

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

**RATE CASE EXPENSES SEVERED §
FROM GAS UTILITIES DOCKET § GAS UTILITIES DOCKET NO. 10194
NO. 10170 (and consolidated cases) §**

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. 2013). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

1. Atmos Energy Corp., Mid-Tex Division, ("Atmos") is a gas utility as that term is defined in the Texas Utility Code.
2. On May 31, 2012, the Atmos Mid-Tex Division filed a Statement of Intent proceeding that was docketed as GUD No. 10170, *Statement of Intent by Atmos Energy Corp., to Increase Gas Utility Rates within the Unincorporated Areas Served by the Atmos Energy Corp., Mid-Tex Division.*
3. Atmos filed a municipal rate proceeding with over 440 cities served by Atmos Mid-Tex on January 31, 2012.
4. Atmos Mid-Tex filed the *Petition for De Novo Review* of the denial of the *Statement of Intent* by the Cities of Abilene, Alba, Albany, et al. on May 31, 2012, which was docketed as GUD No. 10171.
5. Atmos Mid-Tex filed the *Petition for De Novo Review* of the denial of the *Statement of Intent* by the Cities of Deport, Detroit, and Lakeside on June 8, 2012, which was docketed as GUD No. 10176.
6. Atmos Mid-Tex filed the *Petition for De Novo Review* of the denial of the *Statement of Intent* by the Cities of Addison, Alma, Archer City, et al. June 13, 2012, which was docketed as GUD No. 10177.
7. Atmos Mid-Tex filed the *Petition for De Novo Review* of the denial of the *Statement of Intent* by the Cities of Abbott, Athens, Austin, et al. on July 5, 2012, which was docketed as GUD No. 10184.

8. On March 13, 2012, Atmos filed an *Application of Atmos Energy Corp. to Revise Certain Depreciation Rates* and it was docketed as GUD No. 10147.
9. On June 19, 2012, Atmos filed a *Motion to Consolidate* [depreciation issues for Atmos Mid-Tex from GUD No. 10147] and *Motion to Dismiss as to Atmos Pipeline-Texas*.
10. On June 22, 2012, the depreciation issues for Atmos' Mid-Tex Division from GUD No. 10147 were severed into GUD No. 10179.
11. The following dockets were consolidated with GUD No. 10170 Consolidated: 10171, 10176, 10177, 10184 and 10179.
12. The rate-case expenses of the consolidated proceedings were severed into GUD No. 10194.
13. The following entities intervened in GUD No. 10170 Consolidated: Atmos Energy Mid-Tex Division ("Atmos" or "company"), Atmos Texas Municipalities ("ATM"), Atmos Cities Steering Committee ("ACSC"), the City of Dallas ("Dallas"), Staff of the Railroad Commission of Texas ("Staff"), CoServ Gas, Ltd., and the State of Texas Agencies and Institutions of Higher Education ("State Agencies").
14. CoServ Gas, Ltd. is not a party to the rate case expense proceeding, GUD No. 10194.
15. The parties have reached an *Unopposed Settlement Agreement* and it is attached to this Final Order as, Exhibit 2.
16. The State Agencies are not a signatory to the proposed *Unopposed Settlement Agreement*, however, they do not oppose the agreement.
17. The Examiners reviewed all invoices supporting the rate case expenses incurred by the parties and did not find any duplication of services or testimony.
18. The evidence establishes that the hourly rates charged by the consultants and attorneys identified by each of the parties were reasonable.
19. The evidence establishes that the number of consultants and attorneys working on the underlying docket was minimized and the invoices accurately documented hours worked and services provided and there were no excess charges, inappropriate documentation of work, excessive entertainment and dining expenses, or other charges that were not incurred as a direct result of prosecuting GUD No. 10194 and the underlying consolidated proceeding.

20. The evidence demonstrates that the hours worked and services provided by the consultants and attorneys were necessary to complete their tasks in a professional manner on a timely basis and are in relation to the complexity and number of issues in this case.
21. The evidence establishes that there were no time entries exceeding 12.0 hours per day, no expenses charged for first-class airfare, non-commercial aircraft, luxury hotels, limousine service, alcoholic beverages, sporting events or other entertainment.
22. The evidence in the record establishes that all of the expenses set forth in the *Unopposed Settlement Agreement* were reasonably and necessarily incurred in the prosecution of the underlying rate case proceeding before the Commission with the exception of the \$47.98 adjustments by the parties and the Examiners, which include a \$3.00 correction to Dallas, a \$42.40 adjustment to Dallas and a \$2.58 adjustment to ACSC.
23. Atmos has established that its actual rate case expenses of \$1,373,536.73 and estimated rate case expenses of \$20,000.00 totaling \$1,393,536.73 are just and reasonable.
24. The total rate case expense recovery of Atmos, including estimated expenses shall not exceed \$1,393,536.73.
25. ATM has established that its actual rate case expenses of \$537,204.36 and estimated rate case expenses of \$7,000.00 totaling \$544,204.36 are just and reasonable.
26. The total rate case expense recovery of ATM, including estimated expenses shall not exceed \$544,204.36.
27. ACSC has established that its actual rate case expenses of \$458,428.28 and estimated rate case expenses of \$2,500.00 totaling \$460,928.28 are just and reasonable.
28. The total rate case expense recovery of ACSC, including estimated expenses shall not exceed \$460,928.28.
29. Dallas has established that its actual rate case expenses of \$112,540.26 and estimated rate case expenses of \$3,500.00 totaling \$116,040.26 are just and reasonable.
30. The total rate case expense recovery of Dallas, including estimated expenses shall not exceed \$116,040.26.
31. The parties propose that the rate case expenses be collected by a fixed-priced surcharge from ratepayers over an approximate 12 month period by application of a rate-case expense surcharge on each customer's bill commencing within a reasonable period from the effective date of the final order in this proceeding. The fixed-priced surcharge shall be in effect until rate-case expenses are recovered.

32. Dallas' implementation of the 12-month fixed-price surcharge is concurrent with the implementation of the June 1, 2014, Dallas Annual Rate Review ("DARR").
33. The Examiners find that the requested rate case expenses are necessary, just and reasonable as set forth in the Rate Case Expense Surcharge Tariff, which is "Exhibit 1" to the proposed Final Order.

CONCLUSIONS OF LAW

1. Atmos Energy Corp., Mid-Tex Division, ("Atmos") is a "Gas Utility" as defined in TEX. UTIL. CODE ANN. §101.003(7) and §121.001 (Vernon 2007 and Supp. 2013) and is therefore, subject to the jurisdiction of the Railroad Commission ("Commission") of Texas.
2. The Commission has jurisdiction over Atmos and Atmos' *Statement of Intent*, and related rate case expense docket under TEX. UTIL. CODE ANN. §§ 102.001, 103.022, 103.054, & 103.055, 104.001, 104.001 and 104.201 (Vernon 2007 and Supp. 2013).
3. Under TEX. UTIL. CODE ANN. §102.001 (Vernon 2007 and Supp. 2013), 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 proceeding was conducted 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 and Supp. 2013) ("APA").
5. The Commission has assured that the rates, operations, and services established in this docket are just and reasonable to customers and to the utilities in accordance with the stated purpose of the Texas Utilities Code, Subtitle A, expressed under TEX. UTIL. CODE ANN. §101.002 (Vernon 2007 and Supp. 2013).
6. Each party seeking reimbursement for its rate case expenses has the burden to prove the reasonableness of such rate case expenses by a preponderance of the evidence, under 16 TEX. ADMIN. CODE § 7.5530 (2013).
7. The rate case expenses enumerated in the findings of fact herein are reasonable and comply with 16 TEX. ADMIN. CODE ANN. § 7.5530 (2013).
8. The Commission has the authority to allow Atmos to recover the rate case expenses of the parties through a surcharge on its rates, under TEX. UTIL. CODE ANN. § 104.051 (Vernon 2007 & Supp. 2013).

IT IS THEREFORE ORDERED that the *Unopposed Settlement Agreement*, subject to the adjustment set forth in Finding of Fact No. 22 above, of the parties is **HEREBY** approved and adopted.

IT IS FURTHER ORDERED that the Atmos Mid-Tex Division shall file a reconciliation report at the completion of collection. The report should establish that the amount collected has not exceeded \$2,514,709.63, and if so, any overage shall be refunded.

IT IS FURTHER ORDERED as set out in the *Unopposed Settlement Agreement*, within 60 days of the conclusion any appeals related to GUD No. 10194 or GUD No. 10170, the Atmos Mid-Tex Division shall file a report, including invoices, which reconciles the estimated expenses approved to the total actual and final rate case expenses amount. This report shall be filed with the Commission, Addressed to the Director of Gas Services Division and referencing Gas Utilities Docket No. 10194, Rate Case Expense Recovery Report.

IT IS FURTHER ORDERED that when the final actually incurred expenses are known and the surcharge collection is completed, a compliance report shall be filed within a reasonable time that includes the customer count by month by customer class during the applicable period, the amount of rate case expense recovered, by month and the outstanding balance, by month. Any amounts that have not been disbursed to the parties shall be refunded. The report shall be filed with the Commission, Addressed to the Director of Gas Services Division and referencing Gas Utilities Docket No. 10194, Rate Case Expense Recovery Report.

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 shall electronically file the tariff with the Gas Services Division. The tariff shall incorporate the rates, rate design and charges consistent with this Order, as stated in the findings of fact and conclusions of law.

IT IS FURTHER ORDERED that the entry of this Order consistent with the *Unopposed Settlement Agreement* does not indicate the Commission's endorsement of any principle or method that may underlie the *Unopposed Settlement Agreement*. Neither should entry of this Order be regarded as precedent as to the appropriateness of any principle or methodology underlying the *Unopposed Settlement Agreement*.

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 ANN. §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.

SIGNED this 25th day of March, 2014.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN BARRY T. SMITHERMAN

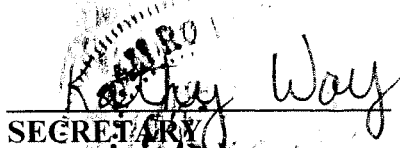


COMMISSIONER DAVID PORTER



COMMISSIONER CHRISTI CRADDICK

ATTEST:



SECRETARY

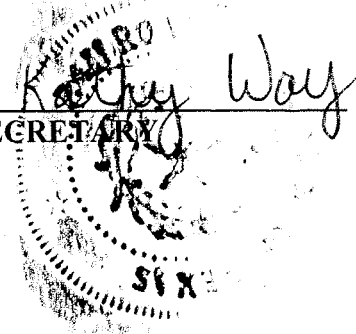


Exhibit 1
to
Final Order
GUD No. 10194

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	SUR – SURCHARGE – GUD NO. 10194	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:		PAGE:

Application

The Rate Case Expense Surcharge (RCE) rate as set forth below is pursuant to the Final Order in GUD No. 10194. This monthly rate shall apply to residential, commercial, industrial and transportation rate classes of Atmos Energy Corporation's Mid-Tex Division in the rate areas and amounts shown below. The fixed-price surcharge rate will be in effect for approximately 12 months until all approved and expended rate case expenses are recovered from the applicable customer classes as documented in the Final Order in GUD No. 10194. This rider is subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Monthly Surcharge

Surcharges will be the fixed-price rate shown in the table below:

Rate Schedule	City of Dallas*	Unincorporated Areas and Settled Cities
R – Residential Sales	\$0.0152	\$0.1293
C – Commercial Sales	\$0.0383	\$0.3890
I – Industrial Sales	\$0.8406	\$7.3626
T - Transportation	\$0.8406	\$7.3626

*The Dallas surcharge will be effective with the implementation of the 2014 Dallas Annual Rate Review(June 1, 2014).

Exhibit 2
to
Final Order
GUD No. 10194

GAS UTILITIES DOCKET NO. 10194

**RATE CASE EXPENSES SEVERED §
FROM GAS UTILITIES DOCKET NO. §
10170 (CONSOLIDATED) §**

**BEFORE THE
RAILROAD COMMISSION
OF TEXAS**

UNOPPOSED SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by and between the parties of record in GUD No. 10194, Atmos Energy Corp., Mid-Tex Division ("Atmos Energy" or the "Company"), Atmos Texas Municipalities ("ATM"), Atmos Cities Steering Committee ("ACSC"), the City of Dallas ("Dallas") and the Staff of the Railroad Commission of Texas ("Staff"). The State of Texas Agencies and institutions of higher education ("State Agencies") does not oppose this agreement.

WHEREAS, the Settlement Agreement resolves all issues and consolidated dockets relating to the Company's currently pending rate case expense proceedings stemming from the Company's Statement of Intent proceedings in GUD Nos. 10170, 10171, 10176, 10177, 10184, and 10179, in a manner that Atmos Energy, ATM, ACSC, Dallas, and Staff (collectively "the Signatories") believe is consistent with the public interest, and the Signatories represent diverse interests;

WHEREAS, the Signatories believe that a fully contested hearing in this case would be time-consuming and entail substantial additional expense for all parties and that the public interest will be served by adoption of an order consistent with the Settlement Agreement;

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to and recommend for approval by the Railroad Commission of Texas ("Commission") the following Settlement Terms as a means of fully resolving all issues in this proceeding:

Settlement Terms

1. Costs Incurred to Date: The Signatories stipulate that the total amount of reasonably and necessarily incurred rate case expenses in the consolidated proceedings is \$2,514,757.61. This amount is supported by the expense reports, affidavits of future estimated expenses filed by the parties in GUD No. 10194, and the figures presented in Attachment A to this Agreement.
2. The Signatories agree that the total amount of reasonably and necessarily incurred rate case expenses consists of the following respective costs:
 - a. Atmos Energy: \$1,393,536.73;
 - b. ATM: \$544,204.36;
 - c. ACSC: \$460,930.86;

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RAILROAD COMMISSION
OF TEXAS

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d. City of Dallas: \$116,085.66.

1. Estimated Expenses: Signatories agree that reimbursement of future estimated expenses represent the amount expected to be incurred for the completion of GUD No. 10194 and GUD No. 10170. Estimated future expenses will be reimbursed upon presentation of invoices evidencing that the amounts were actually incurred. Signatories further agree that reimbursement for estimated expenses associated with GUD No. 10194 and GUD No. 10170 will not exceed the figures presented in Attachment C on behalf of each of the Signatories.
2. Surcharge & Amortization: The Signatories agree that the total reimbursable rate case expense of \$2,514,757.61 agreed upon herein shall be recovered over an approximate 12-month period by application of a fixed-price surcharge on the customer's bill commencing within a reasonable period from the date a final order in GUD No. 10194 becomes effective, or, in the case of Dallas, concurrently with the implementation of the 2014 Dallas Annual Rate Review. Use of a surcharge is a reasonable mechanism for recovering rate case expenses and a 12-month recovery period is reasonable in this case. The Signatories further agree that:
 - a. The Rate Schedule, with its supporting calculation included herein at Attachments A and B, authorizing the recovery of rate case expenses is reasonable, consistent with Commission precedent relevant to rate case expense proceedings, and should be approved; and
 - b. Within 60 days after the conclusion of any appeals related to GUD No. 10194 or GUD No. 10170, Atmos Energy shall file a report, including invoices, which reconciles the estimated expense approved to the total actual and final rate case expense amount.
3. Reimbursement of Municipal Expenses: Signatories agree that the Company has reimbursed certain actual municipal rate case expenses contemporaneously throughout the pendency of GUD Nos. 10170, 10171, 10176, 10177, 10184, and 10179. Actually incurred municipal rate case expenses which have not yet been reimbursed shall be remitted to the respective municipalities following the issuance of a final order in this proceeding finding those expenses to be reasonable.
4. Evidentiary Support for Settlement Agreement: In support of this Agreement, the Signatories agree that the expense reports and affidavits attesting to expenses and future estimated expenses that have been submitted by Atmos Energy, ATM, ACSC, and Dallas, included herein at Attachment D, shall be admitted into the evidentiary record of GUD No. 10194. The Signatories further agree that, if requested by the Examiner, the Signatories shall offer respective witnesses to appear before the Examiner to respond to any clarifying questions regarding the expenses at issue in this proceeding, the treatment of these expenses under the terms of this Agreement, and why Commission approval of this Agreement is reasonable and in the public interest.
5. The Signatories agree that the terms of the Settlement Agreement are interdependent and indivisible, and that if the Commission enters an order that is inconsistent with this

Settlement Agreement, then any Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory's entry into the Settlement Agreement or its subsequent withdrawal.

6. The Signatories agree that all negotiations, discussions and conferences related to the Settlement Agreement are privileged, inadmissible, and not relevant to prove any issues outside of those negotiations, discussions and conferences.
7. The Signatories agree that neither this Settlement Agreement nor any oral or written statements made during the course of settlement negotiations may be used for any purpose other than as necessary to support the entry by the Commission of an order implementing this Settlement Agreement.
8. The Signatories agree that this Settlement Agreement is binding on each Signatory only for the purpose of settling the issues set forth herein and for no other purposes, and, except to the extent the Settlement Agreement governs a Signatory's rights and obligations for future periods, this Settlement Agreement shall not be binding or precedential upon a Signatory outside this proceeding.
9. The Signatories agree that a Signatory's support of the matters contained in this Stipulation may differ from the position taken, or testimony or information presented by it in other dockets or other jurisdictions. To the extent that there is a difference, a Signatory does not waive its position in any of those other dockets or jurisdictions. Because this is a stipulated resolution, no Signatory is under any obligation to take the same positions as set out in this Stipulation in other dockets or jurisdictions, regardless of whether other dockets present the same or a different set of circumstances, except as otherwise may be explicitly provided by this Stipulation. Agreement by the Signatories to any provision in this Stipulation will not be used against any Signatory in any future proceeding with respect to different positions that may be taken by that Signatory.
10. The Signatories agree that this Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

Agreed to this 10th ^{September} day of ~~August~~, 2013.

ATMOS ENERGY CORP., MID-TEX DIVISION

By: Christopher A. Felan
Christopher A. Felan
Vice President of Rates and Regulatory Affairs
Atmos Energy Corp., Mid-Tex Division

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____
John Griffin
Attorney for Staff of the Railroad Commission of Texas

ATMOS TEXAS MUNICIPALITIES

By: _____
Alfred R. Herrera

ATMOS CITIES STEERING COMMITTEE

By: _____
Geoffrey Gay

CITY OF DALLAS

By: _____
Norman Gordon

Agreed to this 10th ^{September} day of ~~August~~, 2013.

ATMOS ENERGY CORP., MID-TEX DIVISION

By: _____
Christopher A. Felan
Vice President of Rates and Regulatory Affairs
Atmos Energy Corp., Mid-Tex Division

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: John Griffin
John Griffin
Attorney for Staff of the Railroad Commission of Texas

ATMOS TEXAS MUNICIPALITIES

By: _____
Alfred R. Herrera

ATMOS CITIES STEERING COMMITTEE

By: _____
Geoffrey Gay

CITY OF DALLAS

By: _____
Norman Gordon

Agreed to this 10th day of September, 2013.

ATMOS ENERGY CORP., MID-TEX DIVISION

By: _____
Christopher A. Felan
Vice President of Rates and Regulatory Affairs
Atmos Energy Corp., Mid-Tex Division

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____
John Griffin
Attorney for Staff of the Railroad Commission of Texas

ATMOS TEXAS MUNICIPALITIES

By: Felipe Alonso III
Felipe Alonso III

ATMOS CITIES STEERING COMMITTEE

By: _____
Geoffrey Gay

CITY OF DALLAS

By: _____
Norman Gordon

Agreed to this 10th day of ^{September}~~August~~, 2013.

ATMOS ENERGY CORP., MID-TEX DIVISION

By: _____
Christopher A. Felan
Vice President of Rates and Regulatory Affairs
Atmos Energy Corp., Mid-Tex Division

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____
John Griffin
Attorney for Staff of the Railroad Commission of Texas

ATMOS TEXAS MUNICIPALITIES

By: _____
Alfred R. Herrera

ATMOS CITIES STEERING COMMITTEE

By: Geoffrey M. Day
Geoffrey Day

CITY OF DALLAS

By: _____
Norman Gordon

Agreed to this 24 day of ~~August~~ ^{November}, 2013.

ATMOS ENERGY CORP., MID-TEX DIVISION

By: _____
Christopher A. Felan
Vice President of Rates and Regulatory Affairs
Atmos Energy Corp., Mid-Tex Division

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____
John Griffin
Attorney for Staff of the Railroad Commission of Texas

ATMOS TEXAS MUNICIPALITIES

By: _____
Alfred R. Herrera

ATMOS CITIES STEERING COMMITTEE

By: _____
Geoffrey Gay

CITY OF DALLAS

By: _____
Norman Gordon

Line No.	Description (a)	Total Amount Before Adjustment (b)	Adjustment Amounts (c)	Total Adjusted Amounts (d)
1	Total Legal Expenses			640,205.65
2	Legal Expenses - Through June 30, 2013	\$ 640,419.88	\$ (214.23)	\$
3				
4	Total Consulting Expenses			295,892.63
5	Consulting Expenses - Through June 30, 2013	\$ 296,533.72	\$ (641.09)	\$
6				
7	Total Other Expenses			437,438.45
8	Other Expenses - Through June 30, 2013	\$ 438,797.06	\$ (1,358.61)	\$
9				
10	Total Legal, Consulting and Other Expenses (Sum Lns 1 - 8)	\$ 1,375,750.66	\$ (2,213.93)	\$ 1,373,536.73
11				
12	Estimate to complete GUD 10194 for Parsley Coffin Renner LLP			20,000.00
13				
14				
15				
16	Total City of Longview (Herrera & Boyle, PLLC) Expenses			\$ 544,204.36
17	Through June 30, 2013			
18				
19	Total City of Arlington (Lloyd Gosselink) Expenses			460,930.86
20	Through June 30, 2013			
21				
22	Total City of Dallas (Mounce, Green, Myers, Safi & Galatzan) Expenses			116,085.66
23	Through June 30, 2013			
24				
25				
26				
27	Total Atmos Adjusted Expenses and Cities Adjusted Expenses (Sum Lns 14 + 25)			\$ 2,514,757.51
28				

Atmos Energy Corporation, Mid-Tex
GUD No. 10194
Calculation of Surcharge

Line No.	Settled Method - ATM Method - 1 Year					GUD 10170 (MDTX System wide Case)					Adjustments		Est Atmos		Total	
						Annual Bill Count	Depreciation	AI	ACSC	ATM	Company	AI	AI	AI	AI	AI
1	SURCHARGE PER BILL:															
2		Residential	Commercial	Industrial & Transportation												
3		\$ 0.0152	\$ 0.0383	\$ 0.0406												
4	City of Dallas	\$ 0.1293	\$ 0.3890	\$ 7.3626												
5	Unincorporated	\$ 0.1293	\$ 0.3890	\$ 7.3626												
6	ATM Cities	\$ 0.1293	\$ 0.3890	\$ 7.3626												
7	ACSC Cities	\$ 0.1293	\$ 0.3890	\$ 7.3626												
8	Non Coalition Cities	\$ 0.1293	\$ 0.3890	\$ 7.3626												
9	Recover over one (1) year.															
10	SUMMARY OF EXPENSES:															
11		Annual Bill Count	Depreciation	AI	ACSC	ATM	Company	AI	AI	AI	AI	AI	AI	AI	AI	AI
12	City of Dallas	2,680,644	\$ 45,046				\$ 41,869									
13	Unincorporated	562,492	\$ 9,452				\$ 183,182									
14	ATM Cities	2,460,965	\$ 41,354				\$ 520,573									
15	ACSC Cities	11,984,056	\$ 201,381				\$ 460,931									
16	Non Coalition Cities	1,108,635	\$ 18,630				\$ 82,521									
17	Subtotal	18,796,792	\$ 315,863				\$ 1,198,604									
18																
19																
20																
21																
22																
23	ALLOCATION OF EXPENSES BY CLASS:															
24		Total	Residential	Commercial	Industrial											
25	City of Dallas	\$ 47,582	\$ 37,090	\$ 9,231	\$ 1,261											
26	Unincorporated	51,853	40,420	10,060	1,374											
27	ATM Cities	747,438	582,628	145,003	19,807											
28	ACSC Cities	1,565,684	1,220,451	303,743	41,491											
29	Non Coalition Cities	102,200	79,665	19,827	2,708											
30																
31																
32		\$ 2,514,758	\$ 1,960,254	\$ 487,863	\$ 66,641											
33																
34	Class Cost Allocation Schedule (2)		77.95%	19.40%	2.65%											
35			0.778534847	0.183886641	0.026466514											
36																
37	BILL COUNT BY CLASS AND DIVISION (1):															
38		Annual Bill Count	Residential	Commercial	Industrial & Transportation											
39	City of Dallas	2,680,644	2,438,100	241,044	1,500											
40	Unincorporated	562,492	536,843	25,229	420											
41	ATM Cities	2,460,965	2,281,595	177,942	1,428											
42	ACSC Cities	11,984,056	11,068,376	909,082	6,588											
43	Non Coalition Cities	1,108,635	990,019	118,172	444											
44																
45	Total	18,796,792	17,314,933	1,471,479	10,380											
46																
47	Notes:															
48	(1) Bill Count from GUD 10170 Final Order, J-4.1, 4.2 and 4.3 Schedules - Proposed Revenues															
49	(2) Class Cost Allocation from Final Order - Rev Req - CCS1 - (c) Allocated Total Cost of Service															

ATM Allocation Method				
Total Expenses	Residential	Commercial	Industrial	
City of Dallas	\$ 47,582	\$ 37,090	\$ 9,231	\$ 1,261
Unincorporated	51,853	40,420	10,060	1,374
ATM Cities	747,438	582,628	145,003	19,807
ACSC Cities	1,565,684	1,220,451	303,743	41,491
Non Coalition Cities	102,200	79,665	19,827	2,708
	\$ 2,514,758	\$ 1,960,254	\$ 487,863	\$ 66,641

Less City of Dallas	\$ 47,582	\$ 37,090	\$ 9,231	\$ 1,261
Total Less City of Dallas	\$ 2,467,175	\$ 1,923,163	\$ 478,632	\$ 65,380
Total Annual Bill Count Dallas	2,680,644	2,438,100	241,044	1,500
Total Annual Bill Count Less Dallas	16,116,148	14,876,833	1,230,435	8,880
Surcharge - 1 Year - Dallas	\$ 0.0178	\$ 0.0152	\$ 0.0383	\$ 0.8406
Surcharge - 1 Year - Less Dallas	\$ 0.1531	\$ 0.1293	\$ 0.3890	\$ 7.3626

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	SUR – SURCHARGE – GUD NO. 10194	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:		PAGE:

Application

The Rate Case Expense Surcharge (RCE) rate as set forth below is pursuant to the Final Order in GUD No. 10194. This monthly rate shall apply to residential, commercial, industrial and transportation rate classes of Atmos Energy Corporation's Mid-Tex Division in the rate areas and amounts shown below. The fixed-price surcharge rate will be in effect for approximately 12 months until all approved and expended rate case expenses are recovered from the applicable customer classes as documented in the Final Order in GUD No. 10194. This rider is subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Monthly Surcharge

Surcharges will be the fixed-price rate shown in the table below:

Rate Schedule	City of Dallas*	Unincorporated Areas and Settled Cities
R – Residential Sales	\$0.0152	\$0.1293
C – Commercial Sales	\$0.0383	\$0.3890
I – Industrial Sales	\$0.8406	\$7.3626
T – Transportation	\$0.8406	\$7.3626

*The Dallas surcharge will be effective with the implementation of the 2014 Dallas Annual Rate Review(June 1, 2014).

ATTACHMENT C
(CD)

GAS UTILITIES DOCKET NO. 10194

RATE CASE EXPENSES SEVERED	§	BEFORE THE
FROM GAS UTILITIES DOCKET NO.	§	RAILROAD COMMISSION
10170 (CONSOLIDATED)	§	OF TEXAS

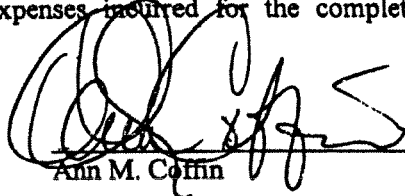
AFFIDAVIT OF ANN M. COFFIN

Before me, the undersigned authority, on this date personally appeared Ann M. Coffin, known to me to be the person whose name is subscribed below, and being by me first duly sworn, stated upon oath as follows:

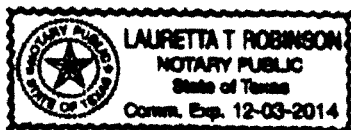
1. "My name is Ann M. Coffin. I am over 18 years of age, of sound mind and fully competent to make this affidavit. Each statement of fact herein is true and of my own personal knowledge.
2. I am a partner in the Austin, Texas law firm of Parsley Coffin Renner LLP and have practiced law in Travis County since 1993. I have extensive experience representing and defending clients before the Railroad Commission of Texas ("Commission") and Public Utility Commission of Texas. In addition, I have served as a Hearings Examiner for the Commission, as Assistant General Counsel – Telecommunications at the Public Utility Commission of Texas, and as Director – Enforcement Division at the Public Utility Commission.
3. My firm was retained by Atmos Energy Corporation ("Atmos" or "the Company") to assist in the presentation of the Unincorporated Areas Served by the Atmos Energy Corp. Mid-Tex Division rate filing in GUD No. 10170 (consolidated) filed before the Commission on May 31, 2012, as well as the severed rate case expense docket. As part of my duties, I supervised the work of the attorneys in my firm, including Mark Santos, who also worked on these dockets. Mr. Santos's experience includes representing electric and natural gas distribution utilities in complex administrative litigation before the Commission and the Public Utility Commission of Texas. The actual legal services and expenses for my firm are shown and supported by the copies of the actual invoices that were submitted to Atmos.
4. I am familiar with the Commission Rule on Rate Case Expenses, 16 Tex. Admin. Code §7.5530, as well as past decisions rendered by the Commission regarding the types of expenses that are eligible for rate case expenses.
5. In GUD No. 10170 (consolidated) the services my firm provided were associated with efforts that were reasonable and necessary for the presentation and defense of Atmos' rate filing. The services performed include the preparation of testimony and exhibits,

consultation with the expert witnesses, work on responses to discovery, attention to prehearing matters, attendance at Commission meetings, participation in reaching a settlement agreement and the drafting of pleadings throughout the proceeding.

6. The charges and rates of my firm are reasonable and consistent with those billed by others for similar work, and the rates are comparable to rates charged by other professionals with the same level of expertise and experience. The amounts charged for my firm's legal services are reasonable and commensurate with the complexity of the issues in the proceeding. The calculation of the charges is correct, and there has been no double billing of charges. In addition, there was no duplication of effort with other counsel.
7. No portion of the fees or expenses my firm charged is or will be for luxury items, such as limousine service, sporting events, alcoholic beverages, hotel movies, or other entertainment. The charges for copies, printing, overnight courier service, transcripts, and other expenses and costs were necessary for the prosecution of the case and are reasonable.
8. Based on my experience in proceedings of this type and my knowledge of issues likely to be raised, I estimate that rate case expenses incurred for the completion of GUD No. 10194 to be \$20,000.00."


Ann M. Coffin

SWORN TO AND SUBSCRIBED before me on this 11th day of February, 2013, by Ann M. Coffin.




Notary Public in and for the State of Texas

GAS UTILITIES DOCKET NO. 10194

RATE CASE EXPENSES SEVERED	§	BEFORE THE
FROM GAS UTILITIES DOCKET NO.	§	RAILROAD COMMISSION
10170	§	OF TEXAS

**AFFIDAVIT OF ALFRED R. HERRERA RELATED TO ATMOS TEXAS
MUNICIPALITIES RATE CASE EXPENSES**

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me, the undersigned authority, on this day personally appeared Alfred R. Herrera, being by me first duly sworn, on oath deposed and said the following:

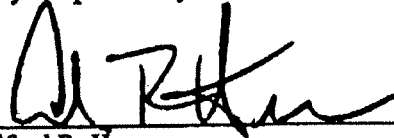
1. My name is Alfred R. Herrera, and I am a principal of Herrera & Boyle, PLLC. I have over 30 years of experience in legal and legislative matters related to the utility industry (telecommunication, electric, and gas). I have litigated numerous electric and gas rate matters. Herrera & Boyle, PLLC has been retained by Atmos Texas Municipalities ("ATM") in connection with *GUD Docket No. 10147, Application of Atmos Energy Corporation to Revise Certain Depreciated Rates*, *GUD Docket No. 10170, Statement of Intent Filed by Atmos Energy Corp., to Increase Gas Utility Rates Within the Unincorporated Areas Served by the Atmos Energy Corp., Mid-Tex Division* and *GUD Docket No. 10194, Rate Case Expenses Severed from Gas Utilities Docket No. 10170*.
2. I am familiar with the work performed by Herrera and Boyle and the technical consultants on behalf of ATM in connection with *GUD No. 10170*, *GUD No. 10147* and *GUD No. 10194*. I am over 18 years of age and I am not disqualified from making this affidavit. My statements are true and correct.
3. This firm has provided services to ATM in these dockets including, but not limited to, the following activities: the provision of legal advice and strategy to ATM; negotiating schedules and substantive issues; identification of consultants and recommendations to client regarding consultants; coordination of issue development; legal research; preparation and filing of pleadings and briefs; discovery; preparation for and participating in prehearing conferences; Open Meetings and the hearing on the merits; briefing clients and discussions with consultants; and preparation and filing post-hearing briefs and exceptions to the Proposal for Decision.
4. I am responsible for coordinating and supervising the efforts of my firm's personnel pertaining to the services rendered to ATM in these dockets. I have personally reviewed all billings for all work performed (legal and consulting) in connection with *GUD Docket No. 10147, Application of Atmos Energy Corporation to Revise Certain Depreciated Rates*, *GUD Docket No. 10170, Statement of Intent Filed by Atmos Energy Corp., to Increase Gas Utility Rates Within the Unincorporated Areas Served by the Atmos Energy*

Corp., Mid-Tex Division and GUD Docket No. 10194, Rate Case Expenses Severed from Gas Utilities Docket No. 10170.

5. Invoices and backup for the fees and expenses charged to ATM are provided to ATM for approval and forwarding to Atmos Energy Corporation for payment. My firm's billings are associated with efforts that were reasonable and necessary for development of the record and advocacy of ATM's position. Duplication of effort was avoided.
6. My firm's individual charges and rates are reasonable, consistent with the rates billed to others for similar work and comparable to rates charged by other professionals with the same level of expertise and experience. The amounts charged for such service are reasonable and there has been no double billing of charges. No meal expense has been billed by any attorney or other Herrera and Boyle personnel. No charges have been incurred or billed for luxury items, first-class airfare, limousines, alcohol, sporting events, or entertainment.
7. For the period January 1, 2012 through July 31, 2013, ATM has incurred \$537,204.36 related to GUD Nos. 10147, 10170 and 10194 in rate case expenses. This figure includes \$349,180.75 in legal fees and expenses and \$188,023.61 in consultant fees and expenses. The fees and expenses incurred through July 31, 2013 were necessary to advise ATM on the rate package filing, review the application, identify issues, coordinate activities, retain and work with consultants, engage in discovery, draft pleadings, and prepare for and participate in the hearing on the merits, draft post-hearing briefing and exceptions to the Proposal for Decision and participate in Open Meetings. The summary for actual and estimated rate case expenses for GUD Nos. 10147, 10170 and 10194 is attached as Exhibit A.
8. The attorney hourly rates of \$285-\$325, upon which the billings are based, are comparable to hourly rates charged to other clients for comparable services during the same time frame. Herrera and Boyle's rates are at the lower end of the range of reasonable hourly rates compared to the rates charges by other lawyers with similar experience providing similar services.
9. The hours spent to perform the tasks assigned to Herrera and Boyle were necessary to complete the required tasks in a professional manner on a timely basis. My many years in working with and supervising attorneys and consultants in utility rate cases at the Railroad Commission facilitate efforts to keep rate case expenses reasonable.
10. David C. Parcell is a consulting economist and he has provided cost of capital testimony in numerous public utility ratemaking proceedings. He has participated in over 460 utility proceedings before some 50 regulatory agencies in the United States and Canada. He is currently President and Senior Economist of Technical Associates, Inc. (TAI). His time and efforts in GUD No. 10170 were coordinated by me and by attorneys working under my direction. Because of his extensive background and experience, David C. Parcell was able to work very efficiently and accomplish his assignment with fewer hours than I would expect other consultants or expert witness would require. David C. Parcell's and TAI's time, effort and associated fees of \$22,600.00 are reasonable and necessary.

11. Michael L. Brosch is a principal and President of Utilitech, Inc. (Utilitech). For the past 34 years Michael L. Brosch has appeared on behalf of clients in various state regulatory proceedings involving electric, gas, telephone, water, sewer, transit and steam utilities. Steven C. Carver is a principal in the firm Utilitech. For the last 35 years Steven C. Carver has worked on utility regulatory matters before multiple states on a multitude of revenue requirements issues. Michael L. Brosch and Steven C. Carver's time and efforts in GUD No. 10170 were coordinated by me and by attorneys working under my direction. Because of their extensive background and experience, Michael L. Brosch, and Steven C. Carver were able to work very efficiently and accomplish their assignments with fewer hours than I would expect other consultants or expert witness would require. Michael L. Brosch's, Steven C. Carver's and Utilitech's time, effort and associated fees of \$98,697.21 are reasonable and necessary.
12. James W. Daniel is a Vice President of the firm GDS Associates, Inc. For over thirty years James W. Daniel has participated in utility proceedings throughout the United States and provided testimony on revenue requirement, cost of service and rate design studies. Richard E. Lain is a Project Manager of the firm GDS Associates, Inc. (GDS). For over 13 years Richard E. Lain worked for the Public Utility Commission of Texas on a variety of utility matters and has continued this participation while at GDS Associates, Inc. James W. Daniel's and Richard E. Lain's time and efforts in GUD No. 10170 were coordinated by me and by attorneys working under my direction. Because of their extensive background and experience, James W. Daniel and Richard E. Lain, were able to work very efficiently and accomplish their assignments with fewer hours than I would expect other consultants or expert witness would require. James W. Daniel's, Richard E. Lain's, and GDS's time, effort and associated fees of \$66,726.40 are reasonable and necessary.
13. The invoices submitted by Herrera and Boyle include a description of services performed and time expended on each activity. The invoices for GUD Nos. 10147, 10170 and 10194 have been provided to Atmos Energy Corporation. Herrera and Boyle has documented all charges with time sheets, invoices and records. The documentation in this case is similar to that provided in many previous cases at the RRC.
14. Legal expenses connected with GUD Nos. 10147, 10170 and 10194, total \$349,180.75. There are no luxury items associated with Herrera and Boyle's expense. The total consists of reimbursable items such as courier services, express mail, postage and shipping, and photocopying. Internal copying charges were limited to 15¢ per page.
15. My responsibilities, as well as other attorneys assigned to GUD Nos. 10147, 10170, and 10194, included client communication, strategy development, overall case management, discovery review, review and edit testimony, prepare for and participate in the hearing on merits, draft post-hearing briefs and exceptions and attend Open Meetings. The other attorneys assigned to these proceedings had related utility experience ranging from no less than six years up 16 years.

16. To complete GUD Nos. 10147, 10170 and 10194, I estimate that the cities represented by Herrera and Boyle will incur additional fees and expenses of \$7,000 to complete GUD Nos. 10147, 10170 and 10194 before the Commission. This estimate is based on actual experience in previous rate cases at the Railroad Commission. ATM will request reimbursement only for actual amount billed for work that has been performed.
17. The total of ATM's rate case expenses, including the estimated amount of \$7,000.00 to complete GUD Nos. 10147, 10170 and 10194, is \$544,204.36. The total of \$544,204.36 for GUD Nos. 10147, 10170 and 10194 is reasonable given the complexity, importance and scope of these proceedings, the extensive nature of ATM's participation, and the number of issues.
18. ATM reserves the right to amend this affidavit and their request for reimbursement as more information is gathered over the course of GUD Nos. 10147, 10170 and 10194.
19. Statements in this affidavit are true and known by me personally.



Alfred R. Herrera

SWORN AND SUBSCRIBED before me on this the 20th day of August 2013.



Notary Public, State of Texas

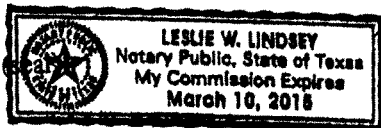


EXHIBIT A
Herrera Boyle Rate Case Expense Summary for GUD Docket Nos. 10147, 10170 and 10194

	Invoice Date	Invoice No.	Billing Period	Through Period	Invoice Amount	Total Billed to Date
GDS Associates, Inc.						
	8/27/12	99909	7/2/12	7/27/12	\$ 15,858.75	\$ 15,858.75
	9/25/12	100452	7/29/12	8/31/12	\$ 22,796.42	\$ 38,655.17
	10/25/12	101261	9/3/12	9/27/12	\$ 24,137.08	\$ 62,792.25
	11/5/12	101457	10/2/12	10/12/12	\$ 2,147.95	\$ 64,940.20
	12/7/12	102253	11/13/12	11/28/12	\$ 1,786.20	\$ 66,726.40
						GDS total: \$ 66,726.40
Technical Associates, Inc.						
	4/2/12	2778	3/1/12	3/31/12	\$ 4,250.00	\$ 4,250.00
	5/2/12	2792	4/1/12	4/30/12	\$ 1,425.00	\$ 5,675.00
	7/2/12	2821	6/1/12	6/30/12	\$ 3,200.00	\$ 8,875.00
	8/1/12	2826	7/1/12	7/31/12	\$ 5,800.00	\$ 14,675.00
	8/30/12	2842	8/1/12	8/30/12	\$ 4,475.00	\$ 19,150.00
	10/1/12	2855	9/1/12	9/30/12	\$ 2,450.00	\$ 21,600.00
	11/2/12	2870	10/1/12	10/31/12	\$ 600.00	\$ 22,200.00
	12/1/12	2881	11/1/12	12/30/12	\$ 400.00	\$ 22,600.00
						TAI total: \$ 22,600.00
Utilitech, Inc.						
	3/5/12		2/1/12	2/29/12	\$ 7,296.33	\$ 7,296.33
	4/3/12		3/1/12	3/31/12	\$ 15,695.90	\$ 22,992.23
	5/2/12		4/1/12	4/30/12	\$ 10,067.50	\$ 33,059.73
	6/4/12		5/1/12	5/31/12	\$ 600.00	\$ 33,659.73
	7/4/12		6/1/12	6/30/12	\$ 2,860.00	\$ 36,519.73
	8/2/12		7/1/12	7/31/12	\$ 22,519.63	\$ 59,039.36
	9/4/12		8/1/12	8/31/12	\$ 17,650.30	\$ 76,689.66
	10/3/12		9/1/12	9/30/12	\$ 15,592.55	\$ 92,282.21
	11/6/12		10/1/12	10/31/12	\$ 885.00	\$ 93,167.21
	12/4/12		11/1/12	11/30/12	\$ 5,530.00	\$ 98,697.21
						Utilitech total: \$ 98,697.21

EXHIBIT A
Herrera Boyle Rate Case Expense Summary for GUD Docket Nos. 10147, 10170 and 10194

[illegible]

GAS UTILITIES DOCKET NO. 10194

**RATE CASE EXPENSES SEVERED
FROM GAS UTILITIES DOCKET
NO. 10170**

§
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**BEFORE THE
RAILROAD COMMISSION
OF TEXAS**

AFFIDAVIT OF GEOFFREY M. GAY

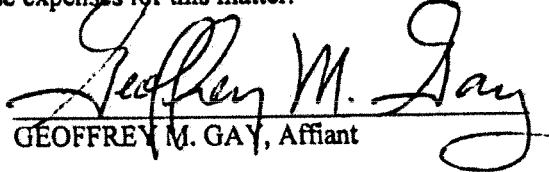
**STATE OF TEXAS §
 §
COUNTY OF TRAVIS §**

BEFORE ME, the undersigned authority, on this date personally appeared Geoffrey M. Gay, known to me to be the person whose name is subscribed below, and being by me first duly sworn, stated upon oath as follows:

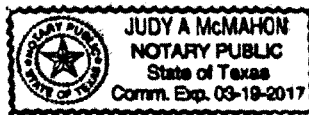
1. My name is Geoffrey M. Gay. I am a principal with Lloyd Gosselink Rochelle & Townsend, P.C., attorneys for the Atmos Cities Steering Committee ("ACSC") in Gas Utilities Docket ("GUD") No. 10170. I have 35 years of experience in utility ratemaking proceedings, and am over the age of 18 years and fully competent to make this affidavit. Each statement of fact herein is true of my own personal knowledge.
2. I have served as General Counsel to ACSC and its predecessor organizations, Cities Served by Lone Star Gas and Cities Served by TXU Gas for approximately 16 years and have supervised the handling of all rate and regulatory matters before the Railroad Commission involving this group of Cities throughout that period.
3. I am familiar with the work performed by Lloyd Gosselink and the technical consultants on behalf of ACSC in connection with GUD No. 10170. I have reviewed the attached invoices from both my firm and the consultants hired on behalf of ACSC, namely Constance T. Cannady with J. Stowe & Co., Stephen G. Hill with Hill Associates, Karl J. Nalepa with ReSolved Energy Consulting, LLC, and Clarence Johnson with CJ Energy. Each consultant was assigned specific tasks with strict budget constraints. I have worked with each of the consultants numerous times over several decades.
4. With regard to the invoices from the consultants hired on behalf of ACSC, based on my 35 years of experience in proceedings of this type and on my knowledge of the issues, I believe these fees and expenses are reasonable for the work performed, and as compared to similar work performed by other consultants. The consultants performed their work in an efficient manner. Their invoices identified the specific tasks performed, which tasks were necessary to complete their work in a professional manner and on a timely basis.

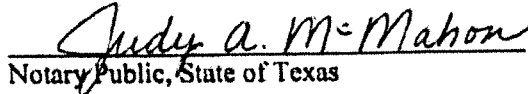
5. The legal services provided by my firm to ACSC included propounding discovery requests, negotiating discovery disputes, motions practice, legal research, providing legal advice and strategy, coordination with consultants, client consultations, preparation of testimony, preparation for hearing, participation in the contested case hearing, post-hearing briefing and arguments, participation in settlement negotiations on revenue requirements and rate case expenses in GUD No. 10194, and preparation and review of settlement documents. Based on my 35 years of experience in proceedings of this type and my knowledge of the issues, I believe these legal fees and expenses are reasonable for the work performed, and as compared to similar work performed by other law firms. The number of attorneys working on the underlying docket was minimized, the attorneys performed their work in an efficient manner, and there was no duplication of services. The hourly rates charged are appropriate for the level of experience and responsibilities assigned each attorney. I am familiar with hourly rates charged for regulatory work and the rates charged are consistent with or below rates charged by comparably experienced attorneys. These services were necessary to complete assigned tasks in a professional manner and on a timely basis.
6. The invoices provided by the consultants and the attorneys clearly show the amount of work done, the time and labor required to accomplish the work, the nature and extent of the work done, and the charges associated with the work done. Based on my experience, the charges are commensurate with the difficulty of the work done and the complexity of the issues in the proceeding, and with the originality of the work performed.
7. In addition, my review of the invoices and charges by the attorneys and consultants supports my conclusions that:
 - The hourly rates charged by ACSC' consultants and attorneys are within the range of reasonable rates;
 - The number of individuals working on this matter at any given time was minimized;
 - Consultants and attorneys accurately documented hours worked and services provided on their invoices;
 - There were no time entries by any individual that exceeded 12 hours per day on any single matter or on a combined basis when work was performed on this case; and
 - There were no expenses that are subject to special scrutiny (e.g., luxury hotels, valet parking, designer coffee, first-class airfare, non-commercial aircraft, limousine service, alcoholic beverages, sporting events, or entertainment).
8. In addition to the expenses incurred through June 2013, Lloyd Gosselink will incur fees and expenses in the future associated with finalization of a settlement agreement in GUD No. 10194. In consideration of this future activity, ACSC estimates that its remaining expense of participating in this case will not exceed \$2,500.

9. The total amounts requested for expenses through June 2013 of \$458,430.86 for GUD No. 10170, are reasonable given the complexity, importance, and magnitude of this case, the comprehensive nature of ACSC's case, and the number of issues. In addition, the estimated future expenses of \$2,500 to finalize all issues related to rate case expenses, are reasonable and necessary. Attachment A to this Affidavit is a table detailing the components of ACSC's total rate case expenses for this matter.


GEOFFREY M. GAY, Affiant

15th SWORN AND SUBSCRIBED TO BEFORE ME, the undersigned authority, on this the
day of July, 2013.




Notary Public, State of Texas

Atmos Mid-Tex 2012 Rate Case - Rate Case Expense Summary

	Invoice Date	Invoice No.	Billing Period	Through Period	Invoice Amount	Total Billed to Date	
ReSolved Energy - Nalepa							
	3/8/12	3093	1/31/12	2/29/12	\$ 4,642.50	\$4,642.50	
	4/5/12	3112	3/1/12	3/30/12	\$ 11,052.50	\$15,695.00	
	5/7/12	3125	4/2/12	4/30/12	\$ 9,777.50	\$25,472.50	
	6/7/12	3141	5/2/12	5/31/12	\$ 2,094.20	\$27,566.70	
	7/9/12	3157	6/5/12	6/30/12	\$ 8,987.50	\$36,554.20	
	8/14/12	3162	7/2/12	7/31/12	\$ 23,151.42	\$59,705.62	
	9/17/12	3178	8/1/12	8/31/12	\$ 17,036.05	\$76,741.67	
	10/11/12	3184	9/4/12	9/30/12	\$ 15,232.09	\$91,973.76	
	11/8/12	3192	10/1/12	10/31/12	\$ 575.00	\$92,548.76	
	12/11/12	3206	11/2/12	11/30/12	\$ 5,810.00	\$98,358.76	
						ReSolved total:	\$98,358.76
J. Stowe & Co. - Cannady							
	2/16/12	1420	1/16/12	2/15/12	\$3,120.00	\$3,120.00	
	3/16/12	1440	2/16/12	3/15/12	\$6,718.75	\$9,838.75	
	4/16/12	1468	3/16/12	4/15/12	\$11,167.50	\$21,006.25	
	5/16/12	1479	4/16/12	5/15/12	\$4,145.00	\$25,151.25	
	6/18/12	1504	5/16/12	6/15/12	\$840.00	\$25,991.25	
	7/16/12	1532	6/16/12	7/15/12	\$8,815.00	\$34,806.25	
	8/16/12	1555	7/16/12	8/15/12	\$17,373.75	\$52,180.00	
	9/17/12	1584	8/16/12	9/15/12	\$7,020.00	\$59,200.00	
	10/16/12	1610	9/16/12	10/15/12	\$1,560.00	\$60,760.00	
						Stowe total:	\$60,760.00
Stephen Hill							
	4/10/12		2/6/12	3/30/12	\$5,040.00	\$5,040.00	
	8/9/12		4/1/12	7/31/12	\$8,100.00	\$13,140.00	
	10/31/12		8/1/12	9/30/12	\$2,396.19	\$15,536.19	
						Hill total:	\$15,536.19
Lloyd Gosselink							
	2/14/12	55421	1/30/12	1/31/12	\$1,923.70	\$1,923.70	
	3/19/12	55846	2/1/12	2/29/12	\$18,118.88	\$20,042.58	
	4/11/12	56191	3/1/12	3/31/12	\$14,442.17	\$34,484.75	
	5/11/12	56581	4/2/12	4/30/12	\$25,896.94	\$60,381.69	
	6/18/12	57095	5/1/12	5/31/12	\$6,417.70	\$66,799.39	
	7/17/12	57548	6/1/12	6/30/12	\$14,558.04	\$81,357.43	
	8/13/12	57915	7/1/12	7/31/12	\$17,426.04	\$98,783.47	
	9/19/12	58426	8/1/12	8/31/12	\$55,469.53	\$154,253.00	
	10/17/12	58831	9/4/12	9/30/12	\$95,914.89	\$250,167.89	
	11/13/12	59211	10/1/12	10/31/12	\$14,004.70	\$264,172.59	
	12/13/12	59766	11/13/12	11/30/12	\$11,920.30	\$276,092.89	
	1/21/13	60212	12/3/12	12/31/12	\$4,193.38	\$280,286.27	
	2/25/13	60693	1/9/13	1/31/13	\$762.51	\$281,048.78	

Atmos Mid-Tex 2012 Rate Case - Rate Case Expense Summary

	3/18/13	61027	2/20/13	2/28/13	\$124.50	\$281,173.28	
	4/12/13	61420	3/28/13	3/31/13	\$216.00	\$281,389.28	
	5/17/13	61939	4/2/13	4/30/13	\$1,777.94	\$283,167.22	
	6/13/13	62306	5/1/13	5/31/13	\$608.69	\$283,775.91	
						LG total:	\$283,775.91
						Total LG+ Consultants	\$458,430.86

GAS UTILITIES DOCKET NO. 10194

RATE CASE EXPENSES SEVERED
FROM GAS UTILITIES DOCKET
NO. 10170

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BEFORE THE
RAILROAD COMMISSION
OF TEXAS

**AFFIDAVIT OF NORMAN J. GORDON REGARDING RATE CASE EXPENSES
AND EXPENSES AND RATE CASE EXPENSES IN GAS UTILITY DOCKETS NO.
10147 AND 10170(Consolidated)**

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

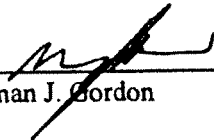
BEFORE ME, the undersigned authority, on this day personally appeared NORMAN J. GORDON, known to me to be the person whose name is subscribed hereto, and being by me duly sworn, upon his oath, stated as follows:

1. My name is Norman J. Gordon. I am over eighteen years of age and I am not disqualified from making this affidavit.
2. I am an attorney licensed in the States of Texas and Illinois, and numerous federal courts. I received my undergraduate degree law degrees from University of Illinois at Urbana Champaign. I have been in private practice of law in El Paso since completing my military obligation with the Judge Advocate General's Corps of the United States Army in 1974. I am board certified in Civil Trial Law by the Texas Board of Legal Specialization, and have been so certified since 1983. One of the areas of my practice is in the area of utility regulation. Since 1978, I have been lead counsel for parties in many major rate cases, rule making proceedings, and other administrative dockets before City Councils, the Railroad Commission of Texas, the Public Utility Commission of Texas, State District Courts, United States Bankruptcy Court, Texas Appellate Courts, including the Supreme Court of Texas. I have also filed testimony on rate case expense issues before the Railroad Commission of Texas. I have testified as an expert witness on rate case expenses before the Public Utility Commission of Texas. I have also taught principles of regulation to members of the Public Utility Regulation Board of the City of El Paso, an advisory board on utility matters.
3. I am a shareholder in the El Paso firm of Mounce, Green Myers, Safi, Paxson and Galatzan, A Professional Corporation, and have been a shareholder in that firm since October 2003. Prior to that time my private practice was with El Paso law firm Diamond Rash Gordon & Jackson, P.C., where I was a shareholder.

4. The City of Dallas ("City" or "COD") engaged Mounce, Green, Myers, Safi, Paxson & Galatzan to act as outside counsel for it in Gas Utility Dockets No. 10147 and 10170. The City limited its participation in the case to Depreciation rate issues as depreciation rates determined in those cases be applied to all plant, and would directly affect rates in the City of Dallas.
5. In connection with the case, we billed \$44,897.50 in fees and \$4,566.23 in expenses for a total of \$49,463.73. A copy of our statement is filed with the invoices for all parties. My time was billed at \$275.00 per hour and the time of Steven Hughes, also a shareholder at \$250.00 per hour. The services are outlined in the attached bill submitted by our firm. The expenses were for travel to Austin (the prehearing conference in GUD 10147, the deposition of an Atmos witness, the hearing itself and the Commission conference at which the case was presented and order signed), transcripts of deposition and hearing on depreciation issues, overnight deliveries and copying. My travel expenses did not include any luxury items such as first class travel, individual meals over \$25.00 or hotel costs over \$150.00¹ per night. Copy expenses were billed at \$0.10 per page. The expenses of my firm were reasonable.
6. All of the work done by my firm was necessary and reasonable with respect to both time and amount considering the nature, extent, and difficulty of the work, the originality of the issues presented including the nature of the issues raised and addressed by the City of Dallas in this proceeding, and the amount of time spent by and charges by others for work of a similar nature in this and other proceedings. The expenses incurred were all reasonable and necessary for the presentation and prosecution of the City's case.
7. Diversified Utility Consultants, Inc. ("DUCI") provided consulting services and direct testimony for the City on the depreciation issues in the case. DUCI billed \$62,800 in fees and \$318.93 in expenses. A copy of the statement is filed with the invoices of all parties. In connection with my work in rate setting proceedings, I have reviewed and analyzed the work of many consultants. I am familiar with the issues addressed as well, rates charged by others who perform similar services and the experience and quality of work of Diversified Utility Consultants, Inc. In my opinion the rates, time and totals for the work of DUCI on depreciation rate issues in Docket 10147 and 10170 were reasonable. The expenses are for copies at \$0.10 per page, travel to the Commission and deposition, and delivery expense. The expenses charged by DUCI in this case were reasonable.
8. In addition to the expenses identified above in the amount of \$112,585.66, I estimate that the additional expenses for this docket in reviewing invoices and calculations, assembling materials, conference calls, reviewing the settlement proposals and discussion with my client and others will be an additional \$3,500 for a total of \$116,085.66

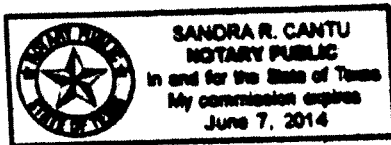
¹ Not including taxes

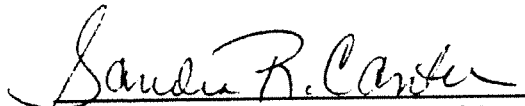
Further Affiant Says Not.



Norman J. Gordon

30th SUBSCRIBED AND SWORN TO, BEFORE ME, by the said Norman J. Gordon, this
day of July 2013, to certify which witness my hand and seal of office.





Notary Public in and for the State of Texas