BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

June 19, 2019

IN RE:)	
)	
ATMOS ENERGY CORPORATION – 2018 ARM)	DOCKET NO.
RECONCILIATION FILING)	18-00097
)	

ORDER APPROVING JOINT PETITION TO APPROVE STIPULATION AND SETTLEMENT

This matter came before Chair Robin L. Morrison, Commissioner David F. Jones, and Commissioner John Hie of the Tennessee Public Utility Commission ("TPUC" or the "Commission"), the voting panel assigned to this docket, at a regularly scheduled Commission Conference held on April 15, 2019, for consideration of the *Joint Petition to Approve the Stipulation and Settlement Agreement* ("*Joint Petition*"), filed on April 4, 2019 by Atmos Energy Corporation ("Atmos" or the "Company") and the Consumer Advocate Unit in the Financial Division of the Office of the Tennessee Attorney General and Reporter ("Consumer Advocate").

Before the filing of the *Joint Petition*, the Company and the Consumer Advocate submitted the *Stipulation and Settlement Agreement* ("Settlement Agreement") on March 25, 2019 to resolve both this docket and TPUC Docket No. 18-00034. Neither docket has been consolidated or joined. For purposes of this docket, sections of the Settlement Agreement are intended to resolve the 2018 Annual Rate Review Mechanism ("ARM") tariff filing ("Petition" or "2018 ARM Reconciliation Filing") filed by Atmos on September 4, 2019.

BACKGROUND AND PETITION

In Docket No. 14-00146, the Commission approved a *Stipulation and Settlement Agreement* between Atmos and the Consumer Advocate implementing an ARM under Tenn. Code Ann. § 65-5-103(d)(6) for Atmos.¹ This mechanism allows for annual rate reviews by the Commission in lieu of a general rate case.² Pursuant to the *Order Approving Settlement*, the twelve-month period ending September 30th of each year prior to the annual ARM filing date of February 1st is to be used as the test year, with rates to be established based on a forward-looking test year for the twelve-month period ending May 31st of each following year.³ Additionally, the *Order Approving Settlement* required that the Company use the authorized return on equity as established in Docket No. 14-00146 or any subsequent general rate case.⁴

In addition to the annual rate review filing by no later than February 1st of each year, the Company must also file an Annual Reconciliation to the authorized return on equity by September 1st of each year.⁵ This filing is required to reconcile actual amounts to the Company's authorized return on equity for the forward-looking test year that immediately completed, inclusive of interest at the overall cost of capital compounded for two years.⁶ The resulting rates will be effective on bills rendered on or after June 1st.⁷

On September 4, 2018, Atmos submitted the *Petition* seeking approval of an annual reconciliation of the Company's actual results to the originally filed Forward-Looking Test Year ending May 31, 2018. In order to include the reconciliation amount in the next Annual ARM filing due February 1, 2019, the Company requested this docket be resolved by January 14, 2019.

¹ See In re: Petition of Atmos Energy Corporation for a General Rate Increase under T.C.A. 65-5-103(a) and Adoption of an Annual Rate Review Mechanism Under T.C.A. 65-5-103(d)(6), Docket No. 14-00146, Order Approving Settlement (November 4, 2015) (hereinafter Atmos Rate Case, Docket No. 14-00146, Order Approving Settlement).

² Tenn. Code Ann. § 65-5-103(d)(6).

³ Atmos Rate Case, Docket No. 14-00146, Order Approving Settlement, pp. 5-6 (November 4, 2015).

⁴ *Id.*

⁵ *Id.* at 5.

⁶ *Id*.

⁷ *Id.* at 7.

Included with the *Petition* was the Pre-Filed Testimony of Gregory K. Waller and an Attestation of Richard M. Thomas, Vice-President and Controller for Atmos Energy Corporation, certifying the information contained on relied upon schedules are accurate and complete and reflect actual account balances found on the books and records of the Company. The Company's *Petition* initially proposed a revenue surplus of \$3,219,825. The Consumer Advocate filed a *Petition to Intervene* on October 9, 2018 and was granted intervention by Order dated October 25, 2018.

Pursuant to a procedural schedule issued by the Hearing Officer, on January 9, 2019, the Consumer Advocate filed the direct testimony of David Dittemore and William H. Novak laying out a number of contested issues.⁸ On February 6, 2019, Atmos filed the Pre-Filed Rebuttal Testimonies of Gregory K. Waller and Jennifer K. Story in response.⁹

THE FILING OF THE SETTLEMENT AGREEMENT

On March 25, 2019, the *Settlement Agreement* was filed by the Consumer Advocate and Atmos Energy (the "Parties") in Docket Nos. 18-00034 and 18-00097. The *Settlement Agreement* was intended to resolve both dockets. The Parties acknowledge in the *Settlement Agreement* that Docket Nos. 18-00034 and 18-00097 have not been formally merged into a single docket. However, the Parties assert there are issues within both Dockets that overlap or are interrelated. The Parties concluded a single "global" settlement agreement to address all issues in both Dockets was appropriate.

THE FILING OF JOINT PETITION TO APPROVE THE SETTLEMENT AGREEMENT

On April 4, 2019, the Parties filed the *Joint Petition*. The *Joint Petition* submitted excerpted provisions from the *Settlement Agreement* which the Parties submitted would resolve the issues in the present docket, Docket No. 18-00097. The following summarized issues from the *Settlement*

⁸ William H. Novak, Pre-Filed Direct Testimony, (January 9, 2019); David Dittemore, Pre-Filed Direct Testimony, (January 9, 2019).

⁹ Gregory K. Waller, Pre-Filed Rebuttal Testimony, (February 6, 2019); Jennifer K. Story, Pre-Filed Rebuttal Testimony, (February 6, 2019).

Agreement are intended to resolve the disputed issues in this docket and ultimately approve a modified 2018 Atmos ARM reconciliation calculation:

- 1. The Parties agree on a pro forma blended tax rate of 29.26%, as calculated by Atmos, since it reflects a systematic reduction of the federal corporate tax rate from the pre-2018 tax rate of 35% to the current rate of 21%. This blended rate shall be used in the ARM Reconciliation Docket to reflect the income tax savings from the 2017 Tax Cuts and Jobs Act ("TCJA").¹⁰
- 2. The Parties agree that the correct methodology for calculating Allowance For Funds Used During Construction (AFUDC) is the one used by Atmos in its filing and the correct tax rates to be used are 6.5% for state and 29.26% blended rate for federal, as recommended by Consumer Advocate witness Novak in his Direct Testimony.¹¹
- 3. Two ratios (gross-up factors) are used to convert Commission approved operating margin deficiency (or surplus) into operating revenues. These factors are Forfeited Discounts and Uncollectible Expense. The Parties agree that the use of Operating Revenue as the denominator in those factor calculations, as recommended in Consumer Advocate witness Novak's Direct Testimony, is the correct methodology. Thus, for purposes of the ARM Reconciliation Docket, the forfeited discount ratio is 0.005167 and the uncollectible expense ratio is 0.001731 as reflected on Table 5 of Mr. Novak's Pre-Filed Direct Testimony filed in Docket No. 18-00097. The Parties also agree that this resolution has no precedential impact on positions taken by either party in a future Atmos docket.¹²
- 4. The Parties agree that end-of-period balances be used in the calculation of long-term debt and stockholder's equity in the computation of capital structure, as recommended in the

¹⁰ Stipulation and Settlement Agreement, p. 5 (March 25, 2019).

¹¹ *Id.* at 6.

¹² *Id.* at 6-7.

Rebuttal Testimony of Company witness Gregory K. Waller. The Parties also agree that this resolution has no precedential impact on positions taken by either party in a future Atmos docket.¹³

- 5. The Parties agree that certain debt cost expenses should be annualized in the calculation of the long term debt rate, as recommended by Mr. Gregory Waller in his Rebuttal Testimony.

 The Parties also agree that this resolution has no precedential impact on positions taken by either party in a future Atmos docket.¹⁴
- 6. The Parties agree with Consumer Advocate Dittemore's recommendation that certain adjustments must be made to Atmos' ADIT balance in order to properly synchronize certain operation and maintenance costs for ratemaking purposes. The Parties agree with Mr. Dittemore's removal from Atmos' ADIT accounts of certain amounts related to Pension Expense, Restricted Stock Program, Restricted Stock—MIP, MIP/VPP Accrual. The Parties, however, take exception with the removal of certain Directors Stock Award amounts since these amounts are not tied to Company performance. The Parties agree that the appropriate adjustments reduce Atmos' ADIT account balance by \$134,123, as detailed below:

To Remove Pension Expense	(679,249)
To Remove Restricted Stock Program	93,067
To Remove Restricted Stock – MIP / C	480,664
To Remove MIP/VPP Accrual / C	(28,606)
Total Adjustments	$(134,123)^{15}$

7. Atmos' ADIT balance contains a number of individual book/tax timing differences multiplied by federal and state tax rates. The Parties agree to use the Tennessee specific

¹⁴ *Id.* at 7-8.

¹³ *Id.* at 7.

¹⁵ *Id.* at 8-9.

excise tax rate for both income tax expense and ADIT. Specifically, Tennessee ADIT will be calculated using Tennessee State Excise Tax Rate for Income Tax Expense and ADIT Division 93 (TN) calculations. The result is an increase in the 13-month average balance of ADIT of \$6,953,884 and a reduction to Atmos' rate base of \$6,955,572. 16

- 8. The stipulated adjustment discussed in number 7 above also includes a correction to the Regulatory Liability balance due to recalculation of Excess ADIT using the Tennessee rate. The \$68,802 adjustment as applied to December 2017 May 2018 results in the thirteenmonth average balance of \$31,755.¹⁷
- 9. The parties agree that the total rate base deduction for ADIT is \$48,514,590, which is the 13-month average as of May 31, 2018 (the test period for the ARM Reconciliation Docket No. 18-00097). 18
- 10. There are six exhibits attached to the *Settlement Agreement*, each of which is described below:¹⁹

Exhibit A reconciles the agreed upon Settlement Rate Base to the Company's original Rate Base found in Gregory Waller's Direct Testimony (Exhibit GKW-1, Schedule 7, line 19) and includes the changes to the Cash Working Capital balance resulting from other Rate Base Adjustments.

Exhibit B reconciles the settlement balance of ADIT to the original balance of ADIT in the Company's filing.

<u>Exhibit C</u> reconciles the settlement Cash Working Capital to the original balance of Cash Working Capital in the Company's filing.

Exhibit D reconciles the settlement balance of Atmos' Regulatory Liability to the original balance of Atmos' Regulatory Liability in the Company's filing.

¹⁶ The difference in the ADIT balance and the corresponding adjustment to rate base is due to impact of the ADIT adjustment on cash working capital.

¹⁷ *Id* at 10.

¹⁸ Id. at 14.

¹⁹ *Id.* at 10.

<u>Exhibit E</u> reconciles the settlement balance of Accumulated Depreciation and Amortization to the original balance of Accumulated Depreciation and Amortization in the Company's filing.

<u>Exhibit F</u> reconciles the settlement balance of Storage and Gas Investment to the original balance of Storage and Gas Investment in the Company's filling.

- 11. The parties agree that the revenue surplus in the ARM Reconciliation Docket resulting from the above described adjustments is \$4,053,984 (including carrying costs). This amount will be incorporated into the Atmos ARM filing currently pending before the Commission in Docket No. 19-00018. Attached to the *Settlement Agreement* is a package of twelve (12) Schedules. Schedule 1 details the calculation of the agreed upon surplus and reconciles the calculation to the original Company filing. The remaining Schedules provide the underlying calculations supporting Schedule 1.²⁰
- 12. The parties agree that the Safety and Operating Performance Metrics proposed by Consumer Advocate witness David Dittemore in his Direct Testimony may be raised for consideration in Commission Docket No. 18-00112 which was opened to investigate and consider modifications to Atmos' ARM mechanism.²¹

The *Joint Petition* further states that all of the above are "subject to all of the terms and conditions" of the *Settlement Agreement* as a whole.²²

THE HEARING

The Hearing in this matter was held before the voting panel during the regularly scheduled Commission Conference on April 15, 2019, as noticed by the Commission on April 5, 2019. On April 5, 2019, A. Scott Ross, Esq., Attorney for Atmos, filed with the TPUC a Notice demonstrating the Company's compliance with the notice requirements of TPUC Rule 1220-04-01-.05. Prior to

²⁰ *Id.* at 14-15.

²¹ *Id.* at 15.

²² Joint Petition, p. 8.

the Hearing, the parties jointly informed the Hearing Officer that there were no outstanding procedural issues and, further, that they waived cross-examination of each party's respective expert witnesses.²³ Participating in the Hearing were:

Atmos Energy Corporation – A. Scott Ross, Esq., Neal & Harwell, 2000 One Nashville Place, 150 Fourth Avenue North, Nashville, Tennessee 37219-2498

Consumer Protection and Advocate Division – Wayne M. Irvin, Esq., Office of the Tennessee Attorney General and Reporter, Post Office Box 20207, Nashville, Tennessee 37202-0207.

Mr. Novak and Mr. Dittemore were present and available for questions. The Parties appeared jointly and waived cross-examination. During the Hearing, Mr. Greg Waller, the Company's Manager of Rates and Regulatory Affairs, appeared telephonically.²⁴ Mr. Waller summarized the relevant points of the Settlement Agreement filed by the Parties. Members of the public were given an opportunity to offer comments, but no one sought recognition to do so.

FINDINGS AND CONCLUSIONS

It is procedurally unusual for one settlement agreement to resolve two separate dockets which were not previously joined or consolidated, even more so when the settlement agreement is hedged with an "all or nothing" non-severability clause. In essence, the Settlement Agreement is heard in parts in two separate dockets and by separate hearing panels. Within the mechanics of the ARM and overlap of consequences of federal tax rate changes in Docket No. 18-00034, there are issues present which intersect and have a ripple effect between the two dockets the Parties have sought to resolve. Be that as it may, parties that submit global settlements to resolve dockets which have not been joined or consolidated run the risk of whole settlements falling apart if one or both Commission hearing panels concludes one or more settlement provisions are not acceptable, just and reasonable, or otherwise in the public interest.

²³ Pre-Hearing Order (April 11, 2019).

²⁴ Order Granting Electronic Participation in Hearing (April 15, 2019).

The Commission Hearing panel here considered the agreements between the Parties in the Settlement Agreement as they applied to the ARM Reconciliation in Docket No. 18-00097. Upon review of the evidentiary record in this matter, and both the Settlement Agreement and Joint Petition filed by the Parties, the panel found the methodologies, adjustments and procedures relating to the issues contained within Docket No. 18-00097 to be reasonable and acceptable for settlement purposes. As a result of the agreements reached in the Settlement Agreement, the reconciliation revenue surplus is \$4,053,984 (including carrying costs). This amount is to be incorporated into Atmos' Annual Review Mechanism filing in Docket No. 19-00018, which is currently pending before the Commission. Therefore, the panel voted unanimously to approve the Stipulation and Settlement Agreement as it applies to Commission Docket No. 18-00097.

IT IS THEREFORE ORDERED THAT:

- 1. The Joint Petition to Approve the Stipulation and Settlement Agreement and the provisions of the Stipulation and Settlement Agreement, as they apply to this docket, submitted by Atmos Energy Corporation and the Consumer Advocate Unit of the Financial Division of the Tennessee Attorney General and Reporter, are approved. A copy of the Joint Petition to Approve Stipulation and Settlement Agreement is attached herein as Exhibit A, as well as a copy of the Stipulation and Settlement Agreement is attached herein as Exhibit B.
- 2. The 2018 Annual Rate Review Mechanism Reconciliation filing and rates as modified by the *Joint Petition to Approve the Stipulation and Settlement Agreement* and the *Stipulation and Settlement Agreement*, are approved.
- 3. The reconciliation surplus of \$4,053,984 shall be incorporated into the Annual Rate Review Mechanism filing in TPUC Docket No. 19-00018.
- 4. Any person who is aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within fifteen days from the date of this Order.

5. Any person who is aggrieved by the Commission's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty days from the date of this Order.

Chair Robin L. Morrison, Commissioner David F. Jones and Commissioner John Hie concur.

ATTEST:

Earl R. Taylor, Executive Director

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EXHIBIT A

BEFORE THE TENNESSEE PUBLIC UTILITY COMPUSSION FOR AT NASHVILLE, TENNESSEE T.P.U.C. DOCKET ROOM

ATMOS ENERGY CORPORATION

ANNUAL RECONCILIATION

OF ANNUAL REVIEW MECHANISM

RECE/VED

ATROCH PM 3: 56

DOCKET NO. 18-00097

JOINT PETITION TO APPROVE STIPULATION AND SETTLEMENT AGREEMENT

The Parties jointly request approval of the Stipulation and Settlement Agreement (Settlement Agreement) filed in the above-referenced Docket and in Docket No. 18-00034 on March 25, 2019. The Settlement Agreement is incorporated in its entirety by reference herein. While the Parties request approval as written of all provisions of the entire Settlement Agreement in both dockets, for ease of reference, and at the request of the Hearing Officer, the Parties submit the following excerpted provisions from the Settlement Agreement. Subject to all of the terms and conditions of the Settlement Agreement, including provisions not reproduced below, the Settlement Agreement includes the following resolution of issues in this Docket 18-00097 (as excerpted from the Settlement Agreement):

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.

¹ For ease of reference, paragraph numbering from the Settlement Agreement has been maintained. Footnote numbering from the Settlement Agreement has not been maintained. Footnote number 1 was not in the original text.

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.² Mr. Novak's recommendation was to agree with and accept the Company's proposed tax rate calculation.³ 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%.

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%.

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

* Id.

² Novak Direct Testimony, TPUC Docket No. 18-00097, pg. 4, lines 19-21.

Commission.4

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 5,5 two ratios or gross-up factors are used to convert any operating margin deficiency or surplus approved by the Commission into operating revenues.6 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 Reconciliation Docket, that a forfeited discount ratio of 0.005167 and an uncollectible expense ratio of 0.001731.7
- 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.

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.

⁴ Novak Direct Testimony at pg. 18, line 9, Table 6.

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

⁶ Novak Direct Testimony at pg. 16, lines 8-14.

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

- 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.

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 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.

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.8

		Attrition Year 13	
Line	Description	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)	

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

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

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

⁸ 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).

ADIT balance \$134,123.

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 \$6,955,572.9 The difference 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 -

⁹ The difference in ADIT balance and rate base adjustment is due to the impact of the ADIT adjustment on cash working capital.

May 2018 resulting in an adjustment to the thirteen-month average balance of \$31,755.

Rate Base) is reconciled with the Company's original Rate Base¹⁰ 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 ADIT¹¹ is reconciled with the settlement balance of ADIT as set forth in Exhibit B. The original 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.¹³ The original balance of Accumulated Depreciation and Amortization¹⁴ is reconciled with the settlement balance of Accumulated Depreciation and Amortization as set forth in Exhibit E. The original balance of Storage and Gas Investment¹⁵ is reconciled with the settlement balance of Storage and Gas Investment¹⁵ is reconciled with the

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

¹⁰ Waller Direct Testimony, Exhibit GKW-1, Schedule 7, line 29.

¹¹ Waller Direct Testimony, Exhibit GKW-1, Schedule 7, line 15.

¹² Id. at Schedule 7, line 9.

¹³ Id. at Schedule 7, line 13.

¹⁴ Id. at Schedule 7, line 3.

¹⁵ Id. at Schedule 7, line 7.

\$4,053,984 (including carrying 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.

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.

The above provisions, excerpted from the Settlement Agreement, are subject to all of the terms and conditions of the Settlement Agreement, including those not reproduced herein.

Based upon the entirety of the record, the Parties respectfully request approval of the Settlement Agreement in this Docket No. 18-00097 and in Docket No. 18-00034.

Respectfully submitted,

NEAL & HARWELL, PLC

By:_____

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served, via the method(s) indicated below, on the following counsel of record, this the __i/_day of April, 2019.

() Hand	Vance Broemel, Esq.
() Mail	Wayne Irvin, Esq.

() Mail Wayne Irvin, Esq.
() Fax Daniel P. Whitaker, III, Esq.
() Fed. Ex. Karen H. Stachowski, Esq.
(X) E-Mail Assistant Attorneys General

Office of Tennessee Attorney General

Financial Division, Consumer Advocate Unit

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Karen.stachowski@ag.tr/gov

EXHIBIT B

IN THE TENNESSEE PUBLIC UTILITY COMMISSION AT NASHVILLE, TENNESSEE

IN RE:)
TENNESSEE PUBLIC UTILITY COMMISSION INVESTIGATION OF IMPACTS OF FEDERAL TAX REFORM ON THE PUBLIC UTILITY REVENUE))) Docket No. 18-00034
REQUIREMENTS)
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. 18-00001 was 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.
- 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).

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). 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 Dittemore 19 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).

²⁶ 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 Rehuttal 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).

		Attrition Year 13	
Line	` Description	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	$\mathbf{B}/$
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)	•

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 Nc. 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.II. 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)

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 $[additional\ signature\ page\ follows-remainder\ of\ page\ intentionally\ left\ blank]$

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:

HERBERT H. SLATERY IN (BPR # 09077)

Attorney General and Reporter

State of Tennessee

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SETTLEMENT EXHIBIT A

Atmos Energy Docket No. 18-00097 Adjustments to Rate Base

Settlement Exhibit A

Resulting from the Application A	Adjustments to Cash	Working Capital and ADIT
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ting itom the Approxima Aujustitems to Cash working		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		18,629,899	
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		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 Linbility 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 E19 B/ 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

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

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	-	*	\$ -
Jun-17		•	\$ -
Jul-17	-	~	\$ -
Aug-17		~	\$ -
Sep-17	~	-	\$ -
Oct-17		~	\$ -
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)

Ai 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 B /
Total Adjustments	***********	9,733
Settlement Accumulated Depreciation and Amortization	<u> </u>	(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

	A /	B /		
	As Filed	Settlement	D	fference
Storage Gas Investment	\$ 4,561,487	4,555,955	\$	(5,532)
<u> Inventories- Gas S</u>	tored (Accoun	<u>t 1641)</u>		
May-17	3,324,309	3,324,309		-
Jun-17	4,173,868	4,173,868		196
Jul-17	5,248,371	5,248,371		and c
Aug-17	6,348,943	6,348,943		40
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)
***	Cost of Gas	Schedule 3	\$73,565,057	\$40.904,923	\$32,660,135
2					
3	Operation & Maintenance Expense	Schedule 4	20,712,003	20,384,327	327,676
4 5	Taxes Other Than Income Taxes	Schedule 5	7,486,379	7,704,182	(217,803)
6					
7	Depreciation & Amortization Expense	Schedule 6	12,652,532	12,516,189	136,343
8					
9	Return	Schedule 7	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	redetai income giu State Dacise Tax	Schedule 8	0,000,010	30,004,073	(1,207,177)
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			#3.327.31D	73 174 033	(120 705)
19 20	Cost of Service w/o Gas Cost		73,336,218	73,474,922	(138,705)
21	Non-Gas Revenues in Attrition Year (Gross N	(argin)	81,438,352		
22	Removal of 16-00105 ARM Recon Revenue i	w .	4,612,293		
23	Non-Gas Revenues in Attrition Year with Tru		76,826,059		
24					
23	Additional Revenue Required to Earn Authori	ized Rate of Return	(3,489,841)		
24					
25	Carrying Cost		(564,143)		
26			£ (1.052.054)		
27	Amount to be added to revenue sufficiency / d	lehciency	\$ (4,053,984)		
28	in February 1, 2019 ARM filing				

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

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

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

Line				
No.	Description	Amount		
	(a)		(b)	
l 2	Base Period AFUDC per books - Div 093 (1)	\$	(83,411)	
3	Less State Excise Tax Effect		(5,422)	
4		***************************************		
5		\$	(77,989)	
6				
7	Less Federal Tax Effect		(22,820)	
8 9	Net AFUDC - Base Period	\$	(55,169)	
10	Not All ODE - Dase Fellou	w	(33,107)	
11	Change from Base Period to Attrition Year		(94,795)	
12		***************************************		
13 14	Attrition Year AFUDC per books - Div 093 (2)	\$	(226,730)	
15	Less State Excise Tax Effect		(14,737)	
16		***************************************	······	
17		\$	(211,993)	
18	I - Federal Trace P.CC. 4		((2,020)	
19 20	Less Federal Tax Effect	***************************************	(62,029)	
21	Net AFUDC - Attrition Period		(149,964)	
22				
23	Note:	420		
24	1. Twelve months ended September 30, 2016 - Account	432	,	
25	2. Twelve months ended May 31, 2018			

SETTLEMENT AGREEMENT SCHEDULE 2

Schedule 2

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

Line	Description		 Amount
***************************************	(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	Note:		
11 12	 Twelve months ended September 30, 2016 Twelve months ended May 31, 2018 		

SETTLEMENT AGREEMENT SCHEDULE 3

Schedule 3

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

Line			
No.	Description		Amount
	(a)		(b)
ī	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		4	
11	Total Adjusted Gas Cost	\$	73,565,057
12			20 //0 105
13	Change from Base Period to Attrition Year	\$	32,660,135
14		Ć1	72 5/5 057
15	Attrition Year Gas Cost	\$	73,565,057
16	N		
17	Note:		
18	1. Twelve months ended September 30, 2016		
19	2. Twelve months ended May 31, 2018		

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

Line		Building Rent O&M		Storage Expense		Leased	E	Storage	Storage Rent			
No.	Description	Ken		 O&M	IJe	preciation	Oth	ner Taxes		Gas Cost		
	(a)		(b)							(c)		
1	June-17	\$	-	\$ 28,140	\$	17,359	\$	3,050	\$	(86,646)		
2	July-17	\$	-	\$ 22,751	\$	17,359	\$	3,050	\$	(86,646)		
3	August-17	\$	-	\$ 24,688	\$	17,359	\$	3,050	\$	(86,646)		
4	September-17	\$	•	\$ 124,283	\$	17,394	\$	3,050	\$	(86,646)		
5	October-17	\$	~	\$ 23,825	\$	17,370	\$	2,317	\$	(86,646)		
6	November-17	\$	-	\$ 23,288	\$	17,371	\$	2,317	\$	(86,646)		
7	December-17	\$	-	\$ 19,684	\$	17,371	\$	2,317	\$	(126,554)		
8	January-18	\$	44	\$ 32,524	\$	17,371	\$	2,417	\$	(106,600)		
9	February-18	\$	-	\$ 31,625	\$	17,370	\$	14,205	\$	(106,600)		
10	March-18	\$	-	\$ 27,550	\$	17,370	\$	2,417	\$	(106,600)		
11	April-18	\$	~	\$ 29,146	\$	17,371	\$	2,417	\$	(106,600)		
12	May-18	\$	~	\$ 49,746	\$	17,371	\$	18,371	S	(106,600)		
13												
14	Total Per Books	\$	*	\$ 437,252	\$	208,434	\$	58,978	\$	(1,179,430)		

SETTLEMENT AGREEMENT SCHEDULE 4

Schedule 4

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

Line			
No.	Description		Amount
	(b)		(c)
1	Base period per books O&M Expense (1)	\$	21,828,328
2	Change from Base Period to Attrition Year		(1,553,577)
4	change from Pase Ferrod to Markon Fedi	***************************************	(1,020,011)
5	Attrition Year O&M Expenses - Before Eliminations (2)	\$	20,274,751
6			
7	Adjustments to O&M		
8	Elimination of Intercompany Leased Property - Rent	\$	-
9	Inclusion of Barnsley Storage Operating Expense	\$	437,252
10		-	
11	Total Adjustments	_\$	437,252
12			
13	Total Adjusted Operation and Maintenance Expenses	\$	20,712,003
14			
15	Note:		
16	1. Twelve months ended September 30, 2016		
17	2. Twelve months ended May 31, 2018		

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

Line		Tennessee			SSU					General Office						Total				
rio.	141	storic Base	Attrition	Difference	H	istorie Base	Attrition		Difference	Н	storic Base		Attrition	Diff	erence	Н	istoric Base	,	Attrition	Difference
1 Labor	\$	3,555,037 S	3,453,549 \$	(101,488)	S	3,318,537 5	3,183,78	39 S	(134,748)	\$	915,953	5	1,142,807	\$	226,854	\$	7,789,527	\$	7,780,145 \$	(9,382)
2 Benefits	S	1,340,603	1,142,006	(198,597)	\$	1.134,962	1.051,5	19	(83,413)	\$	312,042	\$	269,677		(42,365)		2,287,606		2,463,232	(324,374)
3 Employee Welfare	S	33,262	30.015	(3,248)	.\$	1,387,685	1,649.41	30	261,716	:5	635,376	S	526,409	(108,968)		2,056,323		2.205,824	149,501
4 Insurance	5	178 945	181,455	2,510	S	927,349 5	980,5	11	53,162	\$	20,638	ŝ	28,742		8,104		1,126.932		1,190,708	63,776
5 Rent, Maint., & Utilities	5	590,232	446,776	(143 456)	\$	373,165 3	\$ 350,53	F6	(22,609)	S	153,565	S	134.609		(19,056)		1,117,063		931,941	(185,121)
5 Vehicles & Equip	\$	507,567	524,880	17,313	5	6,780 5	3.2	11	(3,569)	3	28,804	S	29,871		1,067		543,151		557.963	14,811
7 Materials & Supplies	2	389,975	417,683	27,708	5	43,399	42,30	18	(1,070)	\$	71,745	5	83,526		11,781		505,119		543,538	38,419
8 Information Technologies	\$	2,358	3,267	(6,092)	8	793,487	918,2	74	124,787	\$	39,334	Š	28,756		(10.578)		842,179		950,296	108,117
9 Telecom	8	190,673	264,497	73,823	5	114,742		33	(6.609)	\$	145,346	\$	127,409		(17,938)		450,762		500,038	49,276
10 Marketing	5	89,851	96,025	6,174	- 5	11,760 !	10,70	13	(998)	\$	138,954	\$	170,651		31.697		240,305		277,378	36,873
11 Directors & Shareholders &PR	8	3,633	*	(3,633)	\$	273,215	\$ 308,5	12	35,337	\$	4	\$	*		(4)		276.852		308,542	31,690
12 Dues & Donations	\$	73,045	106,746	33,701	\$	25,822 5	23,59	3.2	(1,840)	\$	46,643	\$	10,735		(35,908)		145,510		141,463	(4,647)
13 Print & Postages	\$	8,695	8,703	7	S	8.137 5	5 7,73	56	(381)	8	5,600	S	5,593		(7)		22.432		22,052	(381)
14 Travel & Entertainment	- 5	291,917	313,212	31,295	5	132,851	\$ 126,50	11	13,670	\$	173,488	\$	202,041		28,554		578,256		641,775	63,519
15 Training	Ś	11,875	21.431	9,556	.5	75,249 3	\$ 57,9	12	(17,301)	\$	20,414	\$	26,288		5,874		107,532		105,661	(1,871)
16 Outside Services	\$	3,486,914	4,395,915	909,600	8	721,496 5	745,90	1	24,405	\$	1,247,270	S	564,965	(682,304)		5,455,681		5,706,781	251,101
17 Provision for Bad Debt	5	286,637	268,238	(18,399)	5	- 1				- 8		\$	-				286,637		268,238	(18,399)
18 Miscellaneous	\$	195,719	(55.954)	(251,673)	5	(2,655,742) 3	S (2,962.8)	54)	(307,112)	5	(43,717)	5	(89,469)		(45,753)		(2,503,739)		(3,108,276)	(604,537)
19 Total O&M Expenses	S	11/243,940 \$	11.618.443 8	374,503	.\$	6,672,828	6 6,606,24	15 \$	(66,582)	- 5	3,911,561	3	3,262,610	\$ {	648,9511	\$	21,828,328	5	21,487,298 \$	(341,030)
20																				
21 Disallowed Items																				
22 Other (Sub 05416 and 05412)			(2.023)				12,4	76)					(1,412)						(5,911)	(5,911)
23 Incentive Comp (MFR 38)			()				(612,80	(9)					(425,536)						(1,038,405)	(1,038,405)
24 Benefits (FAS 87 Accrual)			(215,933)				(156,6)	23)					(68,110)						(440,666)	(440,666)
25																				
26 Rate Case Expense				-																-
37																				
28 Acrual Allocable Pension Contribution			272,435	272.435													*		272,435	172,435
50 Total O&M	\$	11,243,940 \$	11,672,921 \$	646,937	\$	6,672,828	5,834,2	77 5	(66,582)	\$	3,911,561	\$	2 767,553	\$ (648,951)	.5	21,828,328	5	20,274,751 \$	(1.553,577)

WP 4-2 Tennessee Distribution System

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		•
3	8560	44,801	38.030
4	8600	6,308	
5	8630	5,775	800
6	8650	-	*
7	8700	1,614,281	1,959,659
8	8710		63
9	8711	5,762	47,040
	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		33 ,
	8910		139
	8920	8,229	(26,005)
	8930	11.094	37,016
	8940	(56)	150
	9010	212	**
	9020	947,850	481,768
	9030	316,230	983,425
	9040	286,637	268,238
	9090	152,522	16,139
	9100	n or many to mer man	33
	9110	302,849	226,566
	9120	42,872	63,690
	9130	100	11,019
	9160	*	
	9200	99,887	111.863
	9210	20,297	14,242
	9220	10,554,992	9,868.855
	9230	160,931	154.589
	9240	139,178	142,185
	9250	27,773	50,130
	9260	1,352,964	1,153,867
	9270	* \$~~ *~ *** \$ * * **T	a g a ar or \$ 10 To 7
	9280	180,833	6,714
	9302	21,871	70,525
	9310	10.531	10.834
	Total	21,798,867	21,487,298
40	1 Otal	21,770,007	~ (,) (, 2 / 1)

WP 4-2
Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2018

[0101000000000000000000000000000000000	Division 091	
Line	FERC	Historic Base	······································
No.	Account	Period	Attrition Year
	8160	-	62
44	8170	521	549
45	8180	544	520
46	8190	7,490	6,868
47	8210	2,213	2,882
48	8240	*	11
49	8250	12,765	15,258
50	8500	151	
51	8560	1,026	901
52	8570	1,060	1,000
53	8640	-	
54	8650	93	
	8700	3,100,485	3,133,634
56	8710	140	
	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	*	-
	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)
	9210	69,126	(38,644)
	9220	(8,980,256)	(7,786,772)
	3 9230	175,505	141,485
	9240	(11,528)	(14,370)
	9250	371,198	146,225
	9260	1,837,731	1,776,232
	2 9280	*	441
	3 9302	103,010	11,555
	9310	_	464
	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	-	6,062
86	8560	463	6,983
87	8700	4,341	283,387
88	8740	112,666	45,956
89	8780		-
90	8800	(3,799)	-
91	8850	*	24,916.754
92	8900	-	
93	9010	17.340	118
94	9030	1,883,902	72,748
95	9100	*	3,707
96	9120	7,034	17,895
97	9160	*	1,009
98	9200	(15,850,637)	(12,976,253)
99	9210	22,631,682	23.211,846
100	9220	(91,705,860)	(100,272,886)
101	9230	9,093.724	10,871,865
102	9240	126,521	135,293
103	9250	21,484,805	19,993,118
104	9260	41,979,578	47,668,559
105	9301		*
106	9302	5,798,774	6,591,533
107	9310	5,260,633	5,059,659
108	9320	304,218	396,046
109	Total	1,145,384	26,033,838

WP 4-2
Tennessee Distribution System
Operation and Maintenance Expenses by FERC
Twelve Months Ended May 31, 2018

		Division 012	
Line	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	AP	+
114	9200	4,339,176	4,045,370
115	9210	9,667,656	8,021,415
116	9220	(55,357,052)	(46,393,818)
117	9230	576,465	847,264
118	9240	121,818	95,934
119	9250	*	183
120	9260	11,150,347	8,846,083
121	9301	66	
122	9302	88,362	
123	9310	1,849,962	1,672,147
124	9320	9,942	10,653
125	Total	0	0

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

Line No	Description	Number of Bills	Volumes Mcf	Adjustments to Bills	Adjustments to Volumes	Total Bits	Total Volumes	Proposed Customer Charge	Proposed Commodity Charge	Revenue © Proposed Rates	Bad Debt Percentage	Total Bad Debt
130	(%)	(6)	(c)	(d)	(c)	(0)	(8)	(b)	(i)	(i)	(k)	(1)
2 210 Resid 3 210 Resid 4 210 Resid 5	dential Gas Service (Summer) fential Gas Service (Winter) (weather sensitive) fential Gas Service Senior Citizen (Summer) fential Gas Service Senior Citizen (Winter) (weather sensitive) fential/Gm. Commericial/Industrial Heating & Cooling Service	613,707 853,797 709 1,011	810,777 6,668,956 553 6,211	19.113 26.590 22 31	25,250 297,694 17 193	632,620 680,387 731 1,042	836,027 6,876,650 570 6,405	14.50 17.50 0.00 0.00	1.206 1.206 1.206 1.206	10,184,383 23,702,037 688 7,726	0.5% 0.5% 0.5%	\$ 50.922 \$ 118.510 \$ 3 \$ 39
7	mercial 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		\$ 97,967
10 221 Exper	nmental School Gas Service	53	69,275	**	1,164	54	70,439	36 00	1.162	83,759	0.5%	\$ 419
12 225 Public	c Authority Gas Service (Sr. Citizen) (Summer)	0	0	0	0	0	0	0.00	1.206	0	0.5%	\$ -
13-225 Public	c Authority Gas Service (Sr. Citizen) (Winter) (weather Sensitive)	0	0	0	0	0	0	0.00	1.206	0	0.5%	\$ -
14 225 Public	c Authority Gas Service (Summer)	2,974	7,439	93	232	3,067	7,671	14 50	1.206	53,720	0.5%	\$ 269
15 225 Public 16	c 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
17 230 Large 18 19 Total	: Commercial Gas Service (weather sensitive)	Û	0	0	0	O	0	385.00	2 084	Q.	0.5%	\$ - 268,752

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

Line No.	Description	Number of Participants	Estimated Liability	Percent of Contribution Applicable to Group	Actual Attrition Year Contribution	Allocation Factor to	Amount Allocable to Tennessee	Composite Labor Capitalization Rate	Pension Contribution Assigned to Capital/Reduction to O&M Costs
***************************************	(a)	(b)	(c)	(d)	(e)	(f)	(g)		
1 2 3	All Other (not allocable to Tennessee) Co 010 - Shared Services Co 010 - CSO	4,410 5 493 371	414,624,000 56,998,000 18,248,000	77.7% 10.7% 3.4%	\$ 3,886,206.17 534,233 171.036	0.00% 4.26% 4.52%	22,785		
4	Active Tennessee Jurisdiction Employees	107	15,613,000	2.9%	146,338	100 00%		55.6%	(81,364)
5	Inactive Tennessee Jurisdiction Employees	192	15,783,000	3 0%	147,932	100.00%			
6	Active Division General Office Employees	25	5,090,000	1 0%	47,70\$	41 81%	19,948	53 7%	(10,712)
7	Inactive Division General Office Employees (pre-merger)(1)	47	5,625,000	1.1%	52,722	26.55%	13,998		
8	Inactive Division General Office Employees (post-merger)	5	1,475,000	0.3%	13,825	41 810 0	5,781		
9									
10	Total Amount of Contribution Allocable to Tennessee	5,650 5	533,456,000	100,00%	\$ 5,000,000		\$ 364,511		\$ (92,076)

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

Source: Relied Upons\TN-FYE2015-AcctAllocation

Tennane Distribution System Operator and Visited Operation and Materials Expenses, Forecast in Activities Tentrals Tentre Market Market

		11	1 K SBK P. Lady		-		145		-	1	10110100					***************************************
A.J.	Million Pussey	1	Arreston beres	(NITE CRIME)	ALL	Attrition Formand	AttaitionAstuel	1 Moleculary	MA	Attraion Ferrant	Micigian Astual	(Marketer)	A. C.	Accided Locales	Astrifices Actual	(hille cents
and the second s	*,	535 688 3	\$ 645.54.5	182 1291	97	\$ 000 600°C	3 1833.789	5 C285 Up.	ait.	\$ 556,992 S	500000000000000000000000000000000000000	43,313	*	\$ 540°004.8	2,780.145	\$ 023.539
September C	~	508.805	S 300 CO. 1	000000	¥:	(236,900 K	886.880.8	(178.54D) s	^	346,273. 5	2/08mg	0.70,596.6	3A	3 143 467 \$	2.463.232	\$ (882,233)
Proceedings of the self-sense	9-	A 542 A	30,035	0.1.327	и	1.385,538 4	1 (45) (45)	3,546-77.3	e	208,094	32K 12/0	(32, 23)	*	3.928.503 3	2,763,523	\$ 239,30
Taxanagas		31.337 5	3 VSP 181	25.30	g#	\$ 1.80 LON	11.5 05%	02 KUA 20	ø	128415 5	28,742	(120 574)	**	3.50%,846. %	1,1%0 208	\$ 91,002
" West, Major, & 1 majors	*	A 80.8.08.	- PS 726 S	0.04 1125	s.	\$ 15.8.9.K	350,350	\$ 952	J	5 010001	\$34 A(N)	123,301	w.	£ 0507.532 St	3 25	\$ (36)
A New Line & New Str.	*	5 96,71,9	\$ 080 M	X 1970	*	A 175.4	12.75	10,5801	د	20,471 8	2.2873	. 329	ye.	726,023	1,50.00	5 (143)
Market St. McDonies	i.e.	385,327 \$	4371.85	52.75	şî	\$2,610 \$	25,000	GNC211 3	7	67,344 \$	A1 524	16 18.5	yh.	473,382 3	\$43.008	* C.
St. Indianastran Technishopus	ť		8 5577	1983	¥	831.865	50,7879	117,00	٠	y 101.55	8 104 W	V 21.50 V	e.	362,547 \$	1867 368	. de . de . de
7774	v	2 803,750	A CHARLE	40, 700	,	\$ 200,813	518143	(4.00 (6.0)	¥	\$ 743 CZC	5.1489.07	(610.50)	-`	246,475	K R 333	7
20 mm		5. 1881	100 A	- N 0.5	,	\$ 17.77 B	10 % 3	0.835	, "	Y BEN	\$ 17/GD		**	257,260 \$	844 ×	\$ 20,1437
The contrast of the same by defends of the	v	\$ 7197	~	0.50	h;	221.918 5	300 JANA J. 473	24.744	ψ×	٤ .	**		÷	254.235	CM: 405	7.
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The state of the s		0.7.32 \$	× 65.5	13,10	-	11,610 \$	×23×	(14,8/4)	r	\$ 285 \$	* 64.5		٠	20,000	22.652	¥, ×
A Constitution of the Cons	1	108.52. S	\$ 25.50	194,597		41114	25.5	\$ (24,572)	a ²	248.00	- 190 CH		×	\$ 151 506	641.234	1
200	,	- 10.7	3 18912	(2, 898)	**	A 5,858.8	77.5	1 1979	.,	27.87.75 S	N N80'01	1000	æ	\$ 250 QTE	100.001	- H
200	,	N. COK., 5779.	4 355.5	1, NAG P.1		N 966.30	0.00,000	S 500 to 1	r	- 3500X-	18. All 18. S	0.000	,	\$ 007 y TU >	C 20% 140	N 631
1) Properties for Rad Cang	s	3 5555	208,338	(405,206)	*		*				,	,	-	413,245 \$	XC(1)34	(49,00%)
Second Second Second	~	3 42.46	\$ 4900.00	25.5.50		2 16 36 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	と地震 好きに		æ	\$ 40×84	E LOPE SKY	1989 KILD	×.	* * * * * * * * * * * * * * * * * * *	C 0122 x0x \$2	
29 Total Odok Storebern	× 10	8 844 8 0	1.0 (8.83.1 5	X8.5.5.2	-	71,8×8,218, C	10 3 C 10	18 CH		3772 N 256 X	\$ 12.50,500	1, 751, (1466.2	.	* 45 FEET	7.47.68 TO	S 175. 58.
20	Trong companies a seriose serios															
2: Dunather ed Resear			1				4			44.55			26	200	100	27.4
No table of the property and the series over 1000	,	2 386 2	5 0202			V (20)	1 (0.4 %)			C (Date)	S 1719 11			4 (44,697)	# 13 C 2 C 2 C 2 C 2 C 2 C 2 C 2 C 2 C 2 C	
23 Lougesto on County (MER 28)	*	i.			u-	K 088,000		030,4780	,	(438,587)	(6000 1000)	500	6. 1		(CO) * (C)	
24 Herseits (FAS #7 Approach	Sé.	0557,3335, 4	(215,033) \$	45,401	•	\$ 1806/8080				K 1724 (8)	(A) 116. A		w	\$ 5557,2055 ×	(340,000)	. 10.533.
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28 Plane Cann Expense	ه.		,										3°			× ·
79. Career 1 4 House, 134. Owners on Comment bares from			\$ 50 P CAA	V 2 0 2											275 455	X 272 645
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~						and the second s	document of property of the party of the par	A STATE OF THE PERSON NAMED IN COLUMN TO PER	acceptant.	SECTION OF SECTION SEC	のでは、日本ののでは、「これのでは、「これのでは、日本の日のでは、日本の日のでは、日本の日の日の日の日の日の日の日の日の日の日の日の日の日の日の日の日の日の日の	And in contrast of the contras		Anna via view merchair dalably ransanas	disapparament manife spices who consider consensations	

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SETTLEMENT AGREEMENT SCHEDULE 5

Schedule 5

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

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

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

Line													
No.	Descripton	Oct-15	Nov-15	Dec-15	Jun-16	Feb-16	Mar-16	Apr-16	May-16	.fun-16	Jul-16	Aug-16	Sep-16
	Water and a state of the state												
1	Division 093 FICA	33,910	42,678	2,556	28,662	18.153	12,192	37,419	15,206	13,758	16,235	10,522	31,968
/. n	FUTA	33,819	35	2,550	2,445	132	(248)	(24)	6	(2)		100000	31,300
	SUTA	24	97	(23)	2,961	994	(269)	(59)	3	(5)			
	Ad Valorem	344,854	344,854	344.854	344,854	344,854	344,854	344.854	344,854	344,854	384,854	384,854	384,854
.,	Payroll Tax Projects	Thrank Attitional	.,44,0.,4	1,4,4,1,7,7,9	244,0004	W-4-4-10-2-4		proprietario e	.5-7-7,000			*	
6	30105 Corp/State Franchise Tax	60,000	60,000	60.000	60,000	60.000	60,000	60,000	60,000	60,000	60,900	60,000	60,000
· ·	30107 City Franchise	167	167	167	167	167	167	167	16?	167	167	167	167
9	30109 State Gress Receipts	76.927	170,959	219.903	262,085	202.641	171,911	94.924	66,627	63,521	\$1,441	72,780	68,801
7 [Ù	30104 State Supv & Inspection	54,674	54,674	54,674	54,674	54.674	54,674	47.302	47,302	47,302	47,302	47,302	47,302
11	30108 Dot Transmission User Tax	,274,357-4	. 4(1)	.54,014				20,299				*	
12	Division 91 Allocations	12.378	13,192	3,993	11,352	7,998	6,258	12,498	7,282	6,714	7,419	6.071	11,656
13	Division 12 Allocations	9,805	26,736	8,022	13,560	10,935	11,957	10,815	12,939	9,651	10,050	10,271	9,814
14	Division 02 Allocations	13,292	35,075	10,245	17,794	14,158	15,494	14.078	17.818	13,683	13,750	14,324	13.241
15	Total	\$ 606,045	\$ 711,465	\$ 704,381	5 798,494	5 714,736	\$ 676,900	\$ 642,272	5 572,204	\$. 559,843	\$ 591,216	\$ 605,290	\$ 627,803
16		4111100-1920-0-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	·····
17	Division 002												
18	FICA	227,631	718,162	159,532	261,021	239.161	273,924	247,866	330,985	237,783	239,325	226,736	226,630
19	FUTA	447	544	199	24,163	1,812	402	(550)	186	73	96	100	525
20	SUTA	92.2	1,194	703	45,522	8.077	2,649	(394)	342	237	181	311	957
21	Ad Valorem	71,000	71,000	71 000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000
22	Payroll Tax Projects						*	~	-	•	**	4	*
2.3	Taxes Property and Other								*		**	*	
24	30105 Corp/State Franchise Tax			,	*	,			-	-			
25	Total	\$ 300,000	\$ 790,901	\$ 231,434	\$ 401,707	\$ 320,050	\$ 347,975	\$ 317,723	\$ 402,513	\$ 309,093	\$ 310,602	\$ 298,047	\$ 299,112
26													
27	Division 012												
2.8	FICA	163,784	542,963	124,111	195,246	182,879	219,608	188,319	234,683	161,124	170,059	174,987	163,894
29	FUTA	326	411	154	18,271	1,426	325	(426)	126	48	68	77	384
30	SUTA	670	904	542	34,421	6,239	2,070	(471)	220	157	129	163	699
31	Ad Valorem	55,000	55,000	55,000	55,000	\$5,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
32	Total	\$ 219,779	\$ 599,278	\$ 179,807	\$ 303,938	\$ 245,543	\$ 268,003	5 242,422	\$ 290,029	\$ 216,330	\$ 225,236	\$ 230,228	\$ 219,977
3.3													
34	Division 091												
3.5	FICA	21,108	22,944	1,755	15,762	10,354	7,255	21,460	9,340	8,036	9,661	6,544	19,449
36	FUTA	9	19	(5)	1,255	80	(137)		4	(1)		-	*
37	SUTA	15	52	(13)	1,641	567	(142)	(35)	2	(3)	•		٧
38	Occupational Licenses												
3.9	Payroll Tax Projects									19 .1 6 6	49 17 5.0	20 At 20 A	* **
40	Ad Valorem	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
41	30105 Corp/State Franchise Tax	0	0	0	()	0	S 14,475	\$ 28,919	0	<u>0</u> \$ 15,531	0	()	\$ 76,949
42	Total	\$ 28,633	\$ 30,515	5 9,238	\$ 26,239	5 18,500	3 14.475 		5 16,846.	Marining Commission	5 17,161	2 14,044	2 75732435

Descripton	E	Base Period
1		
2		263,198
		2,350
		3,724
		4,258,248
		9,2.20,240
		720,000
		2 000
		1,482,520 611,854
		20,299
	*	106,811
		144,575
		195,871
MINUS CARDON STREET	2	7,811,449
	.3 Hammon	1/4271/4/4/2
1		
2.		3,388,758
		27,996
		60,401
		852,000
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Vistate Franchise Tax	,e	4,329,155
	.5	マックム ア・ス いい
2		
2		2,513,656
		21,191
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1		3,240,590
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ıt		
<u>.</u>		153,667
		1,310
		2.084
all insurance		2,054
ar cicenses Projects		
1 1030012		
,		98 200
n State Franchise Tax		90,000
	Projects State Franchise Tax rearchise Gross Receipts Supy & Inspection transmission User Ta: Allocations Allocations Projects rry and Other State Franchise Tax	Projects State Franchise Tax Franchise Gross Reseipts Supv & Inspection Fransmission User Tax Allocations Allocations S Projects Fry and Other State Franchise Tax

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

Line	Davarinton	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
No.	Descripton	·FUH·X	Jul-1		3(0-1)		1(0)	EZULU-L	721-30	1 (17-11)			1414 10
1	Division 093						10.101	10 4 110	** ***	*** 007	** 0 * 1	10.001	10.070
2	FICA	13,491	13,872	8.435	32,288	9,276	39,621 23	7,638 2	23,503 2,258	17,293 (197)	25,851 (212)	12,391	12,968 15
.3	FUTA	2	2. 9	7 5	22	11	10	(1)	1,377	(416)	63	(6)	3
4	SUTA	374.854	374,854	374,854	374,854	377,854	377,854	377.854	408,454	408,454	408,454	408,454	408,454
5	Ad Valorem	374,634	26	769	218	(34)	371,034	49	65	(936)	7	4 6-00-4 5-5	400,40
6	Payroll Tax Projects	60,000	60,000	60,000	60.000	68,333	68.333	68.333	68,333	68,333	68,333	68.333	68,333
/	30105 Corp/State Franchise Tax		167	167	167	167	167	157	167	167	167	167	167
N O	30107 City Franchise	69,870	35 108	34,946	36 013	52.046	26,407	115.027	156.472	111 360	99,981	57,444	37,266
	30109 State Cross Receipts	19,838	39,858	39,858	39,838	39,858	39,838	39,858	39.858	39,853	39,858	48,077	48,077
11)	30404 State Supv & Inspection	10,343	12,016	17,030	17,616	29,876	,17,836	27,670	.7 / 17.743	27,023	33,476	**	21,740
11	30108 Pot fransmission User fax	14,530	13.313	16,498	3,776	15,034	30.811	11,261	15,835	(151,157)	6.362	13,491	15.378
12	Division 91 Albications	8,677	8 360	12,571	7,017	9,173	24,327	7,564	13,545	9,370	11,197	10,040	12,270
11	Division D 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
14 15	Division 02 Allecations Total	\$ 604,778	paparating at the view of the analysis of the	5 386,921		\$ 585,027			5 748,011		\$ 673,140 S	632,119	\$ 641,664
16) Otal	***************************************	9 24 7 1 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2		esteron de la company de la co	······································		Management and the Assessment of the Control of the		MANAGEMENT CONTRACTOR		THE THE PERSON NAMED IN TH
17	Division 002												
18	FICA	256.179	279,868	389,068	199,031	239,380	762,216	173,145	245,539	242,067	213.654	243,911	333,708
19	FUTA	272	399	171	496	393	410	136	29,755	(631)	(1,029)	76	695
20	SUTA	983	1.018	785	1.037	1,023	1,386	424	71.227	(15,357)	4,677	434	1,471
21	Ad Valorem	44.000	44,000	44,000	44,000	64,560	64,500	64,500	69,700	69,700	69,700	69,700	69,700
23	Payroll Tax Projects		*		*			,	*		13,579	743	152
23	Taxes Property and Other	180,544	26,608		1,117,807	65	82,788		,	**		*	(15,846)
2.1	30105 Corp/State Franchise Tax								*	~	w.	, .	
25	Total	\$ 481.977	5 351,893	5 434,024	\$ 1,362,370	\$ 305,360	\$ 911,301	\$ 238,206	\$ 416,271	5 205,779	5 300,531 S	314,864	\$ 389,879
26		- AS THE STATE OF	TANGEROOG CAAAA OG TE ELLE AA JAMEER EREET.		#19 <u>14(1)###################################</u>	>+004/48/44/48/44/1000/48/44/40/100/44/44/4	HAMILTONIA CONTRACTOR						
27	Division 012												
28	FICA	147,260	140,256	233,551	110.406	151,302	482,774	116,349	183.399	162,535	190,014	166,897	214,727
29	FUTA	156	201	110	280	220	236	79	17,826	(587)	(301)	38	403
30	SUTA	\$66	508	485	532	572	796	245	42,673	(9,439)	2,993	239	\$51
31	Ad Valorem	44,000	44,000	34,000	44,000	48,700	48,700	48,700	52,600	\$2,600	52,600	52,600	52,600
32	Total	\$ 191,981	5. 184,966	\$ 278,146	\$ 155,268	\$ 200,793	\$ 532,506	\$ 165,572	\$ 296,498	\$ 205,109	\$ 245,106 \$	219,775	5 268,581
33		STEELS ALL COMMISSION CONSISSION CONTRACTOR	SESSESSESSES CONTRACTOR OF SESSES	5370003983987799397989878474444444	0.565 (\$1000000 \$4,000 \$1000 \$1000 \$1000 \$1						and and an analysis and an analysis and a second a second and a second		
34	Division 021												
35	FICA	29,691	26,763	34,385	3,979	35,661	73,294	26,669	34,981	36.190	14,920	31,893	35,379
36	FUTA	3	2.	6	18	0	16	1	1,554	(122)	(141)	3	12
3.7	SUTA	2	8	3	11	10	6	(1)	948	(284)	61	(5)	2
38	Occupational Licenses	*	-	*	*	**	-		-		*	-	**
39	Payroll Tax Projects				^		4		•		-	*	*
40	Ad Valorom	5,000	5 000	5,000	5.000	200	200	200	300	(396,474)	300	300	300
4.1	30105 Corp/State Franchise Tax	^		-		h		A*		*	ø	4	*
4.7	Total	5 34,696	5 31,772	\$ 39,394	\$ 9,608	5 35,871	\$ 73,516	\$ 26.870	\$ 37,784	5 (360,690)	S 15,140 S	32,191	\$ 36,694

Line		Attrition '	N
No.	Descripton	Attrition	16.81
1 Division	1993		
2 FICA	p	21	6,627
3 FUTA			1,927
4 SUTA			1,069
5 Ad Valo	rem	4,6?	5,248
6 Payroll	Tax Projects		247
7 30105 (orp/State Franchise Tax	78	6,664
8 30107 0	Sity Frenchise		1,833
9 30109.5	tate Gross Receipts	88	1,921
10 30104 \$	tate Supv & Inspection	49	4,731
11 30108 E	Out Transmission User Tax	3	2,083
12 Division	91 Allocations		5,123
13 Division	12 Allocations	13	4,110
14 Division	02 Allocations		5,805
15 Total		\$ 7,42	7,402
16			nor-rear-section.
17 Division	1 002		
18 FICA		3.57	7,816
19 FUTA		2	1.141
20 SUTA		6	9,109
21 Ad Valo	overn	71	\$,000
22 Payroll	Tax Projects	1	4,424
23 Taxes P	roperty and Other	1,39	1,466
24 30105 (Corp/State Franchise Tax		*
25 Total		\$ 5,80	2,454
26			
27 Divising	012		
28 FICA		2,29	9,670
29 FUTA		1	8,461
30 SUTA		4	1,072
31 Ad Vali	oren		5,100
32 Total		\$ 2,94	4,303
33			
34 Divisio	n 091		
35 FICA		38	14,805
36 FUTA			1,352
37 SUTA			761
	tional Licenses		٠
39 Payroll	Tax Projects		
40 Ad Val		(37	(4,674)
	Corp/State Franchise Tax		A
42 Total		S	2.244

SETTLEMENT AGREEMENT SCHEDULE 6

Schedule 6

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

Line				
No.	Description	Reference		Amount
	(a)	(b)		(c)
1	Base period per books Depreciation Expense (1)		\$	11,358,190
2				
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		N: 7 3		
11	Amortization of Deferred Pension Regulated Asset*	Wp 7-3		0
12 13	Net Elimination of Intercompany Leased Property	Wp 3-1		208,434
14	Net is immation of intercompany Leased Property	W D 3~1		200,434
15	Adjustment for Depreciation Expense on Capitalized Incentive Comp	Wp 7-8		(82,582)
16	regulation for Deptermina Expense on Capitalized Mediatre Comp	11 P 1 0		(02,502)
17	Total Depreciation and Amortization Expense, As Adjusted		\$	12,652,532
18	1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		***************************************	<u></u>
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

SETTLEMENT AGREEMENT SCHEDULE 7

Schedule 7

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

Line		1	listoric Base			
No	Description		Period (1)	Change	Attrition Year	Reference
	(a)		(b)	(c)	(d)	(e)
1	Original Cost of Plant	\$	486,264,877	\$ 60,340,153	\$ 546,605,030	Wp 7-1 Wp7-2
3	Accumulated Depreciation and Amortization		(191,843,738)	(12,781,504)	(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
7	Storage Gas Investment		4,708,124	(152,170)	4,555,955	Wp 7-1 Wp7-2
9	Cash Working Capital		1,035,838	53,558	1,089,396	Wp 7-5
(C) (C)	Material & Supplies		15,835	15,669	31,504	Wp 7-1 Wp7-2
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
17	Customer Advances for Construction		(76,428)	56,432	(19,995)	Wp 7-1 Wp7-2
19	Customer Deposits		(4,770,726)	3,146,701	(1,624,026)	Wp 7-1 Wp7-2
21 22	Accumulated Interest on Customer Deposits		(71,237)	19,188	(52,049)	Wp 7-1 Wp7-2
23 24	Unadjusted Rate Base	\$	254,978,975	\$ 47,568,275	\$ 302,547,250	
25	Adjustments:		(2.415,620)	(985,367)	(3,401,987)	Wp 7-8
25 27 28	Net Elimination of Intercompany Leased Property	\$	5,806,952	\$ (311,751)	\$ 5,495,201	Wp 7-1 Wp7-2
29 30	Total Rate Base	\$	258,370,366	S 46,270,158	\$ 304,540,464	
31	Return at Overall Cost of Capital on Rate Base	\$	19,498,097	\$ 3,599,818	\$ 23,701,028	

32 33 Note:

34 1. Twelve months ended September 30, 2016

Tennessee Distribution System
Reaboration of Rase Days Items at Proforma Allocation Factors
Twelve Northe Ended May 31, 2018

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								7 7 77	Sur-Dec FY37		41.85%	4,5255.4 4,5255.4	1.86%	436%	3.23%	5,775	2796.0		
Ç.	5 (nor th	Printen 993 -	Division 891 - YSS-States Green al 1950s	Division PTZ - SSE Cushener	8	Division (002-	Cornerable	1.6.14	*F.GS	5,008	**************************************	4.3.7%	\$5,000 T	X X *	1,12%	ž	** 000 B	Takki Economone	PR APP
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Tennessee Distribution System Realneation of Rate Bute Items at Proforma Atlocation Factors Twelve Months Ended May 31, 2018

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Tennessee Distribution System
Reallication of Rate Bare Hene at Proforma Allocation Factors
Twelve Months Ended May 31, 2018

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CArtistine 012 4,46% 4,62% 4,52% 4,52%	****	Ð			ć	==	Q:	.2	T:			z	¢,	*	*	æ	0	9			43% 759	Q 26, 2023	0.36 30 5	(1.26) 2003	15.264.980	0.980,68.0	-1289 6827	(900,4%)	(\$50.052)	(400.934)	Corates	
2015-600 (001 -0.23% -0.23% -1.28% -1.28%	41.91%	(3)			÷	5	•	c	ມ	ε	2	÷	c	9		ç	2	K2			080 600 50	\$1.00 B. 2008	(4.00 Mon. 90	(104,301)	2.423463	2.022,8400	3.622,8.49	6,707,033	(2.30% e/2)	0.80,633	8247.56	
Divinion 993	25.00	5			5 855 KMG	1,381,000	1200 1400	11572 8135	0.0 Sat 7 sp8c;	0.54 (52.0)	100% 898.13	350000	01,058,419	(388-882) D	1. 556 kW;	0.000,000	(1.65) pWo	11.28.25.1			785 #10 5233	18, 187 n.Zu	185 40, 623:	two districts	(#1,200,23%)	(8% 453,236)	(35,523.750)	146,362,2351	P46.302 JASS	14K300398	1879, NEW ARR	
FY14 OverFY37 Anna Dec FY17 Jan-Sep FY37	AEGN	(4)			5-	.2				×C	3	*:	c·	ç	7	75	6	3			^	r	^	7	\$	37	Ċ:	ò	**	œ.	70	
A. Serg	10, 50	(ht			æ		4.	5	ن	a	0	52		?	5	19	7	,			45	275	à ,	÷	÷	22-	32	3	2	w	12	
	Copperation	(å)			2	*	<		*.	÷	÷	-		-	r	9		×			à.	*	e.	ía.	٥	2.	ř.	۵		æ	n	
	Devision 862. SSE Crewent	(2)					7.		=	2	ä	-\$	٦	à	*,	8			# A A A A A A A A A A A A A A A A A A A		245,1377.802	837 045TER	432,182,004	850 140 150	800,445,437	80x 500 408	801 7341 108	> 25,235,8w5	134,162,515	523 554,273	461,287,694	
	S.	(4)			19		,	å	**	3	1:	t	42	G.	ō.	0	٥		20 - Sheet		G	п	711	D	.T.	131	Ċ		ŵ	۵	e.	
	Division 913 v SSP Crassons	(3)			£	1	Q	Đ	ď	2	в	n	· c	٠	.35	es:	**>	1	menticular en		100000000000000000000000000000000000000	127.016.040)	(2) 24-340.	(27.9) 6.9-40 -	178 00 1,400	29 042 233,	128/038,2492	12 - 25 PM	127 525 4583	(807)777(77)	017 426 1043	
	Division 991. Mid-States D. General Office S.	(4)			e	-		:		¥;	Ų.	*2	w	÷	Ų	ā	92	(1)	St. (900) St.		16,251-5093	10 034 5083	CA DM 150F3	C 50 - 40 52	57826,6475	2 April 649	~ 85 Ger	1288 (102.5)	(3.5%,dM)	03,501,5801	Sales tales	
	Division 697 - Tennessee G	(4)	Light appeal (Associated Accounts 2359)		0.803.4969	(4.359 MM)	(1.726.982)	(1 A NO 873)	C. 637, 8203	0.000.000	Chapte State	1, 130, 5290	0.4440	0.355 (\$0.0	12 SS- 8-93	71,425,003,	3500 \$77 TO		A Line of Control of C		025 The V&	485,462,454	3(20.01+18)	cmp 0.022,6235	(30 4c/s 258)	189-463-238;	CA.55.50.25.	146.762,235	(46,102,205)	(48,302,335)	(30,808,303)	
	O Sport		or energy (history		2000	£: :3:	2	Colored		6.50	Sec. 37	Cont.	30	(C)::(*)	3,68. 18	Month	262.00	755 AUT	field to state the transfer of	-	A181113		769.07	1. Or 4	Kp-13	5.3	20.32	Dec-12	Je is	F03618	Maynelle	
	## X	W	2	8	s.:	d:	C,	y'.	Š	2	,	×	200	ŝ	ă.	×	E,	ž	2 % %		68	š	ij.	3	*	ž	5	×	6	3	3	

Tenensse Distribution System Realionation of Rate Base Items at Portocrus Allocation Factors Twelve Months Ended May 31, 2018

									FY16	Elevation 973	Devision 091 4323%	DA-rissian D32 4 46%	0557	Division 902 4.43%	Greenville 1,33%	AEAM SJIW	A4.00%	
1	; ;	•							No. the FVI?		41.819.4 41.88.4 41.88.4	* * *	1865	4.26% 4.34% 4.33%	2000 2000 2000	9,287% 8,37% 8,36%	8.08% 8.08% 9.90%	
Division #15 - Note of Division #12 - Division #15 - Note of #15 #15 - No	Division 991 - Mid-States Division 912 - General Office SSUC dutamen CRV	Division 812 - NSU Customer CKV	À,		1000	Dhomas 802. 3851 General	Greenväle	(EAM	47.03	,799.	21,91%	4,67%	1.80%	1,36%	132%	3,36%	5 99¢%	Total Tennouse
(t) (d) (e)	(t) (d) (e)	(4)	(4)	BBO 45 404 404 404 404 404 404 404 404 404		(f)	Э	£93	(9)	(ii	(/)	9	(ia)	(a)	(a)	æ	(6)	\$
And hard the second of the second sec	(and topological)	unus; sen																
TOWARDS TO THE PROPERTY THE PROPERTY CONTRACTOR	13 14 6 14 14 14 14 14 14 14 14 14 14 14 14 14	1000 May 1100 Checken	1000 May 1100 Checken		08.30	(78 DOM,020)	0.280.780	122 et 2,780 .	7.00.255.7	CD4 545 130	(462,535)	1, 500 1000	0.85/32	0,411.00	\$0.00	(480 S08)	-	0263.378,4493,
THE STREET CLASSICAL CARROLL CARROLL	CARSON COMPONED CARSON	(3.1899,244) (3.495,100)	(3.1899,244) (3.495,100)		* : 'ac '	Naga Mengalas	38 5	(14,2%) No.	(3,89,66,5)	5.65	CAN CAN	1 2 CA 80 KG	10/05/2	(4.5.5.9E)	F-2,75.4	(685, 722)	_	CM8 070 0800
and the complete of the control of t	1 22 62 62 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	(Allemoniation (Application))	(Allemoniation (Application))		3	0.00	13. V. S.	122 Sept On 14	1,408,15%	1.124, Man #36.	(Xet/yes)	C1 #4 1	(A) # (A)	(USALANA)	(53:182)	(A) 1891	-	2241 4 10 10 10
11 473 No. 11 11 10 10 10 10 10 456 456	1 475 March 187 19 1981 (3 140 455)	ART 19 1940 - 33 160 455;	ART 19 1940 - 33 160 455;		200 240	*	0.800	17 051 963	(3.54.16.09)	- 500 012 560	280.6.13	14.47.4531	150 40 22	12 C 038.	14 7061	1236 1237	-	1292 547 140
(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	WHAT COURTS FROM THE	(21, 64, 67)	(21, 64, 67)		(B)	130	0,428,6475	113 (75,424)	17.00	100 KIN 101	1809,274	1500000	-61.380	0.05450	(48) or	1,580,0330	-	(20) 7:2 %cm
	C. 1986, 346y (SALES 516) - 3,892, 346;	(34.412.4%) - 3,492.M45	1,197,366		(61, 82.8)	ŝ	4 4 100	181 (00,485)	(2.80) A(3)	4386,549,3869	(88.0.39)	11.883 (2.1)	55,579,55	G 172,3K3	(45,587)	109474144	_	CO) 394 (30)
No. 17 (1907-1467-159 - 1907-156) (317-854-159) (0-015-349) (A1803-175)	(200 SM) (200 SM (200) (200 SM (200)	(97.854.09) C. 485.859 (G)	0.003.000		1.8.2 BBG3 1.7	ŝ	1,8 400 / 170.05	003,038,03.03	22 Nov. 1925	10% 20% 77%	1837.253	0.00.000	(64,036)	C) (2) (5) (5) (5) (5)	25.84.25	190x - 3x	2	290 28 Mess
0950 KC (1951, 2001, 1951, 1951, 1951, 1951, 1951, 1951, 1951, 1951, 1951, 1951, 1951, 1951, 1951, 1951, 1951,	\$1,000,000 J. T. Tour 2001 (3, 100 WO).	3. Year 300 (3. per 960);	3. Year 300 (3. per 960);		(8),628,034	æ	C 308,003	13.1 (28,30%)	1.80 0813	CHARGING SECTION	(345-126)	(4.522.508)	065.5925	(3.646,354)	346.3523	(37.78)	•	(2012/2014)
ARCH (1988 SALENDE) (EASE ASE) (1985 SEE) (5.534 BTS) (1983 ACE)	(1,044,400 to 1,040,400 to 1,04	1808 865 KB (1885 558 BB)	1808 865 KB (1885 558 BB)		184,469,330	,	13, 522,550	033.71c 533r	CS 349, 782)	10% 847 938.	(863.952)	01,252,363;	2	(FME026)	144, FB.	c224,2945		201408 208
	43,548,543 - 19 and 693, 43,185,058)	1.30 page (601) 1.5 (85 (58)	1.30 page (601) 1.5 (85 (58)		(85,285,246	_	CO.44.03	00,880,690	-682 112 kg	1 (20/4/89),0081	(18.00)	(982,086)	\$2.167.399	(1,719,022)	(46 684)	CHENT	~	C266 215 90E
March (200 HE, May (1954-24) (2555-291) (2552-20) (84-10-663)	C1450-5450 (34-54-54) (34-545) (34-545) (34-54-54)	(98.95) (94.0 CM)	(98.95) (94.0 CM)		(St. 13:-66)		C \$69.96.0	G1524 772	D.312,9843	(200-111-008)	1837.387s	51 MI 20X	(48,215)	OL 122 John	040,140	(344,0173)	•	1207 102,185
	(\$67,764) (\$62,962,98) (\$477,69.2)	(40,446,950) (347,690)	(40,446,950) (347,690)		366 9 4 8 96 80		1.363,874	(34.106,944)	(3.41.6,60);	2010/04/83/7	(8.19, 175)	(3.841.56.1)	(69)(66)	(CD#K 978)	92.47	125 521		CS45255 (S47)
-	(1,95%,957) (46,859,643) (3,729,720)	140.559,6133 3,729,780;	140.559,6133 3,729,780;	1	(17.759.494)	-	0,513.7%)	04339 1123	- CS (2 CS CS CS)	CC (38) (28)	(\$25.00 D	1.571 st. 3	1 (\$0 65)	13.532.80x1	628 820	(362,600)	.,	(268, 1686) 5
Angrege (1947-684, 182) - 1,928-1920 (1949-193) (1948-193) (4.3.20) (4.3.20) (4.3.20)	1,223,184, 177,177,131) (3,485,43)	11111111111111111111111111111111111111	11111111111111111111111111111111111111	-	(#40,040)	- 1	C+9 (41)	(13,546,52%)	(3 89% (4g))	1107.084 (42)	(812,072)	(1,547,088)	SIEN.	(3,643,765)	145 3861	(736 \$95)		(265 625 50Z)
Charamage Ach and an Assemble Land	***	223																
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(74,242) × E	**			Ġ.		~	er.			126.23gh	0,	5).	ş	33	472	Ø	2	(2073C)
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Commune (14 90%) B S	*	×		œ.		vik	÷			, 19,000 E	ò	vů.		÷	÷	90		\$66.5

Transace Distribution System
Reallocation of Auts Dask Stems at Proferms Affication Pactors
Twoke Meants Ended May 31, 2018

										Division 913	Division 891	Division att	AND	13 violen 982	Creenville	AEAM	ALGY		
									FYTA		43.23%	7-79-7	4.97%	4.43%	1.33%	4.31%	A.80%		
									Opt 17.17		41.614	4554	1,46%	436%	1.39%	528%	2.000		
									New Day PV17		4LM6%	%IST	1,16%	1304	1,29%	2.57%	4.00%		
									Jan-Sep FY17		11.40%	4.82%	1,86%	1,22%	1274	4787	4,00%		
1		White etc.		Detien 912 -	*76.00	Children 685.						Ą			1	-3	,		
	3	3	(3)	3	3	\$	9)	3	Ф	8	8	8	1		3	8	2	3	
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1	District of Land	STATES INTERIOR	THE PARTY OF THE P	gi															
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7	May-17		* 1	di i	ngs. 3		•			(Yearse)	6 -	-	ia t	• 1	60 (- 1				(36,71)
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100	MELL			46	4		#			なると	•	gh. I	d.	*	65	•			47.0LD
146	ALC: T		d) ~	dis	49	•	•			(21,676)	de	•	ö	*	•	*	_		41.878g
Ž	LT II		•	-44	*	0	*			(35,472)	***************************************	詗	*	0	•	*	***		ATOM S
3	00477	7 (59,153)		ies.	隊		4			04.1535	•	£	40	٠	0	*			39,150
147	Nov-17		*	*	*	**	*			(62,102)	•	*	10 -7	**	8	•	**	-	A.Z. 1923)
7	0	7 (64,046)	•	**	*	4	***			Che Ant.	0	•			•	*	~		64,0463
583	OI - TO	(88,432)	*	82	*	**	*			(68,432)	٥	ø	***	10	103.	**	*		40,432)
2	Feb-fit	(19(9C) X	*	the	•	**	#			(346,940)	\$	pi,	4%	*	*	*	•		Short)
50	Marvill	(46.582)	*	als	13	*	*			(384,582)	•	e#	•	D	*	***	700	-	46.58()
2	April	(12723)		is.	*	*				(52,777)	:th	*		6	**	47	THE .	12	32,727)
254	Magnit	\$ (80,027)		2	40	•	.0			CHART	×às.	0	*	•		85	7		SEA.573
¥	Name of Street	(12,000)	*	ô	g.					(32,000)	e	9		*	100	b	I		S. Peres
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	Not eliterated	Con of Lither Sections	and learned anymetry																
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2	Mary 17		•	*	**	#P	ф.			2,396,134	ф.	*	100-	4	ès	*	30	5.1	5.9ME, 124
188	No. of	3,578,763	0	•	4	*	100			5.578,346	•	•	٥	**	*	*		87	78,785
OWY	松工品	7 3.56 LAUT	•	80.	*		0			3.561,407	**		•	*	0	*		4	1967
*4	Asset	3.548,948		*	7	**	0.		4	2 Sea Coll	*	de de	*	4	•	*	_	*5	MA, DATE
152	Bap- (7	9 531,880	de	***	4		=			5.571.400	40	*	*	**	•	=		3.5	0.000
163	COR-17	\$ 514,000	***	*	43		•			5,514,830	m	46	-	qd	•	•	-47	3.5	HAMM
3	Now-17		•	*	0	•	*			4.488.85P	100	9	*	*	•	•		4/4	SPEC NEW
10.9	Dec-17	T SANGE	•	•	4		20			3,679,489	0	9	寒	9	0	**	_	4	79.230
1106	St. and	3,461,913	400)	40	9		40			\$161.00,0	*	9	140.	6	**	0		**	61,918
187	Poly-18		*	100)	•		٥			SALL SAR	.00	*	-	38 -	*			2	44, 540
168	Mar-18	8 5,427,178	***	#	*	8	*			1-42T F78	.# .	99:	*	46	3	8		*	27,178
1	Apr-13		D.	候	100	156	208			5,409,807	**	•1	*	•	4	•		R	3,409,807
2	Mayoff			*				X.	****		•	**	0	•	*	4		76	A
121	Archie		(0)	300	9	-	•			APP. SH			**	**	*	0		23	18.20

Tennasse Distribution System Realizention of Rate Base items at Proforms Allocation Factors Tentre Mauths Ended September 70, 2016

COLONY C													Eachary	Division 093	~	Davision 012	CIEV	Dicylations (100)	Gerocalwalls	AEAM.	ALCIN		
				Thinkelous (1013 haled									FX13	100,100%	40 MIN	4.41%	O.MCN.	-	4477	O.CON.	0.00%		
	17				Division 013 - 355.		Dystain																
Second Column Second Colum	- 1	Menth.	Contract of	Online	Chatemer	CKV	-	7	James Pic	AEAM			2006	100 DOW	40,29%	4,46%	agric	4.43%	1,3396	3,31%	O'CHING	Tribed	Carpenge
Sept. Sept		(8)	14)	(0)	耄	(0)		e	(iii)					(46)	40	6	3	0	(m)				F
Cut Strate Cut C	3	To Pleasin !	Service (Second 1)	m																			
Control 18 Acquation 18 Acquation 18 Control 18 Acquation 18	84															4							
Cut-13 Statistics Cut-13	20	Sep-15 w	459,640,793	3 4,746,113	gris.	65	we	179,508,F45 S	9,263,141	89	+	3	16	7	1,930,694 B	4,345,946 \$	FORDUZ #	7,420,791	\$ 11K,350 B			*	5.984,868
No. 1	•	CRE-15 \$	1 460,728,864	4,246,113	\$ 146,405,313	gA.	spik.	179,574,986 \$	9,263,141	MA.	94	fix		460,728,864	2,061,933	6,572,445	125,056	1,950,069,7	123,634	0	0	.44	7,312,001
Decision of the control of the con	ijn)	Nov-13 \$	1 462,860,591	4,753,091	\$ 146,432,451	115	sill	179,570,139 \$	197797	w9	**			195,660,091	2,054,990	6,533,836	125,036	7,949,863	123,634	C	0	*	9,447,251
	id.	Dec-15 \$	1 463,898,283	3,882,432	\$ 148,592,533	***	ME.	165,810,002 \$	97263,847	\$ 21.648	# MEIC.	**		463,898,283	1 ASZ, SHIS	6,621,114	950521	7,340,756	123,634	1,151,074	0	4	0,912,671
	F~	Jap-16 \$	1 464,583,69R	\$ 3,322,021	\$ 148,421,275	No.	100	\$ 485,386,31	9,196,755	\$ 21,681	3034 \$	+		464,582,688	1,652,737	6,672,194	123,036	7,345,123	122,748	1,151,074	D	*	1,600,843
	3%	大 生工	1 4455,934,928	3,822,821	\$ 148,433,724	49	sati.	165,899,953. \$	9,196,785	1 23 Aut	\$ MO.			445,934,928	1,652,787	6,623,843	125,056	7,344,653	122,748	1,450,074	0	4.	2,955,061
Application of a composition of a		Mac-15 \$	1 464,420,24h	\$ 3,827,715	\$ 1-18,007,856	49	ant.	164,973,519 F	9,194,735	3 11,730	\$ 1087	+		468,424,2411	1,652,279	8,647,676	17:3,056	7.347,91G	122,748	1,152,154	9	*	5,473,001
Administry of Tablian (1) Ad	10	April6 \$	TAK 275,847	\$ 5,021,735	\$ 140,961,307	e/s	414	166,017,096 ¥	9,196,755	875	\$ 1007	Ŕ		469,795,947	1,652,279	4647,384	123,056	2,146,839	123,748	1,153,154	9	*	6,846,3U?
Late 1, 10, 10, 10, 10, 10, 10, 10, 10, 10,	1 ×	May-16 \$	1 471,781,613	3,844,890	\$ (49,326,87)	,694	100	166,7H0,805 B	9,196,755	\$ 31,730	\$ 100'	+		431,781,613	1,643,299	6,662,579	125,056	7,340,108	122,748	1,153,154	E	够	8,007,557
	7.1	fun-16 \$	1 472(33,989	3,837,361	\$ 149,460,613	49	100	106,749,24T \$	9,196,755	99	# IDE	4		472,633,649	1,654,430	6,666,0199	125,056	7,187,251	123,748	1,153,154	e.	34	2,743,423
Anapolity of state of the state of	8.3	34-15	-	\$ 3,838,277	\$ 149,406,119	404	1979	167,413,171 \$	9,196,758	**	1,303 \$	Я		473,718,600	1,538,439	6,664,338	125,036	7,431,646	123,748	1,153,754	\$	8 49	2.836,984
Supplicity and a controlled by the controlled by	7	Aug-15 \$		\$ 3,938,277	\$ 149,325,218	104	ún.	165,513,348 \$.	556,308,9	\$ 21.694	* 400	*		279, mgs, 599	***	6,662,728	145,337	7,327,529	122,248	1,151,756	Ģ.	**	5142
Construction White in Discreption is a controlled with a controlled with induction of the controlled with induction in the controlled with ind	5	3ep-16 #		est.	\$ 125,005,303	esti.	100	133,411,90% #	9,196,755	-	\$ 2001	17,437,800		400,567,203		1,341,438	145,847	5,000,236	122 748	C.160,613	6 2	14	3,149,223
Supplied Disconsiderate March	91	Average \$			Н	4	40	(mc, 16/0,936)	Walter	ie.	\$ 110	1,358,752		468,491 JUL		6,524,149.5	1.06.1977	1875.6	15:20	- 1	-		4,284, apr
Supple Structure Supple Structure Supple Supp	1.0																						Y
Cee 15 g 1,000,C12 g 1,12,007 g 1,200,077 g n g 12,130,205 g n g n g n g n g n g n g n g n g n g		markir section.	Warts in Process.	Second 1879)																			
Subjective in the control of	61																						
Che;15 g 5,646,712 g 1,546,71	23	Stop (5 &		(31,7117)		*	98	\$ 955 milita		被	98	igt.	95	3,636,42%	(12,931) \$	_	yal v	PATA, MAY	14. 14.	9	*	υE	4,733,150
Vinc. 5 Vinc	7	Oppus 3	_	15,967		48	*	20,438,782 \$	k	帧	403	*		5,406,732	6,903	86,862	40	905,743	*	\$	-	14	6,466,240
Dacid Street S	a	Nov-15 \$	\$ 6,569,178	(36,146)	14	* 44	10.	21,792,720 \$	*	gat .	key F	:#:		6,363,188	(37,244)	02.65E	D	9648,738G	•	4	4.	66	7,583,383
	23	Dec. 15 §	7,184,500	\$ 1514,199	ы	* 2	48	19,265,368 \$	7	纵	em 'es	R [*]		7,146,580	45,640	33,648	٠	452,917	•	•	6	wi	R. ! ! 6, 1977
Pre-16 13541 100 2.05 25 25 25 25 25 25 25	75	lan-86 \$	1,763,423	\$ 291,405	\$ 865,705	10.	49	19,314,421 3	4	*	99 15	4		7,763,425	175,966	38,40%	20	BA11,7505	4	Φ:	440	105	R, YGR, BLS
Name of 5 (2000 S 1373(48) S 2 (2000 S 1374(48) S 4 (2000 S<	23	Pet-16	1 1,330,1900	\$ 226,547	95	**	NAF	\$ 100,100,01	•	*	BPR 18	ř		8,150,130	97,943	71,465	*	\$76,6C.2	AP-	*	早	56	9,396,149
Aqvis 5 (10,997,48) 5 (480,33) 5 , 5 (23,98,48) 5 , 6 , 5 , 4 , 5 , 4 , 4 , 4 , 4 , 4 , 4 , 4	*	Mar-16 8	1 9.532,025	\$ 657,210	ы	ÁA;	100	24,496,399 \$	4	446	41	,		9,552,085	284,134	49,375	ex.	1,044,489	10	4	40	60	D, SMC, CORY
	37	Apr. 16 3	200	\$ 643,133	65		ert z	25,193,1835 \$	39	ųt	are Y	,		(0.197,463	29%432	2000,00	0	1,124,197	也	弘		3/3	1 ACR, 989
Jun-16 5 13,120,233 5 2 33,434,355 5 3 4 3 4 13,120,333 5 4 5 13,120,333 5 4 5 13,120,333 5 4 5 13,120,333 5 4 5 13,120,333 5 13,120,333 5 4 5 13,120,333 5 13,120,333 5 4 5 13,120,333 5 <	77	Mary-16 3	11,328,471	\$ 730,911	64	in an	69 E	25,312,8865 \$	*	95	en ii	٨		11,228,471	\$24,649	63,615	ðr.	1,621,927	de	6	-92	39	2,758,262
Applies 11,500,776 is \$466,475 ft 2,2201,465 ft 3 mm and a second of the seco	A	har-16 \$	\$ 13,124,283	\$ 663,766	⊌5	in -	*	\$ 555,854,83	¥	WA.		ý		13,124,383	286,800	509°W6	0	1,259,905	**	在.		*	4,765,341
Aug-te S (1,539,764 S 4,950,88 S 1,649,752 S - S 25,42,464 S - S 4,525,88	R	h4 16 5	802,012,11 8	\$ \$16,475	ius.	10	***	28,786,709 \$	43	摊	7	¥		11,943,706	365,965	101,797	0	1,274,433	*	*	•	20	3,725,501
Sepirés érogrames avergants se stablishers ou s'appropriation de la separation de production de prod	31	Aug-16 S		\$ 479,088	wi	**	475	20,472,446 M	Æ.	10	4	ħ		11,334,164		CHA, CALL	o o	1,344,792	*	0	8	ja.	3,56,177
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	33	Average	П				*	22.570,722 \$.13	6			NO.			A COMPANIES A	*	1,015.884	3	2	*	89	1.936,947

Tenneusee Distribution System Reallocation of Rate Base Hems at Proforma Allocation Factors Tweive Months Ended September 39, 2016

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Tennessee Distribution System Reallocation of Rate Base Hours of Proforms Allocations Factors Twetve Meaths Ended September 30, 2016

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34	1	Divisions 093	States General Office Office	Design	Decision 813 - SQU	CKV	2	Delaper	Designer 0072 - \$55U		Oromelle	2	AEAM	~	ALCON	996	WOU (II)	40.2%		4 46%	30 60 G		4.0%	133%		\$35.8 \$35.8	0.00%	100	Total Variation
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_	Sep-15 \$		*	89	*	96		49		gh :	9	W.	3	99	*	47	\$ (4.648,844) \$	Mi &	e4, «	٠.	-	46		e4	10	2.		畴	(4,648,824)
-	Opt-15 \$	(4,735,437) \$	b	uń.	a:	44	8	90		*	6	gih.	3	973	•.		(4,735,437)	(1)	=			#	4		=	0		**	(A,715,407)
_	Noval S &	(4,B12,947) S	45	89	*	**	9	무리		50	9	#	4	99			(4,212,362)	121	=	微		RIK.	0		ē	*		8 9	(4,812,967)
-44	Dec-15 \$	(4,823.925) S	*	ant)	-	05	1	=		10	A	44	ğ	99	4		(4,823,925)	(5,	4	0		w	©		90	右		物性	(4,823,925)
,	2m-16 S	\$ (060'YM(*)	4	-4	-4	ten.	-4	30	Y	44	3	14	pl	27)			(4,846,090)	(0)	305	9		*	12		6	*		**	(4,846,000)
_	Feb-16 38	\$ (190'058'b)	*	1/8	0	46	+	*	9	100	ø,	碘		**	4		(4,3154,141)	(8)	0	•		4	Ot		嶽	46-1		100	(AUSADAT)
-40	Mer.16 \$	(4,367,715) \$	4	69	p	ä	9	*	Þi	46	A.	wę	k	94	6		(4.067.319)	-	4	80		•	C		· ć	*		#t.	(4,067,719),
-	Apr-16 .5	\$ (0900060)	.*	**	+	49	T.	Mic	*	*	P	*	*	14	4		(4,790,060)	6	*	0		#	0		105	*		**	(4,790,060),
-	May-16 S	(4,760,196) \$		ja.	٨	27	4	int.	*	all.		*	ř	69	ř.		(4,760,196)	19	#	40			0			- NO		*	(4,760,196)
	Aus-76 \$	(4,740,792) \$	*	149	*	16	8	45		int.	b	**	9	95	- %		(4,740,792)	(II)	Q.	0		•	0		*0	0		100	(AJAK)NID
	Aul-16 \$	\$ 1510(161,4)	4	**	*	42	:9	100	Th.	,46	» .	ā/k	.9	wn.	A		(4.737,015)	95	C			0	6		=	0		*	(A.737,015)
-	Aug-16 .5	14,784,380) B	*	109	9	9/4	*	sh	*	145	ix		4	*	×		(4,763 sand)	450	8	40		10	Q.		•	0		*	H.701,100
	Sep- 16 8	(4,700,779) B	£	10	*	**	4	94	*	59	\$	64	٠	\$,		(4,700,779)	(6,	0	0		u	0		0	ø		2 0	(4,700,779)
<	Average 3	(4,770,716) \$	·	×	1	w	•	¥		8			1	*	i		\$ (4,770,726)	16) 5	\$	*	5	14			20			*	44,770,7261
A.55	are idealed.	Assurabined Debrood PTT/Their Accounts (1996, 2010, 2010)	Account 1786.2	10. M. M.	a																								
	Mapelia S	(76,912,475) 8	7,829,663	19 LF	(32,463,981) \$	n vi	> 1 ₁	* *	750 TOT 100	n w	2 8	n sh	b 4	n in	r v		(76,912,475)		3,345,695	(1,447,597)		A Q	26,709,157,000,357	•	4 0	, 9		m 46	(40,000,000)
-	Nov-15 \$		7,839,645	89	(32,443,981)	646	ď	- AM	404,894,112	46	٠	We.	*	44	У		(16,942,475)		3,248,67%	(1,447,397)			26,779,648		0	9		林林	(48,196,180)
-	Daniel S	(76.912.475) \$	1 681,702	m	(42,443,581)	W	¥	*	623,552,935	100	1	40-	9	145	*.		(76,912,475)		254,727	(1,447,597)		6	12,5604,7131		0	. 🗢		10	(50,460,598)
	Antio S	_	6481,702	44	32,449,5813	101	f	44	644.433.00 E	10	à	44	•	3/1	*		(76,912,475)		254,727	(1,447,597)		2	28,530,160		9			**	(44,535,186)
	E 91 493	(76.912.475) \$	1 681,702	99	(32,447,581)	976	٠	4	649, tas, 947	WĘ.	à	钟	*	,et	Ŧ		(74,912,475)		294,727	(1,447.597)		4	29,181,433		0	0		165 188	CAR.2003, 913)
-	Mar-16 5	(76,174,17b) \$	(4,669,211)	197	(12,443,581)	**	*	. 6	639,629,829	w	*	ψh	٠	wi	¥		(76,674;172)		(2,031,435)	(1,447,597)		-	14,217,423		ø	0		林 祭	(52,016,042)
	Apr.16 \$	(76,9774,972) S	(115,992) 1	97	\$ (32,443,531) \$	**	*	10	637,257,954	145	4.	**	f	349	٠		(76,874,172)		(2,031,401)	(1,447,597)		0	28,212,416		o	Q;		# 9	(52, 141, DOIL)
wh.	May-16 \$	-	k (4,099,211)	**	(32,443,981)	*	,	**	541,397,702	₩.		W ₃	٠	94	*		(16,474,172)		(\$59)1(0)1	(1,447,597)		0	\$ 349 P.19		O.	D		*	(31,959,505)
	Jun-16 \$	(76,874,172) \$	(436,74.f)	NA.	(32,443,500)	10	ė	10	SELLTRAP	şet.	ė	40:	₽,	84	*		(76,074) 73)		G 207,294).	(1,4(1,397)			10 A70.833		0	•		16	(30,138,139)
	AG:36 \$	(78,874,672) \$	(6,334,763)	-	(32,443,581)	100	A	Wh.	69K, 819,996	şis.	4.	**	4	**	w		CT6,#T14,6725	_	2, NOT 28 48	(1,447,597)		0	30,849,322		ø	Ф		**	649, 179,7423
1	Aug-16 \$		~	99	(32,443,581) S	**	4	**	101,475,714	45	24	in	,	in .	¥		(25,874,172)		(1,307,194)	(1,417.59.7)			11,055,439		Ø	0		*	(40-273,623)
	Sup-16 \$		DESCRIPTION OF	**	(Z.746,940)	Wi C		91	063,978,433	u4	*	×	+	•4			(#5,44,523)		1277.AM	(1.24\$A13)		0	TR. Jan Jan		4	9		* 0	F44 123,1231
3 1762. 8																				Ξ		Application of the last		A STATE OF THE PARTY OF THE PAR					

Tennestee Distribution System
Readlocetion of Rate Base Items at Proforma Alboration Factors
Twelve Months Ended September 30, 2016

							<u> </u>	PY15	20 200 2095 D	Divinion 001 D	Diefston 012 4.41%	CICY D	Okcision D02 (Jacourt (Str.)	AEAM A00%	ALGN	
Division 043 4.	Division (191 - Mail- Staten Genoen 1 Office	Dh'sinjam 01.2 = 8.61.1 Chotemen	CEV	Division (102 - 330) Geografi	Osmercille	ARAM	MON	47.74	11)0.187%	48,2396	4,465%	24720	4.43%	36(6.)	5,31%	960000	Testal Toppororer
(9)	(3)	(d)	S.	4))	(9				(p)	69	5	3	2	(101)			(a)
Accommission Deservations of Assessment 189002	SERVICE LANGES																
						,		,			1		the state of the s	1			
(130,472,042)	41	_	(3,304,47E) \$		(3.979,03k) \$	\$ (0)	٠	oli .	(180,472,0425 &	C 240,595; K	(2,051,4673) '4	(27,627) \$	(4,873,486) \$	(90,829) S	oli,	4	\$ (140,721,231)
(101,166,582)	5 (3,049,501) S	\$ (47.32E,628) B	(1,337,334) S	(112,907,554) \$	(4,036,223) \$	\$ 600	,š.	~	(131,156,582)	(1,227,161)	(2,111,439)	(32,2)10	(365,1994,4)	(35,871)	6	4	\$ (189,689,907)
(191,857,980)	\$ (3,080,857)	£ (48,074,187) \$	(3.370,501) S	3 (TTO, 254,077) 6	(4,093,406) \$	\$ (0)	5		181,857,880)	ויייני, ונגיו)	(1,545,018)	(33,513)	(1/6/600'5)	(\$4,694)	(0)	•	\$ (190,467,017)
(181,578,454)	(3,150,416)	x (44,834,173, 5	(), 463,7075 S	(114,347,748) S	44,150,993) \$	(6.2%,173) \$	f		181,400,4841	(433,169)	(2,17A,928h	(\$2,457)	(5,064,128)	(364,398)	(317.75)	#	\$ ((89,975,708)
(144,495,145)	\$ (2,159,369) \$	\$ (90,763,909) \$	(2,237,354) \$	(116,725,5901 S	(2,353,584) \$	(1,226,434) \$. 6		131,305,3435	(938,310)	(\$260,342)	121,987	(3,169,6259	(314,18)	(43,114)	ø	\$ (1945,1873,946)
(182,469,509)	16	K (51,593,150) S	(2,270,(73) \$	(187,777,340) \$	12,670,278, \$	(4,247,340) \$,		142,469,309)	(937,452)	(2,300,243)	(21,914)	(3,314,184)	(32,170)	(46,226)	*	\$,192,041,7005
(193,977,403)	in	\$ (52,315,50K) \$	(1,342,992) \$	\$ (741,829,197), \$	(2,447,033) \$	(1,268,482) S	•		(80%, FTD, 800)	(639,113)	(1334,261)	(22,234)	(3,340,746)	(72,927)	(67,345)	\$	\$ (191,728,037)
	iii		A.334,795) \$	CLIPATA, 836) S	\$ (7,923,790) \$	289,471) \$	*		183,629,710)	Ch41,241	CHARRADE TO	(23,348)	(S. NOT DAIL)	(379,045)	(68,460)	8	\$ (192,970,796)
May-16 \$ [194,721,743]	64	\$ (63,890,013) \$	(1,368,597) S	(120,925,442) \$	\$ 1625,062(5)	11,310,445) \$	*		184,221,743)	(945,342)	(2,401,841)	(22,386-6)	(3,353,540)	(54,442)	(48.573)	ë	\$ 1993,049,966;
(184,890,622)	\$ (2,175,475) \$	\$ (54,589,147) \$	(2,401,400) \$	(121,976,481) \$	\$ GUTLESTO	4 CHINALES	à		184,980,422)	(940,5.44)	(1,435,700f)	(23,186)	(5,400,090)	(\$9.1995)	(70,587)	-	\$ (193,786,232)
(185,444,983)	24	\$ (55,248,241) \$	(1,494,203) \$	1123,058,5217 S	\$ (350/M64.E)	4 (1952351) B	٠		185,444,9837	(947,774)	(2,469.578)	(23,49%)	(3,448,971)	(38,997)	(71,8005)	0	\$ (194,439,567)
(146,040,732)	\$ (2,885,790s S	\$ (58,346,812) \$	\$ 1,505,275, \$	((12,781,577) \$		(LOTTANT) S.	,		(186,040,733)	(945,1404)	(2,315,918)	(74,364)	(%(4)(0)(A)(A)	(36,714)	(73.1.20)	0	\$ (+95,115,057)
1190,699,3471	1 1 (2.100,447) \$	\$ (32,625,930) \$	\$ 538 926 \$	2 184 3945 S	- 1	11,400,000,9	大変ながないの)		1964496430	(947,235)	CHANGEN DELL	LZ4, Softy	(3,992,cR2)	(02/42)	(74,372)	Ø	\$ 1193,202,094
(100,347,435x S			\$ \$3677,6364 \$	(LECTION, CO. 1) B	13277,221) S	(986,947) 8	(71,457)		(188,347,978) S.	£ 1,023,8389 \$	(2,238,983) H	125,3199 \$	(\$1421,37%) B	(40,362) S	E-MARKEY S		\$ ((46,843,74)
Chatemats Advantas, (Assume 1220)	R.12220																
					1					•		,	1	i	1		1
(100,420)		-	98 F	ph t	i i	9	*	14	(78,428) \$	1 t			,	e i	P7 (2)	*	ie s
276,4285	2 00			4					(75,4Z8)	o :	Ċ.	9	2 1	a	2 (0.	
(38,428)	*		-	giá.	4	2	÷		(76,428)	0	0	3	C	Œ.	dr	œ.	jik 1
(76,428)	*	en.	vi :	ş i	ę.	89 E	7		(76,4211)	a .	#	b ,	0	0	ir:	0	w '
(NG#42H)	4	1	2	*	1	aris S.	*		(76,42M)	•	ei.	9	c	¢	£	e	10
(34,428)	*	*	*	96 42	des .	*			(76,428)	0		•	0	*	á	6.	10
(76,42%)	*	\$4. E	2	**	4	20 00	s		(76,A2B)	•	Q.	÷	c	8	0	Ċ	*
(76,428)	*	4	*	## :	3	ufl d	439		(76,42%)	0	0	ø	*	Ŕ	۵	O.	**
(76,4.28)	4	*	*	+	1	*	zķ		(78,428)	Ġ	- 63	17.	Ç	€:	Đ,	43	ja:
CHE, 4720		张 光 张	•	6	49	jan.	5		(76,428)	2	0	0	0		49	¢	50s
(74,428) \$	100	2 46	*	25 Y	.86. 'X'	84 2	Ţ		(76,428)	to	朝	٥	O	10	<u></u>	*	in.
(36,428)	*	*	46	*	ph.	+	У		(26,428)	4	*	0	۵	章	•	÷	904
Sep-16 \$ (78,428) \$		*	*		*	*	*		(36,436)	St.	9	ö	C	0	0	0	×
(76,428) S	5	100		36		4	*	99	Charles &	**	3	7	,	*	*	*	jA.

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

Little Nis.	Month	Division 093 - Tetranton	Division 091 - MS& Stotes Cleared Office	Divid	mon 012 - \$81/ Cultivinir		CKV.	È	ossinian ON2 = 9 Compani	31/	Grand			ABAM		ALEN	Exercis FY15		Desiplan (193) 100,60% 100,00%	23 victor (19) 16,68% 43,23%	D	4.40%	CKY 0.84% 0.97%	D	4 3696 4 3496	l,	mentalle 1,28%	AGA 0.00	2%	ALON 0.00% 0.00%		ed Tenantung
	(at-	ON	(c.)		(fa);		(4)		(6)		(M)								()b))	filt		Ų)	(k)		(1)	-	(m)					(n)
139				N. die																												
	SHERRESCHE CHE LEGIS	STREET, DESCRIPT	Account #128520	121																												
141		+95(397)				4	140	4			3	**	1	**				2	(88,35% 1		\$	4 1		8		*			v \$			(#6.53
142	Sep-15 #			-	+	4	4	3	•		1		15					-	196,0099	a	-			. *		-					0 5	(40/33
143	Nov-15 \$				*	2	4				3	-	1						(100,207)	n		:D		4	a		a		-		0 3	(100,20
144	Dec-15 \$			-	*	*						19	3		4	w.			(135,600)	0		6		er er	20		10-				11 T	(115,60
145 146	Jun-15 #	0		5	*	-		4			3		4						(132,121)	H		8		P.			-		41		8 5	11.32, 4.21
	Fris-14 \$	(1.251)		4						,	4		11						(1.231)	ž)		8.		fi.	19		10		a)		0 5	11.23
147	Inter-16 %			1									*		4				61%,2299	in		n		6	'n		200		۸		0 5	119.22
149 149	Apr-16 5			×		*		1			*		5						(35,307)	ž1		B		PI	n		n:		0		0.8	135.50
150	May-16: \$			5	4		4						×		5	á			143,4371	a		0		14	ti		0		ß		0.5	(43.00
	Ney-15 1			5	*	. 12		3			1	4	1		- 4	4			(23,351)	n n		.0		et	0		- 0		-0		0 5	195.35
151	Jul-16 \$	(67,362)		-5		4		4			4.	7	8	-	-				(07,252)	6				ii.			n		8		0 5	(67.26
153	Aug-16. \$	(70,10%		-		*	·#	1				7	3		8				178,600	-				íi .	-ti				Ď.		è 'S.	(74,10
154	Sep-16: \$			3	- F		7						*						4,600,90003	- 10			4	D D	6				ø		0.5	LANE NO
135	Average \$			3	*	-		- 3			3.	Q		75	-			-8	(1),237)		-	- *	1 +		*	3	- 4		# 3.	11	- 3	(7),23
156	And the St			- C							-							-	Q-10000000, 0					-								2.00
157																																
	to an add and management	e of min remittenin																														
159	AND PERSONS																															
160	9ep-15	5,791,400	٠ .	1	6.		*	6		œ		ě.	2	4	- 5			2	3,791,4001 5		*	- 1	6 .		ie a			3				5,791,400
161	Ont-15	S,R14,029	0		0			B		ó			8		S				5,814,029	ń				0	. 0		0		B		0 \$	3,814,026
102	Non-15	5,791,734			0			6		0			3	6	-				5,791,734	gi		- 10		0	-		6.				0 1	3,791,73
163	Dec-15	5,769,439	6		6			0		ń			3		s				5,769,439	n		- 46		n	0		0				0 1	5.769,439
164	Am-16	5,747,143	0		0.			a		4			3						3,747,143	0		· ·		n	0		0		th		0 \$	5,347,14
165	Feb-16	5,724,848			n			0		0			5		-	Τ.			5,724,848	0		0		0	0		8		6		0 \$	3,724,841
156	May 16	5,702,553			n.			a		4		5.1	5		- 5	-			9,702,993	0		9.		0	0		6		A		9 3	5,709,59
167	Apr-16	5,680,258			ri e			0		â.			\$		-				3,640,238	0	,	48		ά			- 4		.0		0 %	5,680,25
161	Mer-16	1,657,963			D.			Ö		d		0		- A	*				3,657,963	0		A:		ō-	0		6				0 \$	5,657,96
159	Am-16	5,813,149	r		a			0		a			5		- 30	4			5,913,349	si si		4		ū	ď		à.		ä		0 9	5,813,34
170	Fish-16	5,791,054		•	46			ö		D.			3		**				5,791,034	0		b		d	-0		.0		-0		0 \$	5,791,05
171	Aug-16	1,760,759			٨			n		ă.				Sep	12.0	. 2			5,760,759.	0		A .		0	0				A		0 :\$	5,964,75
172	Sup-Di	6,437,861	1	•				Ac.		4			*	- 24	100				6,477,041	a		.#		a	0				4		0 2	4.01,41
172			THE RESIDENCE AND ADDRESS.			*		-	,i		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	- 10	helenighee blick				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	4	3 100					-	4	-		-100	. 4	-		

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

ine					
No. 1 Annual henchmark per Docket 12-00064		2,086,819			
2 Quarterly benchmark		521,705			
3					
4		Centribution	Benchmark		Difference
5 Quarter ended 3/31/13		521,705	521,705		
6 Quarter ended 6/30/13		641,911	521,705		120.20
7 Quarter ended 9/30/13		1,038,413	521,705		516,70
8 Quarter ended 12/31/13		417,671	521,705		(104,03
9 Quarter ended 3/30/14		390,181	521,705 521,705		(131,52 897,13
10 Quarter ended 6/30/14		1,418,839 4,428,719	Marian Committee	S	1,298,49
12		7,720,737	w 3,220,667		1,2/0,-/
13 Monthly Amortization					
14 2 years amortization				5	54,10
15					
, -			Regulated Asset		
16		Antomization Expense	Balance		
17	May-15	+	1,298,490		
18	Jun-15	54,104	1,244,386		
19	Jul-15	54,104	1,190,283		
20	Aug-15	54,104	1,136,179		
21	Sep-15	54,104	1,082,075		
22	Oct-15	54,104	1,027,971		
23	Nov-15	54,104	973,868		
24	Dec-15	54,104	919,764		
25	Jan-16	54,104	865,660		
26	Feb-16	54,104	811,556		
27	Mar-16	54,104	757,453		
28	Apr-16	54,104	703,349		
29	May-16	54,104	649,245		
30	Jun-16	54,104 54,104	595,141 541,038		
31 32	Jul-16 Aug-16	54, 104	486,934		
33	Sep-16	54,104	432,830		
34	Oct-16	54,104	378,726		
35	Nov-16	54,104	324,623		
36	Dec-16	54,104	270,519		
37	Jan-17	54,104	216,415		
38	Feb-17	54,104	162,311		
39	Mas-17	54,104	108,208		
40	Apr-17	. \$4,104	54,104		
4!	May-17	54,104	-		
42	Jun-17		*		
43	Jul-17		*		
44	Aug-17		*		
45	Sep-17		•		
46	Oct-17		*		
47	Nov-17		*		
48	Dec-17		>		
49	Jan-18 Feb-18		-		
50	Net-18		-		
52	Apr-18				
53	May-18	•			
42 Annual Americation*		\$ -	\$.	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

F 5			Man montant	Decided I Didde		
Line	h 6 al-	T-4-1 COLL 002	Non-regulated	Regulated Utility	Odina ADER	COLLEGE: ATST
No.	Month	Total SSU 002	NOL[1]	NOL	Other ADIT	SSU Utilty ADIT
	(a)	(b)	(c)	(d)	(e)	(f)
Ĭ	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	Fcb-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
Boons	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	Fch-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)	, -	88,217,053	870,490,617
41	Oct-17	618,588,704	(249,417,047)	782,273,564	85,732,187	868,005,751
42	Nov-17	618,287,061	(249,417,047)		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)		44,095,872	524,162,535
45	Feb-18	371,914,729	(149,660,042)		41,508,108	521,574,771
46	Mar-18	310,582,063	(150,685,633)		35,916,784	461,267,696
47	Apr-18	306,202,776	(150,685,633)		31,537,497	456,888,409
48	May-18	307,437,229	(150,685,633)		32,771,950	
10	113th J 15	501, 151,427	(200,000,000)	,500,. 12		

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

n Year
37.50
34.79
2.71
102,047
89,396

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

Line No	Description		Attrition Year Expenses	Expense Lag	CWC Requirement (b) x (c)
	(a)		(b)	(c)	(d)
888	Gas Supply Expense				
2	Purchased Gas		73,565,057	39.33	2,893,313,708
3					
4	Operation and Maintenance Expense				
5	O&M, Labor		7,780,145	14.07	109,466,638
6	O&M, Non-Labor		12,931,858	29.44	380,713,903
7	Total O&M Expense		20,712,003		490,180,542
8					
9 10	Taxes Other Than Income				
11	Ad Valorem		4,734,226	241.50	1,143,315,485
12	State Gross Receipts Tax		881,921	(151.50)	(133,611,066)
13	Payroll Taxes		219,870	15.41	3,388,130
14	Franchise Tax		788,497	37.50	29.568,651
15	TRA Inspection Fee		494,731	272.50	134,814,271
16	DOT		32,083	59.00	1,892,915
17					
18	Allocated Taxes-Shared Services				
19	Ad Valorem	31%	101.655	241.50	24,549.571
20	Payroll Taxes	69%	228,262	15.41	3,517.446
21					
22	Allocated Taxes-Business Unit	*****			(BB (A) BB()
23	Ad Valorem	-3060%	(157;078)	241.50	(37,934,328)
24	Payroll Taxes	3160%		15.41	2,499,619
25	Total Taxes Other Than Income		7,486.379		1,172,000,694
26	Federal Income Tax		7,155.341		
28	Current Taxes		7,100.041	37.50	
29	Deferred Taxes		7.155,341	-	-
30	Deterior Tutos		7,200,273		
	State Excise Tax		1,700,035		
32	Current Taxes			37.50	-
33	Deferred Taxes		1,700,035	~	**
34					
35	Depreciation		12,652,532	•	•
36				100.70	0.400.500
	Interest on Customer Deposits		52,781	182,50	9,632,503
38	1 7075		C 05: 417	91.25	547 600 314
	Interest Expense - LTD		6,001,417	91.43	547,629,314
40 41	Interest Expense - STD		274,176	24.05	6,593,578
42	interest Expense - 3117		274,170	200	0437,507,07
43	Return on Equity		17,549,647	*	**
44	Tomas and well and	4			
45					
	TOTAL		147,149,368	34.79	5,119,350,338
47		1			
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 Period	Expense	CWC Requirement
No.	Description (a)	*	(b)	Lag (c)	(b) x (c)
	.~ (°) ***				
2	Gas Supply Expense Purchased Gas		40,904,923	39.33	1,608,790,612
3	r m chased das		40,304,323	37.23	1,000,790,012
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	manual and a second a second and a second an	21,584,075		515,710,149
8	•				,
9					
10	Taxes Other Than Income				
1	Ad Valorem		4,303,248	241.50	1,039,234,392
12	State Gross Receipts Tax		1,482,520	(151.50)	(224,601,780)
13	Payroli Taxes		269,272	15.41	4,149,389
14	Franchise Tax		722,000	37.50	27,075,002
15	TRA Inspection Fee		611,854	272,50	166,730,090
16	DOT		20,299	59.00	1,197,639
17					
18	Allocated Taxes-Shared Services	0.07		241.60	
19	Ad Valorem	0%	240.444	241.50	5 247 152
20	Payroll Taxes	100%	340,446	15,41	5,246,153
21	Allocated Taxes-Business Unit				
22	Ad Valorem	36%	38,909	241.50	9,396,624
23 24	Payroll Taxes	50% 64%	67,909	15.41	1,046.343
25	Total Taxes Other Than Income	U^478	7,856,449	1.4.71	1,029,473,851
26	Total Taxes Office Than Income		1,000,419		1,020,170,023
27	Federal Income Tax		6,169,974		
28	Current Taxes			37.50	*
29	Deferred Taxes		6,169,974	*	•
30					
31	State Excise Tax		1,225,511		
32	Current Taxes		94	37.50	**
33	Deferred Taxes		1.225,511	•	*
34					
	Depreciation		11,541,971	•	*
36			5 C F () 4 O	102.50	20 207 321
	Interest on Customer Deposits		155,049	182.50	28,296,371
38	Internat Company I TTO		5,753,110	91.25	524,971,297
40	Interest Expense - LTD		3,133,119	73.43	244,231,421
41	Interest Expense - STD		286,354	24.05	6,886,430
42	ilitatese isapense - si ili		200,000		.,,
43	Return on Equity		13,694,294	~	*
44		*****		***************************************	
45					
	TOTAL		109,171,709	34.02	3,714,128,710
47		****		,	
48	Daily Cost of Service	****	299,101		
49		, manual			
50					

Tennessee Distribution System

Amorthzution Schedule of Capitalized Incentive Compensation Adjustment
For Attrition Year Twelve Months Ended May 31, 2013

Line No.	Description	Amounts		Attibunts	
¥	(4)		b)		(4)
2	Everyoned Looking Took Year	Rate Bass		Depreciati	on Expense
	Docket No. 18-XXXXX, 2018 TN ARM Reconditation Filing Americation Schedule of Capitalized Inscribe Compensation Adjustment, TYE 5-31-18	8	986,367	.5	23,939
3	Docket No. 17-00091, 2017 TN ARM Recognitation Filing Amortization Schedule of Capitalized Insentive Compensation Adjustment. TVE 5-31-17		1,253,538		29.847
A	Decker No. 16-60105, 2016 TN ARM Reconcibition Filing Americation Schedule of Capitalized Incentive Compensation Adjustment, TYE 5-31-16		1,162,062		29,796
.5					
R					
7	Total	\$	3.401.397	5	87,597
pt .					
9	Historia Base Period				
17	Docker No. 1640/10. 2016 TN ARM Reconciliation Filing Accordance Substitute of Capturized Incentive Compensation Adjustment. TVE No.1-10	\$	1 (6) (6)	5	29,795
11	Declar No. 17-00091, 2012 TN ARM Renoralistion Fling Amortization Schedule of Captulated Incentive Compensation Adjustment. 1745 3-31-47		1.253.518	8	.29.847
1.2					
3.3	Total	\$	3,415 520	}	59:643

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

Line			Attrition Year			4	Attrition Year	#
No.	Description	\$\dagge\color=1114\dagge	Forecast		Variance		Actuals	Reference
	(a)		(b)		(c)		(d)	(e)
1	Original Cost of Plant	\$	553,915,203	\$	(7,310,173)	\$	546,605,030	Wp 7-1 Wp7-2
2	Accumulated Depreciation and Amortization	\$	(202,597,056)	\$	(2,028,486)	\$	(204,625,542)	Wp 7-1 Wp7-2
4								
5	Construction Work in Progress per Books	\$	6,897,700	.\$	11,732,191	\$	18,629,890	Wp 7-1 Wp7-2
7	Storage Gas Investment	\$	5,943,713	\$	(1,387,758)	\$	4,555,955	Wp 7-1 Wp7-2
8 9	Cash Working Capital	\$	1,545,831	\$	(456,435)	\$	1.089,396	Wp 7-5
10 11	Material & Supplies	\$	31.873	\$	(369)	\$	31,504	Wp 7-1 Wp7-2
12 13	Regulatory Assets/Liabilities	\$		\$	(13,528,323)	\$	(13,528,323)	Wp 7-3; Wp 7-10
14 15	Accumulated Deferred Income Tax	\$	(60,285,092)	\$	11,770,502	\$	(48,514,590)	Wp 7-1
16 17	Customer Advances for Construction	\$	(76,428)	\$	56,432	\$	(19,995)	Wp 7-1 Wp7-2
18	Customer Deposits	\$	(4,720,013)	5	3,095,987	\$	(1,624,026)	Wp 7-1 Wp7-2
20 21	Accumulated Interest on Customer Deposits	\$	(89,264)	5	37,215	\$	(52,049)	Wp 7-1 Wp7-2
22 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	Net Elimination of Intercompany Leased Property	\$	5,313,186	\$	182,015	\$	5,495,201	Wp 7-1 Wp7-2
28 29	Total Rate Base	\$	302,952,541	S	1,687,923	S	304,640,464	
30 31	Return at Overall Cost of Capital on Rate Base	\$	22,691,145	\$	1,009,883	5	23,701,028	
32 33		320000						
34								
35								

Tennesser Distribution System Deformed Registrion Elevatili Amerikanikus First Seer Confine Size 31, 2019 (UTAKANYO Anioniczinia Elevisis se socio (El. 3)

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: Account 2530 - 27809		39.18	\$2.5,\$6.4 FH \$1	{1 cm; = 24)	2.4.28-6.2
2		1019	(18,122,510)	(1.041,576)	fue 17
3		1010	127,1988,9354	(1,041,574)	115.7
4		2071	545.039, 9631	13,043,5741	Aug.17
5		2672	124,413,7244	(3,0+4,534)	\$4 31-7 ?
6		2023	11 Page 15 11	(1.041,574)	010-17
7		202a	(聚乙,排尿症 同 9 种集	{1.943,57n}	Mbw-13
â		2025	(21.)#13 OE 31	(1,041,574)	Dec 12
9		20.45	\$295,# 35,#PM	(5,043,574)	79-11 TB
10		€987	(3.9) 78/2,02.61	{1,543.57€}	TeF-28
4:		2028	(12,345 16)1	(1.041,574)	3541 43
2		2029	(4人20分26年)	{1,041,5748	Atr 18
13		2030	\$2.+65.\$9\$}	{1,043,574}	3/sy 18
54		285:	385,6313,639	{1.941.57 4 ;	13 arouth Average
16		1011	\$34,557,642((1.DK1,574)	
16		\$003	经支充股票据的	{1,047,57 4 }	
17		2934	{\$2, #94 9530	(1,221,574)	
S PE		2:12	{55,44%,\$2%}	11.041.5741	
19		2:036	(20,435,243)	{L041.574}	
29		2-35 1	\$4,474,175	(LOE),574)	
21		20348	Ph. 182,5%5}	[1,041,574]	
22		21/30	17,231,001)	(1,012,574)	
23		2040	pt,244,447)	(1,041,574)	
24		2014	65,2877,5773	11.041.574)	
25		2474 (£2,294,2485	(3,041.574)	
26		Mary 4	\$4,874,7239	{1,041,5749	
27		3678	(24.83 \$61)	(1,641),5742	
3		2/545	(1,091,539)	(1,047,574)	
		27:265	6	(1,041,5745	

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\$4.1-1.7	
Qrc-17	
Nov-12	
Day 12	(19,389,828)
Jan 18	(19,380,848)
fer-18	(19,389,348)
55ar 18	(24,232,695)
Atr 18	{\$9,230,840}
3Avy 18	\$34,232,67%
13 Mooth Average	03,528.321

SETTLEMENT AGREEMENT SCHEDULE 8

Schedule 8

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

Line		Tax						
No.	Description	Rate	Ba	ase Period (1)	At	trition Year (2)		Change
	(a)	(b)		(c)		(d)		
2								
3	Required Return		\$	19,498,097	\$	23,701,028	\$	4,202,931
1	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)
6	Tax Expansion Factor			1.6365		1.5067		
7	After-Tax Deficiency from Current Return			3,190,220		(3,489,842)		(6,680,061)
8								
9	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			- Alektronian Alek				***************************************	
12	Income Tax Liability		\$	8,636,288	\$	8,855,376	\$	219,087
13								
14	Less: ITC Amortization			396				160
15					***************************************		***************************************	
16	Total Income Tax Liability		With the second	8,636,288		8,855,376	***************************************	219,087

17

18 Note:

19 1. Twelve months ended September 30, 2016

20 2. Twelve months ended May 31, 2018

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

Line No.	Description	Amortization	Allocation Factor [1]	Tennessee Allocation
***************************************	(a)	(b)	(c)	(d)
1	Fiscal year ended September 30, 2011	50,990		
2	Fiscal year ended September 30, 2012	12,229		
3	Fiscal year ended September 30, 2013	5,820		
4 5	Fiscal year ended September 30, 2014	••		
6 7	Base Period ended June 30, 2014	1,455	0%	**
8 9	Attrition Year ended May 31, 2016	-	0%	49
10	[1] Division 091 - Mid-States General Offi	ice allocation factor	excluding K	entucky

[1] Division 091 - Mid-States General Office allocation factor excluding Kentucky

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

Attrition Year

		7 ttu ition	Cai
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

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

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

May 31, 2017

			WIAY SI, 20	<u> </u>
Line No.	Description		\$	%
	(a)		(b)	(c)
4		•	0.000.400.400	25 5007
1	LT Debt	\$	3,068,173,680	37.78%
2	ST Debt		313,822,226	3.86%
3	Equity		4,738,600,109	58.35%
4				
5	Total Capital	\$	8,120,596,015	100.00%

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

				4,7	12 Month Avg		Interest on CP or Interest on Draws on Credit Facilitiy	Commitment Fees on Credit Facility	Bank Fees on AEC Credit Facility With RBS
		Consolidated Bal	ances	Atmos Consolidate		******			30121
Line	Long-Term	Short-Term		STD	STD	STD	Detail of Colm (f)	Consolidated Int E	xp & Fees
No. Date	Debt	Debt	Equity	Avg Daily Bal	Int Exp & fees	avg rate			Utility
(a)	(b)	(c)	(d)	(e)	(f)	(g)	Int Exp	Commit fees	Bank Admin
1 May-17	2,564,900,664	629,857,850	3,864,281,638						
2 Jun-17	3,066,734,196	258,573,383	3,901,710,103	424,284,267	625,683		400,813	127,568	97,301
3 Jul-17	3,066,772,609	262,202,530	3,923,183,120	231,767,129	474,145		245,023	131,821	97,301
4 Aug-17	3,066,904,471	362,721,572	3,876,930,951	277,363,548	524,041		294,919	131,821	97,301
5 Sep-17	3,067,045,495	447,745,269	3,898,665,243	382,200,000	619,875		395,006	127,568	97,301
6 Oct-17	3,067,186,078	572,550,585	3,933,727,046	492,516,129	759,849		530,727	131,821	97,301
7 Nov-17	3,067,327,541	657,589,374	3,925,107,994	636,332,033	899,754		674,884	127,568	97,301
8 Dec-17	3,067,468,564	336,816,271	4,563,619,781	384,445,161	677,636		448,514	131,821	97,301
9 Jan-18	3,067,609,587	268,675,525	4,666,561,070	261,155,645	563,862		334,740	131,821	97,301
10 Feb-18	3,067,750,610	215,748,079	4,695,448,924	208,922,143	471,328		254,963	119,064	97,301
11 Mar-18	3.067,891,633	129,601,816	4,721,346,388	133,250,645	427,969		195,328	131,821	100,820
12 Apr-18	3,068,032,657	109,795,722	4,768,024,508	70,122.333	351,221		108,170	127,568	115,483
13 May-18	3,068,173,680	143,846,586	4.738,600,109	99,967,742	415,026		. 167.723	131,821	115.483
14	***************************************				6,810,388		4,050,809 95	1,552,080.98	1,207,496.86
15		12 Month Avg					414		
16 Average	3,028,753,676	313,822.226	4,267,477,452	300.193.898		2.27%	per STD rpts:	6,810,388	

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ace of the Action's equationing term defit asset	2100,400	•	200 000 000	5000, 3000, 58.45	MRD SON; SMN	24%, 000, 90c	1755 (490),0000	Statistics (1914)	90.000.00	\$50 c00; \$40
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	With Market and the same and the same of the same to the same of t		TANKAM RRK		C14 (000 FE)	525 GHR, 000	4.0	1.6,8 3.00	-1	, w 651	45.184
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ö	helper i sperme i sperme i sperme i sperme i		7-367,569-5695	1765 See #53	\$40 748' S8U's	1,743,196 M.Y.		\$ 1531386			
¥.	SHOW THE THE PARTY OF THE PARTY		7 16.00 p. v. v. v.	6 July> c:	\$ 8241.124	14 A20 #501			3 C C C C C	2.00 mm 2 3.00 175	\$ 75.105.00
	でのことのではない 新聞をい こうかいかい 一年 100年 100年 100日 100日 100日 100日 100日 100		\$ 100 Year 5	A 100/01 A	\$ 58.56 %	100 at 1					
×.	APPENDAGE ARE TRANSPORTED TO SERVICE SERVICES TO THE PART OF THE SERVICES.				5	Value and Control of the Control of	- 9	96/1/96/			
						1,17,81.1.1,450.1		A 199,001,364			

n no. 3. novam novaki in Charanet ni 12014 ngenementi dhi redinakara, et bir ni 95% 54964 se houn dan Ulareten n

Schedule 10

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

Line			ŀ	Historic Base				F	Ratemaking	C	urrent Rate of
No	Description	Reference		Period (1)	 Change	At	trition Year (2)	Α	djustments		Return
***************************************	(a)	(b)		(c)	(d)		(e)		(f)		(g)
1 2	Total Revenues	Sch. 2	\$	106,935,939	\$ 48,067,470	\$	155,003,409	\$	(4,612,293)	\$	150,391,116
3	Gas Cost	Sch. 3		40,904,923	32.660,135		73,565,057		*		73,565,057
5	Operation & Maintenance Expense	Sch. 4		21,584,075	(872,072)		20,712,003		ah.		20,712,003
7 8	Taxes Other Than Income Taxes	Sch. 5		7,856,449	(370,070)		7,486,379		**		7,486.379
9	Depreciation & Amortization Expense	Sch. 6		11,541,971	1,193,143		12,735,114		(82,582)		12,652,532
11	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		**		78,864
15 16	AFUDC Interest credit	Wp 1-2	***************************************	(50,693)	 (99.271)		(149,964)		· w.	······	(149.964)
17 18	Return on Rate Base		\$	17,548,681	\$ 11.449,999	\$	28,998,680	\$	(2,981,437)	\$	26,017,243
19 20	Total Rate Base	Sch. 7	\$	258,370,306	\$ 44,176,944	\$	302,547,250	\$	2,093,214	\$	304,640,464
21	Rate of Return on Rate Base			6.79%			9.58%				8.54%
23 24 25	Interest Expense	Sch. 8		6,039,464	193,009		6,232,473		43,120		6,275,594
26	Return on Equity		\$	11,509,217		\$	22,766,207			\$	19,741,650
27 28 29	Rate of Return on Equity			8.38%			12.90%				11 11%

30 Note:

^{31 1.} Twelve months ended June 30, 2016

^{32 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		Tax		istoric Base		trition Period		Adjusted
е	Description	Rate		Period (1)		Amount (2)		Amount
	(a)	(b)		(c)		(d)		(e)
1	Net Operating Income Before Income Tax		\$	24,893,472	\$	40,425,992	\$	35,896,281
2								
3	Interest Deduction			6,039,464		6,232,473		6,275,594
4		•						
5	Equity Portion of Return		\$	18,854,008	\$	34,193,519	\$	29,620,687
6	Equity Fornor of Rotari		ψ,	10,03 1,000	Ψ	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Ψ	2010101001
7	Application of Tax Rate to Equity Return - Tennessee	6.5%		1,225,511		2,222,579		1,925,345
0	Application of Tax Rate to Equity Return - Termessee	0.570		1,223,311		2,222,319		1,723,543
8		200/		(1(0 074		0.254.602		0.102.657
9	Application of Tax Rate to Equity Return - Federal	29%		6,169,974		9,354,697		8,103,657
10								
11	Income Tax Expense		\$	7,395,485	\$	11,577,276	\$	10,029,002
12		•						
13	Less: ITC Amortization			wa.		*		
14		•						
15	Total Income Tax Liability		\$	7,395,485	\$	11,577,276	\$	10,029,002
16		3						
10								

17 Note:

18 1. Twelve months ended June 30, 2016

19 2. Twelve months ended May 31, 2018

Termonnes (Not-Region System Proof of Revenues and Culti-deliton of Ration Historic Street Parent tilergis at Pronont Ratio Assaul Funtre Minelijn Southat Singlanchic 26, 2019

		12 Mins End Besse	Volumen	Million of solite Ministry	t Says 66 Copungradity	Vertig lag 16 Margin	Biggsther Microtropy	\$7 mility Supplies	(Facility South) Visualitar and Manger	DE DAM SE SA Z ANSK
io .	Description -	Ceuni	桃芸	Continue also		at SapiS rates	Volumes total	Volumes Lift	of South antes	of Suppliers
6	Disease (C)	(f.	843	id.	84	.65	test	M-3	36	9
P	210 Reinbedel Gee Bernet (Sonner)	G13.707	619331	#35 3G	\$1 322	10,461,964		819,772	10,461,966	
	218 Respected (in Service (Works) possible surplise)	853,797 709	5.511,047	96.3C 15.05	81 372 81 329	72,915,245	1,354,000	688 666 666	26.449.646	1125
	216 Papadochat Gas. Sein im Samur Crippe (Screenis). 216 Perudan full Samura Samur Chana, (Arrive) (antology servaine).	1,011	6,213	8.00	\$1.322	8211		6,211	9.211	
	211 Render Intities Commonwellind Lebel Floring & Cooling Service	12	178	65.70	90 758	300	53	211	363	
	Ecolof Revidential	5,460,2%	6,332,666			37.3060272	1.454,047	1,485,525	HMIN	1536
	constructs.									
	21: Hosebrieffin GermoouProfesset Homig & Cooling Gerice	107	112	15 10	0.766	286		調	300 -	
	200 Commercial Girt Service (souther services)	10 (265	4:315.4	30' 80	2 545	19,420.725	SELMS	5.165,491	20,659-977	\$1.43
	200 iurgo Communul Gras Sovice (modilist stansbur) 250 Communul intertopilist Son Sovice	- 1	*	#05.00 449.00	2.224	0		6	8	
	Black S Volumes			10.00	1.245			6	0	
	Slady 2 Volumes				€ ₹25	0			-	
	Steck 3 Miscrass 200 Large Younge An Goodstoning Good Service	12		37-00	0.382	961		6	454	
	Rock 1 Volumes	14	12:561	44 739	1766	15577		42301	16,577	
	Black 2 thickness		581		Ð 82%	583		867	963	
	Box 1 Young	154.379	4,868.1163		0.362	19 (445 50)	561 877	5 159 784	Q4 406 (MB	1431
	Total Communicati	150.573	e1000/12/2			£9 (445 5100)	284 011	2,233,536	54 452 110	2 4(81
	MARINAL.									
	220 tedasinii Gas Service (sprother saruhor)	2,823	543 (48)	37,80 405,00	2548	1,520,350	\$6.530	600 600	L#67,770 130,900	\$405
	230 Large Industrial Cini Serioss 240 SISMA-DISCAMA GS	72 8	21,076	405 (00) 640) 80)	2 224	120,500		41.20	13030	
	Black 1 Vigorore		6	7	1 246	9		5	0	
	Block 2 Vightmen		9		0.805	0		g	P.	
	Hodr 3 Volumes Decembly homes		0		6 392	9		€.	9	
	29 Industrial Englace (San San Jac	392	-0	4000	40.40	1,37,200		0	E37,280	
	Block 5 Veltants		289,442	,	1246	380 644		289,442	360,646	
	Stack & Vishepire		366,366		0.825	257,646		266 088	237,643	
	Stock 3 Volumes 2009-0255 Indust of Denantifications Den		\$	640.00	0.385	1,780		9	£ 7786	
	- Others 1 Applicate on Constitution of Cons		ú		124	0		G	à	
	Black 3 Februitt (B Coopers Rate		5 119		8 936	1,785		1000	4,783	
	Statis 2 Valumes		\$		0.825	0		6	0.	
	Bod, 2 Venzes & Departy Rate Stock 2 Venzes		9		G 182	6		8	6	
	Bierk 3 Visiones @ Discretet Rate		0		0.267	3			a	
	DemandVounuc		9		16 203	0		9	.0	
	Dorntesi Volutino (f. Dostanie Reio 200050 Forestres Development Gas Sannos		425	46.65	15:582	5.184 2,200		475	5,164 2,200	
	Rode & Valence Development (see Service		6	4040, 602	1 246	3,400		9	2,200	
	Block Votempe & Discount Rate		65,000	¥	3 935	8,316		NO HOUSE	9245	
	Block 2 Visution		6		0 100	.6			5	
	Modi 2 Values (I) Chick-un Hine		8.195		0 342	5,071		8,195	#.0F1	
	Bligh 3 Yokurus Book 3 Yokurus & Sanneri Rute		0		0.302	5				
	297 Cognomina, CHG, Primo Marers Service	12		32'86		84		-0	464	
	Riod; 3 Visumes		Ö		1 246	5		6	0	
	State 2 Vincent		9		0.925	0		0	0	
	Total Inclination	42%	1 493 552		7.77	2,012,715	66,530	(2514)	15013	-
	Andrew and Andrews and									
	(Additional Control of Control of Control Control of Control Control Control of Control Control of Control Control of Con	6	6	15.10	\$0.766	0		9	8	
	72 : Garmananial School One Service	50	RE 716	37.86	1.294	76,650	7:500	88275	87 40h	*
	225 Pristic Authority Clas Service (Sr. Citatris (Surmon)	3	ĝ.	600	1 322	ŏ		-0	0	
	225 Public Aultracty Gas Servess (Sr OSesse) (Hirrios)	2.974	7 439	9-80 (5.36	1 322	\$6.317		7,439	55 337	
	205 Public Authority Clim Servicus (Sussessing 225 Public Authority Clim Naturica (Wastes)	4 198	31,436	19-36 14-30	1 302	129560	7,463	67.99K	120,434	
	Feed Public Anthoray	7 723	100 840			254,065	%.C %	117.235	\$73.35A	1
				*						
	200 - TROUGS (220 SML OSMONES)	144	F18 G15	440-00	2548	415,074		139,006	(547)	
	280 - TRICHIP (DGLRG GOMPIO)	515	1,086,542	440-06	2 224	3,365,790		£388,547	3,245,290	
	200 - TRANSF (200 DOMAN)	54		44D 90		75,780		.9	23, 700	
	Starth F Virlamen Mock 2 Virlamen		106 600 276 263		1 346 0 aps	134 568 207 831		1000,000 195 575	154.548	
	Block 2 Volumes Shash 2 Volumes		2/4/45		\$382	277,833		\$4. 54.0 \$1.00	ear,246	
	Designed Values of		26 500		16 203	338.465		26,000	538,418	
	260 - 1944/SP (256 OPT OS)	639		440,00	45.00	277,940		6 200 000	272,640	
	Black : Votations Black 2 Votations		1 200 500		5 246 0 825	7,143,675		£300,800 2,019,545	2,142,625	
	Black 3 Volumes		30000		0.385	9,140,015		0,910,610	Tierfina	
	26C - TRANSP (25GS49 ECON DEVICE HAND)	4		90-099		1,790		9	1,780	
	State 3 Velumes		0		1 246	i i		-8	0	
	Elects 9 Volumes SE Discovint Page Black 2 Volumes		2 199		0.835	1,971		2,100	5,975	
	Starti 2 feet asses @ Orintry of Russi		44		0619	· G		G	9	
	allock 3 Volumes		9		0.982	Q		ē c	6 9	
	Oracle Statement of Columbia State Oracle of Statement State Oracle of Statement		6		D 267 16 283	G		0	9.5	
	Denand Volumes & Decaust Rais		345		15.515	4.252		449	4263	
	750 - TRANSE PROCES ECONODY - OPT CIES	26		440 60		12,560		0	10,560	
	Block T Wolantes		700 SA		0.935	59,808		-65 OUC	\$2.00L	
	Hanni, 1 Volumez-@ Croov-4 Ratio Shork 2 Volumes		0 547 461		9 625	451656		547,481	451:855	
			84.46		2519	52.246		84,436	82,246	
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	Block 2 Vitames & Deosel Rate Block 3 Vitames				G 38.7	13-805		A1.21?	81,008	
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	Blerk 2 Vitermen @ Discorcel Rate Blerk 3 Vitermen Som 2 Vitermen @ Discorati Rate SPECNE, CONTRACTS	ys. (400	\$492,598 F		-	368 140 54,283 484	ŭ	\$ 8025,246 6 8.25,246	369 F42 ML363 664	
	Block 2 Villames @ Decreat Rate Sinck 3 Valences Sioth 2 Valences @ Decreate Rate	1416	1 (102.197 8 (25.585			51,289 AH		6825,796	M.3044	
	Blerk 2 Vitermen @ Discorcel Rate Blerk 3 Vitermen Som 2 Vitermen @ Discorati Rate SPECNE, CONTRACTS		\$492,598 F				1,257,264			17.50
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Transmisse Displacetion System Proof of Recognition of Missisters of Perform Personal Leading Type Four Emple of Personal States

1	12 lover for	and line 16	States edirected	Miller 15	12 mm \$40.16	K Custom	น้ามาซูคม เ	210 SF LIDEC	1.01%	Dischness	Adjusted	Atletted	Trani
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902	\$10	63	#	141	4	68 fo	16-	*	30	N	303	196	60
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Me Cannada at applich Col Some	a		449.90				1			1		9	
Sheli, S Wingoo Spot 2 Vounn		#		1 286	9						-8	6	
Seek 3 Vouces		4		6 102	6		1			1	4	0	
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Modt 3 Volumes Trai Commendal	254 1.3	5,195,700		ō 20/3.	20.476,744	5	3	1267	85.5GI	6	:97,648	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	20 880
heads (Title)													
100 hannit Der Beller bescher Landert	3 1273	658:653	3/40	£ 548	1,3917,796	0	8	54	10,265		3,867	612 845	5,726
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Demand Volumes		à		13.783	ò						e	ō	
250 instainal isperagricule Cast Service Plack 3 Visianes	282	299.665	*40'96	1246	985,521 188,866	额	25.534				306	792 543	105 357
Back 2 Vermes		209.0%		9 €35	237,548		\$.#	298,058	227
Etech 3 Visiones 256/245/45 Industrial Quantum Transport Day	4	0	45500	6382	1,260	* 56	9				-B	0	
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Beidi Fweismes (Elapsoni Nerv Book 2 Volumes		5110		9.575	4,763		5 5399					0	
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Black 3 Visiones & Secount Res		8		0.263	9		9				- #	ž.	
Gomand Volumes		4		16 283	c		5				3.0	\$	
Beinera Villeme & Duccest State 300750-Euphorte Development Care General	6:	428	460 900	1222	5,584 2,295	Ŧ	H256				10	4	5
Mode & Volumes		\$5.000 \$5.000		0.935	6 8 345		14 000				-0	6 2000 55	27
Check & Volumes & District Refe Mack & Volumes		0		3 #25	3		5					6	
Black 2 Volumes @ Decount Rate		8 695		2519 3392	5671		3 405				*	15,000	2
Buck 2 Volumes Exek 3 Volumes @ Execute Plate		S		5 585	0		0					4	
2R) Cognitive op, CSG, Protechiores Special Revol 1 MC-anna	43		37 86	1 246	454	g					23 <u>.</u>	3	
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710 - TRUMER (20 SML COMMERS)	56d	138 335	440.93	2500	4:5074		8				264 514	1,38,395	215 3.209
alig - FRANSP (200 LBG COMMOG) 200 - TRANSP (200 CLEARIU)	515 56	1 386 542	940 00 880-90	2 224	3.765,790 73,760	163	10.505				46	٥	26
State 1 Volume		198,000		5,246 2,825	134,566		100 DOM				0 0	96,000 360,150	138 219
Stock \$ vibinous		275-283 G		9 367	. 9						0	2	
Chemical Volumes 250 - 3004599 (550 GPT GSS	£35	20.562	649.95	56.600	336 410 277 540	* 5	21,015			-	9 309	9648	219
Block & Volumes	831	3067900	469 30	1216	1,696.434	,	11,763					1 212 253	1 510
Sirch & Uthinnis		3 810,5 5		3 825 0 382	3 143.676		\$0 \$303 E				á	3 838 545 3	3,150
NO - I FAMAR (NO CAO ECCHI DEVECTARACI		\$	440 90		1.796	6	~				53	0	5
Binds & Volumer Block & schwiere & Bennett Flate		2 560		1 248	1,971		8.891				8	8,860	
Bind 2 Volumbs		9.		2 875	٥		9				8	6	
Stock & Welcourts (B) Cosposate Plate Block & Welcourts		9		Ç 3619 € 362	9		3				9 #	0.0	
Mad Pillemer & Binnet Sab.		0		2.365	9		0				9	9	
Depart Triumes Demnie Volume & Discount Fare		348 G		15 263	4.857		1.275				9	S- 5,524	15
200 + FRANSP (200/250 FCON DEV - DP1 G5)	29.		445 000C		10,580	0					34	õ	16
Block 1 Viblance Block 1 Viblance III Encoded Rate		46,035		3 30G 2 BBS	308.9¢		2				4	46 002 6	56
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First 2 Vehiors & Occurs Auto Style 3 Volume		81.35k		2 8 je	52746 8		9				4	84.436	2.5
Store 3 Volumes 💣 Doctrust Rate		46767		3.267	90632	1.	5				- 36	41,217 5 864 800	57
MPGALCONRACTS To differences	\$ 595	1,002,157			10 253 654	:43	575 641 575 641	*		2	1.414	5,301,876	36 9H
	3 525,645	22 549 ESS			8852588		46.135	44.35	372 582		1.25%	25 559 507	\$76.20
1058LS										. 4			41765

feroverses Ontribution System Proof of Financies and Calculation of Rales Rale Greign Historie Base Pariod Ended September 20, 2018 and Forward Looking Test Yaar Ended May 31, 2018

2.000 Reporter 14.255 L.S.

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Settlement Agreement Schedule 12 (1 page)

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)
Nees	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		
?	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		_	
1	True - Up	5/31/20,18	(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	•	X.	
17	Deficiency Net of True - Up		0