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19-00075

August 29, 2019

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

VIA E-MAIL AND HAND DELIVERY

RE: Atmos Energy Corporation Tennessee and Union City, Tennessee 2018-2019 ACA Filing

Dear Ms. Dillon:

Enclosed is the 2018–2019 ACA filing of Atmos Energy Corporation’s Tennessee and Union City, Tennessee. The material contained in this filing consists of:

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

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

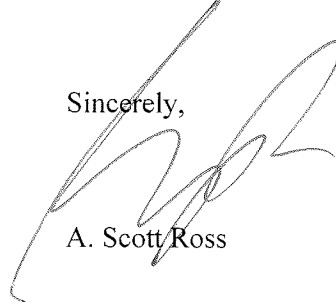
I have also enclosed a check in the amount of \$25.00 for the filing fee.

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

Victoria Lawless, Dockets Manager
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August 29, 2019

Best regards.

Sincerely,

A handwritten signature in black ink, appearing to read 'ASR', written over the word 'Sincerely,'.

A. Scott Ross

ASR:prd

Enclosures

EXHIBIT I

**ATMOS ENERGY CORPORATION
CALCULATION OF ACA FACTOR
ALL TENNESSEE TOWNS OTHER THAN UNION CITY
2018-2019 ACA**

1	Previous Year's Demand Cost Balance	(\$5,875,479.44)
2	Current Year's Demand Cost (Exhibit II-A)	\$19,056,763.98
3	Current Year's Interest on Demand Cost Balances	(\$135,455.04)
4	Demand Cost Recovered (EXHIBIT II-A)	\$13,772,301.82
5	Demand Under/(Over)-Recovery	----- (\$726,472.32) -----
6	Previous Year's Commodity Cost Balance	\$307,166.03
7	Current Year's Commodity Cost (EXHIBIT II-B)	\$46,740,214.86
8	Current Year's Interest on Commodity Cost Balances	\$273,980.08
9	Bad Debt Cost (EXHIBIT III)	\$163,515.39
10	Commodity Cost Recovered (EXHIBIT II-B)	\$41,728,968.81
11	Commodity Under/(Over)-Recovery	----- \$5,755,907.55 -----

Line	Demand	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	TOTAL
1	Beginning Balance	(5,875,479.44)	(4,959,592.92)	(4,015,737.13)	(3,092,667.15)	(1,953,909.80)	(1,268,938.23)	(1,643,173.99)	(2,148,296.27)	(2,789,282.27)	(2,969,717.18)	(2,665,476.72)	(1,817,899.10)	(5,875,479.44)
2	ACA Audit Adjustment													
3	Invoiced Demand Gas Costs	Redacted												
4	Payments Fees and CUC													
	Gas Cost Recovery													
5	Recoveries by Class Demand \$	551,417.63	527,315.52	550,124.64	337,819.90	1,067,248.86	2,114,165.25	2,201,301.66	2,381,766.91	1,918,736.37	1,173,161.50	553,904.49	395,339.09	13,772,301.82
6														0.00
7														0.00
	Miscellaneous Adjustments													
	Pipeline Refund													0.00
8	Demand Ending Balance Before Interest	(4,938,460.68)	(3,998,232.05)	(3,078,803.24)	(1,943,501.72)	(1,262,291.41)	(1,637,168.04)	(2,140,130.64)	(2,778,648.28)	(2,957,314.11)	(2,652,709.13)	(1,807,741.17)	(720,707.57)	(591,017.28)
9	Average monthly balance	(5,406,970.06)	(4,478,912.49)	(3,547,270.19)	(2,518,084.44)	(1,608,100.61)	(1,453,053.14)	(1,891,652.32)	(2,463,472.28)	(2,873,298.19)	(2,811,213.16)	(2,236,608.95)	(1,269,303.34)	
10	Interest Rate	4.69%	4.69%	4.69%	4.96%	4.96%	4.96%	5.18%	5.18%	5.18%	5.45%	5.45%	5.45%	
11	Calculated Interest-Demand	(21,132.24)	(17,505.08)	(13,863.91)	(10,408.08)	(6,646.82)	(6,005.95)	(8,165.63)	(10,633.99)	(12,403.07)	(12,767.59)	(10,157.93)	(5,764.75)	(135,455.04)
12	Demand Ending Balance Including Interest	(4,959,592.92)	(4,015,737.13)	(3,092,667.15)	(1,953,909.80)	(1,268,938.23)	(1,643,173.99)	(2,148,296.27)	(2,789,282.27)	(2,969,717.18)	(2,665,476.72)	(1,817,899.10)	(726,472.32)	(726,472.32)
	Total ACA Ending Balance (Including Interest)	(4,887,420.29)	(4,097,986.34)	(3,241,708.43)	(1,057,394.25)	3,234,832.38	7,147,040.96	10,697,144.67	7,566,890.61	6,210,946.60	4,521,826.10	4,485,418.60	5,029,435.23	5,029,435.23
	Total Current Month ACA Interest	(20,392.39)	(17,524.73)	(14,315.01)	(8,866.49)	4,490.75	21,411.62	38,430.76	39,334.98	29,673.12	24,317.12	20,407.61	21,557.70	138,525.04

Line	Commodity	Jul-18	#	Aug-18	#	Sep-18	#	Oct-18	#	Nov-18	#	Dec-18	#	Jan-19	Feb-19	Mar-19	#	Apr-19	#	May-19	#	Jun-19	TOTAL
1	Beginning Balance	307,166.03		72,172.63		(82,249.21)		(149,041.28)		896,515.55		4,503,770.61		8,790,214.95	12,845,440.94	10,356,172.88		9,180,663.78		7,187,302.82		6,303,317.70	307,166.03
2																							0.00
3																							0
	Redacted																						
4	Invoiced Commodity Gas Costs																						
5																							
6	Gas Used By Company	(345.72)		(195.40)		(311.86)		(268.63)		(1,615.11)		(2,965.85)		(3,134.61)	(3,464.45)	(3,049.51)		(1,500.45)		(559.02)		(405.11)	(17,815.72)
7	Hedging Costs																						
8	Margin Loss / Penalties	0.00		0.00		0.00		0.00		0.00		(207,334.95)		0.00	0.00	0.00		0.00		0.00		0.00	(207,334.95)
9	Cashouts	(40,291.21)		7,918.69		(24,516.44)		(22,170.67)		(104,561.99)		(60,230.68)		92,868.14	(39,723.42)	(86,490.03)		(76,786.27)		(36,395.67)		1,998.22	(388,381.33)
																							0.00
	Inventory Activity																						
10	Storage Injections	(1,214,377.74)		(1,121,762.23)		(1,200,026.03)		(1,269,823.50)		(298,658.23)		(528,702.36)		(404,149.21)	(457,413.65)	(98,840.94)		(1,341,293.93)		(634,737.36)		(637,780.58)	(9,207,565.76)
11	Storage Withdrawals	14,947.64		59,483.22		13,411.02		178,019.45		875,328.99		1,459,146.34		2,802,896.83	1,028,686.63	2,263,393.28		112,399.50		30,508.91		101,110.63	8,939,332.44
	Bad Debt Cost																						
		23,155.52		42,942.14		31,019.41		31,759.39		1,478.61		7,389.58		7,732.72	3,628.85	3,014.65		1,318.43		3,998.19		6,077.90	163,515.39
	Gas Cost Recovery																						
12	Recoveries by Class Commodity \$	1,155,290.36		1,134,667.71		1,071,001.01		1,140,971.25		3,258,002.59		6,048,405.31		6,356,386.31	7,794,050.86	6,343,036.39		3,951,814.56		1,998,345.26		1,476,997.20	41,728,968.81
13																							0.00
14																							0.00
	Miscellaneous Adjustments																						
15	WNA Audit Findings																						0.00
	Special Audit - recoverable fees																						0.00
	Transfer ECRB Balance																						0.00
16	Commodity Ending Balance Before Interest	71,432.78		(82,229.56)		(148,590.18)		894,973.96		4,492,633.04		8,762,797.38		12,798,844.55	10,306,203.91	9,138,587.59		7,150,218.11		6,272,752.16		5,728,585.10	5,481,927.47
17	Average Monthly Balance	189,299.40		(5,028.46)		(115,419.69)		372,966.34		2,694,574.30		6,633,284.00		10,794,529.75	11,575,822.43	9,747,380.24		8,165,440.95		6,730,027.49		6,015,951.40	
18	Interest Rate	4.69%		4.69%		4.69%		4.96%		4.96%		4.96%		5.18%	5.18%	5.18%		5.45%		5.45%		5.45%	
19	Calculated Interest-Commodity	739.85		(19.65)		(451.10)		1,541.59		11,137.57		27,417.57		46,596.39	49,968.97	42,076.19		37,084.71		30,565.54		27,322.45	273,980.08
20	Commodity Ending Balance Including Interest	<u>72,172.63</u>		<u>(82,249.21)</u>		<u>(149,041.28)</u>		<u>896,515.55</u>		<u>4,503,770.61</u>		<u>8,790,214.95</u>		<u>12,845,440.94</u>	<u>10,356,172.88</u>	<u>9,180,663.78</u>		<u>7,187,302.82</u>		<u>6,303,317.70</u>		<u>5,755,907.55</u>	<u>5,755,907.55</u>

**ATMOS ENERGY CORPORATION
BAD DEBT RECOVERIES
ALL TENNESSEE TOWNS OTHER THAN UNION CITY
2018-2019 ACA**

	<u>Beginning Balance</u>	<u>Current Month Activity</u>	<u>Reduction for Bad Debt in Base Rates</u>	<u>Ending Balance</u>
July-18	-	23,155.52		23,155.52
August-18	23,155.52	42,942.14		66,097.66
September-18	66,097.66	31,019.41		97,117.07
October-18	97,117.07	31,759.39		128,876.46
November-18	128,876.46	1,478.61		130,355.07
December-18	130,355.07	7,389.58		137,744.65
January-19	137,744.65	7,732.72		145,477.37
February-19	145,477.37	3,628.85		149,106.22
March-19	149,106.22	3,014.65		152,120.87
April-19	152,120.87	1,318.43		153,439.30
May-19	153,439.30	3,998.19		157,437.49
June-19	157,437.49	6,077.90		163,515.39
TOTAL		<u><u>163,515.39</u></u>	<u><u>-</u></u>	

EXHIBIT II

**ATMOS ENERGY CORPORATION
CALCULATION OF ACA FACTOR
UNION CITY, TENNESSEE
2018 2019 ACA**

1	Previous Year's Demand Cost Balance	(\$41,234.28)
2	Current Year's Demand Cost	\$110,539.00
3	Interest on Demand Balance	(\$1,123.33)
4	Demand Cost Recovered	\$73,694.40
5	Demand Under/(Over)-Recovery	----- (\$5,513.01)
6	Previous Year's Commodity Cost Balance	----- (\$12,089.21)
7	Current Year's Commodity Cost	\$1,228,307.92
8	Interest on Commodity Balance	(\$770.12)
9	Bad Debt Expense	\$16,412.12
10	Commodity Cost Recovered	\$1,501,849.91
11	Commodity Under/(Over)-Recovery	----- (\$269,989.20)

Line	Demand	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	TOTAL
1	Beginning Balance	(41,234.28)	(41,757.19)	(42,245.44)	(42,843.67)	(42,499.58)	(28,937.65)	(20,602.84)	(12,959.28)	(8,619.51)	(1,227.67)	(5,255.42)	(5,987.17)	(41,234.28)
2		Redacted												
3	Invoiced Demand Gas Costs													
4														0.00
	Gas Cost Recovery													
5	Recoveries by Class Demand \$	2,496.95	2,460.32	2,499.28	1,615.80	5,322.74	11,229.42	11,950.56	13,376.96	12,253.35	6,080.06	2,842.18	1,566.78	73,694.40
6														0.00
7														0.00
	Miscellaneous Adjustments													
8	Demand Ending Balance Before Interest	(41,595.33)	(42,081.61)	(42,677.72)	(42,323.57)	(28,790.32)	(20,500.67)	(12,887.00)	(8,573.04)	(1,206.46)	(5,240.73)	(5,961.70)	(5,486.95)	(4,389.68)
9	Average monthly balance	(41,414.81)	(41,919.40)	(42,461.58)	(42,583.62)	(35,644.95)	(24,719.16)	(16,744.92)	(10,766.16)	(4,912.98)	(3,234.20)	(5,608.56)	(5,737.06)	
10	Interest Rate	4.69%	4.69%	4.69%	4.96%	4.96%	4.96%	5.18%	5.18%	5.18%	5.45%	5.45%	5.45%	
11	Calculated Interest-Demand	(161.86)	(163.83)	(165.95)	(176.01)	(147.33)	(102.17)	(72.28)	(46.47)	(21.21)	(14.69)	(25.47)	(26.06)	(1,123.33)
12	Demand Ending Balance Including Interest	(41,757.19)	(42,245.44)	(42,843.67)	(42,499.58)	(28,937.65)	(20,602.84)	(12,959.28)	(8,619.51)	(1,227.67)	(5,255.42)	(5,987.17)	(5,513.01)	(5,513.01)
	Total ACA Ending Balance (Including Interest)	(51,852.91)	(49,072.14)	(47,831.54)	(30,921.61)	80,160.20	111,292.09	155,930.08	64,401.98	(74,370.28)	(164,482.81)	(248,711.78)	(275,502.21)	(275,502.21)
	Total Current Month ACA Interest	(205.13)	(196.83)	(188.99)	(162.42)	101.55	394.85	575.51	474.53	(21.47)	(541.17)	(936.17)	(1,187.71)	(1,893.45)

Line	Commodity	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	TOTAL
1	Beginning Balance	(12,089.21)	(10,095.72)	(6,826.70)	(4,987.87)	11,577.97	109,097.85	131,894.93	168,889.36	73,021.49	(73,142.61)	(159,227.39)	(242,724.61)	(12,089.21)
2														0.00
3														0.00
	Redacted													
4	Invoiced Commodity Gas Costs													
5	Texas Gas Imbalance	(93,390.73)	(73,180.03)	(88,146.45)	(80,423.59)	69,395.57	102,084.73	139,928.53	133,254.40	28,261.71	(61,477.01)	(104,767.34)	(84,044.35)	(112,504.56)
6	Gas Used By Company	(5.50)	(5.04)	(4.85)	(5.28)	(183.04)	(304.75)	(326.69)	(397.16)	(729.01)	(179.18)	410.88	(131.07)	(1,860.69)
7	Hedging Costs													
8	Margin Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Cashouts	(807.02)	1,329.65	(912.02)	11,117.39	11,802.56	25,034.84	152.79	6,896.82	383.04	(13,518.56)	3,317.03	2,364.44	47,160.96
														0.00
	Inventory Activity													
10	Storage Injections	(6,564.56)	(6,193.98)	(6,200.04)	(6,643.97)	0.00	0.00	0.00	0.00	0.00	(4,742.40)	(1,590.30)	(4,400.40)	(36,335.65)
11	Storage Withdrawals	0.00	0.00	0.00	0.00	4,362.38	11,597.67	11,864.02	11,367.53	2,327.29	0.00	0.00	0.00	41,518.89
	Bad Debt Cost													
		1,295.25	4,865.79	9,494.40	2,382.78	(302.80)	189.93	(420.47)	(592.87)	159.59	319.67	(1,277.83)	298.68	16,412.12
	Gas Cost Recovery													
12	Recoveries by Class Commodity \$	25,475.00	25,073.29	26,745.50	33,549.80	110,580.56	233,292.76	248,274.62	295,845.00	271,015.25	134,479.25	62,864.14	34,654.74	1,501,849.91
13														0.00
14														0.00
	Miscellaneous Adjustments													
15	WNA Audit Findings													0.00
16	Pipeline Refund													0.00
17	Commodity Ending Balance Before Interest	(10,052.45)	(6,793.70)	(4,964.83)	11,564.38	108,848.97	131,397.91	168,241.57	72,500.49	(73,142.35)	(158,700.91)	(241,813.91)	(268,827.55)	(269,219.08)
18	Average Monthly Balance	(11,070.83)	(8,444.71)	(5,895.76)	3,288.26	60,213.47	120,247.88	150,068.25	120,694.93	(60.43)	(115,921.76)	(200,520.65)	(255,776.08)	
19	Interest Rate	4.69%	4.69%	4.69%	4.96%	4.96%	4.96%	5.18%	5.18%	5.18%	5.45%	5.45%	5.45%	
20	Calculated Interest-Commodity	(43.27)	(33.00)	(23.04)	13.59	248.88	497.02	647.79	521.00	(0.26)	(526.48)	(910.70)	(1,161.65)	(770.12)
21	Commodity Ending Balance Including Interest	(10,095.72)	(6,826.70)	(4,987.87)	11,577.97	109,097.85	131,894.93	168,889.36	73,021.49	(73,142.61)	(159,227.39)	(242,724.61)	(269,989.20)	(269,989.20)

Exhibit II-C

**AtmosEnergy Corporation
ACA Bad Debt Expense - Union City Tennessee
2018-2019 ACA**

	BEGINNING BALANCE	CURRENT MONTH ACTIVITY	ENDING BALANCE
	-----	-----	-----
July-18	\$0.00	1,295.25	1,295.25
August-18	\$1,295.25	4,865.79	6,161.04
September-18	\$6,161.04	9,494.40	15,655.44
October-18	\$15,655.44	2,382.78	18,038.22
November-18	\$18,038.22	(302.80)	17,735.42
December-18	\$17,735.42	189.93	17,925.35
January-19	\$17,925.35	(420.47)	17,504.88
February-19	\$17,504.88	(592.87)	16,912.01
March-19	\$16,912.01	159.59	17,071.60
April-19	\$17,071.60	319.67	17,391.27
May-19	\$17,391.27	(1,277.83)	16,113.44
June-19	\$16,113.44	298.68	16,412.12
Total		<u>16,412.12</u>	
		Beginning Balance	\$0.00
		Activity Jul 17 thru Jun 18	<u>16,412.12</u>
		Ending Balance	<u>\$16,412.12</u>
			43734.04
			\$60,146.16