

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

**ATMOS ENERGY CORP., WEST §
TEXAS DIVISION STATEMENT OF § GAS UTILITIES DOCKET No. 10041
INTENT TO CHANGE RATES IN THE §
UNINCORPORATED AREAS OF THE §
AMARILLO RATE DIVISION**

FINAL ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to TEX. GOV'T CODE ANN. CHAP 551, *et seq.* (Vernon 2004 & Supp. 2010). The Railroad Commission adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

1. Atmos Energy Corporation ("Atmos") is a gas utility as that term is defined in the Texas Utility Code.
2. Atmos Energy Corporation operates its regulated operations through seven operating divisions in twelve states.
3. The Atmos Energy West Texas Division (West Texas Division) operates in West Texas.
4. The Amarillo Rate Division is part of the Atmos Energy West Texas Division and is comprised of the cities of Amarillo, Dalhart, and Channing, as well as the surrounding unincorporated areas.
5. On December 17, 2010, the Amarillo Rate Division filed a *Statement of Intent* to change rates and related tariffs.
6. The Amarillo Rate Division seeks an increase in revenues of approximately \$78,000 from customers in the unincorporated areas.
7. The proposed rate increase would increase the company's aggregate revenues from the unincorporated areas of the Amarillo Rate Division by 2.61%.
8. Atmos requested approval of uniform rates for its residential, commercial, industrial and public service authority customer classes throughout the unincorporated areas of the Amarillo Rate Division.
9. Atmos requested approval of new depreciation rates to be applicable to the entire West Texas Division.

10. Atmos sought consolidation of the various gas cost adjustment (GCA) riders into a single Rider GCA and to approve the recovery of uncollectible gas costs through RIDER GCA for the unincorporated areas of the Amarillo Rate Division.
11. The implementation of the proposed rates was suspended on January 13, 2011.
12. Notice of the Hearing was given to all parties entitled to notice and the hearing in this matter commenced on April 6, 2011.
13. The Atmos West Texas Division through its Amarillo Rate Division provides service to residential, commercial, industrial, and public authority customers.
14. The test year in this case was the 12-month period ending June 30, 2010.

Books and Records

15. The Atmos West Texas Division and the Amarillo Rate Division maintain the books and records in accordance with the requirements of the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts.

Rate Base

16. The proposed level of adjusted rate base included by the Amarillo Rate Division in this case is just and reasonable.
17. The calculations of accumulated deferred income taxes, as reflected in the attached schedules, are just and reasonable.
18. The cash working capital calculations reflected on the attached schedules are just and reasonable and consistent with Commission precedent.

Shared Service Unit Allocation

19. The Amarillo Rate Division employs a cost allocation methodology that allocates common costs uniformly and consistently among the various divisions of the company.
20. The cost allocation methodology has been previously adopted by the Railroad Commission for allocation of costs and is just and reasonable.
21. The composite allocation factor, the customer allocation factor and the overall allocation process employed by the Atmos West Texas Division and its Amarillo Rate Division is just and reasonable.

Operating Expenses

22. Atmos has established that the test-year level of operating and maintenance expenses in the amount of \$7,665,374 are just and reasonable.
23. Adjustments were made to remove certain meals, alcohol, entertainment and travel expenses.
24. Operating and maintenance expenses have decreased over the last decade.

Depreciation Expense

25. The company's proposed depreciation expenses, as reflected in the attached schedules are just and reasonable.
26. Atmos West Texas Division correctly calculated the service life parameters for Account 376.
27. The evidence presented in the record established that the Iowa Life curve of 70 R1.5 for this account represents the best statistical fit for the actual history of this account.
28. An average service life of more than 70 years for assets in Account 376 ignores other forces of retirement such as fusion-joint issues, third party damage, and regulatory requirements.
29. Only cathodically protected pipe may experience a 75-year service life and the West Texas Division includes over 400 miles of unprotected pipe.
30. The 70 R1.5 life curve, as an average, necessarily includes pipe that is over 70 years old and pipe that is less than 70 years old.
31. A survey conducted by the American Gas Association EEI Depreciation Committee showed that the average life for assets in Account 376 based on dollar weighting is 54 years.
32. An average service life of 70 years is longer than the average service life previously established for this asset.
33. Atmos West Texas Division correctly calculated the service life parameters for Account Account 380.
34. The evidence presented in the record established that the Iowa Life curve of 60 R3 for this account represents the best statistical fit for the actual history of this account.
35. A survey conducted by the AGA EEI Depreciation Committee showed that the average life based on dollar weighting is 40 years for assets in Account 380.
36. The proposed service life for Account 380 is consistent with Commission precedent

37. The net salvage calculation included in the company's cost of service is just and reasonable for Account 380. The historical analysis is consistent with the functional data, experience of the company and industry experience for this account.
38. The evidence presented in this proceeding established that the annual normalized net salvage value for the last nine years is a negative 214.93%.
39. There is no evidence in this record upon which to determine that the booking of removal expenses was not accurate.
40. A negative net salvage value of 80% is just and reasonable.

Affiliate Expenses

41. The expenses of Blueflame Insurance, an affiliate of Atmos, are reasonable and necessary for the provision of natural gas service provided by the company.
42. The price charged to Atmos by Blueflame is not higher than the price charged by Blueflame to its other affiliates or divisions or to a nonaffiliated person for insurance.
43. The Railroad Commission has previously found that the services provided by Blueflame were reasonable and necessary.

Rate of Return

44. It is reasonable to use a capital structure of 50.10% equity and 49.90% long-term debt for the Atmos West Texas Division.
45. It is reasonable to use a cost of debt of 6.87% for the Atmos West Texas Division.
46. It is reasonable that return on equity be set at 10.70%.
47. An overall rate of return in this case of 8.79% is just and reasonable.

Revenues

48. Atmos Energy Corporation, West Texas Division has established that the calculation of Other Revenues in the amount of \$967,632 is just and reasonable.

Taxes

49. The federal income tax, State Gross Margin tax, *ad valorem* taxes and payroll taxes reflected in the attached schedules are just and reasonable.

Tariffs

50. The Gas Cost Recovery Rule, 16 Tex. Admin. Code Ann. § 7.5519, allows the recovery of part or all of the gas costs of a utility.
51. Adjusting the purchase gas adjustment clause to allow for the recovery of the gas cost portion of uncollectible expenses is reasonable and consistent with prior Commission determinations.
52. The request has previously been approved by the Commission for the unincorporated areas of the City of Amarillo and by all municipal regulators in the company's West Texas Division.
53. The proposed change to the Gas Cost Adjustment Rider (Rider GCS) is just and reasonable.
54. Atmos Energy Corporation, West Texas Division proposed that its Weather Normalization Adjustment Rider ("WNA") be applicable to state institution customers. The Rider WNA has already been approved by all municipal regulators of the Amarillo Rate Division.
55. The proposed changes to the WNA Rider are just and reasonable.
56. The company also proposed that the WNA Rider include a calculation based upon the use of 10-year normal weather data instead of 30-year normal weather data.
57. The use of a 10-year normal weather data in the WNA Rider is just and reasonable and consistent with prior Commission decision

Rates and Rate Design

58. The following rates are just and reasonable:
 - a. Residential Gas Service Rate: Customer Charge of \$13.50 and a volumetric rate of \$0.04562 per Ccf.
 - b. Commercial Gas Service Rate: Customer Charge of \$30.00 and a volumetric rate of \$0.04817 per Ccf.
 - c. Industrial Gas Service Rate: Customer Charge of \$100.00 and a volumetric rate of \$0.09088 per Ccf.
 - d. Public Authority Gas Service Rate: Customer Charge of \$45.00 and a volumetric rate of \$0.09197 per Ccf.

CONCLUSIONS OF LAW

1. Atmos Energy Corporation, West Texas Division, is a "Gas Utility" as defined in TEX. UTIL. CODE ANN. §101.003(7) (Vernon 2007 & Supp. 2010) and §121.001(2010) and is therefore subject to the jurisdiction of the Railroad Commission of Texas (Commission).

2. The Railroad Commission of Texas (Commission) has jurisdiction over Atmos Energy Corporation, West Texas Division and its *Statement of Intent* under TEX. UTIL. CODE ANN. §§ 102.001, 103.022, 103.054, & 103.055, 104.001, and 104.201 (Vernon 2010).
3. Under TEX. UTIL. CODE ANN. §102.001 (Vernon 2010), the Commission has exclusive original jurisdiction over the rates and services of a gas utility that distributes natural gas in areas outside of a municipality and over the rates and services of a gas utility that transmits, transports, delivers, or sells natural gas to a gas utility that distributes the gas to the public.
4. This Statement of Intent was processed in accordance with the requirements of the Gas Utility Regulatory Act (GURA), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. §§2001.001-2001.902 (Vernon 2008) (APA).
5. In accordance with the stated purpose of the Texas Utilities Code, Subtitle A, expressed under TEX. UTIL. CODE ANN. §101.002 (Vernon 2010), the Commission has assured that the rates, operations, and services established in this docket are just and reasonable to customers and to the utilities.
6. TEX. UTIL. CODE ANN. §104.107 (Vernon 2007) provides the Commission authority to suspend the operation of the schedule of proposed rates for 150 days from the date the schedule would otherwise go into effect.
7. The proposed rates constitute a major change as defined by TEX. UTIL. CODE ANN. §104.101 (Vernon 2007).
8. In accordance with TEX. UTIL. CODE §104.103 (Vernon 2007), 16 TEX. ADMIN. CODE ANN. §7.230 (2010), and 16 TEX. ADMIN. CODE ANN. § 7.235 (2010), adequate notice was properly provided.
9. In accordance with the provisions of TEX. UTIL. CODE ANN. §104.102 (Vernon 2007), 16 TEX. ADMIN. CODE ANN. §7.205 (2010), and 16 TEX. ADMIN. CODE §7.210 (2010), Atmos West Texas Division filed its Statement of Intent to change rates.
10. Atmos Energy Corporation, West Texas Division met its burden of proof in accordance with the provisions of TEX. UTIL. CODE ANN. §104.008 (Vernon 2007) on the elements of its requested rate increase identified in this order.
11. The revenue, rates, rate design, and service charges proposed by Atmos Energy Corporation, West Texas Division are found to be just and reasonable, not unreasonably preferential, prejudicial, or discriminatory, and are sufficient, equitable, and consistent in application to each class of consumer, as required by TEX. UTIL. CODE ANN. §104.003 (Vernon 2010).

12. The revenue, rates, rate design, and service charges proposed by Atmos Energy Corporation, West Texas Division, as amended by the Commission and identified in the schedules attached to this order, are just and reasonable, are not unreasonably preferential, prejudicial, or discriminatory, and are sufficient, equitable, and consistent in application to each class of consumer, as required by TEX. UTIL. CODE ANN. §104.003 (Vernon 2007).
13. The overall revenues as established by the findings of fact and attached schedules are reasonable; fix an overall level of revenues for Atmos Energy Corporation, West Texas Division that will permit the company a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public over and above its reasonable and necessary operating expenses, as required by TEX. UTIL. CODE ANN. § 104.051 (Vernon 2010); and otherwise comply with Chapter 104 of the Texas Utilities Code.
14. The revenue, rates, rate design, and service charges proposed will not yield to Atmos Energy Corporation, West Texas Division s more than a fair return on the adjusted value of the invested capital used and useful in rendering service to the public, as required by TEX. UTIL. CODE ANN. § 104.052 (Vernon 2010).
15. The rates established in this docket comport with the requirements of TEX. UTIL. CODE ANN. §104.053 (Vernon 2010) and are based upon the adjusted value of invested capital used and useful, where the adjusted value is a reasonable balance between the original cost, less depreciation, and current cost, less adjustment for present age and condition.
16. The rates established in this case comply with the affiliate transaction standard set out in TEX. UTIL. CODE ANN. § 104.055 (Vernon 2010). Namely, in establishing a gas utility's rates, the regulatory authority may not allow a gas utility's payment to an affiliate for the cost of a service, property, right or other item or for an interest expense to be included as capital cost or an expense related to gas utility service except to the extent that the regulatory authority finds the payment is reasonable and necessary for each item or class of items as determined by the regulatory authority. That finding must include (1) a specific finding of reasonableness and necessity to each class of items allowed; and (2) a finding that the price to the gas utility is not higher than the prices charged by the supplying affiliate to its other affiliates or divisions or to a nonaffiliated person for the same item or class of items.
17. In accordance with TEX. UTIL. CODE ANN. §104.054 (Vernon 2007) and Tex. Admin. Code §7.5252, book depreciation and amortization was calculated on a straight line basis over the useful life expectancy of the property and facilities of Atmos Energy Corporation, West Texas Division.
18. In this proceeding, Atmos Energy Corporation, West Texas Division has the burden of proof under TEX. UTIL. CODE ANN. §104.008 (Vernon 2010) to show that the proposed rate changes are just and reasonable.

19. Rate case expenses for GUD No. 10041 will be considered by the Commission in accordance with TEX. UTIL. CODE ANN. §104.008 (Vernon 2010), and 16 Tex. Admin. Code §7.5530 (2010), in a separate proceeding.
20. Atmos Energy Corporation, West Texas Division is required by 16 Tex. Admin. Code §7.315 (2010) to file electronic tariffs incorporating rates consistent with this Order within thirty days of the date of this Order.
21. Atmos Energy Corporation, West Texas Division is required by 16 Tex. Admin. Code § 7.310 to utilize the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts (USOA) prescribed for natural gas companies.

IT IS THEREFORE ORDERED that Atmos Energy Corporation, West Texas Division proposed schedule of rates is hereby **APPROVED**.

IT IS FURTHER ORDERED that the rates, rate design, and service charges established in the findings of fact and conclusions of law and shown on the attached Schedules for Atmos Energy Corporation, West Texas Division are **APPROVED**.

IT IS FURTHER ORDERED that, in accordance with 16 Tex. Admin. Code §7.315, within 30 days of the date this Order is signed, Atmos Energy Corporation, West Texas Division shall file tariffs with the Gas Services Division. The tariffs shall incorporate rates, rate design, and service charges consistent with this Order, as stated in the findings of fact and conclusions of law and shown on the attached Schedules.

IT IS FURTHER ORDERED that all proposed findings of fact and conclusions of law not specifically adopted in this Order are hereby **DENIED**. **IT IS ALSO ORDERED** that all pending motions and requests for relief not previously granted or granted herein are hereby **DENIED**.

This Order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

SIGNED this 26th day of July, 2011.

RAILROAD COMMISSION OF TEXAS


CHAIRMAN ELIZABETH AMES JONES


DAVID PORTER COMMISSIONER


BARRY T. SMITHERMAN COMMISSIONER

ATTEST:


SECRETARY



SERVICE LIST
Gas Utilities Docket No. 10041
Statement of Intent filed by Atmos Energy,
West Texas Division to Increase Gas Utility Rates
within the Unincorporated Areas of the Amarillo Rate Division
Examiner: Gene Montes
Co Examiner: Frank Tomicek

PARTIES

Mr. Jeffrey Foley
Manager of Rates and Revenue
5110 80th Street
P.O. Box 1121
Lubbock, Texas 79408-1121
806-798-4457
806-798-4494 (fax)
jeffrey.foley@atmosenergy.com

Atmos Energy Corp, West Texas Division
5420 LBJ Freeway, Suite 1600
Dallas, Texas 75240
214-303-9199
214-206-2131 fax

REPRESENTATIVE

Ann M. Coffin
Parsley Coffin Renner LLP
98 San Jacinto Blvd., Suite 1450
Austin, Texas 78701
512-879-0900
512-879-0912 (fax)
mark.santos@pcrllp.com
ann.coffin@pcrllp.com
laurie.robinson@pcrllp.com

City of Amarillo
Alfred R. Herrera
Herrera & Boyle, PLLC
816 Congress Avenue, Suite 1250
Austin, Texas 78701
512-474-1492
512-474-2507 fax
aherrera@herreraboylelaw.com
llindsey@herreraboylelaw.com

RATE SCHEDULE:	RESIDENTIAL GAS SERVICE	
APPLICABLE TO:	AMARILLO SERVICE AREA – Outside City Limits (OCL)	
EFFECTIVE DATE:	Bills Rendered on and after 07/26/2011	PAGE:

Availability

This schedule is applicable to general use by Residential customers for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Charge	Amount
Customer Charge	\$ 13.50
Commodity Charge	
All Consumption	\$ 0.04562 per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

RATE SCHEDULE:	COMMERCIAL GAS SERVICE	
APPLICABLE TO:	AMARILLO SERVICE AREA – Outside City Limits (OCL)	
EFFECTIVE DATE:	Bills Rendered on and after 07/26/2011	PAGE:

Availability

This schedule is applicable to Commercial customers, including hospitals and churches, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Charge	Amount
Customer Charge	\$ 30.00
Commodity Charge	
All Consumption	\$ 0.04817 per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

RATE SCHEDULE:	INDUSTRIAL GAS SERVICE	
APPLICABLE TO:	AMARILLO SERVICE AREA – Outside City Limits (OCL)	
EFFECTIVE DATE:	Bills Rendered on and after 07/26/2011	PAGE:

Availability

This schedule is applicable to the sales of any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating or other similar type uses. Service under this schedule is available to eligible customers following execution of a contract specifying the maximum hourly load. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Charge	Amount
Customer Charge	\$ 100.00
Commodity Charge	
All Consumption	\$ 0.09088 per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

RATE SCHEDULE:	PUBLIC AUTHORITY GAS SERVICE	
APPLICABLE TO:	AMARILLO SERVICE AREA – Outside City Limits (OCL)	
EFFECTIVE DATE:	Bills Rendered on and after 07/26/2011	PAGE:

Availability

This schedule is applicable to general use by Public Authority type customers, including public schools, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available to premises with an alternative supply of natural gas.

Monthly Rate

Charge	Amount
Customer Charge	\$ 45.00
Commodity Charge	
All Consumption	\$ 0.09197 per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

DATE SCHEDULE:	WEST TEXAS DIVISION GAS COST ADJUSTMENT (GCA) RIDER	
APPLICABLE TO:	ALL SERVICE AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 07/26/2011	PAGE:

Application

Gas bills issued under rate schedules to which this Rider applies will include adjustments to reflect decreases or increases in purchased gas costs or taxes. Purchased gas costs includes any prudently incurred transaction related fees, gains or losses and other transaction costs associated with the use of various financial instruments that are executed by the Company for the purpose of price volatility mitigation. Accumulated Deferred Gas Costs shall also be adjusted for gas cost amounts which are uncollectible. Any such adjustments shall be filed with the City's Secretary before the beginning of the month in which the adjustment will be applied to bills. The amount of each adjustment shall be computed as follows:

Gas Cost Adjustment (GCA)

The GCA to be applied to each Ccf billed shall be computed as follows and rounded to the nearest \$0.01:

$$GCA = (G/S + CF) \times TF$$

Where:

1. "G", in dollars, is the expected cost of gas for the expected sales billings units.
2. "S", in Ccf as measured at local atmospheric pressure, is the expected sales billing units to be billed to customers in the respective section of the Company's Amarillo and West Texas Service Area.
3. "CF", in \$/Ccf as measured at local atmospheric pressure, is the correction factor charge per Ccf to adjust for the cumulative monthly difference between the cost of gas purchased by the Company and the amount of gas cost billed to the customer plus any gas cost which is uncollectible.

More specifically, CF shall be calculated as follows:

$$CF = (a/b) + (c/b)$$

a = over (under) collection dollar amount for the 12 month period ending September.

b = expected estimated sales volumes for the future 12 month period ending November.

c = net uncollectible gas cost, that is:

(uncollectible gas cost for the previous 12 months ended September) – (subsequently collected gas cost for the previous 12 months ended September)

Once a year, on a 12 months ended September basis, the Company shall review the percentage of lost and unaccounted for gas. If this percentage exceeds 5% of the amount metered in, the correcting account balance will be reduced so that the customer will effectively be charged a maximum of 5% for lost and unaccounted for gas and the Company will absorb the excess.

4. "TF" is the tax factor. The tax factor for all unincorporated areas is 1. For incorporated areas the tax factor for each service area is calculated as: $1 / [1 - (SGR + FFR)]$ where SGR = the applicable state gross receipts rate imposed by sections 182-021 – 182-025 of the Texas Tax Code that is not otherwise collected by a separate rider and where FFR = the applicable franchise fee rate per city ordinance that is not otherwise collected by a separate rider.

DATE SCHEDULE:	WEST TEXAS DIVISION WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER	
APPLICABLE TO:	ALL SERVICE AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 07/26/2011	PAGE:

Provision for Adjustment

The base rate per Ccf (100,000 Btu) for gas service set forth in any Rate Schedules utilized in the City of Amarillo or its environs for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment". The Weather Normalization Adjustment shall apply to all temperature sensitive residential, commercial, public authority, and state institution bills based on meters read during the revenue months of October through May.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

WNAF	$R_i \frac{(HSF_i - (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$
Where	
i	= any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
WNAF	= Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
R	= base rate of temperature sensitive sales for the i^{th} schedule or classification utilized
HSF	= heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
NDD	= billing cycle normal heating degree days
ADD	= billing cycle actual heating degree days
BL	= base load sales for the i^{th} schedule or Classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j^{th} customer in i^{th} rate schedule is computed as:

WNA	$WNAF_i \times q_{ji}$ Where q_{ji} is the relevant sales quantity for the j^{th} Customer in i^{th} rate schedule
-----	---

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
REVENUE REQUIREMENTS BY SERVICE CLASS
TEST YEAR ENDING JUNE 30, 2010

Line No.	Description	Reference	Current Revenues	Proposed Revenues (1)	Proposed Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)
1	Residential	WP J-1 and J-4	\$ 11,507,729	\$ 13,446,961	\$ 1,939,232	16.85%
2	Commercial	WP J-1 and J-4	3,026,150	3,227,297	201,147	6.65%
3	Industrial	WP J-1 and J-4	257,368	263,703	6,336	6.65%
4	Public Authority	WP J-1 and J-4	791,441	856,400	64,960	8.21%
6	Other Revenue	WP J-2	967,632	967,632	-	0.00%
7						
8	Total Base Revenues	Sum Ln 1 through Ln 6	\$ 16,550,320	\$ 18,761,994	\$ 2,211,674	
9						
10						
11	Summary - Proposed Cost of Service:					
12	Operation and Maintenance Expenses	Schedule F-1	\$ 7,665,374			
13						
14	Taxes Other than Income Taxes	Schedule F-5		925,623		
15						
16	Depreciation and Amortization Expense	Schedule F-3		4,125,249		
17						
18	Interest on Customer Deposits	Schedule F-7		2,928		
19						
20	Rate Base	Schedule B	\$ 50,158,342			
21	Rate of Return	Schedule G	8.79%			
22		Col (c), Ln 20 x Ln 21		4,409,334		
23						
24	Income Taxes	Schedule F-6		1,633,506		
25	Revenue Requirements:	Sum Ln 12 through Ln 24		18,762,013		
26	Current Revenues	Col (c), Ln 8		16,550,320		
27						
28	Proposed Change - Prospective Rates	Ln 25 - Ln 26		\$ 2,211,694		
29						
30	Proposed Change Outside City Limits					
31	Prospective Rates			\$ 77,707		

Note:

1) Proposed Revenues are the result of the application of the proposed rates to billing determinants.

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
RATE BASE
TEST YEAR ENDING JUNE 30, 2010

Line No.	Description	Ref	Amount per Books	Adjustment	Total Requested
	(a)	(b)	(c)	(d)	(e)
1	<u>Net Plant:</u>				
2	Gross Plant	Schedule C	\$ 98,554,282	\$	\$ 98,562,104
3	Accumulated Depreciation	Schedule D	32,207,182	7,822	32,208,157
4	Total Net Plant	Ln 2 - Ln 3	\$ 66,347,100	\$ 6,847	\$ 66,353,947
5					
6	<u>Working Capital:</u>				
7	Prepayments	WP_B-4	\$ 165,506	\$ 36,327	\$ 201,833
8	Gas Stored - Current	WP_B-3	449,325	(10,728)	438,597
9	Materials & Supplies	WP_B-3	50,778	(88)	50,690
10	Cash Working Capital	Schedule E	-	-	-
11	Total Working Capital	Sum Ln 7 through Ln 10	\$ 665,609	\$ 25,511	\$ 691,120
12					
13	<u>Non-Investor Supplied Capital:</u>				
14	Customer Deposits	WP_B-5	\$ 1,541,192	\$	\$ 1,541,192
15	Customer Advances for Construction	WP_B-5	196,931	-	196,931
16	Injuries and Damages Reserve	WP_B-2	130,601	-	130,601
17	Accumulated Deferred Income Taxes	WP_B-6	15,114,210	(135,005)	14,979,206
18	Unrestored Investment Tax Credits	WP_B-7	-	38,291	38,291
19	Rate Base Adjustments	WP_B-1	-	504	504
20	Total Non-Investor Supplied Capital	Sum Ln 14 through Ln 19	\$ 16,982,934	\$ (96,209)	\$ 16,886,725
21					
22	<u>Rate Base</u>	Ln 4 + Ln 11 - Ln 20	\$ 50,029,775	\$ 128,567	\$ 50,158,342

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- GROSS PLANT
TEST YEAR ENDING JUNE 30, 2010

Line No.	Utility Account	Account Description	Reference	Amount Per Books	Adjustments	Adjusted Amount	West Texas		Amarillo Direct Allocation Factor	Allocated Amount
							General Office Allocation Factor			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)		(h)	(i)
1	Amarillo Direct:									
2	Distribution Plant									
3	37401 Land			\$	-	16,862	100%	100%	100%	\$ 16,862
4	37402 Land Rights				-	32,774	100%	100%	100%	32,774
5	37500 Structures & Improvements				-	13,034	100%	100%	100%	13,034
6	37501 Struct. & Improv. - Frame				-	10,677	100%	100%	100%	10,677
7	37502 Struct. & Improv. - Land Rights				-	26,238	100%	100%	100%	26,238
8	37503 Struct. & Improv. - Improvements				-	30,700	100%	100%	100%	30,700
9	37600 Mains - Cathodic Protection				-	7,298,934	100%	100%	100%	7,298,934
10	37601 Mains - Steel				-	16,270,134	100%	100%	100%	16,270,134
11	37602 Mains - Plastic				-	21,689,490	100%	100%	100%	21,689,490
12	37700 Compressor Station Equipment				-	1,897,117	100%	100%	100%	1,897,117
13	37800 M&R Station Equipment - General				-	109,924	100%	100%	100%	109,924
14	37800 M&R Station Equipment - City Gate				-	22,362,407	100%	100%	100%	22,362,407
15	38000 Services				-	4,580,781	100%	100%	100%	4,580,781
16	38100 Meters				-	11,183,261	100%	100%	100%	11,183,261
17	38200 Meter Installations				-	1,706,580	100%	100%	100%	1,706,580
18	38300 House Regulators				-	235,126	100%	100%	100%	235,126
19	38400 House Regulator Installations				-	593,718	100%	100%	100%	593,718
20	38500 Industrial M&R Station Equipment				-	7,885	100%	100%	100%	7,885
21	38600 Other Property on Customers' Premises				-	375,794	100%	100%	100%	375,794
22	38700 Other Equipment				-	88,441,436	100%	100%	100%	88,441,436
23	Total (Sum Ln 3 through Ln 22)			\$	-	\$ 88,441,436			\$	\$ 88,441,436
24										

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- GROSS PLANT
TEST YEAR ENDING JUNE 30, 2010

Line No.	Utility Account	Account Description (b)	Reference (c)	Amount Per Books (d)	Adjustments (e)	Adjusted Amount (f)	West Texas		Amarillo Direct		
							General Office Allocation Factor (e)	Allocation Amount (g)	General Office Allocation Factor (f)	Allocation Amount (g)	
General Plant											
25	30200	Franchises & Consents		\$	1	\$	100%		100%	\$	1
26	38900	Land & Land Rights					100%		100%		
27	39000	Struct. & Improv.		267,506		267,506	100%		100%		267,506
28	39001	Struct. & Improv. - Frame					100%		100%		
29	39002	Struct. & Improv. - Brick					100%		100%		
30	39003	Struct. & Improv. - Improvements					100%		100%		
31	39004	Struct. & Improv. - Air Condition Equip.					100%		100%		
32	39008	Struct. & Improv. - Improv. to Leased Facilities		492,689		492,689	100%		100%		492,689
33	39100	Office Furniture & Equipment		693,001		693,001	100%		100%		693,001
34	39103	Office Furn. & Equip. - Office Machines					100%		100%		
35	39200	Transportation Equipment					100%		100%		
36	39300	Stores Equipment		3,585		3,585	100%		100%		3,585
37	39400	Tools, Shop, and Garage Equipment		433,521		433,521	100%		100%		433,521
38	39500	Laboratory Equipment					100%		100%		
39	39600	Power Operated Equipment		25,230		25,230	100%		100%		25,230
40	39603	Power Op. Equip. - Ditchers					100%		100%		
41	39604	Power Op. Equip. - Backhoes					100%		100%		
42	39605	Power Op. Equip. - Welders					100%		100%		
43	39700	Communication Equipment		1		1	100%		100%		1
44	39701	Comm. Equip. - Fixed Radio		(772)		(772)	100%		100%		(772)
45	39702	Comm. Eq. - Telemetering		37,996		37,996	100%		100%		37,996
46	39705	Miscellaneous Equipment		138,607		138,607	100%		100%		138,607
47	39800	Other Tangible Property		2,758		2,758	100%		100%		2,758
48	39801	Other Tangible Property-Servers Hardware		430,195		430,195	100%		100%		430,195
49	39802	Other Tangible Property-Servers Software		16,671		16,671	100%		100%		16,671
50	39806	Other Tangible Property-PC Hardware					100%		100%		
51	39900	Other Tangible Property-PC Software		644,162		644,162	100%		100%		644,162
52		Total (Sum of Ln. 26 through Ln. 53)		5,626		5,626	100%		100%		5,626
53		Total Amarillo Direct (Ln 23 + Ln 54)		\$ 3,190,775		\$ 3,190,775				\$	3,190,775
54				\$ 91,632,212		\$ 91,632,212				\$	91,632,212
55											
56											

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
COMPONENTS OF RATE BASE-GROSS PLANT
TEST YEAR ENDING JUNE 30, 2010

Line No.	Utility Account	Account Description (b)	Reference (c)	Amount Per Books (d)	Adjustments (e)	Adjusted Amount (f)	West Texas		Amarillo Direct Allocation Factor (f)	Allocated Amount (g)
							General Office Allocation Factor (e)			
57	Texas Division	General Office (Div 10):								
58	General Plant									
59	39009	Struct. & Improv. - Improv. to Leased Facilities	\$	666,706	\$	666,706	100%	22.20%	\$	147,980
60	39100	Office Furniture & Equipment		302,525		302,525	100%	22.20%		67,147
61	39103	Office Furn. & Equip. - Office Machines		-		-	100%	22.20%		-
62	39200	Transportation Equipment		-		-	100%	22.20%		-
63	39400	Tools, Shop, and Garage Equipment		140,555		140,555	100%	22.20%		31,197
64	39700	Communication Equipment		-		-	100%	22.20%		-
65	39701	Communication Equip.		-		-	100%	22.20%		-
66	39702	Comm. Eq. - Fixed Radio		-		-	100%	22.20%		-
67	39705	Comm. Eq. - Telemetering		-		-	100%	22.20%		-
68	39800	Miscellaneous Equipment		-		-	100%	22.20%		-
69	39801	Other Tangible Property-Servers Hardware		238,780		238,780	100%	22.20%		52,989
70	39802	Other Tangible Property-Servers Software		323,596		323,596	100%	22.20%		71,824
71	39803	Other Tangible Property-Network-Hardware		-		-	100%	22.20%		-
72	39805	Other Tangible Property-MF Hardware		-		-	100%	22.20%		-
73	39806	Other Tangible Property-PC Hardware		992,204		992,204	100%	22.20%		220,226
74	39807	Other Tangible Property-PC Software		32,177		32,177	100%	22.20%		7,142
75	39808	Other Tangible Property-Application Software		-		-	100%	22.20%		-
76	Total Texas Div.	General Office Plant Allocated to Amarillo (Sum Ln 59 through Ln 75)		\$ 2,686,543	\$ -	\$ 2,686,543			\$	588,516
77									\$	92,230,727
78		Total Amarillo Plant (Ln 55 + Ln 76)								
79										
80										

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- GROSS PLANT
TEST YEAR ENDING JUNE 30, 2010

Line No.	Utility Account	Account Description (b)	Reference (c)	Amount Per Books (d)	Adjustments (e)	Adjusted Amount (f)	West Texas		Amarillo Direct Allocation Factor (i)	Allocated Amount (g)
							General Office Allocation Factor (e)			
81	SSU - General Office (Div 2):									
82	General Plant									
83	39009	Improvements to Leased Premises		\$ 9,145,051		\$ 9,145,051	7.02%	22.20%	\$	142,492
84	39100	Office Furniture & Equipment		11,475,202	(892,013)	10,583,189	7.02%	22.20%		184,900
85	39102	Remittance Processing Equipment		-	-	-	7.02%	22.20%		-
86	39103	Office Furniture & Equipment		-	-	-	7.02%	22.20%		-
87	39200	Transportation Equipment		-	-	-	7.02%	22.20%		-
88	39300	Stores Equipment		-	-	-	7.02%	22.20%		-
89	39400	Tools & Work Equipment		83,933	-	83,933	7.02%	22.20%		1,308
90	39700	Communication Equipment - Telephone		2,141,281	-	2,141,281	7.02%	22.20%		33,364
91	39800	Miscellaneous Equipment		212,276	-	212,276	7.02%	22.20%		3,308
92	39800	Other Tangible Property		162,268	-	162,268	7.02%	22.20%		2,528
93	39801	Other Tangible Property-Servers Hardware		19,208,894	-	19,208,894	7.02%	22.20%		299,301
94	39802	Other Tangible Property-Servers Software		11,893,273	-	11,893,273	7.02%	22.20%		185,313
95	39803	Other Tangible Property-Network-Hardware		3,465,695	-	3,465,695	7.02%	22.20%		54,000
96	39804	Other Tangible Property-CPU		1,095,465	-	1,095,465	7.02%	22.20%		17,069
97	39805	Other Tangible Property-MF Hardware		1,159,964	-	1,159,964	7.02%	22.20%		18,074
98	39806	Other Tangible Property-PC Hardware		5,112,936	-	5,112,936	7.02%	22.20%		79,666
99	39807	Other Tangible Property-PC Software		1,565,666	-	1,565,666	7.02%	22.20%		24,395
100	39808	Other Tangible Property-Application Software		75,764,289	(112,672)	75,651,627	7.02%	22.20%		1,178,755
101	39809	Other Tangible Property-System Software		2,575,367	-	2,575,367	7.02%	22.20%		40,128
102	39824	Other Tangible Property-GenStartupCost		-	-	-	7.02%	22.20%		-
103		Total (Sum Ln 83 through Ln 102)		\$ 145,081,572	\$ (1,004,685)	\$ 144,056,887			\$	2,244,602
104	SSU - General Office:									
105	General Plant									
106	Greenville Data Center (010.11520)									
107	39005	G-Structures & Improvements		\$ 8,601,074	-	\$ 8,601,074	2.72%	22.20%		51,989
108	39104	G-Office Furniture & Equip.		63,119	-	63,119	2.72%	22.20%		382
109	Total (Sum of Ln. 107 through Ln. 108)			\$ 8,664,193	-	\$ 8,664,193			\$	52,370
110										
111		Total SSU General Office (Line 112 plus Line 118)		\$ 153,725,766	\$ (1,004,685)	\$ 152,721,081			\$	2,296,972
112										
113										

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- GROSS PLANT
TEST YEAR ENDING JUNE 30, 2010

Line No.	Utility Account	Account Description	Reference	Amount Per Books	Adjustments	Adjusted Amount	West Texas		Amarillo Direct Allocation Factor	Allocated Amount
							General Office Allocation Factor	(e)		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
114	SSU - Customer Support:									
115	General Plant									
116	39009	Improvements to Leased Premises	\$	3,545,452	\$ 892,013	\$ 4,437,465	9.37%	24.94%	\$	103,690
117	39100	Office Furniture & Equipment		433,853	-	433,853	9.37%	24.94%		10,138
118	39102	Remittance Processing Equipment		-	-	-	9.37%	24.94%		-
119	39103	Office Furniture & Equipment		-	-	-	9.37%	24.94%		-
120	39200	Transportation Equipment		-	-	-	9.37%	24.94%		-
121	39300	Stores Equipment		-	-	-	9.37%	24.94%		-
122	39400	Tools & Work Equipment		-	-	-	9.37%	24.94%		-
123	39700	Communication Equipment - Telephone		-	-	-	9.37%	24.94%		-
124	39800	Miscellaneous Equipment		25,385,315	-	25,385,315	9.37%	24.94%		593,178
125	39800	Other Tangible Property		2,007	-	2,007	9.37%	24.94%		47
126	39801	Other Tangible Property-Servers Hardware		-	-	-	9.37%	24.94%		-
127	39802	Other Tangible Property-Servers Software		11,752,671	-	11,752,671	9.37%	24.94%		274,624
128	39803	Other Tangible Property-Servers Hardware		7,323,891	-	7,323,891	9.37%	24.94%		171,137
129	39804	Other Tangible Property-Network-Hardware		633,322	-	633,322	9.37%	24.94%		14,799
130	39805	Other Tangible Property-CPU		-	-	-	9.37%	24.94%		-
131	39806	Other Tangible Property-MF Hardware		-	-	-	9.37%	24.94%		-
132	39807	Other Tangible Property-PC Hardware		4,447,807	-	4,447,807	9.37%	24.94%		103,932
133	39808	Other Tangible Property-PC Software		3,234,325	-	3,234,325	9.37%	24.94%		75,576
134	39809	Other Tangible Property-Application Software		91,718,471	112,672	91,831,143	9.37%	24.94%		2,145,816
135	39824	Other Tangible Property-System Software		-	-	-	9.37%	24.94%		-
136		Other Tangible Property-GenStartupCost		-	-	-	9.37%	24.94%		-
137		Total (Sum Ln 116 through Ln 135)		23,172,326	-	23,172,326	9.37%	24.94%		541,467
138		Total SSU Plant Allocated to Amarillo (Ln 111 + Ln 136)		\$ 171,649,439	\$ 1,004,685	\$ 172,654,124			\$	4,034,404
139				\$ 325,375,205	-	\$ 325,375,205			\$	6,331,377
140		Total Amarillo Gross Plant (Ln 78 + Ln 138)							\$	98,562,104

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
TEST YEAR ENDING JUNE 30, 2010

Line No.	Account	Account Description	Reference	West Texas			Amarillo Direct
				General Office	Allocation	Factor	
	(a)	(b)	(c)	Amount Per Books	Adjustments	Adjusted Amount	(f)
				(d)	(e)	(f)	(g)
1	Amarillo Direct (Div 3, 6, 13, 17, 18)						
2	Distribution Plant						
3	37401 Land						
4	37402 Land Rights						
5	37500 Structures & Improvements						
6	37501 Struct. & Improv. - Frame						
7	37502 Struct. & Improv. - Land Rights						
8	37503 Struct. & Improv. - Improvements						
9	37600 Mains - Cathodic Protection						
10	37601 Mains - Steel						
11	37700 Compressor Station Equipment						
12	37800 M&R Station Equipment - General						
13	37900 M&R Station Equipment - City Gate						
14	38000 Services						
15	38100 Meters						
16	38200 Meter Installations						
17	38300 House Regulators						
18	38400 House Regulator Installations						
19	38500 Industrial M&R Station Equipment						
20	38600 Other Property on Customers' Premises						
21	38700 Other Equipment						
22	Total (Sum Ln 2 through Ln 21)						
23							

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
TEST YEAR ENDING JUNE 30, 2010

Line No.	Account	Account Description	Reference	Amount Per Books	Adjustments	Adjusted Amount	West Texas		Amarillo Direct	
							General Office Allocation Factor	Allocation Factor	Allocation Factor	Allocated Amount
	(a)	(b)	(c)	(d)	(e)	(f)	(e)	(f)	(g)	
24	General Plant									
25	30200	Franchises & Consents		\$ -	-	\$ -	100%	100%	100%	\$ -
26	39000	Land & Land Rights			-	-	100%	100%	100%	-
27	39000	Struct. & Improv.		17,209	-	17,209	100%	100%	100%	17,209
28	39001	Struct. & Improv. - Frame		-	-	-	100%	100%	100%	-
29	39002	Struct. & Improv. - Brick		-	-	-	100%	100%	100%	-
30	39003	Struct. & Improv. - Improvements		-	-	-	100%	100%	100%	-
31	39004	Struct. & Improv. - Air Condition Equip.		-	-	-	100%	100%	100%	-
32	39009	Struct. & Improv. - Improv. to Leased Facilities		492,689	-	492,689	100%	100%	100%	492,689
33	39100	Office Furniture & Equipment		62,982	-	62,982	100%	100%	100%	62,982
34	39103	Office Furn. & Equip. - Office Machines		(770)	-	(770)	100%	100%	100%	(770)
35	39200	Transportation Equipment		109,705	-	109,705	100%	100%	100%	109,705
36	39300	Stores Equipment		2,758	-	2,758	100%	100%	100%	2,758
37	39400	Tools, Shop, and Garage Equipment		30,036	-	30,036	100%	100%	100%	30,036
38	39600	Power Operated Equipment		19,561	-	19,561	100%	100%	100%	19,561
39	39603	Power Op. Equip. - Ditchers		(576)	-	(576)	100%	100%	100%	(576)
40	39604	Power Op. Equip. - Backhoes		(49)	-	(49)	100%	100%	100%	(49)
41	39605	Power Op. Equip. - Welders		(35,428)	-	(35,428)	100%	100%	100%	(35,428)
42	39700	Communication Equipment		4,716	-	4,716	100%	100%	100%	4,716
43	39701	Communication Equip.		7,704	-	7,704	100%	100%	100%	7,704
44	39702	Comm. Eq. - Fixed Radio		(49,488)	-	(49,488)	100%	100%	100%	(49,488)
45	39705	Comm. Eq. - Telemetering		29,194	-	29,194	100%	100%	100%	29,194
46	39800	Miscellaneous Equipment		630	-	630	100%	100%	100%	630
47	39800	Other Tangible Property		(10,615)	-	(10,615)	100%	100%	100%	(10,615)
48	39801	Other Tangible Property-Servers Hardware		(16,444)	-	(16,444)	100%	100%	100%	(16,444)
49	39802	Other Tangible Property-Servers Software		513,970	-	513,970	100%	100%	100%	513,970
50	39806	Other Tangible Property-PC Hardware		(8,782)	-	(8,782)	100%	100%	100%	(8,782)
51	39807	Other Tangible Property-PC Software		(1,463)	-	(1,463)	100%	100%	100%	(1,463)
52	39808	Other Tangible Property-Application Software		-	-	-	100%	100%	100%	-
53		Total (Sum Ln 25 through Ln 52)		\$ 1,167,549	\$ -	\$ 1,167,549	100%	100%	100%	\$ 1,166,919
54										
55	RWIP	Retirement Work in Progress		\$ (1,814,331)	-	(1,814,331)	100%	100%	100%	(1,814,331)
56										
57		Total Amarillo Direct (Ln 22 + Ln 53 + Ln 55)		\$ 24,393,657	\$ -	\$ 24,393,657	100%	100%	100%	\$ 28,021,689
58										

[illegible]

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
TEST YEAR ENDING JUNE 30, 2010

Line No.	Account	Account Description	Reference	Amount Per Books	Adjustments	Adjusted Amount	West Texas		Amarillo Direct Allocation Factor	Allocated Amount
							General Office Allocation Factor			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)		(h)	(i)
84	SSU - General Office (Div 2)									
85	General Plant									
86	39009	Improvements to Leased Premises		7,430,758	\$ (111,258)	\$ 7,319,500				\$ 125,151
87	39005	G-Structures & Improvements (Greenville Data Center)		232,693	-	232,693				1,659
88	39100	Office Furniture & Equipment		6,989,426	-	6,989,426				123,744
89	39102	Remittance Processing Equipment		5,860	-	5,860				88
90	39103	Office Furn. - Copiers & Type		2,888	-	2,888				41
91	39200	G-Office Furniture & Equip. (Greenville Data Center)		919	-	919				3
92	39200	Transportation Equipment		7,675	-	7,675				124
93	39300	Stores Equipment		758	-	758				13
94	39400	Tools & Work Equipment		5,488	-	5,488				94
95	39700	Communication Equipment - Telephone		592,314	-	592,314				9,398
96	39800	Miscellaneous Equipment		52,703	-	52,703				602
97	39900	Other Tangible Property		25,188	-	25,188				404
98	39901	Other Tangible Property-Servers Hardware		6,172,349	-	6,172,349				118,855
99	39902	Other Tangible Property-Servers Software		2,825,448	-	2,825,448				52,115
100	39903	Other Tangible Property-Network-Hardware		1,302,696	-	1,302,696				23,505
101	39904	Other Tangible Property-CPU		1,110,347	-	1,110,347				18,687
102	39905	Other Tangible Property-MF Hardware		1,173,831	-	1,173,831				19,807
103	39906	Other Tangible Property-PC Hardware		4,385,478	-	4,385,478				77,150
104	39907	Other Tangible Property-PC Software		1,491,216	-	1,491,216				26,391
105	39908	Other Tangible Property-Application Software		-	-	-				605,321
106	39909	Other Tangible Property-System Software		38,555,140	(13,932)	38,541,208				46,201
107	39924	Other Tangible Property-GenStartupCost		2,715,471	-	2,715,471				(138)
108	RWIP	Retirement Work in Progress		0	-	0				
109				153						
110		Total (Sum Ln 86 through Ln 108)		\$ 75,078,901	\$ (125,190)	\$ 74,953,557				\$ 1,249,225

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONMENTAL STATEMENT OF INTENT
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
TEST YEAR ENDING JUNE 30, 2010

Line No.	Account (a)	Account Description (b)	Reference (c)	Amount Per Books (d)	Adjustments (e)	Adjusted Amount (f)	West Texas General Office Allocation Factor (e)		Amarillo Direct Allocation Factor (f)		Allocated Amount (g)
111	SSU - Customer Support:										
112	General Plant										
113	39009	Improvements to Leased Premises		2,239,834	\$ 111,258	\$ 2,351,092					\$ 51,765
114	39100	Office Furniture & Equipment		42,347	-	42,347					1,221
115	39102	Remittance Processing Equipment		-	-	-					-
116	39103	Office Furniture & Equipment		-	-	-					-
117	39200	Transportation Equipment		-	-	-					-
118	39300	Stores Equipment		-	-	-					-
119	39400	Tools & Work Equipment		-	-	-					-
120	39700	Communication Equipment - Telephone		13,936,809	-	13,936,809					324,183
121	39800	Miscellaneous Equipment		812	-	812					17
122	39800	Other Tangible Property		(1,031)	-	(1,031)					(30)
123	39801	Other Tangible Property-Servers Hardware		11,000,531	-	11,000,531					261,036
124	39802	Other Tangible Property-Servers Software		7,319,071	-	7,319,071					170,952
125	39803	Other Tangible Property-Network-Hardware		414,510	-	414,510					10,475
126	39804	Other Tangible Property-CPU		-	-	-					-
127	39805	Other Tangible Property-MF Hardware		-	-	-					-
128	39806	Other Tangible Property-PC Hardware		3,286,693	-	3,286,693					80,287
129	39807	Other Tangible Property-PC Software		2,633,473	-	2,633,473					72,352
130	39808	Other Tangible Property-Application Software		64,594,215	13,932	64,608,147					1,380,272
131	39809	Other Tangible Property-System Software		-	-	-					-
132	39824	Other Tangible Property-GenStartupCost		-	-	-					-
133		Total (Sum Ln 113 through Ln 132)		22,925,389	-	22,925,389					523,054
134				128,362,653	\$ 125,190	\$ 128,517,844					2,875,582
135											
136		Total SSU Accumulated Depreciation Allocated to Amarillo (Ln 109 + Ln 133)									
137				\$ 203,471,554	\$ -	\$ 203,471,401					\$ 4,124,807
138		Total Amarillo Rate Division Accumulated Depreciation (Ln 81 + Ln 136)									
139	Note:										
140	1. Shared Services Allocated Amount reflects the reserve resulting from the Life to Date Jurisdictional approved SSU depreciation rates.										\$ 32,208,157

ATMOS ENERGY CORPORATION
CASH WORKING CAPITAL
COST OF SERVICE SCHEDULES AND WORKPAPERS
TWELVE MONTHS ENDED JUNE 30, 2010

Line No.	Description	Test Year Expenses	Ref	Avg. Daily Expense	Revenue Lag	Expense Lag	Net Lag	Working Capital Requirement
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								

Proposing zero Cash Working Capital as consistent with previous decisions in West Texas rate divisions.

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING JUNE 30, 2010

Line No.	FERC Acct (a)	Description (b)	Amarillo Direct (c)	Div 15 (d)	Div 15 Allocation (e)	Adjustments (f)	Adjusted Amount (g)
1	840	Natural gas storage - Operation supervision and engineering	\$ -	\$ -	19.32%	-	\$ -
2	841	Natural gas storage - Operation labor and expenses	\$ -	\$ -	-	-	\$ -
3	856	Transmission - Mains expenses	\$ -	-	-	-	\$ -
4	857	Transmission - Measuring and regulating station expenses	\$ -	-	-	-	\$ -
5	881	Transmission - Maintenance supervision	\$ -	-	-	-	\$ -
6	883	Transmission - Maintenance of mains	\$ -	-	-	-	\$ -
7	885	Transmission - Maintenance of measuring equipment	\$ 4,538	-	-	13	\$ 4,549
8	870	Operation Supervision and Engineering	\$ -	-	-	-	\$ -
9	871	Distribution Load Dispatching	\$ 251,143	-	-	(15,758)	\$ 235,385
10	874	Mains and Services Expenses	\$ 15,721	-	-	-	\$ 15,721
11	875	Measuring and Regulating Station Expenses - General	\$ 885,600	-	-	19,763	\$ 885,363
12	876	Measuring and Regulating Station Expenses - Industrial	\$ 151,945	-	-	8,019	\$ 157,963
13	877	Measuring and Regulating Station Exp. - City Gate Chk. Sta.	\$ 223	-	-	-	\$ 223
14	878	Meter and House Regulator Expenses	\$ 19,418	-	-	-	\$ 19,418
15	879	Customer Installations Expenses	\$ 302,384	-	-	17,990	\$ 320,373
16	880	Other Expenses	\$ 21,025	-	-	1,089	\$ 22,094
17	881	Rents	\$ 16,143	-	-	77	\$ 16,220
18	886	Maintenance Supervision and Engineering	\$ 284,848	-	-	-	\$ 284,848
19	886	Maintenance of Structures and Improvements	\$ 1,320	-	-	-	\$ 1,320
20	887	Maintenance of Mains	\$ 390	-	-	-	\$ 390
21	888	Distribution - Maintenance of Compressor Station Equipment	\$ 24,168	-	-	2	\$ 24,168
22	889	Maint. of Measuring and Regulating Station Equip. - General	\$ -	-	-	-	\$ -
23	890	Maint. of Measuring and Regulating Station Equip. - Industrial	\$ 17	-	-	-	\$ 17
24	891	Maint. of Measuring and Regulating Station Equip. - City Gate	\$ -	-	-	-	\$ -
25	892	Maintenance of Services	\$ -	-	-	-	\$ -
26	893	Maintenance of Meters and House Regulators	\$ -	-	-	-	\$ -
27	894	Maintenance of Other Equipment	\$ -	-	-	-	\$ -
28	901	Supervision	\$ (1,831)	-	-	-	\$ (1,831)
29	902	Meter Reading Expense	\$ 939	-	-	44	\$ 983
30	903	Customer Records and Collection Expenses	\$ 261,846	-	-	12,984	\$ 274,830
31	904	Uncollectible Accounts	\$ 279,775	-	-	12,332	\$ 292,107
32	905	Customer Accounts - Miscellaneous Customer Accounts Expense	\$ 133,652	825,643	120,855	(60,487)	\$ 194,021
33	908	Customer Assistance Expenses	\$ -	-	-	-	\$ -
34	909	Informational and Instructional Advertising Expenses	\$ 7	-	-	-	\$ 7
35	910	Miscellaneous Customer Service and Informational Expenses	\$ 90,092	-	-	3,511	\$ 93,603
36	911	Supervision	\$ -	-	-	-	\$ -
37	912	Demonstrating and Selling Expenses	\$ 2,050	-	-	-	\$ 2,050
38	913	Advertising Expenses	\$ 124,098	53,007	10,239	3,291	\$ 137,829
39	920	A&G - Administrative and General Salaries	\$ 10,279	-	-	-	\$ 10,279
40	921	Office Supplies and Expenses	\$ 29,526	-	-	3,288	\$ 32,812
41	922	Administrative Expenses Transferred - Credit	\$ 23,138	-	-	-	\$ 23,138
42	923	Outside Services Employed	\$ 3,927,171	161,196	31,138	(27,422)	\$ 3,930,887
43	924	Property Insurance	\$ 16,344	17,704	3,420	-	\$ 19,784
44	925	Injuries and Damages	\$ 48,367	-	-	559	\$ 48,926
45	926	Employee Pensions and Benefits	\$ 38,413	-	-	(35,000)	\$ 3,413
46	930	Miscellaneous General Expense	\$ 583,033	21,773	4,206	32,228	\$ 619,467
47	931	A&G - Rents	\$ -	-	-	-	\$ -
48			\$ 15,439	-	-	-	\$ 15,439
49	Total O&M Expenses (Sum of Lines 1 through 47)		\$ 7,521,013	\$ 878,323	\$ 189,859	\$ (25,498)	\$ 7,865,374

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
ADJUSTMENTS TO OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING JUNE 30, 2010

Line No.	FERC Account	Account Description	Base Labor	Medical and Dental Benefits	Pensions and Retiree Medical Benefits	Property Insurance	Employee Expenses	SSU Service-Level Factors	Miscellaneous Adjustments	Uncollectible Expenses	Rule Compliance	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	840	Natural gas storage - Operation supervision and engineering	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2	841	Natural gas storage - Operation labor and expenses										
3	856	Transmission - Mains expenses										
4	857	Transmission - Measuring and regulating station expenses										
5	861	Transmission - Maintenance supervision										
6	863	Transmission - Maintenance of mains	13									
7	865	Transmission - Maintenance of measuring equipment										
8	870	Operation Supervision and Engineering					(22,595)					
9	871	Distribution Load Dispatching	8,837									
10	874	Mains and Services Expenses										
11	875	Measuring and Regulating Station Expenses - General	19,763									
12	876	Measuring and Regulating Station Expenses - Industrial	6,019									
13	877	Measuring and Regulating Station Exp. - City Gate Chk. Sta.										
14	878	Meter and House Regulator Expenses										
15	879	Customer Installation Expenses	17,990									
16	880	Other Expenses	1,089									
17	881	Rents	77									
18	885	Maintenance Supervision and Engineering										
19	886	Maintenance of Structures and Improvements										
20	887	Maintenance of Mains										
21	888	Distribution - Maintenance of Compressor Station Equipment	2									
22	889	Maint. of Measuring and Regulating Station Equip. - General										
23	890	Maint. of Measuring and Regulating Station Equip. - Industrial										
24	891	Maint. of Measuring and Regulating Station Equip. - City Gate										
25	892	Maintenance of Services										
26	893	Maintenance of Meters and House Regulators										
27	894	Maintenance of Other Equipment										
28	901	Supervision	44									
29	902	Meter Reading Expense										
30	903	Customer Records and Collection Expenses	12,984									
31	904	Uncollectible Accounts	12,332							(80,467)		
32	905	Customer Accounts - Miscellaneous Customer Accounts Expense										
33	908	Customer Assistance Expenses										
34	909	Informational and Instructional Advertising Expenses	3,511									
35	910	Miscellaneous Customer Service and Informational Expenses										
36	911	Supervision										
37	912	Demonstrating and Selling Expenses	3,751									
38	913	Advertising Expenses							(460)			
39	920	A&G - Administrative and General Salaries	3,288									
40	921	Office Supplies and Expenses										
41	922	Administrative Expenses Transferred - Credit										
42	923	Outside Services Employed	70,333	7,432	17,870	93	(5,860)	(113,004)	(3,898)		(398)	(27,41)
43	924	Property Insurance										
44	925	Injuries and Damages										
45	926	Employee Pensions and Benefits										
46	930	Miscellaneous General Expense		37,451	(5,223)				(35,000)			(35,000)
47	931	A&G - Rents										
48												
49												
Total Adjustments to O&M Expenses			\$ 159,012	\$ 44,883	\$ 12,647	\$ 652	\$ (29,455)	\$ (113,004)	\$ (39,358)	\$ (80,467)	\$ (398)	\$ (25,69)
Adjustment Reference:			WP_F-2.1	WP_F-2.2	WP_F-2.3	WP_F-2.4	WP_F-2.6	WP_F-2.7	WP_F-2.8	WP_F-2.9	WP_F-2.10	

Note: WP_F-2.5 is intentionally blank and not included.

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING JUNE 30, 2010

Line No.	Account (a)	Account Description (b)	Total Plant (c)	Non-depreciable and Fully Depreciated Plant (d)	Depreciable Plant (e)	Current Rates (f)	Current Depreciation Expense (g)	Proposed Rates (h)	Proposed Depreciation Expense (i)	Change in Rates (j)
Amarillo District (Div 3 & 13)										
1	Distribution Plant									
2	37401 Land		\$ 16,388	\$ 16,388	-	3.00%	-	0.00%	-	-
3	37402 Land Rights		27,688	27,688	-	4.08%	-	1.56%	-	-
4	37500 Structures & Improvements		13,034	-	13,034	4.08%	528	3.05%	388	(132)
5	37501 Struct. & Improv. - Frame		10,182	-	10,182	4.08%	413	3.05%	311	(103)
6	37502 Struct. & Improv. - Land Rights		25,972	25,972	-	4.08%	-	3.05%	-	-
7	37503 Struct. & Improv. - Improvements		30,700	30,700	-	4.08%	-	3.05%	-	-
8	37600 Meters - Cathodic Protection		8,685,642	-	8,685,642	2.26%	151,322	2.60%	178,443	28,122
9	37601 Meters - Steel		15,483,228	-	15,483,228	2.26%	348,821	2.60%	414,850	65,030
10	37602 Meters - Plastic		21,247,252	-	21,247,252	2.26%	480,188	2.68%	588,428	89,238
11	37700 Compressor Station Equipment		-	-	-	0.00%	-	3.33%	-	-
12	37800 M&R Station Equipment - General		1,840,350	13,084	1,827,266	4.08%	74,187	2.65%	48,423	(25,764)
13	37900 M&R Station Equipment - City Gate		105,469	-	105,469	4.08%	4,282	3.82%	4,134	(148)
14	38000 Services		21,593,040	-	21,593,040	4.08%	878,877	3.55%	768,553	(110,325)
15	38100 Meters		4,375,935	-	4,375,935	4.08%	177,683	5.97%	281,243	83,560
16	38200 Meter Installations		10,089,485	-	10,089,485	4.08%	409,834	6.62%	667,805	258,291
17	38300 House Regulators		1,832,729	-	1,832,729	4.08%	68,289	5.88%	98,168	29,879
18	38400 House Regulator Installations		223,421	1,835	225,256	4.08%	9,085	5.54%	12,388	3,312
19	38500 Industrial M&R Station Equipment		981,882	581,882	-	4.08%	-	4.04%	-	-
20	38600 Other Property on Customers' Premises		7,885	7,885	-	4.08%	-	1.82%	-	-
21	38700 Other Equipment		388,878	-	388,878	4.08%	14,885	4.15%	15,225	330
22										
23										
24										
Total - Distribution (Sum Ln 12 through Ln 21)			\$ 84,368,988	\$ 715,056	\$ 83,653,932		\$ 2,815,085		\$ 3,088,597	\$ 421,511

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING JUNE 30, 2010

Line No.	Account	Account Description	Total Plant	Depreciated Plant	Depreciable Plant	Current Rates	Current Depreciation Expense	Proposed Rates	Proposed Depreciation Expense	Change in Rates
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
25	General Plant	Franchises & Consents								
26	30200	Struct. & Improv.	\$	\$		0.00%		0.00%	8,988	863
27	39000	Struct. & Improv. - Frame	267,508		267,508	3.00%	8,025	3.38%		-
28	39001	Struct. & Improv. - Brick				3.00%		3.38%		-
29	39002	Struct. & Improv. - Improvements				3.00%		3.38%		-
30	39003	Struct. & Improv. - Air Condition Equip.				3.00%		3.38%		-
31	39004	Struct. & Improv. - Improv. to Leased Facilities		470,001		7.00%		2.67%		-
32	39009	Office Furniture & Equipment	470,001			0.28%	1,938	8.28%	57,284	55,327
33	39100	Office Furn. & Equip. - Office Machines	681,588		681,588	20.00%		8.28%		-
34	39103	Transportation Equipment				28.98%		3.10%		-
35	39200	Stores Equipment	308		308	8.04%	18	7.07%	9	(10)
36	39400	Tools, Shop, and Garage Equipment	431,322		431,322	10.00%	28,052	8.84%	30,484	4,443
37	39800	Power Operated Equipment	25,230		25,230	10.00%	2,523	8.84%	2,230	(293)
38	39803	Power Op. Equip. - Ditchers				10.00%		8.84%		-
39	39804	Power Op. Equip. - Backhoes				10.00%		8.84%		-
40	39805	Power Op. Equip. - Welders				10.00%		8.84%		-
41	39805	Power Op. Equip. - Welders				10.00%		8.84%		-
42	39700	Communication Equip.	(772)		(772)	2.56%		18.12%	(148)	(128)
43	39701	Comm. Eq. - Fused Radio	37,988		37,988	8.88%	2,814	18.12%	7,285	4,651
44	39702	Comm. Eq. - Fused Radio	116,435		116,435	0.55%	640	18.12%	22,282	21,622
45	39705	Comm. Eq. - Telephoning	2,758		2,758	9.81%	285	18.12%	527	262
46	39800	Miscellaneous Equipment	427,811		427,811	5.39%	22,831	10.45%	44,708	21,778
47	39800	Other Tangible Property	16,671		16,671	20.00%	3,334	20.00%	3,334	-
48	39801	Other Tangible Property-Server Hardware				15.45%		14.28%		-
49	39802	Other Tangible Property-Server Hardware	644,162		644,162	20.00%	128,832	19.62%	128,365	(468)
50	39806	Other Tangible Property-PC Hardware	5,828		5,828	20.00%	889	23.18%	1,305	435
51	39807	Other Tangible Property-PC Hardware								
52	Total - General Plant (Sum Ln 26 through Ln 51)		\$ 3,139,841	\$ 470,001	\$ 2,669,839		\$ 188,021		\$ 304,622	\$ 106,601
53	Total - Amarillo Direct Div 3 and 13 (Ln 23 + Ln 54)		\$ 67,505,828	\$ 1,175,057	\$ 66,330,771		\$ 2,813,108		\$ 3,341,219	\$ 528,112
54										
55	Amarillo Direct (Div 6, 17 & 18):									
56	Distribution Plant									
57	37401	Land	473	473		0.00%		0.00%		
58	37402	Land Rights	5,078	1,101	3,975	3.00%	119	1.56%	62	(57)
59	37500	Structures & Improvements				3.00%		3.05%		-
60	37501	Struct. & Improv. - Frame	485	485		3.00%		3.05%		-
61	37502	Struct. & Improv. - Land Rights	288	288		0.00%		3.05%		-
62	37503	Struct. & Improv. - Improvements				0.00%		3.05%		-
63	37600	Mains - Cathodic Protection	603,292		603,292	1.82%	10,980	2.68%	16,188	5,188
64	37601	Mains - Steel	788,908	134,149	652,758	1.82%	11,880	2.68%	17,484	5,614
65	37602	Mains - Plastic	442,238	108,248	333,991	0.00%	6,079	3.33%	8,951	2,872
66	37700	Compressor Station Equipment	58,787		58,787	3.00%		2.85%		-
67	37800	M&R Station Equipment - General	4,455		4,455	3.00%	134	3.82%	175	41
68	38000	M&R Station Equipment - City Gate	769,388	54,638	714,728	3.00%	21,442	3.55%	25,373	3,931
69	38100	Meilers	204,846		204,846	0.00%		5.97%	12,229	12,229
70	38200	Meiler Installations	1,093,769	1,925	1,091,841	3.00%	32,755	6.83%	72,280	39,525
71	38300	House Regulators	73,650	18,985	58,655	3.00%	1,708	5.89%	3,348	1,643
72	39400	House Regulator Installations	9,705	1,282	8,443	3.00%	253	5.54%	468	214
73	39500	Industrial M&R Station Equipment	12,026		12,026	3.00%	361	4.04%	468	125
74	39600	Other Property on Customers' Premises				3.00%		1.82%		-
75	39700	Other Equipment	8,918		8,918	3.00%	288	4.15%	370	103
76	Total - Distribution (Sum Ln 57 through Ln 76)		\$ 4,072,448	\$ 376,318	\$ 3,696,130		\$ 85,976		\$ 157,404	\$ 71,428
77										
78	General Plant									
79	30200	Franchises & Consents	\$	\$		3.00%		0.00%		
80										
81										

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING JUNE 30, 2010

Line No.	Account (a)	Account Description (b)	Total Plant (c)	Non-depreciable and Fully Depreciated Plant (d)	Depreciable Plant (e)	Current Rates (f)	Current Depreciation Expense (g)	Proposed Rates (h)	Proposed Depreciation Expense (i)	Change in Rates (j)
82	39000	Struct. & Improv.	22,687	22,687	-	0.00%	-	3.35%	-	-
83	39009	Struct. & Improv. - Improv. to Leased Facilities	-	-	-	10.00%	-	2.67%	-	-
84	39100	Office Furniture & Equipment	1,415	1,415	-	6.67%	-	8.28%	-	-
85	39103	Office Furn. & Equip. - Office Machines	-	-	-	20.00%	-	3.10%	-	-
86	39200	Transportation Equipment	-	-	-	10.00%	-	2.86%	-	-
87	39300	Stores Equipment	3,278	3,278	-	10.00%	-	7.07%	-	-
88	39400	Tools, Shop, and Garage Equipment	2,188	2,188	-	0.00%	-	8.84%	-	-
89	39500	Power Operated Equipment	-	-	-	0.00%	-	8.84%	-	-
90	39603	Power Op. Equip. - Ditchers	-	-	-	10.00%	-	8.84%	-	-
91	39604	Power Op. Equip. - Backhoes	-	-	-	10.00%	-	8.84%	-	-
92	39605	Power Op. Equip. - Welders	-	-	-	10.00%	-	18.12%	-	-
93	39700	Communication Equipment	-	-	-	6.67%	-	18.12%	-	-
94	39701	Communication Equip.	-	-	-	0.00%	-	18.12%	-	-
95	39702	Comm. Eq. - Fixed Radio	22,172	-	22,172	6.67%	1,479	18.12%	4,239	2,760
96	39705	Comm. Eq. - Telemetering	-	-	-	0.00%	-	18.12%	-	-
97	39800	Miscellaneous Equipment	2,384	-	2,384	10.00%	238	10.45%	249	11
98	39801	Other Tangible Property-Servers Hardware	-	-	-	0.00%	-	18.82%	-	-
99	39802	Other Tangible Property-Servers Software	-	-	-	0.00%	-	14.29%	-	-
100	39908	Other Tangible Property-PC Hardware	-	-	-	20.00%	-	18.62%	-	-
101	39907	Other Tangible Property-PC Software	-	-	-	20.00%	-	23.15%	-	-
102	Total - General Plant (Sum Ln 81 through Ln 101)		\$ 54,135	\$ 29,578	\$ 24,558	-	\$ 1,717	-	\$ 4,488	\$ 2,771
103	Total Amarillo Divd (Ln 83 + Ln 76 + Ln 102)		\$ 81,832,212	\$ 1,590,954	\$ 80,051,258	-	\$ 2,800,789	-	\$ 3,503,111	\$ 602,311
104										
105										
106										

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING JUNE 30, 2010

Line No.	Account (a)	Account Description (b)	Total Plant (c)	Non-depreciable and Fully Depreciated Plant (d)	Depreciable Plant (e)	Current Rates (f)	Current Depreciation Expense (g)	Proposed Rates (h)	Proposed Depreciation Expense (i)	Change in Rates (j)
107	West Texas Division General Office (Div 10)									
108	General Plant									
109	39009	Struct. & Improv. - Improv. to Leased Facilities	688,708	-	688,708	10.00%	\$ 68,871	2.67%	\$ 17,801	\$ (48,870)
110	39100	Office Furniture & Equipment	302,525	-	302,525	2.48%	7,442	8.28%	25,049	17,607
111	39103	Office Furn. & Equip. - Office Machines	-	-	-	10.00%	-	8.28%	-	-
112	39200	Transportation Equipment	-	-	-	20.00%	-	3.10%	-	-
113	39400	Tools, Shop, and Garage Equipment	-	-	-	7.72%	-	7.07%	-	-
114	39700	Communication Equipment	140,555	-	140,555	8.47%	10,951	19.12%	8,837	(914)
115	39701	Communication Equip.	-	-	-	4.50%	-	18.12%	-	-
116	39702	Comm. Eq. - Fixed Radio	-	-	-	6.67%	-	18.12%	-	-
117	39705	Comm. Eq. - Teletypewriting	-	-	-	11.81%	-	18.12%	-	-
118	39800	Miscellaneous Equipment	238,780	-	238,780	7.48%	17,813	10.45%	24,852	7,140
119	39801	Other Tangible Property-Servers Hardware	323,588	-	323,588	14.28%	46,242	18.82%	60,254	14,012
120	39802	Other Tangible Property-Software	-	-	-	14.28%	-	14.28%	-	-
121	39803	Other Tangible Property-Network-Hardware	-	-	-	14.28%	-	14.28%	-	-
122	39805	Other Tangible Property-MF Hardware	-	-	-	20.00%	-	20.00%	-	-
123	39806	Other Tangible Property-PC Hardware	982,204	-	982,204	19.88%	197,349	19.82%	194,870	(2,479)
124	39807	Other Tangible Property-Application Software	32,177	-	32,177	18.41%	6,246	23.18%	7,462	1,216
125	39808	Other Tangible Property-Application Software	-	-	-	12.50%	-	12.50%	-	-
126		Total - General Plant (Sum Ln 109 through Ln 125)	\$ 2,688,543	\$ -	\$ 2,688,543		\$ 352,613		\$ 340,128	\$ (12,485)
127		Allocation Factor - WTX					22.20%		22.20%	
128		Total West Texas General Office Allocated to Amarillo (Ln 126 times Ln 127)					78,285		75,483	(2,772)
129										
130		Total Amarillo Depreciation (Ln 103 + Ln 128)							\$ 3,678,604	\$ 689,539
131										
132									3,418,712	

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING JUNE 30, 2010

Line No.	Account	Account Description	Total Plant (c)	Non-depreciable and Fully Depreciated Plant (d)	Depreciable Plant (e)	Current Rates (f)	Current Depreciation Expense (g)	Proposed Rates (h)	Proposed Depreciation Expense (i)	Change in Rates (j)
133	SSU - General Office (Div 2):									
134	General Plant									
135	39009	Improvements to Leased Premises	\$ 9,145,051	-	\$ 9,145,051	8.10%	\$ 832,200	8.10%	\$ 832,200	\$ -
136	391	Office Furniture & Equipment	11,475,202	-	11,475,202	2.13%	244,422	2.13%	244,422	-
137	39102	Remittance Processing Equipment	-	-	-	2.13%	-	2.13%	-	-
138	39103	Office Furn. - Copiers & Type	-	-	-	10.32%	-	10.32%	-	-
139	392	Transportation Equipment	-	-	-	10.32%	-	10.32%	-	-
140	393	Stores Equipment	-	-	-	10.32%	-	10.32%	-	-
141	394	Tools & Work Equipment	83,933	-	83,933	10.32%	8,662	10.32%	8,662	-
142	397	Communication Equipment - Telephones	2,141,281	-	2,141,281	8.45%	180,938	8.45%	180,938	-
143	398	Miscellaneous Equipment	182,268	-	182,268	8.15%	17,300	8.15%	17,300	-
144	399	Other Tangible Property	19,208,894	-	19,208,894	4.86%	7,562	4.86%	7,562	-
145	398.01	Other Tangible Property- Servers Hardware	11,893,273	-	11,893,273	6.95%	1,335,018	6.95%	1,335,018	-
146	398.02	Other Tangible Property- Servers Software	3,465,665	-	3,465,665	4.00%	475,731	4.00%	475,731	-
147	398.03	Other Tangible Property-Network-Hardware	1,095,465	-	1,095,465	9.30%	322,310	9.30%	322,310	-
148	398.04	Other Tangible Property-CPU	1,159,984	-	1,159,984	10.32%	-	10.32%	-	-
149	398.05	Other Tangible Property-JMF Hardware	5,112,936	-	5,112,936	10.32%	-	10.32%	-	-
150	398.06	Other Tangible Property-PC Hardware	1,565,668	-	1,565,668	14.86%	758,782	14.86%	758,782	-
151	398.07	Other Tangible Property-PC Software	75,764,299	-	75,764,299	9.02%	6,417,414	9.02%	6,417,414	-
152	398.08	Other Tangible Property-Application Software	2,575,367	-	2,575,367	11.11%	-	11.11%	-	-
153	398.09	Other Tangible Property-System Software	-	-	-	10.32%	-	10.32%	-	-
154	398.24	Other Tangible Property-GenStartupCost	-	-	-	15.89%	-	15.89%	-	-
155		Total - General Office (Sum Ln 135 through Ln 154)	\$ 145,051,572	\$ 6,396,463	\$ 138,655,109		\$ 12,601,339		\$ 12,601,339	\$ -
156		Allocation Factor - Texas Division					7.02%		7.02%	
157		Allocation Factor - WTX					22.20%		22.20%	
158		General Office Allocated to WTX (Ln 156 times Ln 157 times Ln 155)					\$ 196,346		\$ 196,346	\$ -
159										
160	SSU - General Office (Div 2):									
161	General Plant									
162	General Data Center (010.11520)									
163	39005	G-Structures & Improvements	\$ 8,601,074	-	\$ 8,601,074	8.10%	\$ 782,698	8.10%	\$ 782,698	\$ -
164	39104	G-Office Furniture & Equip.	83,119	-	83,119	2.13%	1,344	2.13%	1,344	-
165		Total (Sum of Ln. 164 through Ln. 165)	\$ 8,684,193	-	\$ 8,684,193		\$ 784,042		\$ 784,042	\$ -
166		Allocation Factor - Texas Division					2.72%		2.72%	
167		Allocation Factor - Amarillo					22.20%		22.20%	
168		General Office Allocated to Amarillo (Ln 166 times Ln 167 times Ln 165)					\$ 4,739		\$ 4,739	\$ -
169										
170		Total SSU General Office (Line 159 plus Line 169)					\$ 201,085		\$ 201,085	\$ -
171										
172										

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING JUNE 30, 2010

[illegible]

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
TAXES OTHER THAN INCOME TAX - ACCOUNT 408.1
TEST YEAR ENDING JUNE 30, 2010

Line No.	Description	Per Book Amount	Adjustments	Adjusted Amount
	(a)	(b)	(c)	(d)
1	<u>Non-Revenue Related</u>			
2	Ad Valorem Tax (1)	\$ 679,523	\$ 12,596	\$ 692,119
3	Payroll Tax (1)	140,937	6,707	147,645
4	Taxes Allocated (2)	106,088	(20,229)	85,859
5	Total Non-Revenue Related (Sum Ln 2 through Ln 4)	\$ 926,548	\$ (925)	\$ 925,623

Notes:

1. Includes Amarillo Direct Divisions and Division 10 direct expense (allocated to Amarillo Divisions)
2. Taxes-Other allocated from SSU to Division 10 to Amarillo Divisions

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
FEDERAL INCOME TAX
TEST YEAR ENDING JUNE 30, 2010

Line No.	Description (a)	Amount (b)
1	Return on Rate Base	\$ 4,409,334
2		
3	Interest Expense:	
4	Rate Base	\$ 50,158,342
5	Weighted Cost of Debt (1)	3.43%
6		<u>\$ 1,720,515</u>
7		
8	Taxable component of return (Ln. 1 minus Ln. 6)	\$ 2,688,820
9		
10	Tax factor (1 / .65) * (.35)	<u>53.85%</u>
11		
12	Federal Income Taxes	<u>\$ 1,447,826</u>
13		
14	Note:	
15	1. Source Schedule G, Col (b) Ln 17.	

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
STATE FRANCHISE ("GROSS MARGIN") TAX
TEST YEAR ENDING JUNE 30, 2010

Line No.	Description (a)	Account (b)	Amount (c)
1	Total Proposed Operating Revenues	480-495	\$ 18,762,013
2	Less:		
3	Taxes Other Than Federal Income Tax- Revenue Related	408.1	194,021
4	Bad Debt Expense, not included in Purchased Gas Costs	904	\$ 18,567,993
5	Gross Profit (Ln 1 - Ln 3 - Ln 4)		1%
6	Tax Rate		
7	Tax Due (Ln 5 times Ln 6)	409.1	\$ 185,680

ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
TOTAL INCOME TAXES
TEST YEAR ENDING JUNE 30, 2010

Line No.	Description (a)	Amount (b)
1	Federal Income Tax (Page 1, Col (b), Ln 12)	\$ 1,447,826
2	State Income Tax (Page 2, Col (c), Ln 7)	185,680
3		
4	Total Income Tax	<u>\$ 1,633,506</u>

**ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
INTEREST EXPENSE - CUSTOMER DEPOSITS
TEST YEAR ENDING JUNE 30, 2010**

Line No.	Description (a)	Amount (b)
1	Customer Deposits - Adjusted	\$ 1,541,192
2		
3	Interest Rate (1)	0.19%
4		
5	Interest on Customer Deposits (Ln 1 x Ln 3)	<u>\$ 2,928</u>
6		
7	<u>Note:</u>	
8	1. Interest Rate per the Public Utility Commission of Texas project number	
9	37830 dated December 1, 2010.	

**ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
SUMMARY OF RETURN
TEST YEAR ENDING JUNE 30, 2010**

Line No.	Description (a)	Proposed Rates (b)	Proposed Amounts (c)
1	<u>Net Operating Income/Return</u>		
2			
3	Cost of Debt	6.87%	\$ 1,720,515
4	Cost of Equity	10.70%	<u>2,688,820</u>
5			
6	Total Return on Invested Capital		<u>\$ 4,409,334</u>
7			
8	<u>Rate Base - Capitalization Structure (1)</u>		
9			
10	Debt	49.90%	\$ 25,029,188
11	Equity	50.10%	<u>25,129,154</u>
12			
13	Total Invested Capital		<u>\$ 50,158,342</u>
14			
15			
16	<u>Percent Return - After Tax</u>		
17	Cost of Debt	3.43%	
18	Return on Equity	<u>5.36%</u>	
19			
20	Percent Return - After Tax	<u>8.79%</u>	
21			
22	<u>Note:</u>		
23	1) Capital Structure as of 9/30/10		

**ATMOS ENERGY CORPORATION
AMARILLO ENVIRONS STATEMENT OF INTENT
SUMMARY OF CURRENT AND PROPOSED RATE STRUCTURE
TEST YEAR ENDING JUNE 30, 2010**

Line No.	Description (a)	Current (b)	Proposed (c)
1	Residential		
2	Customer Charge per month	See WP_J-1	\$13.50
3	Consumption Charge per CCF	See WP_J-1	\$0.04562
4			
5			
6	Commercial		
7	Customer Charge per month	See WP_J-1	\$30.00
8	Consumption Charge per CCF	See WP_J-1	\$0.04817
9			
10			
11	Industrial		
12	Customer Charge per month	See WP_J-1	\$100.00
13	Consumption Charge per CCF	See WP_J-1	\$0.09088
14			
15	Public Authority		
16	Customer Charge per month	See WP_J-1	\$45.00
17	Consumption Charge per CCF	See WP_J-1	\$0.09197