 28 29 | Block 2 Volumes Block 3 Volumes | | 0 | | 0 825 0 382 | 0 | | | | | | | 0 | 0 | o |
| 30 31 | Demand Volumes 250 Industrial Interruptible Gas Service | 312 | 0 | 440 00 | 16 283 | 137,280 | | 1100 | | | | 1 | 0 308 | 0 | 135,520 |
| 32 | Block 1 Volumes | *** | 299,442 | | 1 246 | 360,644 | | - 22 | (6,859) | | | | 0 | 282 582 288 058 | 352 098 237,648 |
| 33 34 | Block 2 Volumes Block 3 Volumes | | 288 668 0 | | 0 825 0 382 | 237,648 0 | | (9) | 0 | | | | 0 | 0 | 0 |
| 35 36 | 250/240/280 Industrial/Demand/Economic Dev Block 1 Volumes | 540 | 0 | 440 00 | 1.246 | 1,760 | | (4) | 0 | | | | 0 | 0 | 0 |
| 37 | Block 1 Volumes @ Discount Rate | | 5.119 | | 0 935 | 4,783 | | | (5,119) | | | | 0 | 0 | 0 |
| 38 39 | Block 2 Volumes Block 2 Volumes @ Oiscount Rate | | 0 | | 0 825 0 619 | 0 | | | 0 | | | | 0 | 0 | 0 |
| 40 | Block 3 Volumes Block 3 Volumes @ Discount Rate | | 0 | | 0 382 0 287 | 0 | | | 0 | | | | o o | 0 | 0 |
| 42 | Demand Volumes | | ō | | 16 283 | 0 | | | 0 | | | 1 | 0 | 0 | 0 |
| 43 | Demand Volumes @ Discount Rate 280/250 Economic Development Gas Service | 167 | 425 | 440 000 | 12 212 | 5,184 2,200 | | 70 | (425) | | | | 12 | o o | 5 280 |
| 45 | Block 1 Volumes | | 10,000 | | 1 246 | 0 9,345 | | | 0 14,000 | | | | 0 0 | 24,000 | 0 22,428 |
| 46 | Block 1 Volumes @ Discount Rate Block 2 Volumes | | 0 | | 0 825 | 0 | | | 0 | | | | 0 | 0 | 0 |
| 48 | Block 2 Volumes @ Discount Rate Block 3 Volumes | | 8 195 0 | | 0 619 | 5,071 | | | 7 405 | | | | 0 | 15,600 9 | 9,653 |
| 50 | Block 3 Volumes @ Discount Rate | 10 | 0 | 27.00 | 0 287 | 0 | | 0 | 0 | | | | 0 12 | 0 | 0 454 |
| 51 52 | 292 Cogeneration, CNG, Prime Movers Service Block 1 Volumes | 112 | · a | 37 90 | 1.246 | 454 0 | | М. | 0 | | | | | 0 | 0 |
| 53 54 | Block 2 Volumes Block 3 Volumes | | 0 | | 0 825 0 382 | 0 | | | 0 | | | | 0 | 0 | 0 |
| 55 | | 4,221 | 1,251,00 | | | 2 582 638 | | (2) | 9.397 | 64 | 10.745 | 0 | 4,290 | 1,271,126 | 2,609,412 |
| 56 57 | FUBLIC AUTHORITY | | | | | | | | | | | | | | |
| 58 59 | 211 Residential/Sm. Commencial/Industrial Heating & Cooking. 221 Experimental School Gas Service | 0 53 | 0 69,275 | 15 30 37 80 | 0 769 | 0 87,488 | | | | 1 | 1,164 | | 0 54 | 70,439 | 88,950 |
| 60 | 225 Public Authority Gas Service (Sr. Citizen) (Summer) | 0 | 0 | 0.00 | 1 322 1 322 | 0 | | | | | | | 0 | 0 | 0 |
| 61 62 | 225 Public Authority Gas Service (Summer) | 2,974 | 7,439 | 0 00 15 30 | 1 322 | 55 337 | | | | 93 | 232 | | 3,067 | 7,671 | 57,060 |
| 63 64 | | 4,166 7,163 | 117,706 | 18 30 | 1 322 | 130.429 | | | 0 | 130 | 2,673 | 0 | 4.296 7,418 | 42,268 120,378 | 134,491 280 510 |
| 65 | | Gum | | | | 1.55.00 | | | | | | | | | |
| 66 67 | 260 - TRANSP (220 SML COM/INDG) | 144 | 138 035 | 440 00 | 2 548 | 415.074 | | 0 | 0 | | | | 144 | 138,035 | 415,074 |
| 68 69 | 260 - TRANSP (230 LRG COM/INDG) 260 - TRANSP (240 DEMAND) | 515 54 | 1 366 542 | 440 00 440 00 | 2 224 | 3 265,790 23,760 | | (6) | 10 665 | | | | 516 48 | 1,377,207 | 3,289,948 |
| 70 | | | 108,000 276,261 | | 1 246 0 825 | 134,568 227,931 | | | (12,000) (10,130) | | | | 0 | 96,000 266,150 | 119.616 219,574 |
| 72 | Block 3 Volumes | | 0 | | 0 382 | . 0 | | | .0 | | | | 0 | 0 | 0 |
| 73 | Demand Volumes 260 - TRANSP (250 OPT GS) | 631 | 20,660 | 440 00 | 16 283 | 336 410 277,640 | | * 5 | [1,011] | | | | 0 636 | 19.649 0 | 319,941 279,840 |
| 75 | Block 1 Volumes | | 1,200,990 3,810,515 | | 1 246 0 825 | 1,496,434 3,143,675 | | | 11,263 | | | | 0 | 1,212,253 3,820,645 | 1,510,467 3,152,032 |
| 76 77 | Block 3 Volumes | | 2,810,513 | | 0 382 | 0 | | | 0 | | | | 0 | 0 | 0 |
| 76 75 | 260 - TRANSP (280/240 ECON DEV/DEMAND) Block 1 Volumes | 40 | 0 | 440 00 | 1 246 | 1,760 | 1 | 8 | 0 | | | | 12 0 | 0 | 5,280 |
| 80 | Block I Votamen @ Drocount Rate | | 2,109 | | 0 935 | 1,971 | | | 6.691 | | | | 0 | 8,800 | 8,224 |
| 82 | | | 0 | | 0619 | ő | | | 0 | | | | 0 | ŏ | 0 |
| 81 | Block 3 Volumes Rock 3 Volumes @ Document Halin | | 0 | | 0 382 | 0 | | | 0 | | | | 0 | 0 | 0 |
| 85 | Demand Volumes | | o o | ľ. | 16 283 | 0 | | | 0 | | | | 0 | 0 1,624 | 0 19.828 |
| 86 | Demand Volumes @ Discount Rate 260 / TRANSP (260/250 ECON DEV - OPT GS) | 24 | 348 | 440 0000 | 12 212 | 4,252 10,560 | | 0 | 1,275 | | | | 24 | 0 | 10,560 |
| 88 | Block 1 Volumes | | 48,000 | | 1 246 0 935 | 59.808 0 | | | 0 | | | | 0 | 48.000 0 | 59,808 |
| 90 | Block 2 Volumes | | 547,461 | | 0 825 | 451.655 | | | 0 | | | | 0 | 547,461 | 451,656 |
| 91 | Block 2 Volumes @ Orscount Rate Block 3 Volumes | | 84_438 Q | | 0 619 0 382 | 52 246 0 | | | 0 | | | | 0 | 84,438 | 52 246 0 |
| 9. | Block 3 Volumes @ Discount Rate | 36 | 41,217 | | 0 287 | 11,809 368 140 | | (2) | 0 659,423 | | | | 0 26 | 41,217 1,661,620 | 11,809 572,170 |
| 94 | Total Transportation | 1,410 | 8,625,133 | | | 10 283 484 | 1 | 6 | 676,041 | 0 | Ü | - 0 | 1,416 | 9,301,826 | 10 519 192 |
| 96 97 | | 1,576,445 | 22 641 635 | | | \$68 527 828 | | 4 | 685,438 | 49.311 | 332 582 | 0 | 1,725,761 | 23 559 507 | \$70.228 717 |
| 98 | | 1 | | 411 | | 554,280 | | | | | | | | | \$800.893 |
| 10 | 4880 - Miscellaneous Service charges | | | | | 413.789 | | | | | | | | | 438,105 |
| 10 | TOTAL MARGIN REVENUES | | | | | \$69,495,897 | | | | | | | | | \$71,467,716 |

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

Additional Revenue: (4,053,024)

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

3

35

| - | | Plet Base | Volumes | filed |
|------|---|---------------|----------------------|---------------|
| Den. | Description | Count | Met | Mergin Rev |
| | REPORTAL | - COOM | | (margin) (vol |
| 3 | 210 Residential Gas Service (Summer) | 632,620 | 838.027 | 12 410 76 |
| - 1 | 110 Petitional Can Service (West) (seed on terrotor) | 580.387 | 6.876,650 | 27 078 919 |
| | 210 Residential Gas Service Service Objet (Surrover) | 731 | 570 \$ | 800 |
| | 210 Residential Cas Service Service Citizen (Winter) (weather sensitive) | 1.042 | 8.405 B | 9 02 |
| 6 | 211 Residential/Sm: Communicatindustial Heating & Cooling Service | - (2.3/3/3/1W | 220 1 | 800 |
| | Total Mauritaintal | 1,574,973 | 1,718,895 | 39,419,921 |
| | | | | |
| 9 | COMMERCIAL | | | |
| 10 | 211 Residentics/Sim Commercial/Industrial Heating & Cooling Service | 12 | 111 | 30 |
| 14 | 220 Commercial Gae Service (wealther sermetre) | 197,622 | 8,212,909 | 22.00 34 |
| 12 | 730 Large Commercial Gas Service (weather sensitive) | 0 | | |
| 12 | 250 Commercial Interruptible Gas Service | 0 | | i i |
| 16 | 793 Large Torwage Air Conditioning Gas Setvice | - 12 | 13,134 | 18 255 |
| 15 | Total Commercial | 197,846 | 5,145,258 | 27,850,941 |
| 111 | | 72.71 | | |
| 12 | INCUSTRIAL. | 11 | | |
| 18 | 220 Industrial Gas Service (venifier serentive) | 3.887 | 619.845 | 1,633.800 |
| 12 | 230 Large Industrial Gas Service | 71 | 41,040 | 132,157 |
| 20 | 240 DEMAND/COMM OS | 0 | 0 | - 4 |
| 21 | 250 Industrial Interruptble Ges Service | 308 | 570 840 0789 | 789,85 |
| 17 | 2807250 Economic Development Gas Service | 12 | 19 600 | :40.90 |
| 23 | 292 Cogeneration, CNG, Prime Houses Service | 12: | | 50 |
| .14 | Total industrial | -UIII | CHCIN | THER |
| - 25 | | | | |
| 26 | EMBLIC AUTHORITY | | | |
| 117 | \$11 Felelenhilder, Communicationated Healing & Cooking Service | 0 | | |
| 24 | 221 Experimental School Clas Service | 54 | 70.439 | 97 605 |
| 29 | 225 Public Authority Class Service (Str. Circuit) (Service) | 0 | | |
| 39 | 225 Public Authority Gett Senace (Sr. Ollean) (Winter) (areather Sensitive) | 0 | - 2 | |
| 31 | 225 Public Authority Ges Service (Summer) | 3,007 | 2.874 | 65,240 |
| 12 | 225 Public Authority Gas Service (Winter) (weather Senative) | 4.796 | 4238 | 144,916 |
| 13 | Total Public Authority | 2416 | 129.374 | 207,96 |
| 24 | SCHARAGEARS | | | |
| 55 | TRANSPORTATION | 144 | ****** | 449 (8) |
| 35 | 260 - TRANSP (220 SML COM/HOG) | 516 | 138 035 1.377.207 | 3,909,40 |
| 18 | 264 - TRANSPIECE LING COMMISSION | 40 | 362 150 | 715.514 |
| 19 | 200 - TRANSP ((40) CENAVIO) | 636 | 5 032 898 | 5.420 683 |
| 40 | 260 - TRANSP (250 OPT GS) | 12 | 6,032,898 | 34 34 |
| 41 | 280 TRANSP (280/240 ECON DEV/DENAND) | 24 | 721.118. | 845-540 |
| 43 | Special Contracts | 36 | 1,853,622 | 572 177 |
| 13 | Total Transportation | 1,000 | 9,701,825 | 11,413,27 |
| 81 | LOSM LANDS LIMITON | 7.7690 | Carrier. | 100000 |
| 45 | TOYALG | 4.726.76 | 23,459,507 | 76,568,710 |
| 45 | torace | | 20,000,001 | 14,110,11 |
| 42 | Unblied Entry / Other | | 74 | 130 |
| 46 | 4870 - Forletted Discount | | | 678.71 |
| 45 | 4880 Mecallaneous Service charges | | i i | 430 64 |
| 53 | | | 1,7 | |
| 21 | TOTAL MARGIN REVENUES | | | 176,107,215 |

| Acrest Base | Volumee | | Actual |
|----------------|------------|----|------------|
| Count | Med | | Mergin Rev |
| Count | =01 | | mediu tras |
| 528,711 | 1,008,818 | | 12,574,740 |
| 894,302 | 7,032,718 | î. | EX.753,455 |
| 532 | 528 | 4 | 74 |
| 691 | 5,015 | 1 | 7 15 |
| - 12 | 279 | 1 | -49 |
| 1,114,243 | 8,945,301 | | 63,336,336 |
| v. | 132 | 5 | 311 |
| 198 535 | 5,495,430 | \$ | 23 775 178 |
| | 0 | \$ | 6 |
| 19 | | | |
| | 11,973 | | |
| 198,519 | 8,518,135 | | 21,791,851 |
| 3823 | 683,585 | * | 2 077,104 |
| 75 | 50,384 | 1 | 156,478 |
| 0 | - | | |
| 285 | 843,888 | 1 | 1,024,904 |
| 30 | 41,782 | 1 | 42 016 |
| 12 | | 1 | 3.543 |
| On | 1,818,619 | | 130031) |
| | 10 | ¥ | |
| 56: | 25 799 | 1 | 38,008 |
| | | | 100 |
| 14 | 4 | 1 | |
| 3,126 | 7,264 | \$ | 65,724 |
| 1201 | 31,944 | | 149.615 |
| 630 | 65.267 | | 252,410 |
| 125 | 148,327 | | 471,281 |
| 502 | 1,444,889 | | 3,711,814 |
| 69 | 197 664 | | 789 190 |
| 635 | 5,075,842 | | 5,489,227 |
| 14 | 14 | 5 | |
| 24 | 954,160 | 4 | 785 809 |
| | 3040354 | 1 | 1,824,745 |
| 1,200 | 11,070,668 | | 12,221,844 |
| 1,730,784 | 20,300,777 | | 79,059,102 |
| | | 1 | 240,242 |
| | | 1 | 800 893 |
| | | 1 | 438,118 |
| | | 1 | £1,439,252 |

| | Date | Water | Margin |
|--|--------|------------|--------|
| 1,100 | Count | Difference | |
| 12,015 126,004 2 22, (195) | | Mel | 19 |
| (198) (49) 5 (47) 5 (48 | | | 100 |
| | | 158,068 \$ | C230 |
| 69 38 1 1 1 2 1 4 1 4 1 4 1 4 1 4 1 4 1 4 1 4 1 | | | , F |
| 0.246 237,441 0.247 | | | (10) |
| (0) 16 8 971 972 973 973 973 973 973 973 973 973 973 973 | | | **** |
| Pi | 6,444; | 200,411.1 | |
| \$\begin{array}{cccccccccccccccccccccccccccccccccccc | (0) | 16 % | |
| | 913 | 263 442 # | 877.67 |
| 6 | | 8.1 | |
| ##1 241,844 1 311, (64) | | # 1 | |
| ##1 241,844 1 311, (64) | | 3000 | 21.9 |
| 4 9.54 | 953 | 251,849 1 | 311,7 |
| 0 0 1 220 272 48 1 2244 16 216 2 21 21 21 21 21 21 21 21 21 21 21 21 2 | (64) | 63.739 I | 2906 |
| 227 272 346 244, | 4 | 9 344 1 | 24,5 |
| 18 | 0 | 0 # | |
| 6: 0 1 5. (11) 344.403 1 (17.4 0 0 1 11. 110) (44.400) 1 (17.4 0 0 2 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | (21) | 273 248 | 234,6 |
| | | | 1.3 |
| 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | | | 5.1 |
| 119 44.640 Z (28.1) | (60) | 30.03: 1 | 417.00 |
| 0 0 1 0 1 0 1 0 1 0 1 1 0 1 1 1 1 1 1 1 | ٥ | 0 1 | |
| 0 0 1 500 1 | (8/18) | | (28.%) |
| 59 (400) 1 4 2 3 4 4 3 4 4 4 4 4 4 4 4 4 4 4 4 4 4 | | | |
| 005 | | | |
| 18,229 1 18,2 1 18,2 1 18,2 1 18,2 1 18,2 | | | 1114 |
| (9) 10,792 \$ 21, 10, 10, 10, 10, 10, 10, 10, 10, 10, 1 | | | |
| 149 51.602 122 123 124 124 125 1 | 847 | 185,3731 1 | 134,9 |
| 21 25.514 5 23 (1) 40.504 T 23 (12) (8.600) T (8.7) (2) (8.600) T (8.7) (3) (8.700) T (8.7) (4) (8.700) T (8.7) (4) (8.700) T (8.7) (4) (8.7) (4) (8.7) (4) (8.7) (5) (8.7) (6) (8.7) (7) (8.7) (8) (8.7) (8) (8.7) (9) (8) (8) (8) (8) (8) (8) (8) (8) (8) (8 | [9] | | 22,0 |
| (1) 4,094 \$ 45,000 \$ (1) (2) (2) (8,000 \$ 1 (1) (2) (2) (3) (3) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4 | | | N0.21 |
| 112 | | | 73 6 |
| 0 223,056 \$ 469,070 \$ 23,000 \$ 23,000 \$ 23,000 \$ 2449,270 \$ 2,000 \$ 2449,270 \$ 2,000 \$ | | | |
| (21 1.50.664 1 47.7 (17) 1.68.64 1 83.0 (10) 2.449,770 2,500 1 244,770 2,500 1 122 8 (13) | | | |
| (17) 1,003.64 8 813,7 61,023 2,449,270 2,690, 2 449, 1 122, 8 113 | | | |
| \$1,023 2,449,270 2,590, \$ 245, \$ 122, \$ \$12 | | | 10.0 |
| 9 246 1 122 6 (13 | | | |
| i 122 i (33 | | W-44/5)A | |
| 1 (0) | | | |
| | | 2 | 122.1 |
| | | 7 | 239.0 |

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 | 4,053,984 |
| 2 | | | |
| 3 | Cost of Service | | |
| 4 | Actual Cost of Service | 5/31/2018 | 146,901,275 |
| 5 | | | |
| 6 | Revenue | | |
| 7 | Total Book Revenues | 5/31/2018 | 155,003,409 |
| 8 | Less: Prior True - Up revenues | 5/31/2017 | 4,612,293 |
| 9 | Total Attrition Year Revenues | 5/31/2018 | 150,391,116 |
| 10 | | | |
| 11 | True - Up | 5/3 1/20,1 8 | (3,489,841) |
| 12 | | | |
| 13 | Cost of Capital | 5/31/2018 | (564,143) |
| 14 | | | |
| 15 | True - Up Incl. Cost of Capital | 5/31/2018 | (4,053,984) |
| 16 | | | |
| 17 | Deficiency Net of True - Up | | 0 |