

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

**STATEMENT OF INTENT FILED BY §
ATMOS ENERGY CORP., TO §
INCREASE GAS UTILITY RATES § GAS UTILITIES DOCKET NO. 10170
WITHIN THE UNINCORPORATED § AND CONSOLIDATED CASES
AREAS SERVED BY THE ATMOS §
ENERGY CORP., MID-TEX 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. Chapter 551, *et seq.* (Vernon 2008 & Supp. 2012). 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 Energy, Atmos, or company) is a gas utility as that term is defined in the Texas Utility Code and is subject to the jurisdiction of the Railroad Commission of Texas (Commission).
2. On May 31, 2012, Atmos filed a *Statement of Intent* to increase gas utility rates in the unincorporated areas of the Atmos Energy Corp., Mid-Tex Division. The filing was docketed as GUD No. 10170.
3. Atmos proposed that the increased rates become effective on July 5, 2012.
4. On June 26, 2012, the Commission suspended the implementation of Atmos' proposed rates for up to 150 days.
5. Atmos subsequently extended the proposed effective date of the proposed rates, thereby extending the statutory deadline to December 20, 2012.
6. Atmos filed a municipal rate proceeding with 441 cities (Affected Cities) served by Atmos Mid-Tex on January 31, 2012.
7. Atmos Mid-Tex filed the following *Petitions for De Novo Review* of the denial of the *Statement of Intent* by various municipalities that denied that rate request:
 - A. GUD No. 10171, Petition for De Novo Review of the Denial of the Statement of Intent Filed by Atmos Energy Corp., Mid-Tex Division by the Cities of Abilene,

Alba, Albany, et al. on May 31, 2012. These cities include the following: Abilene, Alba, Albany, Allen, Alvarado, Alvord, Angus, Anna, Anson, Arlington, Aubrey, Avery, Azle, Baird, Bangs, Barry, Bartonville, Bedford, Bellevue, Benbrook, Benjamin, Beverly Hills, Blanket, Blum, Bogata, Bonham, Bowie, Brazos Bend, Bridgeport, Bronte, Brownsboro, Brownwood, Bruceville-Eddy, Buckholts, Buffalo Gap, Burleson, Byers, Caddo Mills, Caldwell, Calvert, Cameron, Campbell, Canton, Cashion Community, Celina, Centerville, Childress, Chillicothe, Cisco, Clarksville, Cleburne, Clifton, Clyde, Coleman, Colleyville, Collinsville, Colorado City, Comanche, Commerce, Coolidge, Cooper, Copper Canyon, Copperas Cove, Corral City, Covington, Crawford, Crowley, Dalworthington Gardens, Decatur, DeLeon, Denison, Desoto, Dodd City, Double Oak, Duncanville, Dublin, Ector, Edgecliff Village, Edom, Emhouse, Emory, Ennis, Euless, Everman, Fairfield, Farmers Branch, Farmersville, Ferris, Forest Hill, Fort Worth, Franklin, Frankston, Frisco, Frost, Gainesville, Glen Rose, Glenn Heights, Godley, Goodlow, Gordon, Goree, Gorman, Grandview, Granger, Gunter, Gustine, Haltom City, Hamilton, Harker Heights, Haskell, Hawley, Henrietta, Hewitt, Hico, Highland Village, Holland, Holliday, Honey Grove, Howe, Hubbard, Hurst, Hutchins, Iowa Park, Iredell, Irving, Italy, Itasca, Jewitt, Josephine, Joshua, Justin, Kaufman, Keene, Kemp, Kennedale, Killeen, Knollwood, Ladonia, Lake Worth, Lakeport, Leona, Leonard, Lewisville, Lindsay, Lipan, Little Elm, Little River Academy, Lometa, Lone Oak, Longview, Lorena, Lott, Mabank, Madisonville, Malakoff, Malone, Mansfield, Marble Falls, Maypearl, McGregor, McKinney, Melissa, Meridian, Merkel, Mesquite, Mexia, Midlothian, Miles, Moran, Morgan, Murchison, Murphy, Newcastle, Nocona, Nolanville, Northlake, Novice, Oak Leaf, Oakwood, O'Brien, Oglesby, Olney, Ovilla, Palestine, Palmer, Paradise, Pecan Gap, Pecan Hill, Penelope, Petrolia, Pilot Point, Pleasant Valley, Ponder, Pottsboro, Poynor, Princeton, Putnam, Quanah, Quitman, Ranger, Ravenna, Red Oak, Reno (Lamar County), Retreat, Richland, Richland Hills, River Oaks, Roanoke, Robert Leek, Rochester, Rockwall, Roscoe, Rosebud, Ross, Rotan, Runaway Bay, Sachse, Saginaw, San Angelo, Sansom Park, Santa Anna, Savoy, Scurry, Seagoville, Sherman, Snyder, Suothmayd, Stamford, Stephenville, Strawn, Streetman, Sweetwater, Talty, Teague, Tehuacana, Thorndale, Thornton, Throckmorton, Tioga, Tom Bean, Trent, Trinidad, Troy, University Park, Valley View, Van Alstyne, Walnut Springs, Westlake, White Settlement, Whitesboro, Wichita Falls, Woodway, Wortham, Wylie, Venus and Yantis.

- B. GUD No. 10176, Petition for De Novo Review of the Denial of the Statement of Intent Filed by Atmos Energy Corp., Mid-Tex Division by the Cities of Deport, Detroit, and Lakeside on June 8, 2012.
- C. GUD No. 10177, Petition for De Novo Review of the Denial of the Statement of Intent Filed by Atmos Energy Corp., Mid-Tex Division by the Cities of Addison, Alma, Archer City, et al. on June 13, 2012. These cities include the following: The cities of Addison, Alma, Archer City, Argyle, Aurora, Ballinger, Bandera,

Bardwell, Bartlett, Bells, Bertram, Blackwell, Blooming Grove, Blossom, Blue Mound, Blue Ridge, Boyd, Bremond, Bryan, Buffalo, Burkburnett, Burnet, Carbon, Carrollton, Cedar Hill, Cedar Park, Chico, College Station, Como, Coppell, Corinth, Corsicana, Crandall, Cross Roads, Dawson, Denton, Early, Eastland, Eustace, Evant, Fairview, Fate, Flower Mound, Forney, Fredericksburg, Garland, Georgetown, Goldthwaite, Granbury, Grand Prairie, Grapevine, Hamlin, Haslet, Hearne, Heath, Hebron, Hickory Creek, Highland Park, Hillsboro, Hutto, Impact, Keller, Kerrville, Knox City, Kosse, Krum, Kurten, Lacy-Lakeview, Lake Dallas, Lampasas, Lancaster, Lavon, Lawn, Leander, Lincoln Park, Llano, Lorain, Lueders, Manor, Mart, McLendon-Chisholm, Megargel, Milford, Midway, Mobile City, Moody, Muenster, Newark, Nevada, New Chapel Hill, Normangee, North Richland Hills, Paris, Parker, Pflugerville, Plano, Powell, Prosper, Quinlan, Rhome, Robinson, Roby, Rogers, Round Rock, Rowlett, Roxton, Royse City, Rule, Sadler, Saint Jo, Sanctuary, Sanger, Seymour, Shady Shores, South Mountain, Southlake, Springtown, Sulphur Springs, Taylor, Temple, Terrell, The Colony, Thrall, Toco, Trenton, Trophy Club, Tye, Tyler, Valley Mills, Vernon, Waco, Watauga, Waxahachie, Weinert, West, Westworth Village, Whitehouse, Whitewright, Whitney, Wilmer, Windom, Winters, and Wolfe City.

- D. GUD No. 10184, Petition for De Novo Review of the Denial of the Statement of Intent Filed by Atmos Energy Corporation, West Texas Division by the Cities of Big Spring, Earth, Edmonson, et al. on July 5, 2012. These cities include the following: Abbott, Annona, Athens, Austin, Balch Springs, Bellmead, Belton, Celeste, Chandler, Cockrell Hill, Coyote Flats, Cumby, Electra Garrett, Gatesville, Greenville, Groesbeck, Kerens, Lexington, Marlin, Millsap, Munday, Pantego, Point, Reno (Parker County), Post Oak Bend, Rice, Richardson, Riesel, Rio Vista, Rockdale, San Saba, Somerville, Star Harbor, Sun Valley, Sunnyvale, Tuscola, Westover Hills, and Wixon Valley.
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. On June 22, 2012, GUD No. 10179 was consolidated into GUD No. 10170.
 12. On June 14, 2012, Staff of the Railroad Commission of Texas (Staff) and the State of Texas Agencies and Institutions of Higher Education (State Agencies) intervened in this proceeding.
 13. On June 14, 2012, Atmos Texas Municipalities (ATM) intervened in this proceeding on behalf of the following cities: Austin, Balch Springs, Bandera, Barlett, Belton, Blooming

Grove, Bryan, Cameron, Cedar Park, Celeste, Clifton, Commerce, Copperas Cove, Corsicana, Denton, Electra, Fredericksburg, Garrett, Gatesville, Georgetown, Goldthwaite, Granbury, Greenville, Groesbeck, Hamilton, Henrietta, Hickory Creek, Hico, Hillsboro, Hutto, Kerens, Lampasas, Leander, Lometa, Longview, Mart, Mexia, Olney, Pantego, Pflugerville, Ranger, Reno (Parker County), Rice, Richardson, Riesel, Round Rock, San Angelo, Sanger, Somerville, Star Harbor, Trinidad, Trophy Club, and Whitney.

14. On June 22, 2012, Atmos Cities Steering Committee (ACSC) intervened in this proceeding on behalf of the following cities: Abilene, Addison, Allen, Alvarado, Angus, Anna, Argyle, Arlington, Bedford, Bellevue, Benbrook, Beverly Hills, Blossom, Blue Ridge, Bowie, Bridgeport, Brownwood, Burk Burnett, Burleson, Caddo Mills, Carrollton, Cedar Hill, Celina, Cisco, Cleburne, Clyde, College Station, Colleyville, Colorado City, Comanche, Coolidge, Coppell, Corinth, Corral City, Crandall, Crowley, Dalworthington Gardens, Denison, DeSoto, Duncanville, Eastland, Edgecliff Village, Emory, Ennis, Euless, Everman, Fairview, Farmers Branch, Farmersville, Fate, Flower Mound, Forest Hill, Fort Worth, Frisco, Frost, Gainsville, Garland, Grand Prairie, Grapevine, Gunter, Haltom City, Harker Heights, Haskell, Haslett, Hewitt, Highland Park, Highland Village, Honey Grove, Hurst, Iowa Park, Irving, Justin, Kaufman, Keene, Keller, Kemp, Kennedale, Kerrville, Killeen, Krum, Lakeside, Lake Worth, Lancaster, Lewisville, Lincoln Park, Little Elm, Lorena, Madisonville, Malakoff, Mansfield, McKinney, Melissa, Mesquite, Midlothian, Murphy, Newark, Nocona, North Richland Hills, Northlake, Oak Leaf, Ovilla, Palestine, Paris, Parker, Pecan Hill, Plano, Ponder, Pottsboro, Prosper, Quitman, Red Oak, Richland, Richland Hills, River Oaks, Roanoke, Robinson, Rockwall, Roscoe, Rowlett, Royse City, Sachse, Saginaw, Seagoville, Sherman, Snyder, Southlake, Springtown, Stamford, Stephenville, Sulphur Springs, Sweetwater, Temple, Terrell, The Colony, Trophy Club, Tyler, University Park, Venus, Waco, Watauga, Waxahachie, Westlake, Whitesboro, White Settlement, Wichita Falls, Woodway, and Wylie.
15. On July 27, 2012, The City of Dallas intervened in this proceeding and on July 31, 2012, CoServ Gas, Ltd., intervened in this docket.

Notice

16. Atmos Mid-Tex published notice of the proposed rate changes once a week for four or more consecutive weeks, beginning the week of February 6, 2012 and running through the week of March 5, 2012, in newspapers of general circulation in each city affected by the proposed increase.
17. Notice of the filing in this proceeding was accomplished for unincorporated area residential and commercial customers by bill insert beginning on July 20, 2012 and ending on August 20, 2012.

18. Notice to industrial and other non-residential and non-commercial customers was accomplished by mailing the notice to the billing addresses of each directly affected unincorporated customer on July 24, 2012.
19. The publication of notice meets the statutory and rule requirements of notice and provides sufficient information to ratepayers about the statement of intent.

Atmos Energy Corporation Mid-Tex Division

20. Atmos Energy delivers natural gas to approximately 3.2 million residential, commercial, industrial, and public authority customers in twelve states.
21. Atmos Energy has the following six unincorporated gas utility operating divisions located in the respective cities: Dallas, Texas (Mid-Tex Division); Denver, Colorado (Colorado/Kansas Division); Baton Rouge, Louisiana (Louisiana Division); Jackson, Mississippi (Mississippi Division); Lubbock, Texas (West Texas Division); and Franklin, Tennessee and Owensboro, Kentucky (Kentucky/Mid-States Division).
22. Atmos Energy has an operating division, Atmos Pipeline – Texas, which consists of a regulated intrastate pipeline that operates only within Texas.
23. Each of Atmos Energy's utility divisions has its own divisional office that is responsible for the day-to-day operations that are unique to that division.
24. The company's corporate office is located in Dallas, Texas, and provides services such as accounting, legal, human resources, rates administration, procurement, gas supply, information technology, and customer care.
25. Several functions that are shared among the divisions are handled by the company's Shared Services Unit (SSU).
26. These centralized services, or Shared Services, include customer support call centers and are located in Amarillo and Waco, Texas, which are shared by the company's distribution operating divisions.
27. The utility operations in the Mid-Tex Division operates in over 440 cities, towns, and unincorporated areas.
28. The Mid-Tex Division has approximately 350 employees and serves approximately 1.5 million customers in 442 incorporated and unincorporated areas in north and central Texas.

Test Year

29. The test year in this case was the 12-month period ending September 30, 2011.

Books and Records

30. Atmos Mid-Tex established that the utility maintains its books and records in accordance with the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts prescribed for Natural Gas Companies.
31. Atmos has established that the utility has fully complied with the books and records requirements of Rule 7.310 and the amounts included therein are therefore subject to the presumption encapsulated in Rule 7.503 that these amounts are reasonable and necessary.

Scope of Proceeding

32. Atmos Energy Corporation and Staff of the Railroad Commission each filed a motion to limit issues identifying nineteen issues ripe for issue preclusion due to prior review and determination of methodology.
33. Continued use of the following methodology was found to be reasonable in this case and therefore, precluded from further litigation:

Continued use of the three-year average uncollectibles expense as approved in GUD Nos. 9762 and 9869 (Mid-Tex).

Continued use of an income tax factor of 0.5385 to the dollar return on equity included in the revenue requirements computed based on the statutory income tax rate of 35 percent as approved in GUD Nos. 9670, 9762, and 9869 (Mid-Tex); GUD Nos. 10041, 10084, and 10085 (West Texas Division); and GUD No. 10000 (APT).

Continued use of the equal life group (ELG) method for calculating depreciation expenses as approved in GUD Nos. 9762 and 9670 (Mid-Tex); GUD Nos. 10041, 10084, and 10085 (West Texas Division); and GUD No. 10000 (APT).

Continued exclusion of sales, transfers of property, outliers and reimbursed retirements from the life and salvage analysis used to calculate depreciation as approved in GUD No. 9762 and 9670 (Mid-Tex).

Continued use of preferred customer sample methodology as discussed in GUD Nos. 9762 and 9869 (Mid-Tex) to determine collection lag in the lead-lag study.

Continued use of the four-factor formula approved by the Commission as part of the cost allocation methodology for Shared Service Unit expenses approved in GUD Nos. 9762 and 9869 (Mid-Tex); GUD Nos. 10041, 10084 and 10085 (West Texas Division); and GUD No. 10000 (APT).

(Excluding, calculation of the individual components used in the methodology.)

Continued use of 13-month averages for materials and supplies and prepayments as approved in GUD Nos. 9670, 9762, and 9869 (Mid-Tex); GUD Nos. 10041, 10084 and 10085 (West Texas Division), and GUD No. 10000 (APT). (Excluding the actual unadjusted amounts included in the calculation).

Continued use of a minimum distribution system of 2-inch pipe for allocation purposes. (Excluding issues related to the input values).

Continued use of system-wide rates for the Atmos Mid-Tex Division.

Continuing to cease accrual of depreciation expense once an account is fully accrued as in GUD Nos. 9762 and 9670 (Mid-Tex).

Inclusion of prepayment as an “other” rate base item in the lead-lag study as required in GUD Nos. 9869 and 9762.

The affiliate standard encompassed in Tex. Util. Code Ann § 104.055(b) shall not apply to intracompany transactions.

Elimination of certain shared services categories, or cost centers, the cost of service as required in GUD Nos. 9762 and 9869 (Mid-Tex); GUD Nos. 10041, 10084, and 10085 (West Texas Division); and GUD No. 10000 (APT). These include preclusion of the re-litigation of the following cost centers: 1132 (Investor Relations), 1350 (Dallas Non-Utility Operations), 1507 (Dallas Texas Lobbying), 1904 (Dallas Supplemental Executive Benefit Plan), and 1908 (Dallas Supplemental Employee Benefits). This limitation shall apply to any successor cost center in the event that one of the specifically identified cost center has been renamed or its function reassigned.

Rate Case Expenses

34. Rate case expenses were severed into a separate docket, GUD No. 10194, upon the request of the parties.

Hearing

35. A notice of hearing was issued on July 12, 2012.
36. The hearing on the merits in this matter was conducted from September 12, 2012 through September 21, 2012.

37. The evidentiary record was closed on November 13, 2012.

Shared Services Unit Allocation

38. Atmos Energy Corporation consists of seven distribution utilities, a regulated pipeline and various subsidiaries.
39. Technical and support services are provided to the operating divisions by centralized shared services departments primarily located at the Atmos headquarters in Dallas.
40. The collective shared services departments are referred to as the Shared Services Unit (SSU).
41. The centralized functions provided by the Shared Services Unit include, but are not limited to, accounting, gas supply, human resources, information, technology, legal, rates and customer support.
42. The Shared Services Unit is comprised of two divisions, as follows: (a) Shared Services – Customer Support (sometimes referred to as “SSU Customer Support”), which provides functions that include billing, customer call functions and customer support related functions; and (b) Shared Services – General Office (sometimes referred to as “SSU General Office”), which provides functions that include accounting, human resources, legal, rates, risk management and others.
43. The company’s Cost Allocation Manual establishes a reasoned methodology for the allocation of costs among the company’s divisions.
44. The company’s Cost Allocation Manual has been approved in several of the jurisdictions where Atmos Energy provides service and ensures a uniform allocation of costs.
45. The cost allocation manual requires that certain costs be allocated on the company’s general ledger utilizing the allocation methodologies described in detail in the manual.
46. Shared services that are not allocated on the company’s general ledger are allocated based upon a Composite Factor (Composite Factor) or Customer Factor (Customer Factor).
47. The Composite Factor was derived based upon a four-factor formula comprised of the simple average of the relative percentage of gross plant in service, the relative percentages of the average number of customers, the relative percentages of direct operating and maintenance expenses for each of the company’s operating divisions, and operating income.
48. The use of the four-factor formula was first required by the Commission in GUD No. 9670 and its use was affirmed in GUD Nos. 9762, 9869, and 10000.

49. The Customer Factor is derived based on the average number of customers in each operating division that receives allocable costs for services provided.
50. The Customer Factor was proposed by the company and subsequently approved by the Commission in GUD Nos. 9670, 9762, and 9869.
51. Prior to August 1, 2012, the Atmos Energy Kentucky/Mid-States Division was an operating division that operated in more than 420 communities across Georgia, Illinois, Iowa, Kentucky, Missouri, Tennessee and Virginia.
52. On May 12, 2011, Atmos entered into an agreement to sell all of its natural gas distribution assets located in Missouri, Illinois, and Iowa to Liberty Energy (Midstates) Corporation (Liberty Energy), an affiliate of Algonquin Power & Utilities Corp.
53. Any interim transactional agreement between the company and Liberty Energy is temporary.
54. The fact of this transaction was known by May 12, 2011, before the end of the test year in this case.
55. The transaction closed August 1, 2012.
56. The company has not eliminated a division, it has only reduced the service area of the affected division, the Kentucky/Mid-States Division.
57. There have been no changes to the Shared Service Unit attributable to the transaction, the staffing level of the Shared Services Unit has not changed, no changes to the staffing level of the Shared Services Unit are anticipated and future staffing level changes are not known and measurable.
58. The factors used in this case were calculated excluding data from the operations in Illinois, Iowa and Missouri that were sold.
59. The company applied the same methodology that was previously approved to calculate the composite allocation factors.

Operation and Maintenance Expenses

60. The overall operation and maintenance expense requested by Atmos in the *Statement of Intent* as filed was \$152,490,153.
61. Atmos has not established that the operation and maintenance request was just and reasonable.
62. The operation and maintenance request reflected in the attached Schedule F-1 is just and reasonable.

63. Several issues related to the calculation of the company's operation and maintenance expense have previously been considered by the Commission and judicial notice of the following Final Orders is hereby taken:

- A. Tex. R.R. Comm'n, *Petition for De Novo Review of the Reduction of the Gas Utility Rates of Atmos Energy Corp., Mid-Tex Division, by the Cities of Blue Ridge, Caddo Mills et al; Atmos Energy Corporation Statement of Intent to Change Rates in the Atmos Energy Corp., Mid-Tex Division Gas Utility System; Petition for Review from the Actions of Municipalities Denying Rate Request*, Docket No. 9670 (Gas Utils. Div. June 13, 2007) (Final Order) (GUD No. 9670).
- B. Tex. R.R. Comm'n, *Statement of Intent filed by Atmos Energy Corporation to Increase Utility Rates within the Unincorporated Areas Served by the Atmos Energy Corp., Mid-Tex Division and Petition for De Novo Review of the Denial of the Statement of Intent filed by Atmos in Various Municipalities*, Docket No. 9762 (Gas Utils. Div. June 24, 2008) (Final Order) (GUD No. 9762)
- C. Tex. R.R. Comm'n, *Petition for De Novo Review of the Denial of the Statement of Intent filed by Atmos Energy Corp., Mid-Tex Division by the City of Dallas; Statement of Intent to Increase Gas Utility Rates in the Unincorporated Areas Served by the Mid-Tex Division*, Docket No. 9869 (Gas Utils. Div. February 23, 2010) (Final Order Nunc Pro Tunc) (GUD No. 9869).
- D. Tex. R.R. Comm'n, *Statement of Intent to Change the Rate CGS and Rate PT of Atmos Pipeline – Texas*, Docket No. 10000 (Gas Utils. Div. April 18, 2011) (Final Order) (GUD No. 10000).

Base Payroll

- 64. The test-year level of base payroll was not contested by the parties.
- 65. Atmos proposed a post-test year adjustment to the test-year level of base payroll based upon the level of employee expense as of October 2011.
- 66. The base payroll adjustment was consistent with the methodology approved in GUD No. 9869.
- 67. Expenses for compensation to employees in SSU cost centers that are not allocable to Mid-Tex have been removed and salaries below the line have been removed.
- 68. The company's post-test-year adjustment to base labor is just and reasonable and the base labor amounts included in the attached schedules are reasonable.

69. The O&M expense factor applied to SSU Customer Support post-test-year base labor adjustment was 89.60% and the O&M factor applied to post-test-year base labor adjustment SSU General Services was 97.72%.
70. The factor was based upon the capitalization ratios experienced by the company during the test year.
71. The proposed O&M expense factors based upon the capitalization ratios experienced by the company are just and reasonable.
72. Atmos has established that its proposed base payroll is just and reasonable and the attached Schedule WP_F-2.1 is just and reasonable.

Medical and Dental Benefits

73. The company provided a post-test-year adjustment to medical and dental benefit expenses in order to align the benefits expense at the most current benefit rates available.
74. The company used the actuarial data prepared by Holmes Murphy to calculate the proposed adjustment and used employee data and claims information provided by health care providers.
75. Atmos has removed expenses for SSU employees in cost centers that are not allocable to the Atmos Mid-Tex Division.
76. Atmos has established that its proposed level of Medical and Dental benefits expenses are reasonable and the medical and dental benefits expenses included in the attached Schedules F-1 and WP_F-2.2 are just and reasonable.

Pension Expense

77. The company included an adjustment to the test-year level of pension expenses in its revenue requirement calculation.
78. The adjustment calculated the benefit expense at the most current benefit rates available.
79. The adjustment was calculated based upon the fiscal year 2012 Towers Watson (Towers Watson) actuarial data for the Atmos Mid-Tex Division and SSU.
80. The methodology employed was consistent with the methodology applied in GUD No. 9869 and GUD No. 10000.
81. Accounting standards require that the pension and OPEB asset value be calculated as of the fiscal year-end.

82. The fiscal year-end for Atmos is September 30th of each year.
83. The company moved to an account-based pension plan in that year and eliminated pension benefit accruals based on final average pay.
84. In 2010, the company evaluated alternatives to offering a Pension Account Plan to new employees and effective October 1, 2010, the company closed the plan to new employees.
85. This history of the company's management of its pension accounts established the prudent management of the pension account plans by the company.
86. The key factor determining the pension account expense is the discount rate.
87. The discount rate is a market factor outside the control of the company.
88. The calculation of the post-test-year adjustment for the pension account plan is consistent with the calculation applied in GUD No. 9869 and GUD No. 10000.
89. Atmos has established that its proposed level of pension expense is reasonable and the pension expense included in the attached Schedule F-1 and WP_F-2.3 is just and reasonable.

Supplemental Executive Pension and Benefits

90. The company calculated an adjustment to the test-year level of expenses for Supplemental Executive Benefit Plans (SEBP) and Supplemental Employee Retirement plans (SERP).
91. SEBP and SERP are nonqualified, deferred compensation plans which provide supplemental retirement income, death and disability benefits for certain executive employees of Atmos.
92. Atmos maintains three separate plans: (1) a Supplemental Executive Benefit Plan for officers, division presidents and certain other employees employed on or before August 12, 1998; (2) a supplemental Executive Retirement Plan for eligible employees who become officers or division presidents after August 12, 1998; and (3) a SERP effective August 4, 2009 for corporate officers, division presidents or other employees selected by the board of directors.
93. SERP and SEBP are necessary for the recruitment and retention of talented employees and provide a benefit to both shareholders and customers.
94. Removal of the SERP for employees of the Atmos Mid-Tex Division would disadvantage Atmos executives and will impact the company's recruitment and retention of talented employees.

95. It is reasonable to balance the burden of the recovery of the expense for SERP and SEBP among shareholders and customers.
96. Shared Services Unit corporate officers, division directors and other employees selected by the board of directors may be eligible for SEBP and SERP.
97. Atmos Mid-Tex corporate officers, division directors and other employees are selected by the board of directors.
98. The post-test-year adjustment was intended to calculate benefits expenses at the most current benefit rates available at the time the rates approved by this Final Order are effective.
99. The post-test-year adjustment was calculated based upon an actuarial report prepared by Towers Watson.
100. Atmos removed all expenses related for SEBP and SERP for the Shared Services Unit.
101. Atmos included expenses related to those plans for employees of the Atmos Mid-Tex Division.
102. The company's treatment of SEBP and SERP was consistent with the treatment approved in GUD No. 9762, GUD No. 9869 and GUD No. 10000.
103. The burden of the recovery of expenses related to SEBP and SERP is balanced by including Atmos Mid-Tex Direct employees in the calculation of rate base and excluding expenses for SEBP and SERP related to Shared Services Employees.
104. The company's proposal in this case is consistent with prior precedent.
105. Based upon the record in this case, the total adjusted expenses for SEBP and SERP by the Shared Services Unit was \$7,585,854 and the allocable portion of this expense, based upon a 45.23% composite allocation, was \$3,431,082 ($\$7,585,854 \times 45.23\%$).
106. The operation and maintenance expense factor of the Shared Services Unit SEBP and SERP plans is 41.51%.
107. The updated operation and maintenance expense portion for SEBP and SERP for the Shared Services Unit, based upon an operations and maintenance expense factor of 41.51% was \$1,424,242 ($\$3,431,082 \times 41.51\%$). Atmos has not included this amount in the revenue requirement calculation.
108. The SERP updated expense for the employees of the Atmos Mid-Tex Division is \$143,390.

109. The updated operation and maintenance expense portion for SERP, based upon an expense factor of 33.42% was \$47,921 ($\$143,390 \times 33.42\%$). Atmos has included this amount in the revenue requirement calculation.
110. The total updated operation and maintenance expenses for SERP/SEBP was \$1,472,163.
111. The company has included only 3.25% of the SERP and SEBP expenses, totaling \$47,921, of this expense in the revenue requirement calculation.
112. The company's proposed treatment of SERP and SEBP is consistent with prior precedent that balances the burden of the recovery of this expense between shareholders and customers by allowing recovery of the Atmos Mid-Tex Division and disallowing recovery of the Shared Services Unit Expenses.
113. Atmos has established that its proposed level of SERP and SEBP is just and reasonable and the expenses included for SERP in the attached Schedule F-1 and WP_F-2.3 are just and reasonable.
114. Consistent treatment provides regulatory certainty and it is reasonable that SERP and SEBP be apportioned by applying the methodology approved in prior proceedings.
115. Continued balancing of this expense by allowing recovery of the Atmos Mid-Tex Division SERP and disallowing recovery of Shared Services Unit expense for SEBP and SERP may not be reasonable in future proceedings.
116. It is reasonable that the company not be bound by prior precedent in allocating the burden of SERP and SEBP expenses and it is reasonable that the company explore a more balanced and transparent apportionment of the burden of this expense in future proceedings.

FAS 106 Expense

117. Atmos provided a post-test-year adjustment to FAS 106 expenses intended to calculate benefits expenses at the most current benefit rates available.
118. The treatment of FAS 106 expenses and the proposed post-test-year adjustment is consistent with the treatment of this expense in GUD No. 9869 and GUD No. 10000.
119. The adjustment was calculated based upon the fiscal year 2012 Towers Watson actuarial data for Mid-Tex and the Shared Services Unit.
120. In GUD No. 10000 the Commission ordered that a division of Atmos Energy Corporation, the Atmos Pipeline Division, establish an external fund for FAS 106 expenses.

121. An external fund limits the use of those funds to the payment of benefits to or on behalf of retirees and the company does not have access to those funds for other purposes
122. The creation of an external fund was consistent with the treatment of that fund in other jurisdictions where Atmos provided service: Colorado, Iowa, Kansas, Mississippi, Missouri, Tennessee, and Virginia.
123. Pursuant to the requirements of the Final Order in GUD No. 10000 Atmos established an external fund for the Atmos Pipeline – Texas Division.
124. An external fund was subsequently established for the Atmos Mid-Tex Division and the first contribution made to the external fund for the Atmos Mid-Tex Division was on April 6, 2012.
125. In the past, the company's shareholders have had to fund the difference between the FAS 106 expense included in rates and the accrual on the company's books when there has been a shortfall in the amounts collected through rates.
126. The amount of any accumulated customer contribution that might be applicable to a fund is not readily known and measurable.
127. The Final Order in GUD No. 10000 was issued on June 27, 2011. The company established a separate fund for FAS 106 for the Atmos Mid-Tex Division in April 2012.
128. The payment made to that fund, \$1,474,249 related to the fiscal period from January 1, 2012 through March 31, 2012.
129. The record in this case does not establish that the timing of that payment, seven months after the issuance of the Final Order in GUD No. 10000, was unreasonable.
130. The record in this case does not establish that ratepayer-provided funds were available to make an earlier payment into the external fund.
131. Atmos has established that FAS 106 expense included in the attached Schedules F-2 and WP_F-2.3 are just and reasonable.

Incentive Compensation

132. The company provides incentive compensation packages to two broad categories of employees: (a) Executive and management employees, and (b) all other employees.
133. Management and executive employees are eligible to participate in a short term management incentive plan (MIP) and all other employees are eligible to participate in variable pay plans (VPP).

134. Management and executive employees are also eligible to participate in long-term incentive plans (LTIP).
135. MIP, VPP, and LTIP are available to employees in the Shared Services Unit and to direct employees of the Atmos Mid-Tex Division.
136. The MIP and VPP plans provide eligible employees an opportunity to earn a cash-based incentive reward.
137. The LTIP incentive has historically been in two forms: Time-lapse restricted shares and performance-based restricted share units.
138. The company has excluded from its cost of service calculation expenses related to VPP and MIP costs allocated to the Mid-Tex Division.
139. Atmos has included the Mid-Tex direct costs for VPP and MIP, as well as, the Mid-Tex direct and SSU allocated LTIP costs.
140. The company's filing is consistent with Commission precedent related to divisions of Atmos Energy Corporation that are subject to the jurisdiction of the Commission: GUD Nos., 9670, 9762, 9869, and 10000.
141. The company's incentive compensation plans have not changed since GUD No. 10000.
142. Removal of all incentive compensation programs will hamper the retention and requirement of qualified employees.
143. The company's incentive compensation program is compatible with industry standards.
144. The company's incentive compensation programs are directly tied to improvements in performance, productivity, service, expense management, and other performance factors that directly impact earnings per share.
145. The plans encourage top management to motivate, recognize, and reward employee performance.
146. The vast majority of investor-owned gas distribution utilities have adopted incentive compensation plans as an integral element of their compensation programs.
147. The record in this case established the incentive compensation plans of Atmos include metrics that are directly relevant to customer satisfaction.
148. The record in this case established that financial metrics in the incentive compensation plan provide a benefit to customers and shareholders.

149. Positive financial performance requires the achievement of rate-based revenues while at the same time controlling operating expense levels.
150. Positive financial performance requires increased employee productivity, customer retention and satisfaction, adherence to safety and environmental concerns, control of operations and maintenance expenses minimizing operating expense levels to maximize earnings per share.
151. In an effort to keep medical and dental benefit expenses in check the company instituted programs to improve the health of employees.
152. The company has experienced a declining level of medical and dental benefits expenses.
153. Evidence in the record established that Atmos' calculation of the billing lag has changed from 4.47 days in a prior proceeding to 1.74 days. This evidences an improvement that provides financial returns to the company, reduces the O&M expenses included in the cost of service calculation, and provides timely consumption information to consumers.
154. Atmos and the City of Dallas acknowledged that improved practices at Atmos extend the service life of the company's assets. This evidences that actions by all employees directly impact safety, reduce costs included in the cost of service by extending the service life of company assets, and improve the financial returns of the company.
155. The company's operations and maintenance expenses have remained stable since 2008.
156. The company's incentive compensation plan benefits all constituents of Atmos: customers, shareholders, and employees.
157. Atmos established that its treatment of incentive compensation is consistent with Commission precedent applicable to Atmos in general, and Atmos Mid-Tex, in particular.
158. The company's treatment of incentive compensation expenses is just and reasonable and Atmos has established that expenses for incentive compensation included in the attached Schedules F-1 are just and reasonable.
159. It is reasonable to balance the burden of the expenses related to incentive compensation between shareholders and customers as both benefit from incentive compensation programs.
160. Removal of all MIP, VPP, and LTIP expenses from the revenue requirement would require the shareholders to bear all expenses related to incentive compensation programs that benefit shareholders and customers.
161. Previous decisions balanced the burden of the expenses related to incentive compensation by including expenses related to Shared Services LTIP plans and expenses related to the

MIP, VPP, and LTIP plans of the Atmos Energy Corporation Divisions that are subject to the jurisdiction of the Commission.

162. MIP and VPP expenses related to the Shared Services totaled \$5,569,561 and 37.60% of those expenses, totaling \$2,094,154 ($\$5,569,561 \times 37.60\%$), would have been allocable to the operation of maintenance expenses of the Atmos Mid-Tex Division.
163. Pursuant to Commission precedent, the company excluded those amounts from the revenue requirement of the company.
164. LTIP expenses related to the Shared Services that were allocated to the Atmos Mid-Tex Division as part of the revenue requirement calculation totaled \$1,241,636.
165. MIP, VPP, and LTIP expenses for employees of the Atmos Mid-Tex Division totaled \$825,291.
166. MIP, VIP, and LTIP operation and maintenance expenses totaled \$4,161,081; Pursuant to precedent, the company has only included \$2,066,927 of those expenses in the revenue requirement or 49.67%.
167. The company's proposed treatment of incentive compensation is consistent with prior precedent that balances the burden of the recovery of this expense between shareholders and customers by allowing recovery of the Atmos Mid-Tex Division and disallowing recovery of the Shared Services Unit Expense.
168. Consistent treatment provides regulatory certainty and it is reasonable that the expenses be apportioned by applying the methodology approved in prior proceedings.
169. Continued balancing of this expense by allowing recovery of the Atmos Mid-Tex Division VPP, MIP, and LTIP expenses, Shared Services Unit LTIP expenses and disallowing recovery of Shared Services Unit expense VPP and MIP may not be reasonable in future proceedings.
170. It is reasonable that the company not be bound by prior precedent in allocating the burden of MIP, VPP, and LTIP expenses and it is reasonable that the company explore a balanced and transparent apportionment of the burden of this expense.

Amortized Injuries and Damages

171. Atmos seeks an adjustment to the cost of service in this case in the amount of \$600,000 in amortized costs for injuries and damages in excess of insurance coverage for damages and injuries associated with the three incidents in Wylie, Cleburne and Lutrell.
172. Atmos is responsible for a \$1 million insurance deductible per incident and the insurance generally covers the settlement and litigation costs of this type of loss.

173. The incidents in Cleburne and Wylie were included in the approved level of expense in GUD Nos. 9762 and 9869 and an adjustment allowed a five-year amortization of \$200,000 per incident per year to recover the \$1 million insurance deductibles.
174. The \$600,000 adjustment proposed by Atmos in this proceeding included (a) an amortization of the prior two incidents in the amount of \$200,000 per incident per year; and (b) a \$200,000 adjustment per year for five years for the incident in Lutrell.
175. A five (5) year amortization period for the Lutrell incident is the same period that was previously approved for the incidents in Cleburne and Wylie and is just and reasonable.
176. The recovery of the amortized amounts for the incidents in Wylie and Cleburne will end June 2013 and an over-recovery is likely as the rates in this case will not go into effect until December 2012.
177. It is just and reasonable for Atmos to reimburse ratepayers for any over-recovery of these amounts during the next IRA, RRM, or Statement of Intent proceeding, whichever occurs first.

Affiliate Expenses: Blueflame Insurance Expense

178. Insurance services required by Atmos Energy are acquired from Blueflame.
179. Blueflame is a wholly owned subsidiary of Atmos Energy that provides insurance for all of the company's divisions.
180. The day-to-day management of Blueflame is conducted by Aon Insurance Managers, Ltd., (Aon) a third-party captive manager.
181. Aon provides Atmos Energy with consultation services.
182. All of the Atmos Mid-Tex Division property, plant, and equipment are covered through property insurance provided by Blueflame.
183. Insurance services provided by Blueflame are at cost and without markup.
184. The cost of insurance coverage is allocated among the Atmos Energy divisions and subsidiaries based upon the annual plant balance.
185. The rate of rate of insurance was \$0.085 per \$100 of gross plant.
186. Atmos has established that the expenses for Blueflame are (a) reasonable and necessary and (b) the price charged to the Atmos Mid-Tex Division is not higher than the prices charged by the supplying affiliate to its other affiliates or division or to a non-affiliated person for the same item or class of items.

187. The services provided by Blueflame have been found to be reasonable and necessary in the following prior proceedings: GUD Nos. 9670, 9762, 9869, 10000, 10041, 10084 and 10085.
188. There have been no changes in the management of Blueflame since the approval of the expenses related to Blueflame in GUD Nos. 9670, 9762, 9869, 10000, 10041, 10084 and 10085.
189. The company also included an adjustment to include the amortization of a Cancellation Fee approved in GUD No. 9762.
190. Atmos is entitled to recovery of the Cancellation Fee expense, however, it expires in June 2013.
191. It is just and reasonable for Atmos to reimburse any over-recovery of the Cancellation Fee amounts during the next IRA, RRM or Statement of Intent proceeding, whichever occurs first.
192. The company has not established that insurance expenses for construction work in progress (CWIP) have been excluded from the revenue requirement calculation.
193. An adjustment totaling \$11,865 to remove insurance related expenses for CWIP is just and reasonable.

Rate Base

194. The company's test year in this proceeding is the twelve-month period ending September 31, 2011 and the company adjusted the plant balances through March 31, 2012.
195. The adjustment to plant was identified in the original *Statement of Intent* proceeding that was filed on May 31, 2012, and the adjustment was also reflected in the appeal filings.
196. All changes to net plant, including changes to accumulated deferred income taxes were known and measurable and the company provided a detailed listing of all plant additions through March 31, 2012.
197. A rate-base calculation founded upon a test year ending September 31, 2011, as adjusted for known and measurable changes through March 31, 2012, is just and reasonable.
198. The Commission has previously allowed an update to plant balances through a period that ended six months after the end of the test year.
199. A utility may establish a reserve for pensions paid to retirees and other post-employment benefits (OPEB) that related to retiree health care, dental care, and other post-employment health benefits.

200. Based upon an actuarial analysis of the pension costs, the Atmos Mid-Tex Division has established that that a shortage exists in the funding of pensions and OPEB and that a regulatory asset of \$1,954,911, in rate base is reasonable and a corresponding amortized amount, totaling \$195,491 to the company's operating and maintenance expense is also just and reasonable.
201. It is reasonable that the pension expense established in the last general rate case, GUD No. 9869, be applied to determine the appropriate baseline for the measure for calculating the regulatory account asset associated with pensions and OPEB.
202. The company's calculation of the reserve calculation mandated by Section 104.059 of the Texas Utilities Code was consistent because the allocation factors applied to determine the baseline were the same as the allocation factors applied to the updated expenses for purposes of calculating the regulatory asset.
203. It is reasonable to update the regulatory asset by applying and flowing through all corrections applicable to the calculation of the current pension expense.
204. The base year level of pension expense requested is just and reasonable and the expense level requested was calculated pursuant to GAAP and applicable statutes.
205. Accordingly, following pension expense, as reflected on the attached Examiners' Schedule 6, are hereby adopted:

Section 104.059 Benchmarks

	PAP (FAS 87)	Post-Retirement Medical Plans (FAS 106)	SERP
SSU Allocated to Mid-Tex	\$2,756,682	\$1,971,341	
Mid-Tex Direct	\$8,087,526	\$7,092,975	\$143,390
Total	\$10,844,208	\$9,064,316	\$143,390

Accumulated Deferred Income Taxes

206. Deferred taxes arise because of timing differences between recognition of certain items for book purposes versus tax purposes.
207. The company's calculation of ADIT related to NOL matches the ADIT liabilities to the ADIT NOL asset created by those deductions.
208. Inclusion of the consolidated ADIT asset for tax NOLs results in the inclusion of non-regulated tax matters in rates.

209. In order to ensure that rates reflect only the NOL attributable to the company's regulated utility operations, the effect of the non-regulated ADIT asset for income tax NOLs must be excluded.
210. Atmos has established that its calculation of the ADIT asset related to NOLs was just and reasonable.
211. Atmos is required to pay an Alternative Minimum Tax (AMT) amount if the company's regular tax is less than the calculated AMT.
212. The AMT credit reflects a cash disbursement to the government that will be realized in the future when the company reduces regular tax. Accordingly, it represents cash that the company has on deposit with the government that it is unable to use.
213. Atmos has established the AMT ADIT asset is just and reasonable.
214. Atmos has not included a component for construction work in progress (CWIP) accordingly it is reasonable to exclude the associated ADIT balance.
215. Atmos has included an ADIT asset, totaling \$1,390,603, associated with uncollectible accounts.
216. Atmos did not recognize the accrued reserve for uncollectible accounts in rate base and it is not reasonable to include the ADIT associated with this reserve in rate base.
217. Uncollectible expenses were included in the company's expenses for purposes of calculating the revenue requirement and it was included in the cash working capital analysis for purposes of calculating the cash working capital requirement of the company.
218. Accordingly, ratepayers provided funds are available to address any tax liability incurred from uncollectibles.
219. Atmos included ADIT amounts associated with a State Net Operating Loss (NOL) tax asset and related Federal Tax on the State NOL and the company has established that the ADIT amounts related to the State and Federal Tax NOL is just and reasonable.
220. The company calculates an annual effective tax rate for income tax expenses and in order to properly record income tax expenses, an ADIT entry is made to record the difference between actual expense and projected expense.
221. Atmos has established that its ADIT entry associated with this transaction is just and reasonable.

FAS 106 Liability

222. Atmos included an ADIT balance for FAS 106 Liability.

- 223. Atmos Mid-Tex established an external fund for its FAS 106 reserves and although FAS 106 is not included in rate base, the company has established a regulatory asset related to these expenses that is included in rate base.
- 224. The external fund was established before the creation and recognition of the regulatory asset authorized by Section 104.059, and it is reasonable that in future proceedings the company be allowed to reexamine the efficacy of an external fund.
- 225. The FAS 106 funds are governed by strict accounting standards (GAAP) and financial reporting requirements under Accounting Standards Codification (ASC) 960.
- 226. The evidence in this proceeding was insufficient to establish that the FAS 106 reserve represents a source of zero-cost capital.
- 227. Company shareholders have had to fund the FAS 106 account as well as customers.
- 228. Atmos has established that its treatment of the FAS 106 reserve is just and reasonable and the inclusion of an ADIT balance related to FAS 106 is just and reasonable.

Cash Working Capital

- 229. The Atmos Mid-Tex Division prepared a lead-lag study to determine the cash working capital needs of the division for the test year ending September 30, 2011.
- 230. Atmos has established that its proposed cash working capital is just and reasonable.
- 231. In GUD No. 9762, the Commission ordered the use of a one-day billing lag.
- 232. An average billing lag of one business day produces a 1.4 calendar day lag.
- 233. Detailed evidence was provided regarding the billing process and the evidence in this case supports a billing lag of 1.74 days.
- 234. The company has improved its billing process and reduced the billing lag from 4.47 days requested in GUD No. 9670 and 2.72 days requested in GUD No. 9762 to 1.74 days requested in this case.
- 235. The calculation of the O&M – Non-labor expense lag adjustment in the cash working capital study is consistent with Commission precedent for Atmos and its various divisions.
- 236. There is insufficient evidence to support segregating categories of O&M – Non-labor expense for individual treatment.

- 237. Grouping O&M – Non-labor expenses for purposes of calculating a cash working capital study is just and reasonable.
- 238. Atmos established that the data used in calculating the O&M – Non Labor Expense lag, as adjusted to dampen the effect of disproportionate units in the sample, is just and reasonable.
- 239. Uncollectible expenses impose a financial requirement on the utility and is properly included in the calculation.

Depreciation

- 240. The company prepared a depreciation study for its Atmos Mid-Tex Division and Shared Services Unit.
- 241. Functional level depreciation rates are being applied to determine the annual accrual for depreciation expense for the Atmos Mid-Tex Division.
- 242. Transition to an account-specific accounting based upon a theoretical reserve will achieve the most accurate depreciation rates.
- 243. The proposed reallocation methodology is consistent with GUD Nos. 9902, 10000, 10038, and 10041.
- 244. There is an insufficient evidentiary basis upon which to apply a book reserve depreciation methodology in this case.
- 245. The company has not established that the average service life calculation for Mid-Tex Account 374.02 is just and reasonable.
- 246. In the 100-year history of this account there has been less than 1%, \$17,000 out of \$23 million dollars that has been retired.
- 247. Land rights should not retire prior to the mains associated with the land right and an adjustment of the average service life for Account 374.02 is necessary to avoid this result.
- 248. An average service life for Account 374.02 of 100R4 is just and reasonable.
- 249. Atmos has established that the average service life for Mid-Tex Account 375, Structures, of 54R1.5 is just and reasonable.
- 250. Atmos has established that the average service life for Mid-Tex Account 376, Cathodic Protection Mains of 60R3 is just and reasonable.
- 251. Atmos has established that the average service life for Mid-Tex Account 376.01, Mains Steel, of 70R0.5 is just and reasonable.

252. Atmos has established that the net salvage calculation for Mid-Tex Account 376.01, of a negative 105% is just and reasonable.
253. Atmos has not established that the average service life for Mid-Tex Account 376.02, Mains Plastic, is just and reasonable.
254. Atmos has established that the net salvage calculation for Mid-Tex Account 376.02, Mains Plastic, of a negative 40% is just and reasonable.
255. The weight of the evidence in this case indicates that the placement bands used by Atmos in its analysis of this account requires an estimate of approximately 94% of the unknown balance of the survivor curve.
256. A 1962 placement band provides more credible statistical results upon which to determine the average service life for Mid-Tex Account 376.02.
257. Atmos has established that the average service life for Mid-Tex Account 378, Measuring and Regulating Station Equipment, Account 379, City Gate Equipment, and Account 385, Industrial Measuring and Regulating Equipment of 57R1 is just and reasonable.
258. Atmos has established that the average service life for Mid-Tex Account 380, Distribution Services, is just and reasonable.
259. Atmos has established that the average service life for Mid-Tex Account 381, Meters, Account 382, Meter Installations, and Account 383, House Regulators of 37R1 is just and reasonable.
260. Atmos has established that the average service life for Mid-Tex Account 390, General Plant Structures and Improvements of 45R2.5 is just and reasonable.
261. Atmos has established that the net salvage calculation for Mid-Tex Account 390, General Plant Structures and Improvements of a negative 5% is just and reasonable.
262. Atmos has established that the average service life for SSU Account 390, Structures and Improvements of 40R2 is just and reasonable.
263. Atmos has established that the net salvage calculation for SSU Account 390, Structures and Improvements of zero is just and reasonable.
264. Atmos has established that the proposed average service life for SSU Account 399.08, Application Software is just and reasonable.
265. Atmos has established that an increase from the current 10-year average service life to a 12-year average service life is just and reasonable.

266. The GAP guidance for software (AICPA-SOP 98-1) shows that the history of rapid changes in technology software often has relatively short useful life.
267. AICPA guidance provides the input of company personnel involved in retiring and replacing software dictates the average service life assessment.
268. An average service life for SSU Account 399.08, Application Software of 12R5 is just and reasonable.

Rate of Return

269. It is reasonable to use Atmos' actual, consolidated capital structure composed of 48.31 percent long-term debt and 51.69 percent common equity as reported on the company's quarterly Form 10-Q filed with the Securities and Exchange Commission, as of March 31, 2012.
270. Atmos' capital structure of 48.31 percent long-term debt and 51.69 percent common equity is within the range of the average calculated capital structure of the comparable, proxy groupings of companies selected by Atmos and Staff of the Railroad Commission of Texas.
271. Atmos' short-term debt is properly excluded from the capital structure of the company because it is utilized to finance seasonal gas costs and is not a permanent element of the company's capital structure.
272. It is not reasonable to include the company's goodwill, or acquisition adjustments in Atmos' capital structure because Atmos has removed goodwill from rate base in accordance with the principle that utility rates be set based on original cost.
273. A cost of debt of 6.50 percent for Atmos for purposes of determining Atmos' weighted average cost of capital and allowable rate of return is just and reasonable.
274. Atmos established that the treasury lock transaction is just and reasonable as the company updated its filing to differentiate between realized and unrealized treasury instruments in its ADIT calculation.
275. The gain from the treasury lock transaction is not related to the operations of the Atmos Mid-Tex Division and it would be inappropriate to include the effect of the transaction in the revenue requirement.
276. The preponderance of the credible evidence in this docket does not establish use of the Quarterly Dividend DCF model because it overstates the cost of equity.
277. In the Constant Growth DCF model, the preponderance of the credible evidence in this case demonstrates that use of a growth rate utilizing analyst estimates of future earnings

per share (EPS) for the individual companies in the proxy study are reliable, accurate and capable of forecasting the future earnings growth with accuracy and reliability.

278. The results of the CAPM model utilized by Staff of the Railroad Commission of Texas is reasonable, utilizing a 10-year Treasury bond average yield for the six-month period added to the product of the mean Beta value and calculated *ex-ante* risk premium, resulting in a range of values from 5.97 percent to 9.84 percent, with a mean Beta value cost of equity estimate of 7.87%.
279. It is reasonable to use a cost of equity of 10.50 percent for purposes of determining Atmos' weighted average cost of capital and allowable rate of return to reflect the recent precedent regarding this utility and the cost of equity range proposed by the applicant.
280. An overall rate of return of 8.57 percent based on Atmos' weighted average cost of capital is just and reasonable.

Interim Rate Adjustment Review

281. Atmos Mid-Tex has established that the interim rate adjustments made from 2010, 2011 and 2012 were just and reasonable.
282. Atmos Mid-Tex established that the interim rate adjustment requests made in 2010, 2011 and 2012 were carefully scrutinized to include only appropriate expenses.

Classification of Costs and Allocations Among Customer Classes

283. It is reasonable to allocate the overall cost of service to three classes of customers: (1) residential, (2) commercial, and (3) industrial and transportation.
284. Allocation of costs to the different customer classes in three steps: (1) functionalization, (2) classification, and (3) allocation.
285. In order to classify costs the company applied a minimum system study to classify costs as either customer related or capacity related.
286. The use of a minimum system study is just and reasonable.
287. Atmos filed with the U.S. Department of Transportation ("DOT") records established that Atmos had 153,690,240 feet of mains in the system.
288. The last three Mid-Tex minimum system studies reflect 147,761,265 feet of main, in GUD Nos. 9400, 9670 and 9869.
289. The company applied a new accounting methodology, based upon retirement units, to measure the number of feet of mains.

- 290. The company has not established that its revised accounting methodology produced a just and reasonable result.
- 291. The record in this case established that, for purposes of the minimum system study the appropriate measure is 153,690,240.
- 292. The most reliable evidence of the quantity of 2 inch main is the U.S. DOT records that Atmos had 153,690,240 feet of mains in the system for calendar year 2011.

Rate Design

- 293. Billing determinants are units of service to which the company's distribution rates are applied.
- 294. The company prepared a billing determinants study to establish its billing determinants.
- 295. The billing determinants proposed by the company were weather normalized.
- 296. The billing determinant study incorporated future changes in billing units beyond September 30, 2011.
- 297. Atmos has established that the proposed billing determinants are just and reasonable.
- 298. Atmos established that the test-year data was adjusted for future growth.
- 299. It is reasonable that rates are designed to balance the fixed and variable elements in the distribution rates to reflect the underlying cost characteristics of the service.
- 300. Atmos established the fixed and variable elements through a class cost of service study.
- 301. The fixed cost for residential customers was \$21.09 per month, the fixed costs for commercial customers was \$53.41 per month and the fixed cost for the industrial and transportation customers was \$907.93 per month.
- 302. Atmos proposed to dampen the effect of a rate design based exclusively upon the results of the class cost of service study.
- 303. Atmos proposed a customer charge of \$18.00 per month for residential customers, a customer charge of \$35.00 per month for commercial customers, and a customer charge of \$600 per month for industrial and transportation customers.
- 304. No evidence was presented that the company's calculation or methodology for determining its fixed costs was flawed.
- 305. The company's proposed rate design is consistent with Commission precedent in GUD Nos. 9762, 9869, and 10000.
- 306. The proposed customer charges were not modified to reflect changes to the cost of service in updated filings.

307. It is reasonable to reduce (1) the customer charge to \$17.70 for residential customers and (2) the customer charge for commercial customers to \$34.72 to reflect adjustments made by the company after the case was filed and adjustments reflected in this Final Order.
308. Administrative costs of the Conservation Energy Efficiency (CEE) Program shall not exceed 15 percent of the total CEE program costs.
309. The proposed rates set out below are just and reasonable:

**Mid-Tex Rate Jurisdiction, Excluding Dallas
(Incorporated and Unincorporated Areas)**

Customer Class	Customer Charge	Consumption Charge
Residential	\$17.70	\$0.04172 per Ccf
Commercial	\$34.72	\$0.06589 per Ccf
Industrial & Transportation	\$600.00	Tier One \$0.2473 per MMBtu
		Tier Two \$0.1812 per MMBtu
		Tier Three \$0.0389 per MMBtu

CONCLUSIONS OF LAW

1. Atmos Energy Corp., Mid-Tex Division, (Atmos Energy, Atmos, or company) is a Gas Utility as defined in TEX. UTIL. CODE ANN. §101.003(7) (Vernon 2007 and Supp. 2012) and §121.001(Vernon 2007) 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 under TEX. UTIL. CODE ANN. §§ 102.001, 103.022, 103.054, & 103.055, 104.001, 104.001 and 104.201 (Vernon 2007 and Supp. 2012).
3. Under TEX. UTIL. CODE ANN. §102.001 (Vernon 2007 and Supp. 2012), 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 *et seq.* (Vernon 2008 and Supp. 2012) (APA).
5. TEX. UTIL. CODE ANN. §104.107 (Vernon 2007 and Supp. 2012) provides the Commission's authority to suspend the operation of the schedule of proposed rates for 150 days from the date the schedule would otherwise go into effect.
6. The proposed rates constitute a major change as defined by TEX. UTIL. CODE ANN. §104.101 (Vernon 2007 and Supp. 2012).

7. In accordance with TEX. UTIL. CODE ANN. §104.103 (Vernon 2007 and Supp. 2012), 16 TEX. ADMIN. CODE ANN. §§ 7.230 and 7.235, adequate notice was properly provided.
8. In accordance with TEX. UTIL. CODE ANN. §104.102 (Vernon 2007 and Supp. 2012), 16 TEX. ADMIN. CODE ANN. §§ 7.205 and 7.210, Atmos filed its Statement of Intent to change gas distribution rates.
9. Atmos has established that the company's books and records conform with 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 and Atmos is thus entitled to the presumption that the amounts included therein are reasonable and necessary in accordance with Commission Rule 7.503.
10. In this proceeding, Atmos has the burden of proof under TEX. UTIL. CODE ANN. §104.008 (Vernon 2007 and Supp. 2012) to show that the proposed rate changes are just and reasonable.
11. Atmos failed to meet its burden of proof in accordance with the provisions of TEX. UTIL. CODE ANN. §104.008 (Vernon 2007 and Supp. 2012) on the elements of its requested rate increase identified in this order.
12. The revenue, rates, rate design, and service charges proposed by Atmos are not found to be just and reasonable, not unreasonably preferential, prejudicial, or discriminatory, and are not sufficient, equitable, and consistent in application to each class of consumer, as required by TEX. UTIL. CODE ANN. §104.003 (Vernon 2007 and Supp. 2012).
13. The revenue, rates, rate design, and service charges proposed by Atmos, 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. (Vernon 2007 and Supp. 2012).
14. 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).
15. The overall revenues as established by the findings of fact and attached schedules are reasonable; fix an overall level of revenues for Atmos 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 2007 and Supp. 2012); and otherwise comply with Chapter 104 of the Texas Utilities Code Annotated.

16. The revenue, rates, rate design, and service charges proposed will not yield to Atmos 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 2007 and Supp. 2012).
17. The rates established in this docket comport with the requirements of TEX. UTIL. CODE ANN. §104.053 (Vernon 2007 and Supp. 2012) 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.
18. The rates established in this case comply with the affiliate transaction standard set out in TEX. UTIL. CODE ANN. § 104.055 (Vernon 2007 and Supp. 2012). 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.
19. In accordance with TEX. UTIL. CODE ANN. §104.054 (Vernon 2007 and Supp. 2012) and TEX. ADMIN. CODE §7.5252, book depreciation and amortization was calculated on a straight line basis over the useful life expectancy of Atmos' property and facilities.
20. Rate case expenses for GUD Nos. 10170 and 10194 will be considered by the Commission in accordance with TEX. UTIL. CODE ANN. §104.008 (Vernon 2007 and Supp. 2012), and 16 TEX. ADMIN. CODE §7.5530 (2008), in a separate proceeding.
21. Atmos Mid-Tex established that the interim rate adjustments made from 2010, 2011 and 2012 were just and reasonable, in accordance with GURA §104.301 and TEX. ADMIN. CODE §7.7101.
22. Atmos Mid-Tex established that the interim rate adjustment requests made in 2010, 2011 and 2012 were carefully scrutinized to include only appropriate expenses, in accordance with GURA §104.301 and TEX. ADMIN. CODE § 7.7101.
23. It is reasonable for the Commission to allow Atmos to include a Purchased Gas Adjustment Clause in its rates to provide for the recovery of all of its gas costs, in accordance with 16 TEX. ADMIN. CODE § 7.5519.
24. Atmos is required by 16 TEX. ADMIN. CODE §7.315 to file electronic tariffs incorporating rates consistent with this Order within thirty days of the date of this Order.

IT IS THEREFORE ORDERED that Atmos' proposed schedule of rates is hereby **DENIED**.

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 are **APPROVED**.

IT IS FURTHER ORDERED that Atmos set up a reserve fund and reimburse ratepayers for any over-recovery of amounts from adjustments related to the Wylie and Cleburne incidents, during the next IRA, RRM, or Statement of Intent proceeding, whichever occurs first.

IT IS FURTHER ORDERED that Atmos set up a reserve fund and reimburse ratepayers for any over-recovery of amounts from adjustments related to the Cancellation Fee during the next IRA, RRM or Statement of Intent proceeding, whichever occurs first.

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 tariffs and rate schedules 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 on or before June 1 of each year, the company posts on its website and also files a copy with the Gas Services Division Director of the Commission, the annual Weather Normalization Report (WNA) in spreadsheet format demonstrating how the company calculated the WNA as set out in the attached tariffs.

IT IS FURTHER ORDERED that on or before March 1 of each year, the company posts on its website and also files a copy with the Gas Services Division Director of the Commission, the annual Conservation and Energy Efficiency (CEE) report in spreadsheet format demonstrating how the company calculated the CEE as set out in the attached tariffs, including: detailed calculations of the CRC, Balancing Adjustments, total cost of the CEE Program, each individual rate program, and detailed tracking of reporting program administrative costs.

IT IS FURTHER ORDERED that administrative costs of the CEE Program shall not exceed 15 percent of the total CEE program costs.

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**.

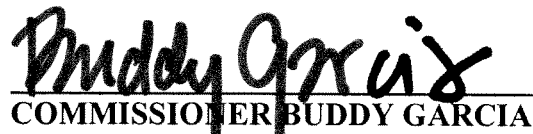
This Order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at 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 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.

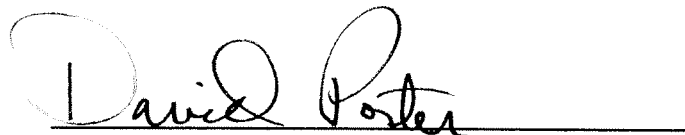
SIGNED this 4th day of December, 2012.

RAILROAD COMMISSION OF TEXAS


CHAIRMAN BARRY T. SMITHERMAN

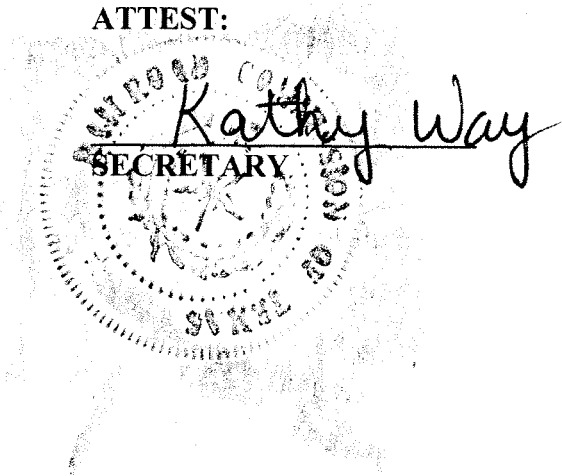

COMMISSIONER BUDDY GARCIA

While I join in approving this order, I respectfully dissent on Finding of Fact No. 279, which approves a return on equity of 10.5%.


COMMISSIONER DAVID PORTER

ATTEST:


Kathy Way
SECRETARY



**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS	
EFFECTIVE DATE:	Bills Rendered on or after 12/4/12	

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$17.70 per month
Commodity Charge – All Ccf	\$ 0.04172 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS	
EFFECTIVE DATE:	Bills Rendered on or after 12/04/12	

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 34.72 per month
Commodity Charge - All Ccf	\$ 0.06589 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS	
EFFECTIVE DATE:	Bills Rendered on or after 12/4/12	

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 600.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2473 per MMBtu
Next 3,500 MMBtu	\$ 0.1812 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0389 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

An Agreement for Gas Service may be required.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS	
EFFECTIVE DATE:	Bills Rendered on or after 12/4/12	

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS	
EFFECTIVE DATE:	Bills Rendered on or after 12/4/12	

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 600.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2473 per MMBtu
Next 3,500 MMBtu	\$ 0.1812 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0389 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS	
EFFECTIVE DATE:	Bills Rendered on or after 12/4/12	

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS	
EFFECTIVE DATE:	Bills Rendered on or after 12/4/12	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area 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 and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls

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:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.

HSF_i = 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 calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

BL_i = 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:

$$WNA_j = WNAF_i \times q_{ij}$$

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS	
EFFECTIVE DATE:	Bills Rendered on or after 12/4/12	

Where q_{ij} is the relevant sales quantity for the j^{th} customer in i^{th} rate schedule.

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	9.45	0.1384	90.11	0.6237
Austin	10.54	0.1419	182.64	0.8023
Dallas	12.40	0.1968	168.45	0.9634
Waco	9.25	0.1497	109.69	0.7169
Wichita Falls	10.74	0.1431	99.04	0.5693

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at (ENTER WEBSITE LINK), in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS	
EFFECTIVE DATE:	12/04/12	

Applicable to Rate R, Rate C, and Rate I for all gas sales made by Company, and applicable to Rate R, Rate C, Rate I, and Rate T for recovery of Pipeline System costs. The total gas cost recovery amount due is determined by adding the gas cost calculated in Section (a) below and the pipeline cost calculated in Section (b) below.

The amount due for gas cost (Section (a)) is determined by multiplying the Gas Cost Recovery Factor (GCRF) by the Customer's monthly volume. For Customers receiving service under Rate R and Rate C, monthly volume will be calculated on a Ccf basis (to calculate on a Mcf basis divide the monthly volume by 10). For Customers receiving service under Rate I, monthly volume will be calculated on an MMBtu basis and the quantities will be adjusted as necessary to recover actual gas costs.

The amount due for pipeline cost (Section (b)) is determined by multiplying the Pipeline Cost Factor (PCF) by the Customer's monthly volume. For Customers receiving service under Rate R and Rate C, monthly volume will be calculated on a Ccf basis. For Customers receiving service under Rate I and Rate T, monthly volume will be calculated on an MMBtu basis and the quantities will be adjusted as necessary to recover actual gas costs.

(a) Gas Cost

Method of Calculation

The monthly gas cost adjustment is calculated by the application of a Gas Cost Recovery Factor (GCRF), as determined with the following formula:

$$\text{GCRF} = \text{Estimated Gas Cost Factor (EGCF)} + \text{Reconciliation Factor (RF)} + \text{Taxes (TXS)}$$

EGCF = Estimated cost of gas, including lost and unaccounted for gas attributed to residential, commercial, and industrial sales, and any reconciliation balance of unrecovered gas costs, divided by the estimated total residential, commercial, and industrial sales. Lost and unaccounted for gas is limited to 5%.

RF = Calculated by dividing the difference between the Actual Gas Cost Incurred, inclusive of interest over the preceding twelve-month period ended June 30 and the Actual Gas Cost Billed over that same twelve-month period by the estimated total residential, commercial, and industrial sales for the succeeding October through June billing months. The interest rate to be used is the annual interest rate on overcharges and under charges by a utility as published by the Public Utility Commission each December.

Actual Gas Cost Incurred = The sum of the costs booked in Atmos Energy Corp., Mid-Tex Division account numbers 800 through 813 and 858 of the FERC Uniform System of Accounts, including the net impact of injecting and withdrawing gas from storage. Also includes a credit or debit for any out-of-period adjustments or unusual or nonrecurring costs typically considered gas costs and a credit for amounts received as Imbalance Fees or Curtailment Overpull Fees.

Actual Gas Cost Billed = EGCF multiplied by the monthly volumes billed to Residential, Commercial and Industrial Sales customers, less the total amount of gas cost determined to have been uncollectible and written off which remain unpaid for each month of the reconciliation period.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS	
EFFECTIVE DATE:	12/04/12	

Any amount remaining in the reconciliation balance after the conclusion of the period of amortization will be maintained in the reconciliation balance and included in the collection of the next RF.

Atmos Energy shall file annual reports with the Commission, providing by month the following amounts: Gas Cost Written Off, Margin Written Off, Tax and Other Written Off, Total Written Off, Gas Cost Collected and Margin Collected.

TXS = Any statutorily imposed assessments or taxes applicable to the purchase of gas divided by the estimated total residential, commercial, and industrial sales.

ADJ = Any surcharge or refund ordered by a regulatory authority, inclusive of interest, divided by the estimated total residential, commercial, and industrial sales is to be included as a separate line item surcharge.

(b) Pipeline Cost

Method of Calculation

Each month, a Pipeline Cost Factor (PCF) is calculated separately for each Pipeline Cost Rate Class listed below. The formula for the PCF is:

$PCF = PP / S$, where:

$PP = (P - A) \times D$, where:

P = Estimated annual cost of pipeline service calculated pursuant to Rate CGS

D = Pipeline service allocation factor for the rate class as approved in the Company's most recent rate case, as follows:

Pipeline Cost Rate Class	Allocation Factor (D)
Rate R - Residential Service	.643027
Rate C - Commercial Service	.305476
Rate I - Industrial Service and Rate T - Transportation Service	.051497

A = Adjustment applied in the current month to correct for the difference between the actual and estimated pipeline cost revenue balance, inclusive of interest, for the most recent 12 months ending June 30, calculated by the formula:

$A = R - (C - A2)$, where:

R = Actual revenue received from the application of the PP component for the most recent 12 months ending June 30.

C = Actual pipeline costs for the most recent 12 months ending June 30.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	GCR – GAS COST RECOVERY	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS	
EFFECTIVE DATE:	12/04/12	

A2 = The adjustment (A) applied to the PP component for balances from the preceding 12 months ending June 30.

S = Estimated annual Ccf or MMBtu for the rate class for the current and ensuing billing months ending June 30.

The PCF is calculated to the nearest 0.0001 cent.

The Pipeline Cost to be billed is determined by multiplying the Ccf or MMBtu used by the appropriate PCF. The Pipeline Cost is determined to the nearest whole cent.

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

RATE SCHEDULE:	CEE - CONSERVATION AND ENERGY EFFICIENCY	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS	
EFFECTIVE DATE:	Bills Rendered on and after 12/04/12	PAGE:

I. Purpose

Atmos Energy Corporation's Mid-Tex Division provides a Conservation and Energy Efficiency program which offers assistance to residential and commercial customers to encourage reductions in energy consumption and lower energy utility bills. The proposal is one where Atmos Energy shareholders will fund a half of the allowable expenses incurred annually, with a customer rate component providing the remainder of the funding. The programs offered under Rate Schedule CEE will be consistent with similar conservation and energy efficiency programs offered by other gas utilities and may include, but not limited to residential and commercial customer rebates for high efficiency appliances and equipment, as well as a low income customer weatherization assistance program.

II. Application

Applicable to Rate R Sales Service and Rate C Commercial Sales Service customers only.

The Customer Charges under Rate Schedule R-Residential Sales and Rate Schedule C-Commercial Sales, shall be increased or decreased annually beginning July 1, 2013 by the CEE Cost Recovery Component (CEE) at a rate per bill in accordance with the following formula:

$$\text{CEE} = (\text{CRC per class} + \text{BA per class}) / \text{Number of Annual Bills per class}$$

Where:

CRC = Cost Recovery-Current. The CRC shall include all expected costs attributable to the Company's CEE program for the twelve month period ending June 30th of each year, including, but not limited to rebates paid, material costs, the costs associated with installation and removal of replaced materials and/or equipment, the cost of educational and customer awareness materials related to conservation/efficiency and the planning, development, implementation and administration of the CEE program. CRC will be calculated in a manner that results in non-recurring costs being recovered only once. Direct program costs will be identified by class and common administrative costs will be allocated to each class pro-rata based upon the proportion of direct costs. Administrative costs shall not exceed 15% of total CEE program costs.

BA = Balance Adjustment. The BA shall compute differences between Rider CRC collections by class and expenditures by class, including the pro-rata share of common administrative costs for each class for the twelve month period ending the prior December 31 and collect the over/under recovery during the 12 month period beginning July 1 of the following year.

Class = Rate R Sales Service customers and Rate C Sales Service customers.

III. Administration

ATMOS ENERGY CORPORATION
MID-TEX DIVISION

RATE SCHEDULE:	CEE - CONSERVATION AND ENERGY EFFICIENCY	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS CUSTOMERS	
EFFECTIVE DATE:	Bills Rendered on and after 12/04/12	PAGE:

A third-party administrator (Program Administrator) may coordinate general program administration. Program administration expenses will be funded from the annual budget.

IV. Program Selection

Program selection will be determined on annual basis and a summary of programs selected for the upcoming twelve-month period will be provided to interested parties on or before March 1st of each calendar year. The portfolio of program offerings will be designed to be impactful and cost effective based on Atmos' knowledge of its customer base and experience administering various conservation and energy efficiency program initiatives. The regulators and Company shall agree prospectively of any changes to the program.

V. Report

The Company will file an annual report with the Director of the Gas Services Division of the Railroad Commission on or before March 1 of each calendar year. The annual report shall also be made available on the Company's website. The annual report will identify the portfolio of program offerings the Company will provide during the twelve-month period commencing July 1 of each year. This annual filing shall include detailed calculations of the CRC and the Balancing Adjustments, as well as data on the total cost of the CEE Program and by each individual rebate program. Detailed tracking and reporting of program administration costs is also required.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	M – MISCELLANEOUS CHARGES	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	Bills Rendered on or after 12/04/12	PAGE: 91

Application

The service charges on this tariff will be applied in accordance with Atmos Energy's Quality of Service Rules and Commission Rule 7.45.

The service charges listed below are in addition to any other charges made under Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's cost plus appropriate adders. Business hours are Monday- Friday 8:00 a.m.- 5:00 p.m. and apply to services initiated during these time periods; After hours are Monday-Friday 5:00 p.m.- 8:00 a.m. and all day Saturday and Sunday. The Company may charge an after hours rate in accordance with service charges defined below for services initiated during these time periods.

Applicable Charges:

Charge No.	Name and Description						
1	<p>Connection Charge</p> <p>The following connection charges apply:</p> <table> <tr> <td><u>Schedule</u></td><td><u>Charge</u></td></tr> <tr> <td>business hours</td><td>\$ 65.00</td></tr> <tr> <td>after hours</td><td>\$ 97.00</td></tr> </table> <p>For each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions:</p> <p>(a) For a builder who uses gas temporarily during construction or for display purposes.</p> <p>Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or</p> <p>(c) For any reason deemed necessary for Company operations.</p>	<u>Schedule</u>	<u>Charge</u>	business hours	\$ 65.00	after hours	\$ 97.00
<u>Schedule</u>	<u>Charge</u>						
business hours	\$ 65.00						
after hours	\$ 97.00						
2	<p>Field Read of Meter</p> <p>A read for change charge of \$19.00 is made when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party.</p>						
3	<p>Returned Check Charges</p> <p>A returned check handling charge of \$20.00 is made for each check returned to Company for any reason.</p>						

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	M – MISCELLANEOUS CHARGES	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	Bills Rendered on or after 12/04/12	PAGE: 92

Charge No.	Name and Description
4	<p>Charge for Installing and Maintaining an Excess Flow Valve</p> <p>A customer may request the installation of an excess flow valve provided that the service line will serve a single residence and operate continuously throughout the year at a pressure of not less than 10 psig. The customer will pay the actual cost incurred to install the excess flow valve. That cost will include the cost of the excess flow valve, the labor cost required to install the excess flow valve, and other associated costs. The estimated total cost to install an excess flow valve is \$50.00. This cost is based on installing the excess flow valve at the same time a service line is installed or replaced. The excess flow valve will be installed on the service line upstream of the customer's meter and as near as practical to the main.</p> <p>A customer requiring maintenance, repair, or replacement of an excess flow valve will be required to pay the actual cost of locating and repairing or replacing the excess flow valve. The cost to perform this service will normally range from \$200.00 to \$2,000.00, depending on the amount of work required. This cost will be determined on an individual project basis.</p> <p>This tariff is being filed in accordance with the U.S. Department of Transportation rule requiring the installation of an excess flow valve, if requested by a customer, on new or replaced service lines that operate continuously throughout the year at a pressure of not less than 10 psig and that serve a single residence. The rule further states that the customer will bear all costs of installing and maintaining the excess flow valve.</p>
5	<p>Recovery of Connection Costs Associated with Certain Stand-By Gas Generators</p> <p>Commercial customers installing stand-by gas generators to provide service in the event of an interruption in electric service in facilities where gas service is not otherwise provided will reimburse the Company for the actual cost of acquiring and installing the regulator, service line, and meter required to provide gas service for the stand-by generators. Gas service provided for the stand-by generators will be billed at the applicable commercial rate.</p>
6	<p>Charge for Temporary Discontinuance of Service - Residential</p> <p>Whenever service under this rate schedule has been temporarily disconnected at the request of the customer, a charge of \$65.00 plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.</p>
7	Charge for Temporary

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	M – MISCELLANEOUS CHARGES	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	Bills Rendered on or after 12/04/12	PAGE: 93

Charge No.	Name and Description
	<p>Discontinuance of Service - Non-Residential</p> <p>Whenever service under this rate schedule has been temporarily disconnected at the request of the customer, a charge of \$107.00 plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.</p>
8	<p>Charge for Meter Testing</p> <p>The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such a test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge a fee of \$15.00. The customer must be properly informed of the result of any test on a meter that serves him.</p>
9	<p>Charge for Service Calls</p> <p>A Service Call Charge is made for responding to a service call that is determined to be a customer related problem rather than a Company or Company facilities problem.</p> <p>\$26.00 business hours \$40.00 after hours</p>
10	<p>Tampering Charge</p> <p>No Company Meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. A Tampering Charge is made for unauthorized reconnection or other tampering with Company metering facilities, or a theft of gas service by a person on the customer's premises or evidence by whomsoever at customer's premises. An additional cost for the cost of repairs and/or replacement of damaged facilities and the installation of protective facilities or relocation of meter are made at cost plus appropriate charges as detailed in Company's Service Rules and Regulations.</p> <p>\$125.00</p>

GUD No. 10170
and consolidated cases

Examiners Schedules
Final Order

Issued Tuesday, December 04, 2012

**ATMOS ENERGY CORP., MID-TEX DIVISION
STATEMENT OF INTENT TO CHANGE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011**

Totals may vary due to rounding.

ATMOS ENERGY CORP., MID-TEX DIVISION
TABLE OF CONTENTS
TEST YEAR ENDING SEPTEMBER 30, 2011

1	SUMMARY OF ADJUSTMENTS	Examiner 1
2	RATE COMPARISON	Examiner 2
3	COMPARISON OF CURRENT RATES TO PROPOSED CHANGE	Examiner 3
4		Examiner 4

LINE NO.	DESCRIPTION	SCHEDULE	WITNESS
1	REVENUE REQUIREMENTS BY SERVICE CLASS	Schedule A Page 1	Smith
2	REVENUE REQUIREMENTS	Schedule A Page 2	Myers
3	REVENUE REQUIREMENTS BY SERVICE CLASS - APPEALS	Schedule A (A) Page 1	
4	REVENUE REQUIREMENTS - APPEALS	Schedule A (A) Page 2	
5	RATE BASE	Schedule B	Myers, Petersen
6	COMPONENTS OF RATE BASE- GROSS PLANT	Schedule C	Myers, Petersen
7	COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION	Schedule D	Myers, Petersen
8	CASH WORKING CAPITAL	Schedule E	Petersen
9	OPERATION AND MAINTENANCE EXPENSES	Schedule F-1	Myers
10	ADJUSTMENTS TO OPERATION AND MAINTENANCE EXPENSES	Schedule F-2	Myers
11	DEPRECIATION AND AMORTIZATION EXPENSE	Schedule F-3	Petersen
12	DEPRECIATION RATE SUMMARY	Schedule F-4	Petersen
13	TAXES OTHER THAN INCOME TAX - ACCOUNT 408.1	Schedule F-5	Myers
14	FEDERAL INCOME TAX AND STATE FRANCHISE ("GROSS MARGIN") TAX	Schedule F-6	Myers
15	INTEREST EXPENSE - CUSTOMER DEPOSITS	Schedule F-7	Myers
16	SUMMARY OF RETURN	Schedule G	Meziere, Hevert
17	CALCULATION OF RIDER GCR PART A	Schedule H	Smith
18	CALCULATION OF RIDER GCR PART B	Schedule I	Smith
19	SUMMARY OF CURRENT AND PROPOSED RATE STRUCTURE - BASE RATES	Schedule J	Smith
20	SUMMARY OF CURRENT AND PROPOSED RATE STRUCTURE - BASE RATES - APPEALS	Schedule J (A)	

LINE NO.	DESCRIPTION	WORKPAPER	WITNESS
1	RATE BASE ADJUSTMENTS	WP B-1	Myers
2	GUD 9670 RATE BASE ADJUSTMENTS	WP B-1.1	Myers
3	GUD 9762 RATE BASE ADJUSTMENTS - AMORTIZATION SCHEDULE *	WP B-1.2	Myers
4	GUD 9869 RATE BASE ADJUSTMENTS - DEPRECIATION SCHEDULE	WP B-1.3	Myers
5	INJURIES AND DAMAGES AND WORKERS COMP RESERVES (1)	WP B-2	Petersen
6	MATERIALS & SUPPLIES-ACCOUNTS 154 & 163	WP B-3	Petersen
7	PREPAYMENTS-ACCOUNT 165	WP B-4	Petersen
8	CUSTOMER DEPOSITS AND CUSTOMER ADVANCES FOR CONSTRUCTION	WP B-5	Myers
9	ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 192/282/283 (1)	WP B-6	Petersen
10	PENSION AND OTHER POSTEMPLOYMENT BENEFITS REGULATORY ASSET	WP B-7	Petersen
11	BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 192/282/283 (1)	WP E-1	Petersen
12	BASE LABOR ADJUSTMENT	WP F-2.1	Myers
13	MEDICAL AND DENTAL BENEFITS ADJUSTMENT	WP F-2.2	Myers
14	PENSIONS AND RETIREE MEDICAL BENEFITS ADJUSTMENT	WP F-2.3	Myers
15	PROPERTY INSURANCE ADJUSTMENT	WP F-2.4	Myers
16	INJURIES AND DAMAGES ADJUSTMENT	WP F-2.5	Myers
17	EMPLOYEE EXPENSE ADJUSTMENT	WP F-2.6	Myers
18	SHARED SERVICES ("SSU") SERVICE-LEVEL FACTORS ADJUSTMENT	WP F-2.7	Myers
19	SHARED SERVICES ("SSU") COST CENTER FUNCTIONS	WP F-2.7.1	Myers
20	MISCELLANEOUS ADJUSTMENTS	WP F-2.8	Myers
21	UNCOLLECTIBLE EXPENSE ADJUSTMENT	WP F-2.9	Myers
22	RULE COMPLIANCE ADJUSTMENT	WP F-2.10	Myers
23	CUSTOMER CONSERVATION PROGRAM ADJUSTMENT	WP F-2.11	Myers
24	TAXES OTHER THAN INCOME TAX WORKPAPER	WP F-5.1	Myers
25	SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO MID-TEX FOR PAYROLL TAX CALCULATION	WP F-5.2	Myers

ATMOS ENERGY CORP., MID-TEX DIVISION
TABLE OF CONTENTS
TEST YEAR ENDING SEPTEMBER 30, 2011

LINE NO.	DESCRIPTION	WORKPAPER	WITNESS
26	SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES	WP_J-1	Smith
27	CALCULATION OF CURRENT REVENUES BY AREA - RATE R - BASE RATES	WP_J-1.1	Smith
28	CALCULATION OF CURRENT REVENUES BY AREA - RATE C - BASE RATES	WP_J-1.2	Smith
29	CALCULATION OF CURRENT REVENUES BY AREA - RATE I&T - BASE RATES	WP_J-1.3	Smith
30	OTHER REVENUES	WP_J-2	Myers, Smith
31	NON-STANDARD CONTRACT MARGINS	WP_J-2.1	Smith
32	TYPICAL BILL COMPARISON - BASE RATES	WP_J-3	Smith
33	AVERAGE BILL COMPARISON - BASE RATES	WP_J-3.1	Smith
34	SUMMARY PROOF OF REVENUE AT PROPOSED RATES - BASE RATES	WP_J-4	Smith
35	CALCULATION OF PROPOSED REVENUES BY AREA - RATE R - BASE RATES	WP_J-4.1	Smith
36	CALCULATION OF PROPOSED REVENUES BY AREA - RATE C - BASE RATES	WP_J-4.2	Smith
37	CALCULATION OF PROPOSED REVENUES BY AREA - RATE I&T - BASE RATES	WP_J-4.3	Smith
38	SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES - APPEALS	WP_J-1(A)	
39	CALCULATION OF CURRENT REVENUES BY AREA - RATE R - BASE RATES - APPEALS	WP_J-1.1(A)	
40	CALCULATION OF CURRENT REVENUES BY AREA - RATE C - BASE RATES - APPEALS	WP_J-1.2(A)	
41	CALCULATION OF CURRENT REVENUES BY AREA - RATE I&T - BASE RATES - APPEALS	WP_J-1.3(A)	
42	TYPICAL BILL COMPARISON - BASE RATES - APPEALS	WP_J-3(A)	
43	AVERAGE BILL COMPARISON - BASE RATES - APPEALS	WP_J-3.1(A)	
44	CALCULATION OF PROPOSED REVENUES BY AREA - RATE R - BASE RATES - APPEALS	WP_J-4.1(A)	
45	CALCULATION OF PROPOSED REVENUES BY AREA - RATE C - BASE RATES - APPEALS	WP_J-4.2(A)	
46	CALCULATION OF PROPOSED REVENUES BY AREA - RATE I&T - BASE RATES - APPEALS	WP_J-4.3(A)	

NO.	DESCRIPTION	WORKPAPER	WITNESS
47	Rate Design	RateDesign	
48	BASE REVENUE REQUIREMENTS ALLOCATION	RevReq-CCS1	
49	RATE BASE ALLOCATION	RB-CCS2	
50	PLANT ALLOCATION	PLT-CCS3	
51	DESIGN DAY DEMAND ANALYSIS	DesDay-CCS4	
52	USE PER CUSTOMER / HEATING DEGREE DAY REGRESSION	HDDRegr-CCS5	
53	METER INVESTMENT ANALYSIS	MetInv-CCS6	
54	O&M EXPENSE ALLOCATION	O&M-CCS7	
55	DEPRECIATION EXPENSE ALLOCATION	Dep-CCS8	
56	TAXES OTHER THAN INCOME ALLOCATION	Tax-CCS9	

Decision Summary - GUD No. 10170

Revenue Requirement Requested:	\$471,882,773	Revenue Requirement:	\$	447,455,789
		Adjustment to Original Request**:		\$16,221,321
		Additional Adjustment:		\$8,205,663
		Total Adjustment:		\$24,426,984
Increase Requested in Revenues Requested:	\$47,709,349	Total Increase in Revenues Recommended:	\$	23,492,932

** Change to request due to depreciation rates update and Sept. 4 corrections filing

	Residential	Commercial	Industrial & Transportation
Proposed Customer Charge Recommended	18.00	35.00	600.00
	17.70	34.72	600.00
Initial Proposed Usage Charge	0.0709	0.0611	0.19400
			0.14210
Adjusted Proposed Usage Charge	0.0574	0.0507	0.03050
			0.16380
			0.12000
			0.02580
Recommended Usage Charge	0.0157	0.0659	Net Change
	0.0417	-0.0152	-0.0835
			-0.0612
			-0.0131
			Revenue Req
			Impact**

PFD § ISSUE

SSU Allocation

- Revise SSU Allocations for (IO, IL, KS) (ATM)
(adjustments mutually exclusive)

- Allocation Factor Adjustment (IO,IL,KS) (ACSC)

O&M Expense Adjusments

- Base Payroll
 - Payroll Base Labor Adjustment (adjust to December 2011 Level) (ACSC)
 - Payroll Base Labor Adjustment (adjust O&M Expense Factors) (ACSC)
- Medical and Dental Benefits
 - Medical/Dental Benefits TY Expense Level (ACSC)
 - Medical/Dental Expense Employee Count (ACSC)
- Pension Expense & Retiree Med. Benefits Calculated Based Upon TY Level (ACSC)
Cumulative effect with Pension and OPEB Asset Calculation
- Remove Mid-Tex SERP (ACSC & ATM)
--- and corresponding adjustment to ADIT
- Adjusted FAS 106 post-test-year adjustment to prior year level of expense. (ACSC)

0	WP F-2.1 WP F-2.7 C C	Column I E78 E119	\$454,410,363	\$1,251,089
0	WP F-2.7 WP F-2.7 C C	Column I E78 E119	\$454,244,270	\$1,417,182
0	WP F-2.1	D9, E9 & G9	\$455,589,723	\$71,729
0	WP F-2.1	D19 & E19	\$455,380,362	\$281,090
0	WP F-2.2	C9 & D9	\$454,368,024	\$1,293,428
0	WP F-2.2	C11 & D11	\$455,610,842	\$50,609
0	WP F-2.3		\$453,735,599	\$1,925,853
0	WP F-2.3 WP B-6	G10 D13	\$453,404,788	\$2,256,664
0	WP F-2.3		\$455,612,728	\$48,724
0	WP F-2.3	C10 - H10	\$455,387,993	\$273,459

Decision Summary - GUD No. 10170

Revenue Requirement Requested:	\$471,882,773	Revenue Requirement: Adjustment to Original Request**: Additional Adjustment: Total Adjustment: Total Increase in Revenues Recommended:	\$ \$447,455,789 \$16,221,321 \$8,205,663 \$24,426,984 \$ 23,492,932
Increase Requested in Revenues Requested:	\$47,709,349		

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			0.14210
Adjusted Proposed Usage Charge	0.0574	0.0507	0.03050
			0.16380
			0.12000
			0.02580
Recommended Usage Charge	0.0157	0.0417	Net Change
			-0.0835
			-0.0612
			-0.0131

6. Incentive Compensation:

(a) Remove all Incentive Compensation (ATM) --- and corresponding adjustment to ADIT --- O&M - labor expense lag adjustment CWC	WP F-12 WP B-6 E	\$453,559,661 \$455,329,945 \$455,761,493	\$2,101,791 \$331,505 (\$100,041)
4(a) is exclusive of 4(b), 4(c) and 4(d).			
(b) Remove SSU LTIP expense (ACSC) --- and corresponding adjustment to add --- and corresponding adjustment to CWC	WP F-2.7 WP B-1 WP B-6	\$454,237,431 \$455,315,399 \$455,653,191	\$1,424,021 \$346,053 \$8,261
(c) Remove Mid-Tex LTIP expense (ACSC) --- and corresponding adjustment to add	F-2 WP B-1	\$455,335,613	\$325,839
(d) Adjust Mid-Tex Short Term Incentive Compensation to 2% of base pay (ACSC) ---and corresponding adjustment to ADIT	F-2 WP B-1	\$455,356,897 \$455,685,789	\$304,554 (\$24,337)
7. adjust FAS 106 post-test-year adjustment to prior year level of expense. (ACSC)	WP F-2.3	\$455,387,993	\$273,459
8. Injuries and Damages			
(a) Remove expenses related to the Luttrell Incident (ACSC)	WP B-2 WP F-2.8	\$456,219,042	(\$557,591)
(b) Adjust recovery Wylie & Cleborne to 36 months (ACSC) Evidentiary Record Insufficient	WP F-2.5	\$455,322,496	\$338,956
9. Property Insurance			
(a) Remove Property Insurance Expense (ACSC).	WP F-2.4	\$454,972,579	\$688,873
(b) Property Insurance Adjust to Remove Ins. Expense for CWIP. (ACSC)		\$455,649,386	\$12,065
(c) Amortization of Cancellation Expense over 36 months (ACSC) Evidentiary Record Insufficient		\$455,541,786	\$119,666
(d) Revenue Sharing of Blueflame Income (ATM)	WP J-2		
	D13		No change to revenue requirement calculation Change to rates will generate a reduction in Revenue recovered

Decision Summary - GUD No. 10170

Revenue Requirement Requested:	\$471,882,773	Revenue Requirement: Adjustment to Original Request**: Additional Adjustment: Total Adjustment: Total Increase in Revenues Recommended:	\$ \$16,221,321 \$8,205,663 \$24,426,984 \$23,492,932
Increase Requested in Revenues Requested:	\$47,709,349		\$

** Change to request due to depreciation rates update and Sept. 4 corrections filing

	Residential	Commercial	Industrial & Transportation
Proposed Customer Charge Recommended	18.00 17.70	35.00 34.72	600.00 600.00
Initial Proposed Usage Charge	0.0709	0.0611	0.19400 0.14210 0.03050
Adjusted Proposed Usage Charge	0.0574	0.0507	0.16380 0.12000 0.02580
Recommended Usage Charge	Net Change 0.0157 0.0417	Net Change -0.0152 0.0659	Net Change -0.0835 -0.0612 -0.0131

Depreciation Expense

1. Mid-Tex and SSU Depreciation Reserve:

Theoretical Reserve: Adopt Company's Theoretical Reserve Depreciation Approach

Book Reserve: Reject Atmos and adopt Dallas Book Reserve Approach
Evidentiary Record Insufficient - Adjustment Extrapolated

2. Mid-Tex Depreciation:

(a) Depreciation Service Life Adjustments:			
a. Account 374.02, Land Rights (Atmos 80 R5/Dallas 100R4)	1	Schedule F-4	F10, F11
b. Account 375, Structures (Atmos 54R1.5/Dallas 65R0.5)	0	Schedule F-4	F12
c. Account 376, Mains-Cathodic Protection (Atmos 60R3/Dallas 70R2.5)	0	Schedule F-4	F13
d. Account 376.01, Mains-Steel (Atmos 70R0.5/Dallas 75R0.5)	0	Schedule F-4	F14
e. Account 376.02, Mains-Plastic (Atmos 65R2.5/Dallas 70R2.5)	1	Schedule F-4	F15
f. Account 378, Measuring and Reg. Stat. Equip. (Atmos 57R1/Dallas 65R1.5)	0	Schedule F-4	F16
g. Account 379, City Gate Equipment (Atmos: 57R1, Dallas 65R1.5)	0	Schedule F-4	F17
h. Account 385, Ind. Measuring & Regulating Eq. (Atmos 57R1, Dallas: 65R1.5)	0	Schedule F-4	F22
i. Account 380, Distribution Mains (Atmos: 37S0.5, Dallas:41L1)	0	Schedule F-4	F18
j. Account 381, Meters (Atmos 37R1, Dallas: 35R1)	0	Schedule F-4	F19
k. Account 382, Meter Installations (Atmos N/A, Dallas: 35R1)	0	Schedule F-4	F20
l. Account 383, House Regulators (Atmos 37R1.5, Dallas: 35R1)	0	Schedule F-4	F21
m. Account 390, Gen Plant Structures & Improv. (Atmos 45R2.5, Dallas: 55R2.5)	0	Schedule F-4	F27, F28

(b) Depreciation Net Salvage Adjustments:

- a. Account 376.01 Steel Mains (Atmos -105%/Dallas -80%)
b. Account 376.02 Plastic Mains (Atmos -40%/Dallas -30%)
c. Account 390 Structures and Improvements (Atmos -5%/Dallas +15%)

3. SSU Depreciation:

(a) Depreciation Service Life Adjustments:

- a. Account 390, Structures and Improvements (Atmos 40R2, Dallas 55R2.5)
b. Account 399.08, Application Software (Atmos 12R5, Dallas: 15R5)

(b) Depreciation Net Salvage Adjustments:

- a. Account 390, Structures and Improvements (Atmos 0%, Dallas 15%)

Assuming Theoretical Reserve

\$455,655,923	\$5,529
\$455,659,513	\$1,939
\$455,425,186	\$236,266
\$454,833,285	\$828,167
\$454,366,444	\$1,295,008
\$455,494,880	\$166,572
\$455,651,932	\$9,520
\$455,655,209	\$6,243
\$454,814,196	\$847,256
\$455,874,816	(\$213,364)
\$455,834,886	(\$173,434)
\$455,728,778	(\$67,326)
\$455,537,745	\$123,707
\$453,569,241	\$2,092,211
\$454,088,943	\$1,572,509
\$455,739,900	(\$78,448)
\$455,493,863	\$167,589
\$454,854,343	\$807,109
\$455,576,046	\$85,406

Decision Summary - GUD No. 10170

Revenue Requirement Requested:	\$471,882,773	Revenue Requirement: Adjustment to Original Request**:	\$	447,455,789
		Additional Adjustment:		\$16,221,321
		Total Adjustment:		\$8,205,663
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				23,492,932

** Change to request due to depreciation rates update and Sept. 4 corrections filing

	Residential	Commercial	Industrial & Transportation
Proposed Customer Charge Recommended	18.00 17.70	35.00 34.72	600.00 600.00
Initial Proposed Usage Charge	0.0709	0.0611	0.19400 0.14210 0.03050
Adjusted Proposed Usage Charge	0.0574	0.0507	0.16380 0.12000 0.02580
Recommended Usage Charge	Net Change 0.0157	Net Change -0.0152	Net Change -0.0835 -0.0612 -0.0131

4. FAS 106 Liability:

- (a) FAS 106 Adjustment for unfunded liability Reserve (ACSC/ATM)
 OR
 (b) Remove FAS106 ADIT Adjustment: Unfunded liability Reserve (ACSC/ATM)

5. Cash Working Capital Analysis

- (a) Billing Lag Adjustment (ACSC)
 (b) O&M - non labor expense lag adjustment (ATM)
 (c) Other O&M - Non-Labor
 1. Pension Contribution (ATM)
 2. OPEB/FAS 106 Contribution (ATM)
 3. SSU LTP Costs (ATM)
 adjustment not made if previously excluded from CWC (See Item 6(b))
 4. Uncollectibles (ATM)
 (d) Taxes other than income - payroll tax expense lag adjustment (ATM)
 (e) Allocated taxes SSU - payroll tax expense lag adjustment (ATM)

Interim Rate Adjustments

- (b) RRC Staff - Removal of Segway projects 080.278652 and 080.27929

0	WP B-1	F15	\$447,635,654	\$8,025,798
0	WP B-6	F15	\$452,609,250	\$3,052,202
0	E	F11	\$455,426,891	\$234,561
0	E	G17	\$455,648,072	\$13,379
0	E	Row 8a	\$455,488,912	\$172,540
0	E	Row 8b	\$455,612,420	\$49,032
0	E	Row 8c		
0	E	Row 8d	\$455,656,711	\$4,741
0	E	G26	\$455,665,961	(\$4,509)
0	E	G32		

Decision Summary - GUD No. 10170

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Increase Requested in Revenues Requested:	\$47,709,349	Total Increase in Revenues Recommended:	\$	\$24,426,984
				23,492,932

** Change to request due to depreciation rates update and Sept. 4 corrections filing

	Residential	Commercial	Industrial & Transportation
Proposed Customer Charge Recommended	18.00 17.70	35.00 34.72	600.00 600.00
Initial Proposed Usage Charge	0.0709	0.0611	0.19400 0.14210 0.03050
Adjusted Proposed Usage Charge	0.0574	0.0507	0.16380 0.12000 0.02580
Recommended Usage Charge	Net Change 0.0157	Net Change -0.0152	Net Change -0.0835 -0.0612 -0.0131

RATE OF RETURN

a. Capital Structure

Long-Term Debt
Atmos - 48.3099893151376%
ACSC - 58.21%
ATM - 46.54% LTD AND 3.67% STD
Staff - Actual of 48.31%
State Agencies -

Short-Term Debt
ATM - 3.67%
Atmos and All Other Parties (except ATM) - 0%

Cost of Debt

Atmos - 6.50163361152495%
ACSC - 6.50%
ATM - 6.5% Long-term, 2.02% Short-term
RRC Staff - Actual at 6.5%
State Agencies -

Common Equity

Atmos - 51.6900106848624%
ACSC - 41.79%
ATM - 49.79%
Staff - Actual of 51.69%
State Agencies -

b. Return on Equity

Atmos - 11.05%
ACSC - 9%
ATM - 9.1% - 9.75%
RRC Staff - 10.10%
State Agencies - no greater than 10.00%

Resulting Rate of Return

8.57%

G

48.31%

0.00%

6.50%

51.69%

10.50%

The net effect of the Examiners ROE recommendation is a reduction totaling \$7,949,733

Decision Summary - GUD No. 10170

Revenue Requirement Requested:	\$471,882,773	Revenue Requirement: Adjustment to Original Request**:	\$	447,455,789
		Additional Adjustment:		\$16,221,321
Increase Requested in Revenues Requested:	\$47,709,349	Total Adjustment:	\$	\$8,205,663
		Total Increase in Revenues Recommended:		\$24,426,984
				23,492,932

** Change to request due to depreciation rates update and Sept. 4 corrections filing

	Residential	Commercial	Industrial & Transportation
Proposed Customer Charge Recommended	18.00	35.00	600.00
	17.70	34.72	600.00
Initial Proposed Usage Charge	0.0709	0.0611	0.19400
			0.14210
Adjusted Proposed Usage Charge	0.0574	0.0507	0.03050
			0.16380
			0.12000
			0.02580
Recommended Usage Charge	Net Change 0.0157	Net Change -0.0152	Net Change -0.0835
	0.0417	0.0659	-0.0612
			0.18120
			-0.0131
			0.03890

CLASS ALLOCATION	Pit-CCS3	G73
ACSC - Minimum System Study	1	

RATE DESIGN

BILLING DETERMINANTS

Billing Unit Adjustment Commercial & Residential (ACSC)

Increase calculated residential volumes
-- from 766,043,261 Ccf to 777,726,790 Ccf
Increase calculated commercial volumes
---from 502,902,414 Ccf to 510,519,363

WP J-1
I
I
WP J-1.1
F10-F14

CUSTOMER CHARGE

ACSC - Customer Charge Adjustment
Examiners' Recommendation
Alternative based upon customer cost calculation
ATM Customer Charge Adjustment

Rate Design
C19 and D19

0
1
0
0

Residential Rates		% Change Municipalities
% Change Environs		
-6.14%		80.96%
-6.07%		48.00%
-6.02%		26.05%
-5.96%		10.39%
-5.94%		5.31%
-5.90%		-1.36%
-5.85%		-10.48%
-5.80%		-17.79%
-5.75%		-23.76%
-5.71%		-28.73%

REVENUE ADJUSTMENTS

ATM - Revenue Credit Treasury Lock Gain
(To be taken up only if Commission opts to make an adjustment and determines adjustment is not made to Cost of Debt)

WP J-2
D11

0

Decision Summary - GUD No. 10170

Revenue Requirement Requested:	\$471,882,773	Revenue Requirement: Adjustment to Original Request**: Additional Adjustment: Total Adjustment: Total Increase in Revenues Recommended:	\$ \$16,221,321 \$8,205,663 \$24,426,984 \$ 23,492,932
Increase Requested in Revenues Requested:	\$47,709,349		

** Change to request due to depreciation rates update and Sept. 4 corrections filing

	Residential	Commercial	Industrial & Transportation
Proposed Customer Charge	18.00	35.00	600.00
Recommended	17.70	34.72	600.00
Initial Proposed Usage Charge	0.0709	0.0611	0.19400 0.14210 0.03050
Adjusted Proposed Usage Charge	0.0574	0.0507	0.16380 0.12000 0.02580
Recommended Usage Charge	Net Change 0.0157 0.0417	Net Change -0.0152 0.0659	Net Change -0.0835 0.24730 -0.0612 0.18120 -0.0131 0.03890

NON COS ITEMS:

Staff Recommendation for GRIP Audit

No

TARIFFS:

CEE Tariff Changes:

ACSC - add formal review
ACSC - Modify reconciliation requirements
ACSC - Severe CEE into another docket
RRC Staff - Net with grants, tax credits, other govt. funding
RRC Staff - Allocate uniformly to residential and commercial customers
RRC Staff - 10% (\$200,000 administrative cost cap)
Examiners - Approve revised CEE maintain funding as previously approved

Yes
No
No
Yes
15%
0

WNA Tariff Changes:

RRC Staff - Modify calculation language
RRC Staff - Change winter season to Nov., Dec., Jan., Feb., and March v. Nov.-April
RRC Staff - Clarify Provision for Adjustment Section
RRC Staff - Annual reporting and publish online

No
Yes
Yes

Miscellaneous Charges Rider:

RRC Staff - Clarify compliance with RRC Rule 7.45
RRC Staff - Additional language regarding restoration or disconnection fees after natural disaster

Yes
No

Residential
Commercial
Industrial
Transportation
Gas Cost Adjustment

RATE COMPARISON

Residential Bill
(excluding gas cost)

	Customer Charge	Volumetric Charge	Ccf								
			20.00	30.00	40.00	44.20	50.00	60.00	70.00	80.00	90.00
Current - Municipalities	\$7.50	\$0.25116	\$ 12.52	\$ 15.03	\$ 17.55	\$ 18.60	\$ 20.06	\$ 22.57	\$ 25.08	\$ 27.59	\$ 30.10
Current - Environs	\$18.87	\$0.04315	\$ 19.73	\$ 20.16	\$ 20.60	\$ 20.78	\$ 21.03	\$ 21.46	\$ 21.89	\$ 22.32	\$ 22.75
SOI Requested	\$18.00	\$0.07094	\$ 19.42	\$ 20.13	\$ 20.84	\$ 21.14	\$ 21.55	\$ 22.26	\$ 22.97	\$ 23.68	\$ 24.38
Sept 4th Update	\$18.00	\$0.05738	\$ 19.15	\$ 19.72	\$ 20.30	\$ 20.54	\$ 20.87	\$ 21.44	\$ 22.02	\$ 22.59	\$ 23.16
Recommended	\$17.70	\$0.04172	\$ 18.53	\$ 18.95	\$ 19.37	\$ 19.54	\$ 19.79	\$ 20.20	\$ 20.62	\$ 21.04	\$ 21.45

Commercial
(excluding gas cost)

	Customer Charge	Volumetric Charge	Ccf									
			100	200	300	343	400	500	600	700	800	
Current - Municipalities	\$16.75	\$0.10217	\$ 26.97	\$ 37.18	\$ 47.40	\$ 51.79	\$ 57.62	\$ 67.84	\$ 78.05	\$ 88.27	\$ 98.49	
Current - Environs	\$38.04	\$0.05748	\$ 43.79	\$ 49.54	\$ 55.28	\$ 57.76	\$ 61.03	\$ 66.78	\$ 72.53	\$ 78.28	\$ 84.02	
SOI Requested	\$35.00	\$0.06105	\$ 41.11	\$ 47.21	\$ 53.32	\$ 55.94	\$ 59.42	\$ 65.53	\$ 71.63	\$ 77.74	\$ 83.84	
Sept 4th Update	\$35.00	\$0.05072	\$ 40.07	\$ 45.14	\$ 50.22	\$ 52.40	\$ 55.29	\$ 60.36	\$ 65.43	\$ 70.50	\$ 75.58	
Recommended	\$34.72	\$0.06589	\$ 41.31	\$ 47.90	\$ 54.49	\$ 57.32	\$ 61.08	\$ 67.67	\$ 74.25	\$ 80.84	\$ 87.43	

Atmos Mid-Tex
COMPARISON OF CURRENT RATES TO PROPOSED CHANGE
(WITHOUT GAS COSTS)

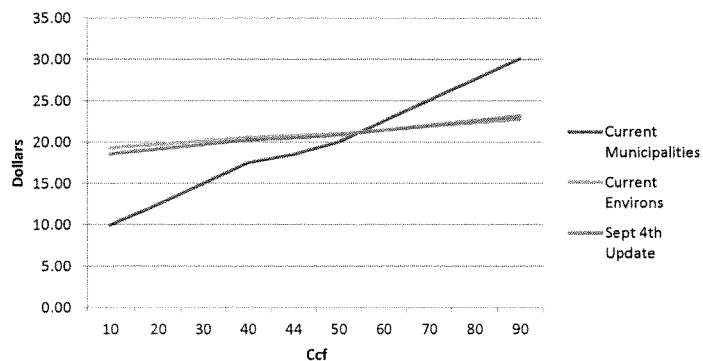
Residential

Ccf	Current Municipalities	Current Environs	SOI Requested	Sept 4th Update	Recommended	Change Municipalities - SOI	Change Environs - SOI	% Change Municipalities - SOI	% Change Environs - SOI	Change Municipalities Sept 4 Update	% Change Municipalities Sept 4 Update	Change Environs - Recommended	% Change Municipalities Recommended	% Change Environs Recommended
10	10.01	19.30	18.71	18.57	18.12	8.70	-0.59	86.88%	-3.07%	8.56	-3.77%	-1.18	80.96%	-6.14%
20	12.52	19.73	19.42	19.15	18.53	6.90	-0.31	55.06%	-1.59%	6.62	-2.97%	-1.20	48.00%	-6.07%
30	15.03	20.16	20.13	19.72	18.95	5.09	-0.04	33.88%	-0.18%	4.69	-2.20%	-0.44	26.05%	-6.02%
40	17.55	20.60	20.84	20.30	19.37	3.29	0.24	18.76%	1.17%	2.75	-1.46%	-0.30	10.39%	-5.96%
44	18.55	20.77	21.12	20.52	19.54	2.57	0.35	13.86%	1.70%	1.97	-1.17%	-1.23	5.31%	-5.94%
50	20.06	21.03	21.55	20.87	19.79	1.49	0.52	7.42%	2.47%	0.81	-0.75%	-0.27	-1.36%	-5.90%
60	22.57	21.46	22.26	21.44	20.20	-0.31	0.80	-1.39%	3.72%	-1.13	-0.08%	-0.27	-10.48%	-5.85%
70	25.08	21.89	22.97	22.02	20.62	-2.12	1.08	-8.43%	4.91%	-3.06	0.13	-0.27	-17.79%	-5.80%
80	27.59	22.32	23.68	22.59	21.04	-3.92	1.35	-14.20%	6.06%	-5.00	0.27	-1.28	-23.76%	-5.75%
90	30.10	22.75	24.38	23.16	21.45	-5.72	1.63	-19.00%	7.17%	-6.94	0.41	-1.30	-28.73%	-5.71%

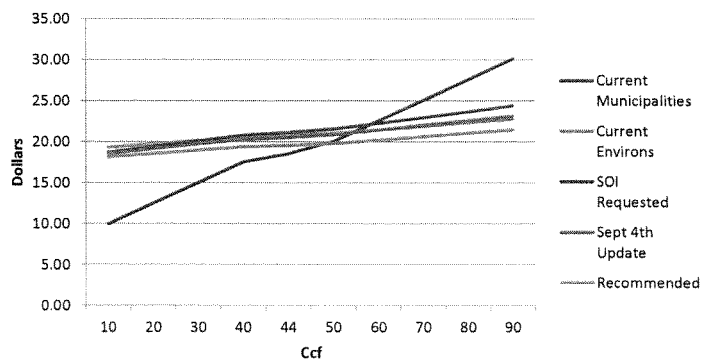
Commercial

Ccf	Current Municipalities	Current Environs	SOI Requested	Sept 4th Update	Recommended	Change Municipalities - SOI	Change Environs - SOI	% Change Municipalities - SOI	% Change Environs - SOI	Change Municipalities Sept 4th Update	% Change Municipalities Sept 4th Update	Change Environs - Recommended	% Change Municipalities Recommended	% Change Environs Recommended
100	26.97	43.79	41.11	41.31	41.31	14.14	-2.68	52.43%	-6.13%	14.34	-5.66%	-2.48	53.18%	-5.66%
200	37.18	49.54	47.21	47.90	47.90	10.03	-2.33	26.96%	-4.70%	10.71	-3.31%	-1.64	28.81%	-3.31%
300	47.40	55.28	53.32	54.49	54.49	5.91	-1.97	12.48%	-3.56%	7.09	-1.44%	-0.80	14.95%	-1.44%
343	51.79	57.76	55.94	57.32	57.32	4.15	-1.82	8.00%	-3.14%	5.53	-0.44	-0.44	10.67%	-0.75%
400	57.62	61.03	59.42	61.08	61.08	1.80	-1.61	3.13%	-2.64%	3.46	0.07%	0.04	6.00%	0.07%
500	67.84	66.78	65.53	67.67	67.67	-2.31	-1.26	-3.41%	-1.88%	-0.17	0.88	0.88	-0.25%	1.33%
600	78.05	72.53	71.63	74.25	74.25	-6.42	-0.90	-8.23%	-1.24%	-3.80	-4.87%	1.73	-4.87%	2.38%
700	88.27	78.28	77.74	80.84	80.84	-10.53	-0.54	-11.93%	-0.69%	-7.43	2.57	2.57	-8.41%	3.28%
800	98.49	84.02	83.84	87.43	87.43	-14.65	-0.18	-14.87%	-0.22%	-11.05	4.06%	3.41	-11.22%	4.06%
900	108.70	89.77	89.95	94.02	94.02	-18.76	0.17	-17.26%	0.19%	-14.68	4.73%	4.25	-13.51%	4.73%

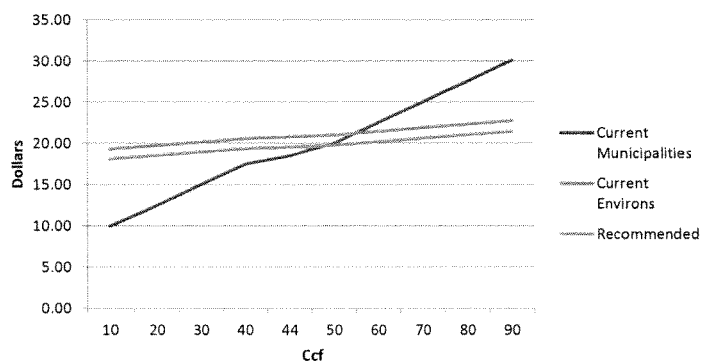
Comparison of Current Residential Rates and September 4th Update Proposed Rates



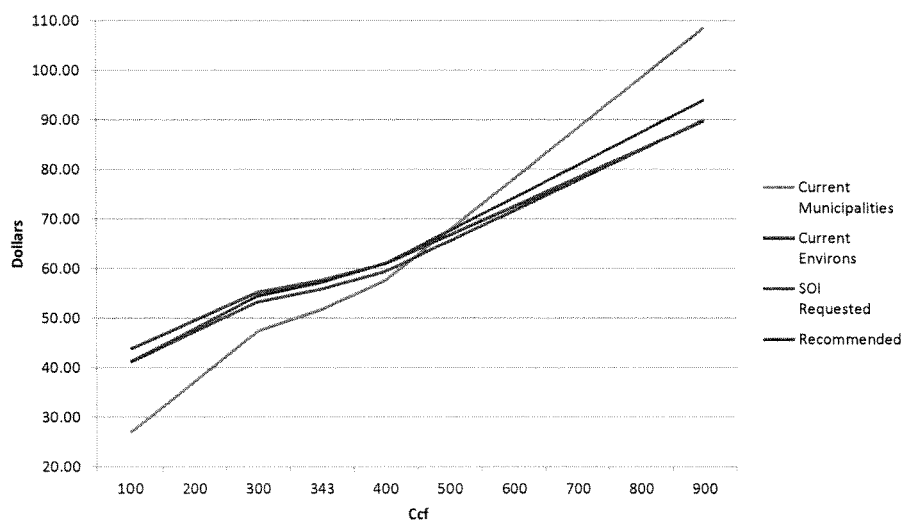
Comparison of Current Residential Rates, September 4th Update Proposed Rates and Recommended Rates



Comparison of Current Residential Rates and Recommended Rates



Comparison of Current Commercial Rates to Proposed Rates and Recommended Rates



Section 104.059 Baseline
 Pension and OPEB Expense

	Pension Account Plan (FAS 87)	Post Retirement Medical Plans (FAS 106)	SERP	Source
SSU Allocated to Mid-Tex	\$2,756,682	\$1,971,341	\$143,390	<u>WP F-2.3</u> Atmos Ex. 7, p. 20, lns. 14 - 23
Mid-Tex Direct	\$8,087,526	\$7,092,975		<u>WP F-2.4</u> Atmos Ex. 7, p. 20, lns. 14 - 24
TOTAL	\$10,844,208	\$9,064,316	\$143,390	

COD Mid-Tex Individual Adjustments Using Theoretical Reserve				
Account	Company Proposed	ASL	NS	ASL+NS
374.02	1.150%	0.980%	1.150%	0.980%
375	1.170%	1.580%	1.710%	1.580%
376	1.185%	1.680%	1.850%	1.680%
376.01	3.970%	3.780%	3.490%	3.320%
376.02	2.350%	2.210%	2.180%	2.050%
378	3.090%	2.670%	3.080%	2.670%
379	1.880%	1.710%	1.880%	1.710%
380	3.670%	3.560%	3.670%	3.560%
381	3.310%	3.440%	3.310%	3.440%
382	3.660%	3.810%	3.660%	3.810%
383	3.500%	3.640%	3.500%	3.640%
385	2.800%	2.320%	2.800%	2.320%
390	2.540%	2.130%	2.540%	2.130%

COD Mid-Tex Individual Adjustments Using Book Reserve				
Account	Company Proposed	ASL	NS	ASL+NS
374.02	1.150%	0.81%	1.120%	0.810%
375	1.170%	0.640%	0.900%	0.650%
376	1.185%	0.940%	1.090%	0.950%
376.01	3.970%	4.690%	4.270%	3.900%
376.02	2.350%	2.320%	2.330%	2.130%
378	3.090%	2.480%	3.010%	2.510%
379	1.880%	1.530%	1.840%	1.570%
380	3.670%	2.410%	2.620%	2.460%
381	3.310%	3.420%	3.270%	3.480%
382	3.660%	3.790%	3.620%	3.850%
383	3.500%	4.060%	3.870%	4.130%
385	2.800%	2.250%	2.760%	2.240%
390	2.540%	1.530%	1.280%	0.980%

COD SSU Individual Adjustments Using Theoretical Reserve				
Account	Company Proposed	ASL	NS	ASL+NS
390	3.34%	2.30%	2.81%	1.94%
399.08	11.11%	5.57%	6.57%	5.57%

COD SSU Individual Adjustments Using Book Reserve				
Account	Company Proposed	ASL	NS	ASL+NS
390	3.34%	2.30%	2.88%	1.94%
399.08	11.11%	4.64%	7.08%	4.67%

COD Global Adjustment to Mid-Tex Company Book Only				
Account	Description	Company Proposed	Book Only (See Note 1)	
374	Land	0.00%	0.00%	
374.02	Land Rights	1.15%	1.12%	
375	Land & Land Rights	1.15%	1.12%	
375	Structures & Improvements	1.71%	0.90%	
376	Mains-Catholic Protection	1.85%	1.09%	
376.01	Mains-Steel	3.97%	4.94%	
376.02	Mains-Plastic	2.35%	2.56%	
378	M&R Station Equipment - General	3.09%	3.01%	
379	M&R Station Equipment - City Gate	1.88%	1.84%	
380	Services	3.67%	2.62%	
381	Meters	3.31%	3.27%	
382	Meter Installations	3.66%	3.62%	
383	House Regulators	3.50%	3.87%	
385	Industrial M&R Station Equipment	2.80%	2.76%	
388	Land	0.00%	0.00%	
390	Structures & Improvements	2.54%	2.07%	
390.01	Air Conditioning Equipment	2.75%	2.96%	
391	Office Furniture & Equipment	4.00%	4.70%	
392	Transportation Equipment	9.04%	20.11%	
393	Stores Equipment	4.00%	4.08%	
394	Tools, Shop, and Garage Equipment	5.00%	5.49%	
395	Laboratory Equipment	10.00%	41.44%	
396	Power Oper. Tool & Work Equip.	7.24%	16.65%	
397	Radio Communication Equipment	6.67%	16.56%	
398	Miscellaneous Equipment	2.50%	1.20%	
399	Non-Manframe Computer Equip.	14.29%	19.69%	
399.01	Other Tangible Property-Servers Hardware	14.29%	19.69%	
399.02	Other Tangible Property-Servers Software	14.29%	32.76%	
399.03	Other Tangible Property-Network-Hardware	11.11%	19.88%	
399.06	Other Tangible Property-PC Hardware	14.29%	19.09%	
399.07	Other Tangible Property-PC Software	14.29%	32.76%	
399.08	Other Tangible Property-Application Software	14.29%	20.42%	

COD Global Adjustment to Mid-Tex Company Book Only				
Account	Description	Company Proposed	Book Only (See Note 1)	
390	Structures & Improvements	3.34%	3.59%	
390.09	Improvements to Leased Premises	4.06%	2.29%	
390.10	CKV-Structures & Improvements	3.34%	2.29%	
391	Office Furniture & Equipment	4.03%	3.48%	
391.02	Remittance Processing Equipment	4.03%	4.03%	
391.03	Office Furniture & Equipment	4.03%	4.03%	
392	Transportation Equipment	28.96%	28.96%	
393	Stores Equipment	10.00%	10.00%	
394	Tools & Work Equipment	8.88%	9.76%	
395	Laboratory Equipment	10.00%	10.00%	
397	Communication Equipment - Telephone	5.54%	6.02%	
397.10	CKV-Communication Equipment	5.54%	5.54%	
398	Miscellaneous Equipment	1.72%	21.29%	
399	Other Tangible Property	13.84%	15.33%	
399.01	Other Tangible Property-Servers Hardware	8.62%	8.85%	
399.02	Other Tangible Property-Servers Software	8.78%	9.57%	
399.03	Other Tangible Property-Network-Hardware	8.72%	9.81%	
399.04	Other Tangible Property-CPU	26.26%	0.00%	
399.05	Other Tangible Property-MF Hardware	15.76%	0.00%	
399.06	Other Tangible Property-PC Hardware	8.78%	7.31%	
399.07	Other Tangible Property-PC Software	6.64%	2.25%	
399.08	Other Tangible Property-Application Software	6.57%	4.67%	
399.09	Other Tangible Property-System Software	6.21%	0.00%	
399.10	CKV-Other Tangible Equipment	13.84%	13.84%	
399.16	CKV-PC Hardware	8.78%	8.78%	
399.17	CKV-PC Software	6.64%	6.64%	
399.24	Other Tangible Property-GenStartupCost	15.89%	41.00%	

Note 1: Examiners have extrapolated the book only reserve. It does not appear that this information is in evidence.

Link

ATMOS ENERGY CORP. MID-TEX DIVISION
REVENUE REQUIREMENTS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Current Revenues (b)		Total	Proposed Revenues ¹ (c)	Proposed Change (d)	Percent Change (e)	Line No.	Description (a)	Reference (b)	Base Revenue (d)	Rider GCR (c)	Rider FF & Rider TAX (f)	Total (g)
1		Municipalities	Enviros					1						
2	Residential (Base Revenue)	\$ 313,137,765	\$ 11,005,954	\$ 324,143,720	\$ 338,433,621	\$ 14,289,902	4.41%	2	Rider GCR Part A	Schedule H	\$ -	\$ 588,080,591	\$ -	\$ 588,080,591
3	Residential (Rider GCR)	440,225,416	11,980,511	452,205,927	452,205,927	\$ -	0.00%	3	Rider GCR Part B	Schedule I	\$ -	158,221,225	\$ -	\$ 158,221,225
4	Residential (Rider FF & Rider TAX)	50,789,268	1,549,672	52,338,940	53,302,318	\$ 963,378	1.84%	4	Total Rider GCR		\$ -	\$ 746,311,816	\$ -	\$ 746,311,816
5	Total Residential	\$ 804,152,448	\$ 24,536,137	\$ 828,688,586	\$ 843,941,866	\$ 15,253,280	1.84%	5						
6								6	Operation and Maintenance Expenses	Schedule F-1	\$ 150,139,876	\$ -	\$ -	\$ 150,139,876
7	Commercial (Base Revenue)	\$ 74,846,592	\$ 1,182,221	\$ 76,028,813	\$ 84,225,991	\$ 8,197,178	10.78%	7						
8	Commercial (Rider GCR)	274,295,057	4,116,074	278,411,131	278,411,131	\$ -	0.00%	8	Taxes Other than Income Taxes	Schedule F-5	26,076,868	\$ -	\$ -	26,076,868
9	Commercial (Rider FF & Rider TAX)	23,437,982	371,005	23,908,986	24,447,802	\$ 538,816	2.25%	9						
10	Total Commercial	\$ 372,679,631	\$ 5,669,300	\$ 378,348,930	\$ 387,084,924	\$ 8,735,994	2.31%	10	Depreciation and Amortization Expense	Schedule F-3	92,971,711	\$ -	\$ -	92,971,711
11								11						
12	Industrial/Transportation (Base Revenue)	\$ 10,079,821	\$ 404,315	\$ 10,484,136	\$ 11,489,989	\$ 1,005,852	9.59%	12	Interest on Customer Deposits	Schedule F-7	26,170	\$ -	\$ -	26,170
13	Industrial/Transportation (Rider GCR)	14,730,343	964,414	15,694,758	15,694,758	\$ -	0.00%	13						
14	Industrial/Transportation (Rider FF & Rider TAX)	1,672,620	92,275	1,764,895	1,832,706	\$ 67,811	3.84%	14	Rate Base	Schedule B	\$ 1,512,985,746	\$ -	\$ -	\$ 1,512,985,746
15	Total Industrial/Transportation	\$ 26,482,784	\$ 1,461,004	\$ 27,943,789	\$ 29,017,452	\$ 1,073,664	3.84%	15	Rate of Return	Schedule G	8.57%	\$ -	\$ -	\$ -
16								16						
17	Other Revenue (Base Revenue)	\$ -	\$ -	\$ 13,310,366	\$ 13,310,366	\$ 13,310,366	0.00%	17	Income Taxes	Schedule F-6	129,638,514	\$ -	\$ -	129,638,514
18	Other Revenue (Rider GCR)			897,341	897,341	897,341,06	0.00%	18						
19	Other Revenue (Rider FF & Rider TAX)	\$ -	\$ -	\$ 14,207,707	\$ 14,207,707	\$ 14,207,707	0.00%	19	Revenue Requirements		\$ 447,455,789	\$ 746,311,816	\$ 80,479,885	\$ 1,274,247,490
20	Total Other Revenue	\$ -	\$ -	\$ 27,518,073	\$ 27,518,073	\$ 27,518,073	0.00%	20						
21								21						
22	Base Revenue ²	\$ -	\$ -	\$ 423,967,034	\$ 447,459,966	\$ 23,492,932	5.54%	22	Current Revenues	Schedule A	\$ -	\$ -	\$ -	\$ -
23	Rider GCR			746,311,816	746,311,816	\$ -	0.00%	23						
24	Rider FF & Rider TAX			78,910,162	80,480,167	\$ 1,570,005	1.99%	24	Proposed Change - Systemwide		\$ -	\$ -	\$ -	\$ -
25	Total Operating Revenues	\$ -	\$ -	\$ 1,249,189,011	\$ 1,274,251,949	\$ 25,062,938	2.01%	25						
26								26						
27														
28														
29														
30														
31														
32														

Note:

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

² The base revenue amount of \$455,657,414 does not balance with the revenue requirement due to a rounding error: \$ (4,177)

ATMOS ENERGY CORP., MID-TEX DIVISION
 REVENUE REQUIREMENTS BY SERVICE CLASS
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Current Revenues (b)	Proposed Revenues ¹ (c)	Proposed Change (d)	Percent Change (e)
1					
2	Residential (Base Revenue)	\$ 359,787,534	\$ 338,433,621	\$ (21,353,912)	-5.94%
3	Residential (Rider GCR)	452,205,927	452,205,927	-	0.00%
4	Residential (Rider FF & Rider TAX)	54,741,928	53,302,318	(1,439,611)	-2.63%
5	Total Residential	\$ 866,735,389	\$ 843,941,866	\$ (22,793,523)	-2.63%
6					
7	Commercial (Base Revenue)	\$ 84,881,892	\$ 84,225,991	\$ (655,901)	-0.77%
8	Commercial (Rider GCR)	278,411,131	278,411,131	-	0.00%
9	Commercial (Rider FF & Rider TAX)	24,492,021	24,447,802	(44,219)	-0.18%
10	Total Commercial	\$ 387,785,044	\$ 387,084,924	\$ (700,120)	-0.18%
11					
12	Industrial/Transportation (Base Revenue)	\$ 9,845,849	\$ 11,489,989	\$ 1,644,140	16.70%
13	Industrial/Transportation (Rider GCR)	15,694,758	15,694,758	-	0.00%
14	Industrial/Transportation (Rider FF & Rider TAX)	1,721,864	1,832,706	110,842	6.44%
15	Total Industrial/Transportation	\$ 27,262,470	\$ 29,017,452	\$ 1,754,982	6.44%
16					
17	Other Revenue (Base Revenue)	\$ 13,310,366	\$ 13,310,366	\$ -	0.00%
18	Other Revenue (Rider GCR)	-	-	-	0.00%
19	Other Revenue (Rider FF & Rider TAX)	897,341	897,341	-	0.00%
20	Total Other Revenue	\$ 14,207,707	\$ 14,207,707	\$ -	0.00%
21					
22	Base Revenue	\$ 467,825,640	\$ 447,459,966	\$ (20,365,674)	-4.35%
23	Rider GCR	746,311,816	746,311,816	-	0.00%
24	Rider FF & Rider TAX	81,853,154	80,480,167	(1,372,987)	-1.68%
25	Total Operating Revenues	\$ 1,295,990,610	\$ 1,274,251,949	\$ (21,738,661)	-1.68%
26					
27					
28	Note:				
29					
30	¹ Proposed Revenues are the result of the application of the proposed prospective rates to billing determinants.				

ATMOS ENERGY CORP., MID-TEX DIVISION
REVENUE REQUIREMENTS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Reference (b)	(c)	Base Revenue (d)	Rider GCR (e)	Rider FF & Rider TAX (f)	Total (g)
1							
2	Rider GCR Part A	Schedule H		\$ -	\$ 588,090,591	\$ -	\$ 588,090,591
3	Rider GCR Part B	Schedule I			158,221,225		158,221,225
4	Total Rider GCR			\$ -	\$ 746,311,816	\$ -	\$ 746,311,816
5							
6	Operation and Maintenance Expenses	Schedule F-1		\$ 150,139,876	\$ -	\$ -	\$ 150,139,876
7							
8	Taxes Other than Income Taxes	Schedule F-5		26,076,868		80,479,885	106,556,753
9							
10	Depreciation and Amortization Expense	Schedule F-3		92,971,711			92,971,711
11							
12	Interest on Customer Deposits	Schedule F-7		26,170			26,170
13							
14	Rate Base	Schedule B	\$ 1,512,985,746				
15	Rate of Return	Schedule G	8.57%	129,638,514			129,638,514
16							
17	Income Taxes	Schedule F-6		48,602,650			48,602,650
18							
19							
20	Revenue Requirements			\$ 447,455,789	\$ 746,311,816	\$ 80,479,885	\$ 1,274,247,490
21							
22	Current Revenues	Schedule A					\$ 1,295,990,610
23							
24	Proposed Change - Prospective Rates Systemwide						\$ (21,743,120)
25							
26	Proposed Change - Unincorporated Areas						\$ (642,512)

ATMOS ENERGY CORP., MID-TEX DIVISION
 REVENUE REQUIREMENTS BY SERVICE CLASS - APPEALS
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Current Revenues (b)	Proposed Revenues ¹ (c)	Proposed Change (d)	Percent Change (e)
1					
2	Residential (Base Revenue)	\$ 322,261,415	\$ 338,433,621	\$ 16,172,206	5.02%
3	Residential (Rider GCR)	452,205,927	452,205,927	-	0.00%
4	Residential (Rider FF & Rider TAX)	52,212,041	53,302,318	1,090,277	2.09%
5	Total Residential	\$ 826,679,383	\$ 843,941,866	\$ 17,262,483	2.09%
6					
7	Commercial (Base Revenue)	\$ 76,028,813	\$ 84,225,991	\$ 8,197,178	10.78%
8	Commercial (Rider GCR)	278,411,131	278,411,131	-	0.00%
9	Commercial (Rider FF & Rider TAX)	23,895,175	24,447,802	552,627	2.31%
10	Total Commercial	\$ 378,335,119	\$ 387,084,924	\$ 8,749,805	2.31%
11					
12	Industrial/Transportation (Base Revenue)	\$ 10,523,242	\$ 11,489,989	\$ 966,746	9.19%
13	Industrial/Transportation (Rider GCR)	15,694,758	15,694,758	-	0.00%
14	Industrial/Transportation (Rider FF & Rider TAX)	1,767,531	1,832,706	65,175	3.69%
15	Total Industrial/Transportation	\$ 27,985,531	\$ 29,017,452	\$ 1,031,921	3.69%
16					
17	Other Revenue (Base Revenue)	\$ 13,310,366	\$ 13,310,366	\$ -	0.00%
18	Other Revenue (Rider GCR)	897,341	897,341	-	0.00%
19	Other Revenue (Rider FF & Rider TAX)	-	-	-	0.00%
20	Total Other Revenue	\$ 14,207,707	\$ 14,207,707	\$ -	0.00%
21					
22	Base Revenue	\$ 422,123,836	\$ 447,459,966	\$ 25,336,130	6.00%
23	Rider GCR	746,311,816	746,311,816	-	0.00%
24	Rider FF & Rider TAX	78,772,088	80,480,167	1,708,079	2.17%
25	Total Operating Revenues	\$ 1,247,207,741	\$ 1,274,251,949	\$ 27,044,208	2.17%
26					
27	Note:				
28					
29					

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

ATMOS ENERGY CORP. MID-TEX DIVISION
 REVENUE REQUIREMENTS - APPEALS
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Reference (b)	Base Revenue (c)	Rider GCR (d)	Rider FF & Rider TAX (e)	Total (f)
1						
2	Rider GCR Part A	Schedule H	\$ -	\$ 588,090,591	\$ -	\$ 588,090,591
3	Rider GCR Part B	Schedule I		158,221,225		158,221,225
4	Total Rider GCR		\$ -	\$ 746,311,816	\$ -	\$ 746,311,816
5						
6	Operation and Maintenance Expenses	Schedule F-1	\$ 150,139,876	\$ -	\$ -	\$ 150,139,876
7						
8	Taxes Other than Income Taxes	Schedule F-5	26,076,868		80,479,885	106,556,753
9						
10	Depreciation and Amortization Expense	Schedule F-3	92,971,711			92,971,711
11						
12	Interest on Customer Deposits	Schedule F-7	26,170			26,170
13						
14	Rate Base	Schedule B	\$ 1,512,985,746			
15	Rate of Return	Schedule G	8.57%			
16			129,638,514			129,638,514
17						
18	Income Taxes	Schedule F-6	48,602,650			48,602,650
19						
20	Revenue Requirements		\$ 447,455,789	\$ 746,311,816	\$ 80,479,885	\$ 1,274,247,490
21						
22	Current Revenues	Schedule A			\$ -	\$ 1,247,207,741
23					\$ -	\$ -
24	Proposed Change - Prospective Rates Systemwide				\$ -	\$ 27,039,749
25					\$ -	\$ -
26	Proposed Change - Affected Cities				\$ -	\$ 27,347,835

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE
AS OF SEPTEMBER 30, 2011

Line No.	Description (a)	Reference (b)	Amount per Books (c)	Adjustment (d)	Total Requested (e)=(c)+(d)
1	Net Plant (1):				
2	Gross Plant	Schedule C	\$ 2,868,712,055	\$ (5,740,272)	\$ 2,862,971,783
3	Accumulated Depreciation	Schedule D	1,151,380,652	(81,506,218)	1,069,874,434
4			<u>\$ 1,717,331,403</u>	<u>\$ 75,765,946</u>	<u>\$ 1,793,097,349</u>
5	Total Net Plant (Ln 2 minus Ln 3)				
6	Additions:				
7	Materials & Supplies	WP_B-3	\$ 768,737	\$ 81,768	\$ 850,505
8	Prepayments	WP_B-4	9,321,375	1,371,339	10,692,714
9	Pension and Other Postemployment Benefits Regulatory Asset	WP_B-7	-	1,954,911	1,954,911
10	Total Additions (Sum Ln 7 through Ln 9)		<u>\$ 10,090,112</u>	<u>\$ 3,408,018</u>	<u>\$ 13,498,130</u>
11					
12	Deductions:				
13	Customer Deposits (235)	WP_B-5	\$ 21,808,614	-	\$ 21,808,614
14	Injuries and Damages Reserve	WP_B-2	3,519,327	(1,593,552)	1,925,776
15	Accumulated Deferred Income Taxes	WP_B-6	312,103,418	(70,780,672)	241,322,747
16	Rate Base Adjustments	WP_B-1	-	9,249,927	9,249,927
17	Total Deductions (Sum of Ln 13 through Ln 16)		<u>\$ 337,431,359</u>	<u>\$ (63,124,296)</u>	<u>\$ 274,307,063</u>
18					
19	Total Cash Working Capital	Schedule E	\$ -	\$ (19,302,670)	\$ (19,302,670)
20					
21	Rate Base (Ln 4 plus Ln 10 minus Ln 17 plus Ln 19)		<u>\$ 1,389,990,156</u>	<u>\$ 122,995,590</u>	<u>\$ 1,512,985,746</u>
22					

Note:

(1) Rate base excludes Poly 1 previously disallowed and includes other known and measurable rate base adjustments.

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Amounts (b)	
1	GUD 9670 Increment (WP_B-1.1)	\$	8,656,857
2	GUD 9762 Increment (WP_B-1.2)		212,929
3	GUD 9869 increment (WP_B-1.3)		260,507
4	Employee Expense Adjustment, January 2011-March 2012 (1)		73,343
5	Employee Expense Adjustment, TYE December 31, 2009 (3)		40,902
6	Employee Expense Adjustment, TYE September 30, 2010 (2), (3)		5,390
6a	ACSC Steel Service Line Revenue (CIAC) Adjustment	n/a	
6b	FAS 106 Adjustment		-
6c	Capitalized Incentive Adjustment - Remove SSU LTIP		-
	Capitalized Incentive Adjustment - Remove Mid-Tex LTIP		-
	Capitalized Incentive Adjustment - Limit Short VPP & MIP to 2% base pay		-
7			
8	Total (Sum of Ln 1 through Ln 6)	\$	<u>9,249,927</u>

11 Note:

- 12 1. See Page 2, Col (e), Ln 21.
13 2. September 2010 adjustment is for 9 months, October through December 2010 is included in the test year adjustment on Line 4.
14 3. The adjustments on Lines 5 and 6 include amounts for Shared Services Divisions 002 and 012 and Mid-Tex.

ATMOS ENERGY CORP., MID-TEX DIVISION
EMPLOYEE EXPENSE ADJUSTMENT TO CAPITAL
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description	Shared Services - Customer Support (012)	Shared Services - General Office (002)	Mid-Tex Direct	Total Adjustment
	(a)	(b)	(c)	(d)	(e)
1	<u>Twelve Months Ended September 30, 2011:</u>				
2	Employee Expense Adjustment	\$ 73,728	\$ 317,271	\$ 235,845	
3	Adjustment to align Oct10-May11 with GUD10000 (3)	1,021	17,914	4,650	
4	Subtotal (Ln 2 plus Ln 3)	\$ 74,749	\$ 335,186	\$ 240,494	
5	Mid-Tex Allocation Factor (1) (2)	50.79%	37.60%	100.00%	
6					
7	Allocated Employee Expense Totals (Ln 4 times Ln 5)	\$ 37,965	\$ 126,030	\$ 240,494	
8	Capitalization Factor (1)	10.40%	2.28%	0.00%	
9	Subtotal (Ln 7 times Ln 8)	\$ 3,948	\$ 2,878	\$ -	
10					
11	Add Charges Direct to Capital:				
12	Employee Expense Adjustment	\$ 45,131	\$ 1,491	\$ 13,369	
13	Adjustment to align Oct10-May11 with GUD10000 (3)	1,669	346	270	
14	Employee Expense Adjustment - October-December 2011	7,739	402	3,085	
15	Employee Expense Adjustment - January-March 2012	32,403	1,583	4,199	
16	Subtotal (Sum Ln 12 through Ln 15)	\$ 86,941	\$ 3,822	\$ 20,923	
17	Mid-Tex Allocation Factor (1) (2)	50.79%	37.60%	100.00%	
18					
19	Allocated Employee Expense Charged Direct to Capital (Ln 16 times Ln 17)	\$ 44,157	\$ 1,437	\$ 20,923	
20					
21	Total TY Ending September 30, 2011 Employee Expense Report Charges (Ln 9 plus Ln 19)	\$ 48,105	\$ 4,315	\$ 20,923	\$ 73,343

Notes:

1. See WP_F-2.1, Col (b) and Col (c) Lns 7 and 11, for the Shared Services factors, as adjusted.
2. Mid-Tex costs are directly charged and not allocated.
3. An estimate was calculated to align the employee expense review for October 2010 through May 2011 with the changes in guidelines ordered in GUD 10000, specifically limiting meals to \$25 and lodging to \$150.

Data sources:

	Location
1 EMP EXP DIV 002 6_11-9_11.xlsx	Original
2 EMP EXP DIV 002 10_10-5_11.xlsx	Original
3 EMP EXP DIV 012 6_11-9_11.xlsx	Original
4 Emp EXP DIV 012 10_10-5_11.xlsx	Original
5 EMP EXP DIV 080 10_10-5_11.xlsx	Original
6 EMP EXP DIV 080 6_11-9_11.xlsx	Original
7 2009 RRM Employee Expenses-Mid-Tex.xlsx	Appeal
8 2010 RRM Emp Exp Adj - CY 2010 Mid-Tex.xlsx	Original
9 Employee Expense Analysis for \$25_\$150_Details 12_8_11.xlsx	Original
10 IEXP_Oct11-Mar12 - SSU.xlsx	Appeal
11 2011_Oct-Dec_IEXP_Mid-Tex.xlsx	Appeal
12 2012_Jan-Mar_IEXP_Mid-Tex.xlsx	Appeal

**ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING SEPTEMBER 30, 2011
GUD 9670 RATE BASE ADJUSTMENTS
AMORTIZATION SCHEDULE ***

Line No.	Year Ended Dec. 31	Beginning of Year Rate Base Adjustment Amount	Annual Amortization (1)	End of Year Rate Base Adjustment Amount (2)	Balance as of September 30, 2011
	(a)	(b)	(c)	(d)	(e)
1	2005			\$ 10,640,002	
2	2006	\$ 10,640,002	\$ 344,895	10,295,107	
3	2007	10,295,107	344,895	9,950,212	
4	2008	9,950,212	344,895	9,605,318	
5	2009	9,605,318	344,895	9,260,423	
6	2010	9,260,423	344,895	8,915,528	
7	2011	8,915,528	344,895	8,570,633	\$ 8,656,857
8	2012	8,570,633	344,895	8,225,739	
9	2013	8,225,739	344,895	7,880,844	
10	2014	7,880,844	344,895	7,535,949	
11	2015	7,535,949	344,895	7,191,055	
12	2016	7,191,055	344,895	6,846,160	
13	2017	6,846,160	344,895	6,501,265	
14	2018	6,501,265	344,895	6,156,371	
15	2019	6,156,371	344,895	5,811,476	
16	2020	5,811,476	344,895	5,466,581	
17	2021	5,466,581	344,895	5,121,686	
18	2022	5,121,686	344,895	4,776,792	
19	2023	4,776,792	344,895	4,431,897	
20	2024	4,431,897	344,895	4,087,002	
21	2025	4,087,002	344,895	3,742,108	
22	2026	3,742,108	344,895	3,397,213	
23	2027	3,397,213	344,895	3,052,318	
24	2028	3,052,318	344,895	2,707,424	
25	2029	2,707,424	344,895	2,362,529	
26	2030	2,362,529	344,895	2,017,634	
27	2031	2,017,634	344,895	1,672,739	
28	2032	1,672,739	344,895	1,327,845	
29	2033	1,327,845	344,895	982,950	
30	2034	982,950	344,895	638,055	
31	2035	638,055	344,895	293,161	
32	2036	293,161	293,161	-	

Notes:

1. The annual amortization is calculated based upon the period specified in GUD 9670 Final Order, Schedule B, Page 2, Footnote 1.
 2. The December 31, 2005 amount is per GUD 9670 Final Order, Schedule B, Page 2, Ln 14.
- * Totals may vary due to rounding.

**ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING SEPTEMBER 30, 2011
GUD 9762 RATE BASE ADJUSTMENTS - AMORTIZATION SCHEDULE ***

Line No.	Year Ended June 30	Beginning of Year Rate Base Adjustment Amount	Annual Amortization (1)	End of Year Rate Base Adjustment Amount (2)	Balance as of September 30, 2011
	(a)	(b)	(c)	(d)	(e)
1	2007			\$ 246,949	
2	2008	\$ 246,949	\$ 8,005	238,944	
3	2009	238,944	8,005	230,939	
4	2010	230,939	8,005	222,935	
5	2011	222,935	8,005	214,930	\$ 212,929
6	2012	214,930	8,005	206,925	
7	2013	206,925	8,005	198,920	
8	2014	198,920	8,005	190,915	
9	2015	190,915	8,005	182,910	
10	2016	182,910	8,005	174,906	
11	2017	174,906	8,005	166,901	
12	2018	166,901	8,005	158,896	
13	2019	158,896	8,005	150,891	
14	2020	150,891	8,005	142,886	
15	2021	142,886	8,005	134,881	
16	2022	134,881	8,005	126,877	
17	2023	126,877	8,005	118,872	
18	2024	118,872	8,005	110,867	
19	2025	110,867	8,005	102,862	
20	2026	102,862	8,005	94,857	
21	2027	94,857	8,005	86,852	
22	2028	86,852	8,005	78,848	
23	2029	78,848	8,005	70,843	
24	2030	70,843	8,005	62,838	
25	2031	62,838	8,005	54,833	
26	2032	54,833	8,005	46,828	
27	2033	46,828	8,005	38,824	
28	2034	38,824	8,005	30,819	
29	2035	30,819	8,005	22,814	
30	2036	22,814	8,005	14,809	
31	2037	14,809	8,005	6,804	
32	2038	6,804	6,804	-	

33

34 Notes:

35 1. The annual amortization is calculated based upon the period specified in GUD 9670 Final Order,
36 Schedule B, Page 2, Footnote 1.

37 2. The June 30, 2007 amount is per GUD 9762 Final Order, WP_B-1, Page 1, Ln 2+ Ln 3.

38

39 * Totals may vary due to rounding.

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING SEPTEMBER 30, 2011
GUD 9869 RATE BASE ADJUSTMENTS - DEPRECIATION SCHEDULE

Line No.	Year Ended Dec. 31 (a)	Beginning of Year Rate Base Adjustment		Annual Depreciation (2), (b)	Ending Rate Base SSU Projects (d)	Beginning of Year Rate Base Adjustment		Annual Depreciation (3), (f)	Ending Rate Base Mid-Tex Projects (g)	Beginning of Year Rate Base Adjustment		Amortization (4) (i)	Ending Rate Base Employee Expense (j)	Rate Base Adjustment Amount (2) (k)	Balance as of September 30, 2011 (l)
		Rate Base Adjustment (b)	SSU Projects (1), (5)			Rate Base Adjustment (e)	Projects (1), (5)			Rate Base Adjustment (h)	Employee Expense (1)				
1	2008	\$	1,034,208	7.73%		\$	176,806	3.48%		\$	286,001		\$	1,497,015	
2															
3															
4	2009	\$	1,034,208		\$		176,806		\$		286,001		\$	276,730	
5	2010		954,267		874,327		170,646		170,646		276,730			267,460	
6	2011		874,327		794,386		164,486		164,486		267,460			258,189	\$
7	2012		794,386		714,445		158,326		152,167		258,189			248,918	
8	2013		714,445		634,505		146,007		146,007		248,918			239,647	
9	2014		634,505		554,564		139,847		133,687		239,647			230,377	
10	2015		554,564		474,623		127,527		121,367		230,377			221,106	
11	2016		474,623		394,683		115,207		109,047		221,106			211,835	
12	2017		394,683		314,742		109,047		102,888		211,835			202,565	
13	2018		314,742		234,801		102,888		96,728		202,565			193,294	
14	2019		234,801		154,861		96,728		90,568		193,294			184,023	
15	2020		154,861		74,920		90,568		84,408		184,023			174,753	
16	2021		74,920		-		84,408		78,248		174,753			165,482	
17	2022		-		-		78,248		72,088		165,482			156,211	
18	2023		-		-		72,088		65,928		156,211			146,941	
19	2024		-		-		65,928		59,768		146,941			137,670	
20	2025		-		-		59,768		53,609		137,670			128,399	
21	2026		-		-		53,609		47,449		128,399			119,128	
22	2027		-		-		47,449		41,289		119,128			109,858	
23	2028		-		-		41,289		35,129		109,858			100,587	
24	2029		-		-		35,129		28,969		100,587			91,316	
25	2030		-		-		28,969		22,809		91,316			82,046	
26	2031		-		-		22,809		16,649		82,046			72,775	
27	2032		-		-		16,649		10,489		72,775			63,504	
28	2033		-		-		10,489		4,330		63,504			54,234	
29	2034		-		-		-		-		54,234			44,963	
30	2035		-		-		-		-		44,963			35,692	
31	2036		-		-		-		-		35,692			26,421	
32	2037		-		-		-		-		26,421			17,151	
33	2038		-		-		-		-		17,151			7,880	
34	2039		-		-		-		-		7,880			-	

Notes:
 1. The 2008 amount in Col. (h) is from GUD9869 WP, B-1, Col (e), Ln 29 and the amounts in Cols. (b) and (e) are from GUD9869 Schedule C 12_31, Col (f), Lns 82A, 82B, 83C.
 2. SSU Annual Depreciation rate is from GUD9869 Schedule F-3, Col (g), Ln 38 divided by Col (e) Ln 38
 3. Mid-Tex Annual Depreciation rate is from GUD9869 Schedule F-3, Col (g), Ln 21 divided by Col (e) Ln 21
 4. The annual amortization is calculated based upon the period specified in GUD 9670 Final Order, Schedule B, Page 2, Footnote 1
 5. Amounts removed on Schedule C
 6. Amounts removed on Schedule D

**ATMOS ENERGY CORP., MID-TEX DIVISION
INJURIES AND DAMAGES AND WORKERS COMP RESERVES (1)
TEST YEAR ENDING SEPTEMBER 30, 2011**

Line No.	Month Ending	Per Book Amount	Adjustments	Adjusted Amount	Allocation Factor	Allocated Amount
	(a)	(b)	(c)	(d) = (b)+(c)	(e)	(f) = (d)*(e)
1	Mid-Tex					
2	September 30, 2010	\$ 1,848,158	\$ -	\$ 1,848,158	100.00%	\$ 1,848,158
3	October 31, 2010	1,874,815	-	1,874,815	100.00%	1,874,815
4	November 30, 2010	1,926,933	-	1,926,933	100.00%	1,926,933
5	December 31, 2010	1,915,889	-	1,915,889	100.00%	1,915,889
6	January 31, 2011	1,949,534	-	1,949,534	100.00%	1,949,534
7	February 28, 2011	2,005,381	-	2,005,381	100.00%	2,005,381
8	March 31, 2011	2,045,551	-	2,045,551	100.00%	2,045,551
9	April 30, 2011	2,051,335	-	2,051,335	100.00%	2,051,335
10	May 31, 2011	2,054,618	-	2,054,618	100.00%	2,054,618
11	June 30, 2011	2,078,473	-	2,078,473	100.00%	2,078,473
12	July 31, 2011	2,120,421	-	2,120,421	100.00%	2,120,421
13	August 31, 2011	2,161,600	-	2,161,600	100.00%	2,161,600
14	September 30, 2011	1,840,533	-	1,840,533	100.00%	1,840,533
15						
16	Shared Services - General Office (Div 002) (2)					
17	September 30, 2010	\$ 8,899,321	\$ (8,727,453)	\$ 171,868	37.60%	\$ 64,622
18	October 31, 2010	8,771,858	(8,727,453)	44,404	37.60%	16,696
19	November 30, 2010	8,779,251	(8,727,453)	51,798	37.60%	19,476
20	December 31, 2010	6,934,764	(6,727,453)	207,311	37.60%	77,949
21	January 31, 2011	6,933,061	(6,727,453)	205,608	37.60%	77,309
22	February 28, 2011	6,894,398	(6,727,453)	166,944	37.60%	62,771
23	March 31, 2011	6,883,269	(6,727,453)	155,816	37.60%	58,587
24	April 30, 2011	5,886,555	(5,727,453)	159,101	37.60%	59,822
25	May 31, 2011	5,882,248	(5,728,624)	153,623	37.60%	57,762
26	June 30, 2011	5,885,072	(5,728,624)	156,448	37.60%	58,824
27	July 31, 2011	5,884,621	(5,728,624)	155,997	37.60%	58,655
28	August 31, 2011	5,886,412	(5,738,170)	148,242	37.60%	55,739
29	September 30, 2011	4,582,492	(4,238,170)	344,322	37.60%	129,465
30						
31	Shared Services - Customer Support (Div 12)					
32	September 30, 2010	\$ (83,606)	\$ -	\$ (83,606)	50.79%	\$ (42,464)
33	October 31, 2010	(83,606)	-	(83,606)	50.79%	(42,464)
34	November 30, 2010	(83,606)	-	(83,606)	50.79%	(42,464)
35	December 31, 2010	(84,554)	-	(84,554)	50.79%	(42,945)
36	January 31, 2011	(84,554)	-	(84,554)	50.79%	(42,945)
37	February 28, 2011	(87,069)	-	(87,069)	50.79%	(44,223)
38	March 31, 2011	(87,069)	-	(87,069)	50.79%	(44,223)
39	April 30, 2011	(87,069)	-	(87,069)	50.79%	(44,223)
40	May 31, 2011	(87,069)	-	(87,069)	50.79%	(44,223)
41	June 30, 2011	(87,069)	-	(87,069)	50.79%	(44,223)
42	July 31, 2011	(87,069)	-	(87,069)	50.79%	(44,223)
43	August 31, 2011	(87,069)	-	(87,069)	50.79%	(44,223)
44	September 30, 2011	(87,069)	-	(87,069)	50.79%	(44,223)
	Total at September 30, 2011					
45	(Col (f) = Sum Ln 14 plus Ln 29 plus Ln 44)	\$ 3,519,327				\$ 1,925,776

- Notes:
1. Account 228.2 and Sub-accounts 28102 and 28101.
 2. The adjustment in Column (c) removes reserves not allocated to the divisions.
- Please refer to Cost Center 1903.

ATMOS ENERGY CORP., MID-TEX DIVISION
MATERIALS & SUPPLIES-ACCOUNTS 154 & 163
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Month/Year Ending	Amount
	(a)	(b)
1	September 30, 2010	\$ 717,542
2	October 31, 2010	807,628
3	November 30, 2010	806,341
4	December 31, 2010	825,118
5	January 31, 2011	860,305
6	February 28, 2011	882,115
7	March 31, 2011	901,094
8	April 30, 2011	1,033,380
9	May 31, 2011	1,048,495
10	June 30, 2011	919,578
11	July 31, 2011	853,842
12	August 31, 2011	632,389
13	September 30, 2011	768,737
14		
15	13-Month Average	<u>\$ 850,505</u>

ATMOS ENERGY CORP., MID-TEX DIVISION
PREPAYMENTS-ACCOUNT 165
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Month/Year Ending (a)	Amount (b)	Adjustments (1) (c)	Adjusted Total (d) = (b)+(c)	Allocation % (e)	Allocation to Mid-Tex (f) = (d)×(e)
1	Mid-Tex					
2	September 30, 2010	\$ 3,637,245	\$ (221,983)	\$ 3,415,263		
3	October 31, 2010	6,909,804	(385,599)	6,524,205		
4	November 30, 2010	4,777,047	(230,979)	4,546,068		
5	December 31, 2010	441,910	(9)	441,901		
6	January 31, 2011	3,832,294	(449,645)	3,382,649		
7	February 28, 2011	5,142,439	(155,035)	4,987,404		
8	March 31, 2011	6,151,261	(387,290)	5,763,970		
9	April 30, 2011	5,258,563	(839,596)	4,418,967		
10	May 31, 2011	10,123,281	(515,332)	9,607,950		
11	June 30, 2011	5,307,279	(284,982)	5,022,297		
12	July 31, 2011	8,415,545	(482,588)	7,932,957		
13	August 31, 2011	6,307,413	(333,301)	5,974,112		
14	September 30, 2011	3,817,309	(190,462)	3,626,846		
15	13-Month Average	\$ 5,393,953		\$ 5,041,907	100%	\$ 5,041,907
16						
17	Shared Services-General Office					
18	September 30, 2010	\$ 14,863,224	\$ -	\$ 14,863,224		
19	October 31, 2010	14,459,113	-	14,459,113		
20	November 30, 2010	14,404,353	-	14,404,353		
21	December 31, 2010	12,695,953	-	12,695,953		
22	January 31, 2011	10,138,655	-	10,138,655		
23	February 28, 2011	8,249,976	-	8,249,976		
24	March 31, 2011	12,205,592	-	12,205,592		
25	April 30, 2011	12,321,659	-	12,321,659		
26	May 31, 2011	14,750,764	-	14,750,764		
27	June 30, 2011	12,987,761	-	12,987,761		
28	July 31, 2011	12,342,091	-	12,342,091		
29	August 31, 2011	10,835,572	-	10,835,572		
30	September 30, 2011	11,139,636	-	11,139,636		
31	13-Month Average	\$ 12,414,950		\$ 12,414,950	37.60%	\$ 4,668,021
32						
33	Shared Services-Customer Support					
34	September 30, 2010	\$ 1,131,493	\$ -	\$ 1,131,493		
35	October 31, 2010	1,226,677	-	1,226,677		
36	November 30, 2010	997,263	-	997,263		
37	December 31, 2010	1,373,517	-	1,373,517		
38	January 31, 2011	1,895,983	-	1,895,983		
39	February 28, 2011	2,080,175	-	2,080,175		
40	March 31, 2011	2,099,996	-	2,099,996		
41	April 30, 2011	2,126,334	-	2,126,334		
42	May 31, 2011	2,147,759	-	2,147,759		
43	June 30, 2011	2,466,498	-	2,466,498		
44	July 31, 2011	2,507,546	-	2,507,546		
45	August 31, 2011	2,511,555	-	2,511,555		
46	September 30, 2011	2,590,201	-	2,590,201		
47						
48	13-Month Average	\$ 1,935,000		\$ 1,935,000	50.79%	\$ 982,786
49						
50	Total Prepayments September 30	\$ 9,321,375				
51						
52	Total Prepayments 13-Month Average (Ln 15 plus Ln 32 plus Ln 49)					\$ 10,692,714
53						
54	Note					
55	(1) Adjustment is to remove franchise fee prepayments for those cities that are handled as payment in arrears for ratemaking purposes.					
56						

**ATMOS ENERGY CORP., MID-TEX DIVISION
CUSTOMER DEPOSITS AND CUSTOMER ADVANCES FOR CONSTRUCTION
TEST YEAR ENDING SEPTEMBER 30, 2011**

Line No.	Month/Year Ending	Amount
	(a)	(b)
1	<u>Customer Deposits - Acct 235</u>	
2	September 30, 2010	\$ 26,120,649
3	October 31, 2010	26,267,658
4	November 30, 2010	26,553,151
5	December 31, 2010	26,750,602
6	January 31, 2011	26,826,174
7	February 28, 2011	26,682,732
8	March 31, 2011	26,424,869
9	April 30, 2011	25,846,645
10	May 31, 2011	25,486,961
11	June 30, 2011	25,190,213
12	July 31, 2011	24,920,314
13	August 31, 2011	22,296,857
14	September 30, 2011	21,808,614
15		
16	<u>Customer Advances - Acct 252</u>	
17	September 30, 2010	\$ -
18	October 31, 2010	-
19	November 30, 2010	-
20	December 31, 2010	-
21	January 31, 2011	-
22	February 28, 2011	-
23	March 31, 2011	-
24	April 30, 2011	-
25	May 31, 2011	-
26	June 30, 2011	-
27	July 31, 2011	-
28	August 31, 2011	-
29	September 30, 2011	-

ATMOS ENERGY CORP., MID-TEX DIVISION
ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 192/282/283 (1)
TEST YEAR ENDING SEPTEMBER 30, 2011

DS

Line No.	Description (a)	Assets / (Liabilities) - Per		ACSC		Assets / (Liabilities) - Adjusted Balances	
		Book Balances (b)	Adjustments (2) (c)	Adjustments (d)		(e) = (d)+(b)+(c)	
1	Mid-Tex:						
2	Ad Valorem Taxes	\$ (1,638,601)	\$ 182,574	\$ -	\$ -	\$ (1,456,026)	
3	MIP/VPP Accrual	(120,088)	-	-	-	(120,088)	
4	Vacation Accrual	4,157	-	-	-	4,157	
5	Worker's Comp Insurance Reserve	811,043	-	-	-	811,043	
6	SEBP Adjustment	377,035	22,106	-	-	399,141	
7	Pension Expense	1,078,836	-	-	-	1,078,836	
8	FAS 106 Adjustment	21,432,993	1,182,912	-	-	22,615,905	
9	CWIP	(3,763,042)	3,763,042	-	-	-	
10	Fixed Asset Cost Adjustment	(480,073,362)	(27,115,110)	-	-	(507,188,472)	
11	Depreciation Adjustment	178,237,970	(14,343,783)	-	-	163,894,187	
12	Deferred Gas Costs	(4,807,055)	4,807,055	-	-	-	
13	Over Recoveries of PGA	4,183,751	(4,183,751)	-	-	-	
14	TXU Goodwill Amortization	(60,833,129)	60,833,129	-	-	-	
15	Deferred Expense Projects	-	(30,733)	-	-	(30,733)	
16	Deferred Projects - TXU Acquisition	-	-	-	-	-	
17	Unicap Section 263A Costs	1,716,530	(1,716,530)	-	-	-	
18	Allowance for Doubtful Accounts	824,854	(824,854)	-	-	0	
19	Clearing Account-Adjustment	1,370	-	-	-	1,370	
20	Charitable Contribution Carryover	1,363,131	(1,363,131)	-	-	-	
21	Prepayments	(1,412,408)	-	-	-	(1,412,408)	
22	Rate Case Accrual	(417,690)	417,690	-	-	-	
23	WACOG to FIFO Adjustment	(5,684,165)	5,684,165	-	-	-	
24	Regulatory Liability-Mid-Tex	(1)	-	-	-	(1)	
25	Intra Period Tax Allocation	-	-	-	-	-	
26	State Net Operating Loss	1,044,589	-	-	-	1,044,589	
27	Federal Tax on State NOL	(365,606)	-	-	-	(365,606)	
28	Total Mid-Tex Direct (Sum Ln 2 through Ln 27)	\$ (348,038,885)	\$ 27,314,779	\$ -	\$ -	\$ (320,724,105)	
29							
30	SSU - Customer Support:						
31	MIP/VPP Accrual	\$ (1,365,351)	\$ 1,365,351	-	-	-	
32	Vacation Accrual	5,572	-	-	-	5,572	
33	Worker's Comp Insurance Reserve	(32,216)	-	-	-	(32,216)	
34	CWIP	(3,583,122)	3,583,122	-	-	-	
35	Fixed Asset Cost Adjustment	(40,064,057)	-	-	-	(40,064,057)	
36	Depreciation Adjustment	30,038,691	-	-	-	30,038,691	
37	Clearing Account-Adjustment	268	-	-	-	268	
38	Charitable Contribution Carryover	15,210	(15,210)	-	-	-	
39	Prepayments	(944,023)	-	-	-	(944,023)	

ATMOS ENERGY CORP., MID-TEX DIVISION
ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 192/282/283 (1)
TEST YEAR ENDING SEPTEMBER 30, 2011

DS

Line No.	Description (a)	Assets / (Liabilities) - Per Book Balances (b)	Adjustments (2) (c)	ACSC Adjustments (d)	Assets / (Liabilities) - Adjusted Balances (e) = (d)+(b)+(c)
40	Intra Period Tax Allocation	-	-	-	-
41	Total Customer Support (Sum Ln 31 through Ln 40)	\$ (15,929,028)	\$ 4,933,263		\$ (10,995,765)
42	Allocation to Mid-Tex	50.79%	50.79%	50.79%	50.79%
43	SSU Customer Support Allocated to Mid-Tex (Ln 41 times Ln 42)	\$ (8,090,353)	\$ 2,505,604	\$ -	\$ (5,584,749)
44					
45					
46	SSU - General Office:	\$			
47	Director's Deferred Bonus	211,066	-		211,066
48	MIP/VPP Accrual	1,926,378	(1,926,378)		-
49	Miscellaneous Accrued	14,214	-		14,214
50	Self Insurance - Adjustment	1,568,123	(1,568,123)		-
51	Vacation Accrual	6,232	-		6,232
52	Worker's Comp Insurance Reserve	50,721	-		50,721
53	Rabbi Trust - True Up	4,279	(4,279)		-
54	SEBP Adjustment	25,510,036	(25,510,036)		-
55	Restricted Stock Grant Plan	5,319,945			5,319,945
56	Rabbi Trust	1,999,696	(1,999,696)		-
57	Restricted Stock - MIP	4,371,139	(4,371,139)		-
58	Director's Stock Awards	2,956,402			2,956,402
59	Director's Stock - Temp	(678,829)			(678,829)
60	Pension Expense	(14,371,402)			(13,981,554)
61	FAS 106 Adjustment	5,277,353	389,847		5,667,200
62	CWIP	204,465	1,584,347		1,788,812
63	Fixed Asset Cost Adjustment	(23,376,951)	(204,465)		(23,581,416)
64	Depreciation Adjustment	3,959,844	(3,203,993)		755,851
65	Section 481(a) Cushion Gas	556,809	(556,809)		-
66	Section 481(a) Line Pack Gas	67,557	(67,557)		-
67	IRS Audit Assessment - Cost	1,874,769	(1,874,769)		-
68	IRS Audit Assessment - Accum	(516,058)	516,058		-
69	Deferred Expense Projects	61,381	(388)		60,993
70	Allowance for Doubtful Accounts	2	-		2
71	Clearing Account-Adjustment	18,873	-		18,873
72	Charitable Contribution Carryover	217,029	(217,029)		-
73	Prepayments	(981,754)	-		(981,754)
74	Stock Option Expense	332,080	-		332,080
75	Federal & State Tax Interest	(411,878)	-		(411,878)
76	Regulatory Liability-Atmos 109	9,790	-		9,790

ATMOS ENERGY CORP., MID-TEX DIVISION
ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 192/282/283 (1)
TEST YEAR ENDING SEPTEMBER 30, 2011

DS

Line No.	Description (a)	Assets / (Liabilities) - Per Book Balances (b)	Adjustments (2) (c)	ACSC Adjustments (d)	Assets / (Liabilities) - Adjusted Balances (e) = (d)+(b)+(c)
77	Intra Period Tax Allocation				
78	FD - NOL Credit Carryforward - Utility (3)	(6) 261,286,612	(18,611,183)	-	242,675,429
79	FD - NOL Credit Carryforward - Non Reg (3)	(193,593,973)	193,593,973	-	-
80	FD - FAS 115 Adjustment	(1,516,693)	(1,674,842)	-	(3,191,535)
81	FD - Treasury Lock Adjustment - Realized	(4,924,724)	(371,616)	-	(5,296,340)
82	FD - FAS 158 Measure Date Change	24,984,990	(24,984,990)	-	-
83	FD - AMT Minimum Tax Credit	4,573,142	-	-	4,573,142
		10,099,286	-	-	10,099,286
84	Total SSU General Office (Sum Ln 47 through Ln 84)	\$ 117,089,946	\$ 108,936,936	\$ -	\$ 226,026,882
85	Allocation to Mid-Tex	37.60%	37.60%	37.60%	37.60%
86	SSU General Office Allocated to Mid-Tex (Ln 84 times Ln 87)	\$ 44,025,820	\$ 40,960,288	\$ -	\$ 84,986,108
87					
88	Total SSU ADIT Allocated to Mid-Tex (Ln 43 plus Ln 87)	\$ 35,935,466	\$ 43,465,892	\$ -	\$ 79,401,359
89					
90	Total ADIT Direct and Allocated (Ln 28 plus Ln 89)	\$ (312,103,418)	\$ 70,780,672	\$ -	\$ (241,322,747)
91					

Note:

1. Credit amounts are in parentheses.
2. Please see relied upon "WP_B-6 Adjustment.xlsx" for details related to adjustments shown in Col (c). Adjustments are for those items not included in rate base for ratemaking purposes and to include other known and measurable ADIT adjustments.

ATMOS ENERGY CORP., MID-TEX DIVISION
PENSION AND OTHER POSTEMPLOYMENT BENEFITS REGULATORY ASSET
TEST YEAR ENDING SEPTEMBER 30, 2011
AMORTIZATION SCHEDULE *

Line No.	Year Ended March 31	Beginning of Year		End of Year	
		Rate Base		Rate Base	
		Adjustment	Annual	Adjustment	Balance as of
		Amount	Amortization (1)	Amount (2)	March 31, 2012
	(a)	(b)	(c)	(d)	(e)
1	2012			\$ 1,954,911	\$ 1,954,911
2	2013	\$	\$	1,759,420	
3	2014		195,491	1,563,929	
4	2015		195,491	1,368,438	
5	2016		195,491	1,172,947	
6	2017		195,491	977,455	
7	2018		195,491	781,964	
8	2019		195,491	586,473	
9	2020		195,491	390,982	
10	2021		195,491	195,491	
11	2022		195,491	0	

Notes:

1. The annual amortization of the Pension and Other Postemployment Benefits Regulatory Asset cost has been included in O&M expense on WP_F-2.8. The annual amortization is based on a ten year amortization period. The amounts shown on Line 1 include an adjustment of (\$6,956) which has not yet been recorded.
2. The Company has included in rate base, as a regulatory asset, the Company's calculated Pension and Other Postemployment Benefits cost in accordance with TEX. UTILITIES CODE, SECTION 104.059.

* Totals may vary due to rounding.

ATMOS ENERGY CORP., MID-TEX DIVISION
COMPONENTS OF RATE BASE- GROSS PLANT
AS OF SEPTEMBER 30, 2011

Line No.	Account (a)	Account Description (b)	Reference (c)	Amount Per Books (d)	Adjustments (1) (e)	ACSC Adjustments	Adjusted Balance (f)=(d)+(e)
1	Mid-Tex:						
2	Distribution Plant						
3	374	Land		\$ 774,213	\$ 5,435	\$ -	\$ 779,648
4	374	Land Rights		3,178,861	23,438	-	3,202,299
5	374	Land & Land Rights		1,309	(1,309)	-	-
6	375	Structures & Improvements		1,393,645	74,925	-	1,468,570
7	376.00	Mains-Catholic Protection		188,391,482	(51,541,261)	-	136,850,221
8	376.01	Mains-Steel		388,800,889	40,396,790	-	429,197,678
9	376.02	Mains-Plastic		922,055,953	(11,225,708)	-	910,830,245
10	378	M&R Station Equipment - General		32,468,534	6,583,761	-	39,052,296
11	379	M&R Station Equipment - City Gate		5,513,898	-	-	5,513,898
12	380	Services		750,800,968	7,628,757	-	758,429,725
13	381	Meters		159,201,494	2,409,373	-	161,610,868
14	382	Meter Installations		95,276,114	18,574,780	-	113,850,895
15	383	House Regulators		47,215,158	137,503	-	47,352,660
16	385	Industrial M&R Station Equipment		1,256,221	24,372	-	1,280,593
17		Total (Sum of Ln 3 through Ln 16)		\$ 2,596,328,739	\$ 13,090,855	\$ -	\$ 2,609,419,594
18							
19	General Plant						
20	302	Franchises & Consents		\$ 18,896	\$ -	\$ -	\$ 18,896
21	303	Computer Software		3,598,424	(212,093)	-	3,386,331
22	389	Land		3,278,185	704,581	-	3,982,767
23	390	Structures & Improvements		27,227,471	2,482,545	-	29,710,016
24	390	Air Conditioning Equipment		144,486	2,746	-	147,233
25	391	Office Furniture & Equipment		6,571,954	(112,267)	-	6,459,687
26	392	Transportation Equipment		3,492,630	(207,846)	-	3,284,784
27	393	Stores Equipment		144,748	-	-	144,748
28	394	Tools, Shop, and Garage Equipment		11,389,923	388,251	-	11,778,174
29	395	Laboratory Equipment		220,788	108,578	-	329,367
30	396	Power Oper. Tool & Work Equipment		2,277,734	(10,632)	-	2,267,102
31	397	Radio Communication Equipment		8,310,661	(142,736)	-	8,167,925
32	398	Miscellaneous Equipment		18,694,758	(123,588)	-	18,571,170
33	399	Other Tangible Property		4,270,297	(4,270,297)	-	-
34	399.01	Other Tangible Property-Servers Hardware		899,933	(325,128)	-	574,805
35	399.02	Other Tangible Property-Servers Software		467,576	(398,403)	-	69,173
36	399.03	Other Tangible Property-Network-Hardware		921,208	(583,545)	-	327,663
37	399.06	Other Tangible Property-PC Hardware		8,500,875	(1,202,944)	-	7,297,931
38	399.07	Other Tangible Property-PC Software		1,068,243	(17,740)	-	1,050,503
39	399.08	Other Tangible Property-Application Software		2,808,473	(667,830)	-	2,140,643
40		Total (Sum of Ln 20 through Ln 39)		\$ 104,307,265	\$ (4,598,346)	\$ -	\$ 99,708,919
41							
42		Total Mid-Tex Direct (Ln 17 plus Ln 40)		\$ 2,700,636,005	\$ 8,492,509	\$ -	\$ 2,709,128,514

ATMOS ENERGY CORP., MID-TEX DIVISION
COMPONENTS OF RATE BASE- GROSS PLANT
AS OF SEPTEMBER 30, 2011

Line No.	Account (a)	Account Description (b)	Reference (c)	Amount Per Books (d)	Adjustments (f) (e)	ACSC Adjustments (f)	Adjusted Balance (f)=(d)+(e)
43	SSU - Customer Support (Div 012):						
44	General Plant						
45	389	Land & Land Rights		\$ 2,874,240	\$ -	\$ -	\$ 2,874,240
46	390	Structures & Improvements		13,168,087	12,018	-	13,180,105
47	390.09	Improvements to Leased Premises		4,437,465	(31,602)	-	4,405,863
48	391	Office Furniture & Equipment		1,054,834	69,657	-	1,124,491
49	391.02	Remittance Processing Equipment		-	-	-	-
50	391.03	Office Furniture & Equipment		-	-	-	-
51	392	Transportation Equipment		-	-	-	-
52	393	Stores Equipment		-	-	-	-
53	394	Tools & Work Equipment		-	-	-	-
54	397	Communication Equipment - Telephone		26,143,741	(11,935,816)	-	14,207,925
55	398	Miscellaneous Equipment		9,533	(6,553)	-	2,980
56	399	Other Tangible Property		-	-	-	-
57	399.01	Other Tangible Property-Servers Hardware		13,047,889	(6,904,512)	-	6,143,377
58	399.02	Other Tangible Property-Servers Software		7,582,366	(5,150,151)	-	2,432,216
59	399.03	Other Tangible Property-Network-Hardware		913,069	(394,907)	-	518,162
60	399.04	Other Tangible Property-CPU		-	-	-	-
61	399.05	Other Tangible Property-MF Hardware		-	-	-	-
62	399.06	Other Tangible Property-PC Hardware		2,549,162	(1,448,884)	-	1,100,278
63	399.07	Other Tangible Property-PC Software		3,327,195	86,941	-	3,414,136
64	399.08	Other Tangible Property-Application Software		93,618,084	34,156	-	93,652,240
65	399.09	Other Tangible Property-System Software		-	-	-	-
66	399.24	Other Tangible Property-GenStartupCost		23,172,326	-	-	23,172,326
67		Total (Sum of Ln 47 through Ln 68)		\$ 191,897,992	\$ (25,669,653)	\$ -	\$ 166,228,339
68		Allocation to Mid-Tex		50.79%	50.79%	50.79%	50.79%
69		Customer Support Allocated to Mid-Tex		\$ 97,464,990	\$ (13,037,617)	\$ -	\$ 84,427,373
70		(Ln 69 times Ln 70)					
71	SSU - Customer Support (Div 012):						
72	General Plant						
73	Charles K. Vaughn Center						
74	389	Land & Land Rights		\$ 1,887,123	\$ -	\$ -	\$ 1,887,123
75	390	Structures & Improvements		10,400,518	-	-	10,400,518
76	397	Communication Equipment		271,621	-	-	271,621
77	399	Other Tangible Equipment		90,541	(200)	-	90,341
78	399.16	PC Hardware		194,015	-	-	194,015
79	399.17	PC Software		90,541	-	-	90,541
80		Total (Sum of Ln 75 through Ln 80)		\$ 12,934,358	\$ (200)	\$ -	\$ 12,934,159
81		Allocation to Mid-Tex		76.47%	76.47%	76.47%	76.47%
82	Customer Support: Charles K. Vaughn Center Allocated to Mid-Tex			\$ 9,890,330	\$ (153)	\$ -	\$ 9,890,177
83		(Ln 81 times Ln 82)					
84	Total Customer Support Allocated to Mid-Tex			\$ 107,355,320	\$ (13,037,769)	\$ -	\$ 94,317,551
85		(Ln 71 plus Ln 83)					
86							

ATMOS ENERGY CORP., MID-TEX DIVISION
COMPONENTS OF RATE BASE- GROSS PLANT
AS OF SEPTEMBER 30, 2011

Line No.	Account (a)	Account Description (b)	Reference (c)	Amount Per Books (d)	Adjustments (1) (e)	Adjustments (f)=(d)+(e)	Adjusted Balance (f)=(d)+(e)
87	SSU - General Office (Div 002):						
88	General Plant						
89	390	Improvements to Leased Premises		\$ 8,253,038	\$ (152,347)	\$ -	\$ 8,100,692
90	391	Office Furniture & Equipment		11,475,202	(1,085,827)	-	10,389,375
91	391.02	Remittance Processing Equipment		-	-	-	-
92	391.03	Office Furniture & Equipment		-	-	-	-
93	392	Transportation Equipment		96,290	2,853	-	99,143
94	393	Stores Equipment		-	-	-	-
95	394	Tools & Work Equipment		83,933	101,468	-	185,402
96	395	Laboratory Equipment		-	12,100	-	12,100
97	397	Communication Equipment - Telephone		2,355,236	(162,105)	-	2,193,131
98	398	Miscellaneous Equipment		236,331	144,085	-	380,416
99	399	Other Tangible Property		162,268	-	-	162,268
100	399.01	Other Tangible Property-Servers Hardware		24,760,357	(1,089,375)	-	23,670,982
101	399.02	Other Tangible Property-Servers Software		13,285,696	804,701	-	14,090,396
102	399.03	Other Tangible Property-Network-Hardware		3,911,025	(39,486)	-	3,871,538
103	399.04	Other Tangible Property-CPU		1,095,465	(1,095,465)	-	-
104	399.05	Other Tangible Property-MF Hardware		1,159,964	(1,159,964)	-	-
105	399.06	Other Tangible Property-PC Hardware		4,704,521	(2,146,741)	-	2,557,781
106	399.07	Other Tangible Property-PC Software		1,769,409	85,547	-	1,854,955
107	399.08	Other Tangible Property-Application Software		82,235,740	2,626,044	-	84,861,784
108	399.09	Other Tangible Property-System Software		2,614,619	(0)	-	2,614,619
109	399.24	Other Tangible Property-GenStartupCost		-	-	-	-
110		Total (Sum of Ln 88 through Ln 109)		\$ 158,199,095	\$ (3,154,513)	\$ -	\$ 155,044,583
111		Allocation to Mid-Tex		37.60%	37.60%	37.60%	37.60%
112		General Office Allocated to Mid-Tex (Ln 110 times Ln 111)		\$ 59,482,860	\$ (1,186,097)	\$ -	\$ 58,296,763
113	SSU - General Office (Div 002):						
114	General Plant						
115	Greenville Data Center (010.11520)						
116	390.05	G-Structures & Improvements		\$ 9,154,286	\$ (66,386)	\$ -	\$ 9,087,900
117	391.04	G-Office Furniture & Equip.		63,741	-	-	63,741
118		Total (Sum of Ln 116 through Ln 117)		\$ 9,218,027	\$ (66,386)	\$ -	\$ 9,151,641
119		Allocation to Mid-Tex		13.43%	13.43%	13.43%	13.43%
120		General Office: Greenville Data Center Allocated to Mid-Tex (Ln 118 times Ln 119)		\$ 1,237,870	\$ (8,915)	\$ -	\$ 1,228,956
121							
122		Total General Office Allocated to Mid-Tex (Ln 112 plus Ln 120)		\$ 60,720,730	\$ (1,195,012)	\$ -	\$ 59,525,719
123							
124		Total SSU Plant Allocated to Mid-Tex (Ln 84 plus Ln 122)		\$ 168,076,050	\$ (14,232,781)	\$ -	\$ 153,843,269
125							
126		Total Mid-Tex Gross Plant (Ln 42 plus Ln 124)		\$ 2,868,712,055	\$ (5,740,272)	\$ -	\$ 2,862,971,783

ATMOS ENERGY CORP., MID-TEX DIVISION
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
AS OF SEPTEMBER 30, 2011

Line No.	Account (a)	Account Description (b)	Reference (c)	Amount Per Books (d)	Adjustments (e)	ACSC Adjustments	Adjusted Balance (f)=(d)+(e)
1	Mid-Tex:						
2	Distribution Plant						
3	374	Land		\$	7,298	\$	\$ 7,298
4	374	Land Rights		1,623,353	27,810	-	1,651,163
5	375	Structures & Improvements		1,227,444	101,027	-	1,328,471
6	376	Mains-Cathodic Protection		84,004,993	(44,047,085)	-	39,957,908
7	376	Mains-Steel		83,914,593	16,329,774	-	100,244,367
8	376	Mains-Plastic		268,947,790	(26,475,429)	-	242,472,361
9	378	M&R Station Equipment - General		15,234,984	2,967,093	-	18,202,077
10	379	M&R Station Equipment - City Gate		2,912,225	69,221	-	2,981,446
11	380	Services		467,515,762	(18,127,171)	-	449,388,591
12	381	Meters		68,639,974	716,240	-	69,356,213
13	382	Meter Installations		31,953,148	1,931,561	-	33,884,709
14	383	House Regulators		14,933,275	(2,583,876)	-	12,349,400
15	385	Industrial M&R Station Equipment		149,324	24,630	-	173,954
16		Total (Sum of Ln 3 through Ln 15)		\$ 1,041,056,865	\$ (69,058,907)	\$ -	\$ 971,997,957
17							
18	General Plant						
19	302	Franchises & Consents		\$ 7,231	\$ -	\$ -	\$ 7,231
20	303	Computer Software		3,598,424	(123,721)	-	3,474,703
21	389	Land		219,843	25,967	-	245,810
22	390	Structures & Improvements		14,335,138	144,163	-	14,479,301
23	390	Air Conditioning Equipment		13,067	1,050	-	14,118
24	391	Office Furniture & Equipment		2,428,425	(33,265)	-	2,395,160
25	392	Transportation Equipment		(1,383,520)	(157,685)	-	(1,541,204)
26	393	Stores Equipment		13,020	2,439	-	15,459
27	394	Tools, Shop, and Garage Equipment		853,384	87,733	-	941,117
28	395	Laboratory Equipment		(110,120)	103,662	-	(6,458)
29	396	Power Oper. Tool & Work Equipment		(1,518,906)	-	-	(1,518,906)
30	397	Radio Communication Equipment		1,592,499	(85,662)	-	1,506,837
31	398	Miscellaneous Equipment		15,028,106	21,571	-	15,049,678
32	399	Other Tangible Property		3,980,437	(4,257,951)	-	(277,514)
33	399.01	Other Tangible Property-Servers Hardware		319,638	(279,743)	-	39,895
34	399.02	Other Tangible Property-Servers Software		278,318	(380,233)	-	(101,915)
35	399.03	Other Tangible Property-Network-Hardware		250,662	(559,934)	-	(309,271)
36	399.06	Other Tangible Property-PC Hardware		2,550,438	(1,329,483)	-	1,220,955
37	399.07	Other Tangible Property-PC Software		217,130	44,815	-	261,944
38	399.08	Other Tangible Property-Application Software		509,485	(554,393)	-	(44,908)
39	RWIP	Retirement Work in Progress		(41,660,746)	5,457,315	-	(36,203,431)
40		Total (Sum of Ln 19 through Ln 39)		\$ 1,521,955	\$ (1,873,356)	\$ -	\$ (351,401)
41							
42		Total Mid-Tex Direct (Ln 16 plus Ln 40)		\$ 1,042,578,820	\$ (70,932,263)	\$ -	\$ 971,646,556
43							
44							

ATMOS ENERGY CORP., MID-TEX DIVISION
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
AS OF SEPTEMBER 30, 2011

Line No.	Account	Account Description	Reference	Amount Per Books	Adjustments	Adjustments	Adjusted Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(f)=(d)+(e)
45	SSU - Customer Support (Div 012):						
46	General Plant						
47	390	Structures & Improvements		\$ 589,389	\$ 579,255	\$ -	\$ 1,168,645
48	390.09	Improvements to Leased Premises		2,836,296	172,936	-	3,009,232
49	391	Office Furniture & Equipment		65,361	13,069	-	78,430
50	391.02	Remittance Processing Equipment		-	-	-	-
51	391.03	Office Furniture & Equipment		-	-	-	-
52	392	Transportation Equipment		-	-	-	-
53	393	Stores Equipment		-	-	-	-
54	394	Tools & Work Equipment		-	-	-	-
55	397	Communication Equipment - Telephone		16,607,891	(11,057,265)	-	5,550,626
56	398	Miscellaneous Equipment		1,306	(1,658)	-	(353)
57	399	Other Tangible Property		(1,031)	-	-	(1,031)
58	399.01	Other Tangible Property-Servers Hardware		12,142,549	(6,562,455)	-	5,580,094
59	399.02	Other Tangible Property-Servers Software		7,492,590	(5,658,063)	-	1,834,507
60	399.03	Other Tangible Property-Network-Hardware		504,991	(409,431)	-	95,560
61	399.04	Other Tangible Property-CPU		-	-	-	-
62	399.05	Other Tangible Property-MF Hardware		-	-	-	-
63	399.06	Other Tangible Property-PC Hardware		1,911,712	(1,351,477)	-	560,235
64	399.07	Other Tangible Property-PC Software		2,975,412	139,080	-	3,114,493
65	399.08	Other Tangible Property-Application Software		77,070,004	4,885,307	-	81,955,312
66	399.09	Other Tangible Property-System Software		-	-	-	-
67	399.24	Other Tangible Property-GenStartupCost		23,168,336	0	-	23,168,336
68	RWIP	Retirement Work in Progress		(865)	(22,653)	-	(23,518)
69		Total (Sum of Ln 47 through Ln 68)		\$ 145,363,941	\$ (19,273,373)	\$ -	\$ 126,090,568
70		Allocation to Mid-Tex		50.79%	50.79%	49.46%	50.79%
71		Customer Support Allocated to Mid-Tex (Ln 69 times Ln 70)		\$ 73,830,346	\$ (9,788,946)	\$ -	\$ 64,041,399
72	SSU - Customer Support (Div 012):						
73	General Plant						
74	Charles K. Vaughn Center						
75	389	Land & Land Rights		-	-	-	-
76	390.10	Structures & Improvements		895,200	467,587	-	1,362,787
77	397.10	Communication Equipment		23,806	11,371	-	35,178
78	399.10	Other Tangible Equipment		6,861	2,358	-	9,219
79	399.16	PC Hardware		33,508	14,482	-	47,990
80	399.17	PC Software		8,599	4,274	-	12,872
81		Total (Sum of Ln 75 through Ln 80)		\$ 967,974	\$ 500,072	\$ -	\$ 1,468,045
82		Allocation to Mid-Tex		76.47%	76.47%	76.47%	76.47%
83		Customer Support: Charles K. Vaughn Center Allocated to Mid-Tex (Ln 81 times Ln 82)		\$ 740,166	\$ 382,383	\$ -	\$ 1,122,549
84		Total Customer Support Allocated to Mid-Tex (Ln 71 plus Ln 83)		\$ 74,570,512	\$ (9,406,563)	\$ -	\$ 65,163,949

ATMOS ENERGY CORP., MID-TEX DIVISION
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
AS OF SEPTEMBER 30, 2011

Line No.	Account	Account Description	Reference	Amount Per Books	Adjustments	ACSC	Adjusted Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(f)=(d)+(e)
87	SSU - General Office (Div 002):						
88	General Plant						
89	390	Improvements to Leased Premises		\$ 8,091,940	\$ 259,162	\$ -	\$ 8,351,102
90	391	Office Furniture & Equipment		7,371,465	(665,783)	-	6,705,682
91	391.02	Remittance Processing Equipment		5,860	-	-	5,860
92	391.03	Office Furn. - Copiers & Type		2,888	-	-	2,888
93	392	Transportation Equipment		18,000	9,911	-	27,911
94	393	Stores Equipment		758	-	-	758
95	394	Tools & Work Equipment		15,187	6,258	-	21,444
96	395	Laboratory Equipment		-	232	-	232
97	397	Communication Equipment - Telephone		815,723	(68,021)	-	747,701
98	398	Miscellaneous Equipment		79,943	(12,914)	-	67,029
99	399	Other Tangible Property		45,878	5,234	-	51,112
100	399.01	Other Tangible Property-Servers Hardware		8,340,234	(2,245,518)	-	6,094,715
101	399.02	Other Tangible Property-Servers Software		4,223,186	(398,920)	-	3,824,266
102	399.03	Other Tangible Property-Network-Hardware		1,762,796	(76,537)	-	1,686,259
103	399.04	Other Tangible Property-CPU		1,111,824	(1,094,893)	-	16,931
104	399.05	Other Tangible Property-MF Hardware		1,174,870	(1,159,601)	-	15,269
105	399.06	Other Tangible Property-PC Hardware		4,442,359	(2,084,310)	-	2,358,049
106	399.07	Other Tangible Property-PC Software		1,671,823	80,837	-	1,752,660
107	399.08	Other Tangible Property-Application Software		48,758,042	4,195,484	-	52,953,526
108	399.09	Other Tangible Property-System Software		2,722,303	2,322	-	2,724,625
109	399.24	Other Tangible Property-GenStartupCost		-	-	-	-
110		Retirement Work in Progress		(153)	-	-	(153)
111		Total (Sum of Ln 90 through Ln 111)		\$ 90,654,926	\$ (3,247,059)	\$ -	\$ 87,407,867
112		Allocation to Mid-Tex		37.60%	37.60%	36.59%	37.60%
113		General Office Allocated to Mid-Tex		\$ 34,086,252	\$ (1,220,894)	\$ -	\$ 32,865,358
114	SSU - General Office (Div 002):						
115	General Plant						
116	Greenville Data Center (010.11520)						
117	390.05	G-Structures & Improvements		\$ 1,076,794	\$ 397,697	\$ -	\$ 1,474,491
118	391.04	G-Office Furniture & Equip.		3,482	725	-	4,207
119		Total (Sum of Ln 118 through Ln 119)		\$ 1,080,276	\$ 398,422	\$ -	\$ 1,478,698
120		Allocation to Mid-Tex		13.43%	13.43%	13.43%	13.43%
121		General Office: Greenville Data Center Allocated to Mid-Tex		\$ 145,068	\$ 53,503	\$ -	\$ 198,571
122		(Ln 120 times Ln 121)					
123		Total General Office Allocated to Mid-Tex		\$ 34,231,320	\$ (1,167,391)	\$ -	\$ 33,063,929
124		(Ln 114 plus Ln 122)					
125		Total SSU Accumulated Depreciation Allocated to					
126		Mid-Tex (Ln 85 plus Ln 124)		\$ 108,801,832	\$ (10,573,954)	\$ -	\$ 98,227,878
127		Total Mid-Tex Accumulated Depreciation (Ln 42 plus Ln 126)		\$ 1,151,380,652	\$ (81,506,218)	\$ -	\$ 1,069,874,434

Note:
 1. Please see relied upon "Schedule D Adjustment.xlsx" for details related to adjustments shown in Col (e). The adjustments include removal of Poly 1 previously disallowed and other known and measurable adjustments to accumulated depreciation.

ATMOS ENERGY CORP., MID-TEX DIVISION
CASH WORKING CAPITAL
TEST YEAR ENDING SEPTEMBER 30, 2011

E1 Line No.	Description (a)	Test Year Expenses (b)	Reference (c)	Avg. Daily Expense (d)=(b)/365	Revenue Lag (e)	Expense Lag (f)	Net Lag (g)=(e)-(f)	Working Capital Requirement (h)=(d)x(g)
1	Gas Supply Expense							
2	Rider GCR Part A	\$ 588,090,591	Schedule H	\$ 1,611,207	36.17	40.40	(4.23)	\$ (6,814,718)
3	Rider GCR Part B	158,221,225	Schedule I	433,483	36.17	38.20	(2.03)	(879,970)
4	Total Gas Supply Expense	\$ 746,311,816	Sum Ln 2 through Ln 3					\$ (7,694,688)
5								
6	Operation & Maintenance							
7	Other O&M - Labor (1)	\$ 56,449,315	(2)	\$ 154,656	36.17	25.71	10.46	\$ 1,617,698
8	Other O&M - Non-Labor	93,690,561	Ln 9 minus Ln 7	256,686	36.17	32.24	3.93	1,008,778
8a		-	-	-	-	-	-	-
8b		-	-	-	-	-	-	-
8c		-	-	-	-	-	-	-
8d		-	-	-	-	-	-	-
9	Total Operation & Maintenance	\$ 150,139,876	Schedule F-1					\$ 2,626,476
10								
11	Taxes Other Than Income							
12	Ad Valorem	\$ 21,129,326	Schedule F-5	\$ 57,889	36.17	213.50	(177.33)	\$ (10,265,379)
13	Payroll Taxes	2,722,791	Schedule F-5	7,460	36.17	31.61	4.56	34,016
14	Franchise Fees (3)	27,777,001	Schedule F-5 x CWC factor	76,101	36.17	99.24	(63.07)	(4,799,896)
15	Railroad Commission Fee	62,540	Schedule F-5	171	36.17	94.84	(58.67)	(10,053)
16								
17	Allocated Taxes-Shared Services:							
18	Ad Valorem	421,511	WP_F-5.1, Col (b), Ln 59	1,155	36.17	213.50	(177.33)	(204,785)
19	Payroll Taxes	1,715,313	WP_F-5.1, Col (b), Ln 48	4,699	36.17	31.61	4.56	21,430
20	Total Taxes Other Than Income Taxes	\$ 53,828,483	Sum Ln 12 through Ln 19					\$ (15,224,667)
21								
22	State Income Tax ("Gross Margin")	\$ 4,438,667	Schedule F-6	\$ 12,161	36.17	(47.00)	83.17	\$ 1,011,408
23								
24	Current Federal Income Tax	\$ -	(4)	\$ -	36.17	36.75	(0.58)	\$ -
25								
26	Interest on Customer Deposits	\$ 26,170	Schedule F-7	\$ 72	36.17	331.83	(295.66)	\$ (21,199)
27								
27a								
27b								
28	Total Cash Working Capital Requirement		Sum Lns 4,9,20,22,24,26					\$ (19,302,670)
29								

Note:
1. Includes Mid-Tex and SSU Labor and Mid-Tex Direct MIP/VIP (excludes SSU MIP/VPP)
2. WP_F-5.1, Col (b), Ln 43 + WP_F-2.1, Col (e) Ln 17 + WP_F-2.1, Col (c) Ln 29+ Mid-Tex MIP/VPP
3. Paid in Arrears portion of Franchise Fees is per the CWC study
4. Schedule F-6, page 1, Col (b), Ln 1 plus WP_B-6 Col (f), Ln 90 minus WP_E-1 Col (e), Ln 97 is less than zero so zero is used.
Data Source:
1 2011 MID TEX CWC final.xlsx
2 MidTex O&M for 12 months ended Sep. 11.xlsx
Appeal
Original

ATMOS ENERGY CORP., MID-TEX DIVISION
BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 192/282/283 (1)
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Assets / (Liabilities) - Per Book Balances at 9/30/2010 (b)	Adjustments (c)	Assets / (Liabilities) - Adjusted Balances at 9/30/10 (d) = (b)+(c)
1	Mid-Tex:			
2	Ad Valorem Taxes	\$ (1,697,694)	\$ -	\$ (1,697,694)
3	MIP/VPP Accrual	(594,531)	-	(594,531)
4	Vacation Accrual	10,503	-	10,503
5	Worker's Comp Insurance Reserve	683,818	-	683,818
6	SEBP Adjustment	322,147	-	322,147
7	Pension Expense	1,078,836	-	1,078,836
8	FAS 106 Adjustment	19,015,394	-	19,015,394
9	CWIP	1,755,145	(1,755,145)	-
10	Fixed Asset Cost Adjustment	(426,843,667)	-	(426,843,667)
11	Depreciation Adjustment	194,122,039	-	194,122,039
12	Deferred Gas Costs	7,564,444	(7,564,444)	-
13	Over Recoveries of PGA	(9,109,988)	9,109,988	-
14	TXU Goodwill Amortization	(51,942,710)	51,942,710	-
15	Deferred Expense Projects	(313,969)	-	(313,969)
16	Deferred Projects - TXU Acquisition	660,148	(660,148)	-
17	Unicap Section 263A Costs	1,154,831	(1,154,831)	-
18	Allowance for Doubtful Accounts	1,776,048	-	1,776,048
19	Clearing Account-Adjustment	1,370	-	1,370
20	Charitable Contribution Carryover	808,045	(808,045)	-
21	Prepayments	(1,345,777)	-	(1,345,777)
22	Rate Case Accrual	(951,353)	951,353	-
23	WACOG to FIFO Adjustment	(6,757,261)	6,757,261	-
24	Regulatory Liability-Mid-Tex	(1)	-	(1)
25	Intra Period Tax Allocation	-	-	-
26	State Net Operating Loss	-	-	-
27	Federal Tax on State NOL	-	-	-
28	Total Mid-Tex Direct (Sum Ln 2 through Ln 27)	\$ (270,604,182)	\$ 56,818,698	\$ (213,785,484)
29				
30	SSU - Customer Support:			
31	MIP/VPP Accrual	\$ (1,089,339)	\$ 1,089,339	\$ -
32	Vacation Accrual	(7,857)	-	(7,857)
33	Worker's Comp Insurance Reserve	(30,934)	-	(30,934)
34	CWIP	(1,826,428)	1,826,428	-
35	Fixed Asset Cost Adjustment	(35,659,228)	-	(35,659,228)
36	Depreciation Adjustment	19,078,119	-	19,078,119
37	Clearing Account-Adjustment	268	-	268
38	Charitable Contribution Carryover	12,979	(12,979)	-
39	Prepayments	(418,652)	-	(418,652)
40	Intra Period Tax Allocation	318,090	-	318,090
	Total Customer Support			
41	(Sum Ln 31 through Ln 40)	\$ (19,622,982)	\$ 2,902,788	\$ (16,720,194)
42	Allocation to Mid-Tex	50.79%	50.79%	50.79%
43	SSU Customer Support Allocated to Mid-Tex (Ln 41 times Ln 42)	\$ (9,966,513)	\$ 1,474,326	\$ (8,492,187)

ATMOS ENERGY CORP. - MID-TEX DIVISION
BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 192/282/283 (1)
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Assets / (Liabilities) - Per Book Balances at 9/30/2010 (b)	Adjustments (c)	Assets / (Liabilities) - Adjusted Balances at 9/30/10 (d) = (b)+(c)
44				
45	SSU - General Office:			
46	Director's Deferred Bonus	\$ 231,108	\$ -	\$ 231,108
47	MIP/PPP Accrual	1,599,082	(1,599,082)	-
48	Miscellaneous Accrued	1,933	-	1,933
49	Self Insurance - Adjustment	3,229,158	(3,229,158)	-
50	Vacation Accrual	(5,325)	-	(5,325)
51	Worker's Comp Insurance Reserve	63,591	-	63,591
52	Rabbi Trust - True Up	4,279	(4,279)	-
53	SEBP Adjustment	24,006,958	(24,006,958)	-
54	Restricted Stock Grant Plan	6,678,304	-	6,678,304
55	Rabbi Trust	1,999,696	(1,999,696)	-
56	Excess Capital Loss over Capital Gain	577,361	-	577,361
57	Restricted Stock - MIP	3,198,052	(3,198,052)	-
58	Director's Stock Awards	2,432,802	-	2,432,802
59	Director's Stock - Temp	(678,829)	-	(678,829)
60	Pension Expense	(21,464,184)	-	(21,464,184)
61	FAS 106 Adjustment	5,129,749	-	5,129,749
62	CWIP	(3,286,754)	3,286,754	-
63	Fixed Asset Cost Adjustment	(16,282,799)	-	(16,282,799)
64	Depreciation Adjustment	(4,494,600)	-	(4,494,600)
65	Section 481(a) Cushion Gas	556,809	(556,809)	-
66	Section 481(a) Line Pack Gas	67,557	(67,557)	-
67	IRS Audit Assessment - Cost	1,874,769	(1,874,769)	-
68	IRS Audit Assessment - Accum	(516,058)	516,058	-
69	PGA - Amended Item	11,175,101	(11,175,101)	-
70	Amortization - LGS Acq. 1810.13523	(39,717)	39,717	-
71	Deferred Expense Projects	12,473	-	12,473
72	UNICAP IRS Audit	1,521,591	-	1,521,591
73	Allowance for Doubtful Accounts	2	-	2
74	Clearing Account-Adjustment	18,492	-	18,492
75	Charitable Contribution Carryover	208,565	(208,565)	-
76	Prepayments	(1,276,910)	-	(1,276,910)
77	Inventory Adjustment	46,902	-	46,902
78	Stock Option Expense	322,795	-	322,795
79	Tax Free Interest - Temp	935,790	-	935,790
80	Federal & State Tax Interest	(372,865)	-	(372,865)
81	Prepayments - IRS Audits	759,088	-	759,088
82	Regulatory Liability-Atmos 109	14,490	-	14,490
83	Intra Period Tax Allocation	224,409,076	-	224,409,076
84	FD - NOL Credit Carryforward - Utility	(183,148,944)	-	(183,148,944)
85	FD - NOL Credit Carryforward - Non Reg	(2,469,538)	-	(2,469,538)
86	FD - FAS 115 Adjustment	3,211,056	-	3,211,056
87	FD - Treasury Lock Adjustment	4,573,142	-	4,573,142
88	FD - FAS 158 Measure Date Change	14,396,280	-	14,396,280
89	FD - AWI Minimum Tax Credit			
90				
91	Total SSU General Office (Sum Ln 47 through Ln 90)	\$ 78,901,439	\$ 139,071,445	\$ 217,972,884
92	Allocation to Mid-Tex	37.60%	37.60%	37.60%
93	SSU General Office Allocated to Mid-Tex (Ln 91 times Ln 92)	\$ 29,666,941	\$ 52,290,863	\$ 81,957,804
94				
95	Total SSU ADIT Allocated to Mid-Tex (Ln 43 plus Ln 93)	\$ 19,700,428	\$ 53,765,189	\$ 73,465,618
96				
97	Total ADIT Direct and Allocated (Ln 28 plus Ln 95)	\$ (250,903,754)	\$ 110,583,888	\$ (140,319,866)

ATMOS ENERGY CORP., MID-TEX DIVISION
OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	FERC Acct	Description (b)	Per Book Amount (c)	Adjustments (d)	Adjusted Amount (e)=(c)+(d)
1	841	Natural gas storage - Operation labor and expenses	\$	\$	541
2	870	Operation Supervision and Engineering	3,723,408	58,597	3,782,005
3	871	Distribution Load Dispatching	1,079,083	16	1,079,099
4	872	Compressor Station Labor and Expenses	-	-	-
5	874	Mains and Services Expenses	29,855,483	250,054	30,105,537
6	875	Measuring and Regulating Station Expenses - General	56,752	1,487	58,239
7	876	Measuring and Regulating Station Expenses - Industrial	3,144	39	3,183
8	877	Measuring and Regulating Station Exp. - City Gate Chk. Sta.	3,555	41	3,596
9	878	Meter and House Regulator Expenses	3,195,727	91,128	3,286,855
10	879	Customer Installations Expenses	687,955	19,936	707,891
11	880	Other Expenses	5,487,746	18,323	5,516,069
12	881	Rents	94,514	-	94,514
13	885	Maintenance Supervision and Engineering	5,921	-	5,921
14	886	Maintenance of Structures and Improvements	24,022	-	24,022
15	887	Maintenance of Mains	1,254,039	-	1,276,616
16	888	Maintenance of compressor station equipment	2,647	-	2,647
17	889	Maint. of Measuring and Regulating Station Equip. - General	2,226,188	53,423	2,279,612
18	890	Maint. of Measuring and Regulating Station Equip. - Industrial	2,082	61	2,143
19	891	Maint. of Measuring and Regulating Station Equip. - City Gate	1,340	39	1,379
20	892	Maintenance of Services	468,347	2,010	470,357
21	893	Maintenance of Meters and House Regulators	236,382	6,430	242,812
22	894	Maintenance of Other Equipment	799,265	5,771	805,036
23	895	Maintenance of Other Equipment	-	-	-
24	901	Supervision	179	5	184
25	902	Meter Reading Expense	7,677,976	184,544	7,862,520
26	903	Customer Records and Collection Expenses	15,033,007	45,145	15,078,152
27	904	Uncollectible Accounts	1,184,734	2,404,398	3,589,132
28	905	Miscellaneous Customer Accounts Expenses	100	-	100
29	907	Supervision	-	-	-
30	908	Customer Assistance Expenses	1,088,839	(1,000,000)	88,839
31	909	Informational and Instructional Advertising Expenses	4,920	-	4,920
32	910	Miscellaneous Customer Service and Informational Expenses	2,532,478	29,350	2,561,828
33	911	Supervision	3,540	-	3,540
34	912	Demonstrating and Selling Expenses	57,677	-	57,677
35	913	Advertising Expenses	2,011,210	(25,420)	1,985,790
36	916	Miscellaneous Sales Expenses	395	(375)	20
37	920	Administrative and General Salaries	4,231,063	131,145	4,362,208
38	921	Office Supplies and Expenses	373,361	(154,075)	219,286
39	922	Administrative Expenses Transferred - Credit	45,719,872	(1,683,096)	44,036,776
40	923	Outside Services Employed	1,547,865	(397,682)	1,150,183
41	924	Property Insurance	602,533	137,371	739,904
42	925	Injuries and Damages	1,833,288	(526,536)	1,306,752
43	926	Employee Pensions and Benefits	13,412,405	2,790,397	16,202,802
44	928	Regulatory Commission Expenses	-	-	-
45	929	Duplicate Charges - Credit	-	-	-
46	930.1	General Advertising Expenses	5,203	-	5,203
47	930.2	Miscellaneous General Expense	590,730	(291,782)	298,948
48	931	Rents	836,378	-	836,378
49	932	Maintenance of General Plant	662	-	662
50					
51		Total Operation and Maintenance Expenses (Sum Ln 1 through Ln 49)	\$ 147,966,556	\$ 2,173,320	\$ 150,139,876

ATMOS ENERGY CORP., MID-TEX DIVISION
 ADJUSTMENTS TO OPERATION AND MAINTENANCE EXPENSES
 TEST YEAR ENDING SEPTEMBER 30, 2011

ATMOS ENERGY CORP.
 ADJUSTMENTS TO OPERATION AND MAINTENANCE EXPENSES
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	FERC Account	Account Description	Base Labor	Medical and Dental Benefits	Pensions and Retiree Medical Benefits	Property Insurance	Injuries and Damages	Employee Expense	SSU Service-Level Factors	Miscellaneous Adjustments	Uncollectible Expense
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
1	841	Natural gas storage - Operation labor and expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
2	870	Operation Supervision and Engineering	61,594	-	-	-	-	-	-	(2,197)	-
3	871	Distribution Load Dispatching	16	-	-	-	-	-	-	-	-
4	872	Compressor Station Labor and Expenses	-	-	-	-	-	-	-	-	-
5	874	Mains and Services Expenses	250,060	-	-	-	-	-	-	(6)	-
6	875	Measuring and Regulating Station Expenses - General	1,487	-	-	-	-	-	-	-	-
7	876	Measuring and Regulating Station Expenses - Industrial	39	-	-	-	-	-	-	-	-
8	877	Measuring and Regulating Station Exp. - City Gate Chk. Sta.	41	-	-	-	-	-	-	-	-
9	878	Meter and House Regulator Expenses	91,128	-	-	-	-	-	-	-	-
10	879	Customer Installations Expenses	19,936	-	-	-	-	-	-	-	-
11	880	Other Expenses	28,058	-	-	-	-	-	-	(9,498)	-
12	881	Rents	-	-	-	-	-	-	-	-	-
13	885	Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-	-
14	886	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-	-
15	887	Maintenance of Mains	22,577	-	-	-	-	-	-	-	-
16	888	Maintenance of compressor station equipment	-	-	-	-	-	-	-	-	-
17	889	Maint. of Measuring and Regulating Station Equip. - General	53,535	-	-	-	-	-	-	(112)	-
18	890	Maint. of Measuring and Regulating Station Equip. - Industrial	61	-	-	-	-	-	-	-	-
19	891	Maint. of Measuring and Regulating Station Equip. - City Gate	39	-	-	-	-	-	-	-	-
20	892	Maintenance of Services	2,010	-	-	-	-	-	-	-	-
21	893	Maintenance of Meters and House Regulators	6,430	-	-	-	-	-	-	-	-
22	894	Maintenance of Other Equipment	5,771	-	-	-	-	-	-	-	-
23	895	Maintenance of Other Equipment	-	-	-	-	-	-	-	-	-
24	901	Supervision	5	-	-	-	-	-	-	-	-
25	902	Meter Reading Expense	184,675	-	-	-	-	-	-	(131)	-
26	903	Customer Records and Collection Expenses	45,145	-	-	-	-	-	-	-	2,404,398
27	904	Uncollectible Accounts	-	-	-	-	-	-	-	-	-
28	905	Miscellaneous Customer Accounts Expenses	-	-	-	-	-	-	-	-	-
29	907	Supervision	-	-	-	-	-	-	-	-	-
30	908	Customer Assistance Expenses	-	-	-	-	-	-	-	-	-
31	909	Informational and Instructional Advertising Expenses	-	-	-	-	-	-	-	-	-
32	910	Miscellaneous Customer Service and Informational Expenses	65,036	-	-	-	-	-	-	(33,356)	-
33	911	Supervision	-	-	-	-	-	-	-	-	-
34	912	Demonstrating and Selling Expenses	-	-	-	-	-	-	-	-	-
35	913	Advertising Expenses	39,457	-	-	-	-	-	-	(64,877)	-
36	916	Miscellaneous Sales Expenses	-	-	-	-	-	-	-	(375)	-
37	920	Administrative and General Salaries	131,145	-	-	-	-	-	-	-	-
38	921	Office Supplies and Expenses	-	-	-	-	-	-	-	(154,075)	-
39	922	Administrative Expenses Transferred - Credit	1,173,613	387,054	1,016,859	(1,420)	-	(157,168)	(3,781,913)	(319,389)	-
40	923	Outside Services Employed	-	-	-	-	-	-	-	(397,682)	-
41	924	Property Insurance	-	-	-	137,371	-	-	-	-	-
42	925	Injuries and Damages	-	-	-	-	600,000	-	-	(1,126,536)	-
43	926	Employee Pensions and Benefits	-	783,919	1,810,987	-	-	-	-	195,491	-
44	928	Regulatory Commission Expenses	-	-	-	-	-	-	-	-	-
45	929	Duplicate Charges - Credit	-	-	-	-	-	-	-	-	-
46	930.1	General Advertising Expenses	-	-	-	-	-	(240,494)	-	-	-
47	930.2	Miscellaneous General Expense	-	-	-	-	-	-	-	-	-
48	931	Rents	-	-	-	-	-	-	-	-	-
49	932	Maintenance of General Plant	-	-	-	-	-	-	-	-	-
50											
51		Total Adjustments to Operation and Maintenance Expenses	\$ 2,181,858	\$ 1,170,973	\$ 2,827,846	\$ 135,951	\$ 600,000	\$ (397,662)	\$ (3,781,913)	\$ (1,912,744)	\$ 2,404,398

MID-TEX DIVISION
 ND MAINTENANCE EXPENSES
 :PTEMBER 30, 2011

Line No.	FERC Account	Account Description	Rule Compliance	Customer Conservation Program	Total Adjustments
(a)	(b)	(c)	(d)	(e)	(f)
1	841	Natural gas storage - Operation labor and expenses	\$ -	\$ -	\$ -
2	870	Operation Supervision and Engineering	(800)	-	58,597
3	871	Distribution Load Dispatching	-	-	16
4	872	Compressor Station Labor and Expenses	-	-	-
5	874	Mains and Services Expenses	-	-	250,054
6	875	Measuring and Regulating Station Expenses - General	-	-	1,487
7	876	Measuring and Regulating Station Expenses - Industrial	-	-	39
8	877	Measuring and Regulating Station Exp. - City Gate Chk. Sta.	-	-	41
9	878	Meter and House Regulator Expenses	-	-	91,128
10	879	Customer Installations Expenses	-	-	19,936
11	880	Other Expenses	(237)	-	18,323
12	881	Rents	-	-	-
13	885	Maintenance Supervision and Engineering	-	-	-
14	886	Maintenance of Structures and Improvements	-	-	-
15	887	Maintenance of Mains	-	-	22,577
16	888	Maintenance of compressor station equipment	-	-	-
17	889	Maint. of Measuring and Regulating Station Equip. - General	-	-	53,423
18	890	Maint. of Measuring and Regulating Station Equip. - Industrial	-	-	61
19	891	Maint. of Measuring and Regulating Station Equip. - City Gate	-	-	39
20	892	Maintenance of Services	-	-	2,010
21	893	Maintenance of Meters and House Regulators	-	-	6,430
22	894	Maintenance of Other Equipment	-	-	5,771
23	895	Maintenance of Other Equipment	-	-	-
24	901	Supervision	-	-	5
25	902	Meter Reading Expense	-	-	184,544
26	903	Customer Records and Collection Expenses	-	-	45,145
27	904	Uncollectible Accounts	-	-	2,404,398
28	905	Miscellaneous Customer Accounts Expenses	-	-	-
29	907	Supervision	-	-	-
30	908	Customer Assistance Expenses	-	(1,000,000)	(1,000,000)
31	909	Informational and Instructional Advertising Expenses	-	-	-
32	910	Miscellaneous Customer Service and Informational Expenses	(2,330)	-	29,350
33	911	Supervision	-	-	-
34	912	Demonstrating and Selling Expenses	-	-	-
35	913	Advertising Expenses	-	-	(25,420)
36	916	Miscellaneous Sales Expenses	-	-	(375)
37	920	Administrative and General Salaries	-	-	131,145
38	921	Office Supplies and Expenses	-	-	(154,075)
39	922	Administrative Expenses Transferred - Credit	(732)	-	(1,683,096)
40	923	Outside Services Employed	-	-	(397,682)
41	924	Property Insurance	-	-	137,371
42	925	Injuries and Damages	-	-	(526,536)
43	926	Employee Pensions and Benefits	-	-	2,790,397
44	928	Regulatory Commission Expenses	-	-	-
45	929	Duplicate Charges - Credit	-	-	-
46	930.1	General Advertising Expenses	-	-	-
47	930.2	Miscellaneous General Expense	(51,288)	-	(291,782)
48	931	Rents	-	-	-
49	932	Maintenance of General Plant	-	-	-
50					
51		Total Adjustments to Operation and Maintenance Expenses	\$ (55,387)	\$ (1,000,000)	\$ 2,173,320

ATMOS ENERGY CORP., MID-TEX DIVISION
 BASE LABOR ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Shared Services - Customer Support Employees (b)	Shared Services - General Office Employees (c)	Shared Services - Total (3) (d)	Mid-Tex Direct Employees (e)	Total Adjustment (f)
1	Annualized October 2011 Employee Salaries (1), (5)	\$ 27,218,609	\$ 35,658,661	\$ 62,877,270	\$ 87,434,446	
2						
3	Test Year Base Labor Per Book (5)	25,594,277	34,476,309	60,070,586	84,883,392	
4						
5	Base Labor Adjustment Total (Ln 1 minus Ln 3)	\$ 1,624,332	\$ 1,182,352	\$ 2,806,684	\$ 2,551,054	
6						
7	Allocation to Mid-Tex (2)	50.79%	37.60%	45.23%	84.58%	
8						
9	Allocated Base Labor Adjustment (Ln 5 times Ln 7)	\$ 824,998	\$ 444,564	\$ 1,269,563	\$ 2,157,625	
10						
11	O&M Expense Factor (2)	89.60%	97.72%	92.44%	46.73%	
12						
13	Test Year Base Labor O&M Expense Adjustment (Ln 9 times Ln 11)	\$ 739,202	\$ 434,411	\$ 1,173,613	\$ 1,008,245	
14						
15	Adjustment Summary:					
16	Account 922	\$ 739,202	\$ 434,411	\$ 1,173,613	\$ -	\$ 1,173,613
17	Other O&M Accounts (4)	-	-	-	1,008,245	1,008,245
18	Total (Ln 16 plus Ln 17)	\$ 739,202	\$ 434,411	\$ 1,173,613	\$ 1,008,245	\$ 2,181,858
19						

Notes:

1. Annual salaries are base labor only and do not include items such as overtime and bonuses.
2. Shared Services based on FY12 factors, adjusted to the four-factor formula including Operating Income. The four-factor formula calculation does not include the states of Iowa, Illinois and Missouri. Mid-Tex factors are based upon actual test year ratios.
3. The factors in Col.(d) are a calculation derived from the totals of Customer Support and General Office and are only used in the calculation of other employee-related adjustments.
4. Distribution by account is based upon per book O&M test year labor (See Page 2).
5. SSU amounts exclude cost centers which do not allocate to Mid-Tex and employee time charged below the line for rate making purposes.

ATMOS ENERGY CORP., MID-TEX DIVISION
BASE LABOR ADJUSTMENT - DISTRIBUTION OF MID-TEX DIRECT BY FERC ACCOUNT
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	FERC Account	Account Description	Per Book O&M Labor	Ratio of Labor by Account	Base Labor Adjustment Allocated by Account (4)
(a)	(b)	(c)	(d)	(e)=(c)X(d)	
1	870	Operation Supervision and Engineering	\$ 2,113,517	6.1090%	\$ 61,594
2	871	Distribution Load Dispatching	558	0.0016%	16
3	872	Compressor Station Labor and Expenses	-	0.0000%	-
4	874	Mains and Services Expenses	8,580,415	24.8012%	250,060
5	875	Measuring and Regulating Station Expenses - General	51,037	0.1475%	1,487
6	876	Measuring and Regulating Station Expenses - Industrial	1,340	0.0039%	39
7	877	Measuring and Regulating Station Exp. - City Gate Chk. Sta.	1,391	0.0040%	41
8	878	Meter and House Regulator Expenses	3,126,968	9.0383%	91,128
9	879	Customer Installations Expenses	684,098	1.9773%	19,936
10	880	Other Expenses	962,795	2.7829%	28,058
11	887	Maintenance of Mains	774,721	2.2393%	22,577
12	889	Maint. of Meas. and Reg. Sta. Equip. - Gen.	1,836,999	5.3097%	53,535
13	890	Maint. of Meas. and Reg. Sta. Equip. - Ind.	2,082	0.0060%	61
14	891	Maint. of Meas. and Reg. Sta. Equip. - City Gate	1,340	0.0039%	39
15	892	Maintenance of Services	68,978	0.1994%	2,010
16	893	Maintenance of Meters and House Regulators	220,651	0.6378%	6,430
17	894	Maintenance of Other Equipment	198,040	0.5724%	5,771
18	901	Supervision	179	0.0005%	5
19	902	Meter Reading Expense	6,336,908	18.3165%	184,675
20	903	Customer Records and Collection Expenses	1,549,112	4.4776%	45,145
21	905	Miscellaneous Customer Accounts Expenses	-	0.0000%	-
22	910	Miscellaneous Customer Service and Informational Expenses	2,231,651	6.4505%	65,036
23	911	Supervision	-	0.0000%	-
24	912	Demonstrating and Selling Expenses	-	0.0000%	-
25	913	Advertising Expenses	1,353,919	3.9134%	39,457
26	920	Administrative and General Salaries	4,500,108	13.0073%	131,145
27	921	Office Supplies and Expenses	-	0.0000%	-
28	923	Outside Services	-	0.0000%	-
29	Total	(Sum Ln 1 through Ln 28)	\$ 34,596,807	100.00%	\$ 1,008,245

**ATMOS ENERGY CORP., MID-TEX DIVISION
MEDICAL AND DENTAL BENEFITS ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2011**

Line No.	Description (a)	Shared Services (b)	Mid-Tex Direct (c)	Total Adjustment (d)
1	FY12 Projected Expense per Employee (1)	\$ 10,985	\$ 10,985	
2				
3	Number of Employees at End of Test Period	1,042	1,669	
4				
5	Sub-Total (Ln 1 times Ln 3)	\$ 11,446,306	\$ 18,333,862	
6				
7	Test Year Medical and Dental Cost	10,520,669	16,350,395	
8				
9	Medical and Dental Cost Adjustment (Ln 5 minus Ln 7)	\$ 925,637	\$ 1,983,467	
10				
11	Mid-Tex Allocation Factor (2)	45.23%	84.58%	
12				
13	Allocated Medical and Dental Cost Adjustment (Ln 9 times Ln 11)	\$ 418,698	\$ 1,677,572	
14				
15	Labor Expense Factor (2)	92.44%	46.73%	
16				
17	Test Year Medical and Dental Expense Adjustment (Ln 13 times Ln 15)	\$ 387,054	\$ 783,919	
18				
19	Adjustment Summary:			
20	Account 922	\$ 387,054	\$ -	\$ 387,054
21	Account 926	-	783,919	783,919
22	Total (Ln 20 plus Ln 21)	\$ 387,054	\$ 783,919	\$ 1,170,973

ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Shared Services			Mid-Tex Direct			Adjustment Total (h)
		Pension Account Plan ("PAP") (b)	Supplemental Executive Benefit Plan ("SEBP/SERP") (c)	Post-Retirement Medical Plan ("FAS 106") (d)	Pension Account Plan ("PAP") (e)	Supplemental Executive Benefit Plan ("SERP") (f)	Post-Retirement Medical Plan ("FAS 106") (g)	
1	Fiscal Year 2012 Towers Watson Report (1), (4)	\$ 6,094,332	\$ 7,325,634	\$ 4,358,139	\$ 9,552,318	\$ 143,500	\$ 8,418,818	
2	Test Year Amounts (4)	4,370,243	9,124,080	3,650,422	6,659,714	148,346	6,702,524	
3	Test Year Change for Actuarially Determined Benefit Costs (Ln 1 minus Ln 2)	\$ 1,724,089	\$ (1,848,226)	\$ 707,718	\$ 2,902,524	\$ (4,956)	\$ 1,683,813	
4	Allocation to Mid-Tex (2) (3)	45.23%	0.00%	45.23%	84.58%	100.00%	84.58%	
5	Test Year Change for Actuarially Determined Benefit Costs Allocated to Mid-Tex (Ln 3 times Ln 4)	\$ 779,866	\$ -	\$ 320,126	\$ 2,454,889	\$ (4,956)	\$ 1,424,132	
6	O&M Expense Factor (2) (3)	92.44%	51.51%	92.44%	46.73%	33.42%	46.73%	
7	Test Year Adjustment for Actuarially Determined Benefit Costs (Ln 5 times Ln 6)	\$ 720,927	\$ -	\$ 295,932	\$ 1,147,155	\$ (1,656)	\$ 665,488	
8								
9	Adjustment Summary:							
10	Account 922	\$ 720,927	\$ -	\$ 295,932	\$ -	\$ -	\$ -	\$ 1,016,859
11	Account 926	-	-	-	1,147,155	(1,656)	665,488	1,810,987
12	Total (Ln 10 plus Ln 11)	\$ 720,927	\$ -	\$ 295,932	\$ 1,147,155	\$ (1,656)	\$ 665,488	\$ 2,827,846
13						\$	\$ 7,092,975	

ATMOS ENERGY CORP., MID-TEX DIVISION
PROPERTY INSURANCE ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Shared Services General Office (b)	Shared Services Customer Support (c)	Mid-Tex Direct (d)	Total Adjustment (e)
1	Premium Adjustment:				
2	Annual Premium - Current Policy (CY 2011)	\$ 131,809	\$ 157,445	\$ 2,138,571	
3	Less: Test Year Premium Amount	137,150	164,961	2,143,042	
4	Subtotal (Ln 2 minus Ln 3)	\$ (5,341)	\$ (7,516)	\$ (4,471)	
5	Allocation to Mid-Tex (1)	37.60%	50.79%	100.00%	
6	Allocated Total Adjustment (Ln 4 times Ln 5)	\$ (2,008)	\$ (3,817)	\$ (4,471)	
7	O&M Expense Factor (1)	41.51%	84.50%	27.00%	
8	Premium Adjustment (Ln 6 times Ln 7)	\$ (833)	\$ (3,226)	\$ (1,207)	
9					
10	Cancellation Fee Adjustment:				
11	Amortization of Cancellation Fee (2)	\$ 16,909	\$ -	\$ 138,578	
12	Less: Test Year Cancellation Fee	-	-	-	
13	Subtotal (Ln 11 minus Ln 12)	\$ 16,909	\$ -	\$ 138,578	
14	Allocation to Mid-Tex (1)	37.60%	50.79%	100.00%	
15	Allocated Total Adjustment (Ln 13 times Ln 14)	\$ 6,358	\$ -	\$ 138,578	
16	O&M Expense Factor (1)	41.51%	84.50%	100.00%	
17	Cancellation Fee Adjustment (Ln 15 times Ln 16)	\$ 2,639	\$ -	\$ 138,578	
18					
19	Total Property Insurance Adjustment (Ln 8 plus Ln 17)	\$ 1,806	\$ (3,226)	\$ 137,371	
20					
21	Summary by Account:				
22	Account 922	\$ 1,806	\$ (3,226)	\$ -	\$ (1,420)
23	Account 924	-	-	137,371	137,371
24	Totals (Ln 22 plus Ln 23)	\$ 1,806	\$ (3,226)	\$ 137,371	\$ 135,951

ATMOS ENERGY CORP., MID-TEX DIVISION
INJURIES AND DAMAGES ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	FERC Account (b)	Per Book Amount (c)	Amortized Amount (1) (d)	Adjustment Amount (e) = (d)-(c)
1	Mid-Tex:				
2	Reserve accrual for Cleburne incident		\$ -	\$ 200,000	
3	Reserve accrual for Wylie incident		-	\$ 200,000	
4	Reserve accrual for Luttrell incident		-	\$ 200,000	
5	Mid-Tex Total (Sum Ln 2 through Ln 4)	925	\$ -	\$ 600,000	\$ 600,000
6					
7	Shared Services:				
8	No Adjustment Required	922	\$ -	\$ -	-
9					
10	Total Adjustment to Non-Labor O&M (Ln 5 plus Ln 8)				\$ 600,000
11					
12					
13	Note:				
14	1. Cleburne, Wylie and Luttrell incidents are amortized over 5 years.				

**ATMOS ENERGY CORP., MID-TEX DIVISION
EMPLOYEE EXPENSE ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2011**

Line No.	Description	Shared Services -				Total Adjustment
		Customer Support	General Office	Mid-Tex Direct		
	(a)	(b)	(c)	(d)	(e)	
1	Fiscal Year Ending September 30, 2011:					
2	Employee Expense Adjustment	\$ 73,728	\$ 317,271	\$ 235,845		
3	Adjustment to align Oct10-May11 with GUD10000 (1)	1,021	17,914	4,650		
4	Subtotal (Ln 2 plus Ln 3)	\$ 74,749	\$ 335,186	\$ 240,494		
5	Mid-Tex Allocation Factor (2) (3)	50.79%	37.60%	100.00%		
6						
7	Allocated Employee Expense Totals (Ln 4 times Ln 5)	\$ 37,965	\$ 126,030	\$ 240,494		
8	Expense Factor (2) (3)	89.60%	97.72%	100.00%		
	Total Employee Expense Removal, FY 2011					
9	(Ln 7 times Ln 8)	\$ 34,017	\$ 123,151	\$ 240,494	\$ 397,662	
10						
11	Summary by Account					
12	Account 922	\$ (34,017)	\$ (123,151)	\$ -	\$ (157,168)	
13	Account 930.2	-	-	(240,494)	(240,494)	
14	Total (Ln 12 plus Ln 13)	\$ (34,017)	\$ (123,151)	\$ (240,494)	\$ (397,662)	

Notes:

1. An estimate was calculated to align the employee expense review for October 2010 through May 2011 with the changes in guidelines ordered in GUD 10000, specifically limiting meals to \$25, lodging to \$150.
2. See WP_F-2.1, Col (b) and Col (c), Ln 7 and Ln 11, as applicable, for the Shared Services factors, as adjusted.
3. Mid-Tex costs are directly charged and not allocated.

ATMOS ENERGY CORP., MID-TEX DIVISION
SHARED SERVICES ("SSU") SERVICE-LEVEL FACTORS ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2011

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Line No.	Description (a)	Per Book SSU (b)		Per Book SSU (c)		Total Per Book (d) = (b) + (c)		FY12 Capitalization Rate (Labor Exp) (e)		FY12 Capitalization Rate (Non-Labor Exp) (f)		Four-Factor Allocation Factor (2), (3) (g)		Total (h) = (d) * (g)		SSU Allocated to Capital (4) (i) = sum(b*g*e) + sum(c*g*f)		Expense Allocated to Mid-Tex (j) = (h) - (i)	
		O&M (Labor)	O&M (Non-Labor)	O&M (Labor)	O&M (Non-Labor)	O&M (Labor)	O&M (Non-Labor)	Rate (Labor Exp)	Rate (Non-Labor Exp)	Rate (Non-Labor Exp)	Rate (Non-Labor Exp)	(2), (3)	(2), (3)	(h) = (d) * (g)	(h) = (d) * (g)	(i) = sum(b*g*e) + sum(c*g*f)	(i) = sum(b*g*e) + sum(c*g*f)	(j) = (h) - (i)	(j) = (h) - (i)
1	1001 SS Dallas Executive Chairman	\$ 832,062	\$ 1,920,642	\$ 832,062	\$ 1,920,642	\$ 2,752,704	\$ 2,752,704	58.49%	58.49%	58.49%	58.49%	37.60%	37.60%	\$ 1,035,017	\$ 1,035,017	\$ 605,428	\$ 605,428	\$ 429,589	\$ 429,589
2	1101 SS Dallas Chief Financial Officer	457,000	834,793	457,000	834,793	1,291,793	1,291,793	58.49%	58.49%	58.49%	58.49%	37.60%	37.60%	485,711	485,711	284,114	284,114	201,597	201,597
3	1105 SS Dallas Audit	-	3,488,965	-	3,488,965	3,488,965	3,488,965	0.00%	0.00%	0.00%	0.00%	37.60%	37.60%	1,311,851	1,311,851	-	-	1,311,851	1,311,851
4	1106 SS Dallas Treasurer	155,504	170,089	155,504	170,089	325,593	325,593	59.08%	59.08%	59.08%	59.08%	37.60%	37.60%	122,423	122,423	72,330	72,330	50,093	50,093
5	1107 SS Dallas Treasury	393,250	821,243	393,250	821,243	1,214,493	1,214,493	58.49%	58.49%	58.49%	58.49%	37.60%	37.60%	456,649	456,649	267,115	267,115	189,535	189,535
6	1108 SS Dallas Risk Management	457,893	419,860	457,893	419,860	877,753	877,753	80.00%	80.00%	80.00%	80.00%	37.60%	37.60%	330,035	330,035	264,028	264,028	66,007	66,007
7	1110 SS Dallas Procurement	89,148	122,460	89,148	122,460	211,609	211,609	49.25%	49.25%	49.25%	49.25%	37.60%	37.60%	81,935	81,935	41,065	41,065	40,870	40,870
8	1111 SS Dallas Purchasing	301,039	175,219	301,039	175,219	476,258	476,258	56.41%	56.41%	56.41%	56.41%	37.60%	37.60%	184,407	184,407	104,031	104,031	80,376	80,376
9	1112 SS Dallas Mail & Supply	223,852	477,291	223,852	477,291	701,143	701,143	15.21%	15.21%	15.21%	15.21%	37.60%	37.60%	192,986	192,986	32,872	32,872	160,114	160,114
10	1114 SS Dallas Vice Pres & Controller	183,914	521,460	183,914	521,460	705,374	705,374	24.97%	24.97%	24.97%	24.97%	37.60%	37.60%	194,736	194,736	48,624	48,624	146,112	146,112
11	1116 SS Dallas Taxation	142,163	188,566	142,163	188,566	330,729	330,729	5.70%	5.70%	5.70%	5.70%	37.60%	37.60%	265,221	265,221	15,118	15,118	250,103	250,103
12	1117 SS Dallas Acctg Services	214,819	159,106	214,819	159,106	373,926	373,926	49.68%	49.68%	49.68%	49.68%	37.60%	37.60%	124,354	124,354	61,773	61,773	62,581	62,581
13	1118 SS Dallas Supply Chain	549,046	311,628	549,046	311,628	860,674	860,674	58.49%	58.49%	58.49%	58.49%	37.60%	37.60%	323,613	323,613	189,296	189,296	134,317	134,317
14	1119 SS Dallas General Accounting	537,939	321,577	537,939	321,577	859,515	859,515	16.54%	16.54%	16.54%	16.54%	37.60%	37.60%	323,178	323,178	53,443	53,443	269,735	269,735
15	1120 SS Dallas Accounts Payable	489,915	236,180	489,915	236,180	726,095	726,095	90.00%	90.00%	90.00%	90.00%	37.60%	37.60%	273,012	273,012	245,711	245,711	27,301	27,301
16	1121 SS Dallas Plant Accounting	272,744	235,816	272,744	235,816	508,560	508,560	0.00%	0.00%	0.00%	0.00%	37.60%	37.60%	196,914	196,914	23,334	23,334	173,580	173,580
17	1123 SS Dallas Gas Accounting	713,419	633,491	713,419	633,491	1,346,909	1,346,909	0.00%	0.00%	0.00%	0.00%	37.60%	37.60%	506,438	506,438	-	-	506,438	506,438
18	1125 SS Dallas Financial Reporting	516,330	343,323	516,330	343,323	859,653	859,653	58.49%	58.49%	58.49%	58.49%	37.60%	37.60%	323,229	323,229	46,328	46,328	627,535	627,535
19	1126 SS Dallas Payroll	1,043,135	749,053	1,043,135	749,053	1,792,188	1,792,188	6.88%	6.88%	6.88%	6.88%	37.60%	37.60%	673,863	673,863	5,053	5,053	247,595	247,595
20	1128 SS Dallas Property & Sales Tax	428,793	243,143	428,793	243,143	671,936	671,936	2.00%	2.00%	2.00%	2.00%	37.60%	37.60%	252,648	252,648	166,347	166,347	146,797	146,797
21	1129 SS Dallas Income Tax	465,043	367,789	465,043	367,789	832,832	832,832	53.12%	53.12%	53.12%	53.12%	37.60%	37.60%	313,145	313,145	-	-	-	-
22	1130 SS Dallas Business Planning and Analysis	372,354	649,871	372,354	649,871	1,022,224	1,022,224	0.00%	0.00%	0.00%	0.00%	37.60%	37.60%	887,195	887,195	-	-	887,195	887,195
23	1132 SS Dallas Investor Relations (5)	673,076	1,686,486	673,076	1,686,486	2,359,562	2,359,562	0.00%	0.00%	0.00%	0.00%	37.60%	37.60%	868,724	868,724	452,182	452,182	416,542	416,542
24	1133 SS Dallas Corporate Communications	1,098,220	1,212,216	1,098,220	1,212,216	2,310,436	2,310,436	46.43%	46.43%	46.43%	46.43%	37.60%	37.60%	2,187,236	2,187,236	431,788	431,788	1,755,448	1,755,448
25	1134 SS Dallas IT	1,664,097	4,153,020	1,664,097	4,153,020	5,817,118	5,817,118	11.50%	11.50%	11.50%	11.50%	37.60%	37.60%	2,953,839	2,953,839	865,466	865,466	2,088,373	2,088,373
26	1135 SS Dallas IT Application Support	1,807,635	6,048,319	1,807,635	6,048,319	7,855,954	7,855,954	26.96%	26.96%	26.96%	26.96%	37.60%	37.60%	480,774	480,774	189,393	189,393	291,381	291,381
27	1137 SS Dallas IT Operations	245,609	1,033,046	245,609	1,033,046	1,278,654	1,278,654	36.84%	36.84%	36.84%	36.84%	37.60%	37.60%	277,511	277,511	-	-	277,511	277,511
28	1139 SS Dallas IT Telecommunications	424,553	186,974	424,553	186,974	611,526	611,526	0.00%	0.00%	0.00%	0.00%	37.60%	37.60%	477,683	477,683	7,326	7,326	470,358	470,358
29	1141 SS Dallas Gas Purchase Accounting	731,828	320,801	731,828	320,801	1,052,629	1,052,629	0.00%	0.00%	0.00%	0.00%	37.60%	37.60%	216,020	216,020	14,318	14,318	201,702	201,702
30	1144 SS Dallas Rate Administration	310,432	165,593	310,432	165,593	476,025	476,025	0.00%	0.00%	0.00%	0.00%	37.60%	37.60%	396,401	396,401	226,824	226,824	169,577	169,577
31	1145 SS Dallas Revenue Accounting	646,346	407,911	646,346	407,911	1,054,257	1,054,257	46.32%	46.32%	46.32%	46.32%	37.60%	37.60%	312,021	312,021	167,154	167,154	144,867	144,867
32	1146 SS Dallas IT Enterprise Solutions	344,750	485,093	344,750	485,093	829,842	829,842	53.57%	53.57%	53.57%	53.57%	37.60%	37.60%	40,074	40,074	729	729	39,345	39,345
33	1150 SS Dallas Strategic Planning	63,692	24,616	63,692	24,616	88,308	88,308	0.00%	0.00%	0.00%	0.00%	37.60%	37.60%	-	-	-	-	-	-
34	1153 SS Dallas Distribution Acctg																		

ATMOS ENERGY CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") SERVICE-LEVEL FACTORS ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2011

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Line No.	Description (a)	Per Book SSU		Per Book SSU O&M (Non-Labor)	Total Per Book SSU O&M Exp	Capitalization Rate (Labor Exp)	FY12 Capitalization Rate (Non-Labor Exp)	Four-Factor Allocation Factor		SSU Allocated to Capital (4)	Expense Allocated to Mid-Tex
		O&M (Labor)	(b)					(2), (3)	(g)		
(h) = (d) * (g)											
(i) = sum(b*g*e) + sum(c*g*f)											
35	1154 SS Dallas Rates & Regulatory	1,613,120	1,124,019	1,701	2,737,139	60.86%	60.86%	38.72%	1,059,820	644,960	414,860
36	1155 SS Dallas Texas Gas Pipeline Accounting	-	1,701	1,701	1,701	0.00%	0.00%	0.00%	-	-	-
37	1156 SS Dal - IT Customer Svc Support	796,106	1,314,005	2,110,111	2,110,111	25.00%	25.00%	50.79%	1,071,725	568,254	503,472
38	1158 SS CCC IT Support	357,513	2,596,846	2,954,359	2,954,359	5.47%	5.47%	50.79%	1,500,519	188,929	1,311,590
39	1159 SS Dallas Director Technical Training	85,988	338,055	444,043	444,043	0.00%	0.00%	38.72%	171,933	-	171,933
40	1161 SS Dallas Benefits and Payroll Accounting	238,128	83,826	321,954	321,954	58.49%	58.49%	37.60%	121,055	70,810	50,244
41	1165 SS Dallas IT Production Services & Support	439,506	271,270	710,776	710,776	14.00%	14.00%	37.60%	267,252	62,477	204,774
42	1171 SS Regulatory Accounting Services	243,071	85,483	328,554	328,554	60.86%	60.86%	38.72%	127,216	77,418	49,798
43	1201 SS Dallas President & CEO	752,877	1,548,880	2,301,757	2,301,757	58.49%	58.49%	37.60%	865,460	506,247	359,214
44	1203 SS Amarillo Customer Support Center	6,119,890	4,119,295	10,299,184	10,299,184	15.50%	15.50%	50.79%	5,230,956	810,767	4,420,188
45	1209 SS Dallas Safety & Compliance	159,146	278,268	437,413	437,413	0.00%	0.00%	38.72%	169,366	-	169,366
46	1210 SS Waco Customer Support Center	8,430,578	5,208,051	13,638,629	13,638,629	15.50%	15.50%	50.79%	6,927,059	1,073,653	5,853,406
47	1212 SS CSC-Customer Contact Management	-	679,268	679,268	679,268	15.50%	15.50%	50.79%	345,000	53,473	291,527
48	1213 SS Dallas Quality Assurance	1,355,287	511,614	1,866,901	1,866,901	0.00%	0.00%	50.79%	948,199	-	948,199
49	1214 SS Dallas Workforce Management	416,818	231,261	648,079	648,079	0.00%	0.00%	50.79%	329,159	-	329,159
50	1215 SS Dispatch Operations	2,353,494	955,341	3,308,836	3,308,836	15.50%	15.50%	50.79%	1,680,558	260,477	1,420,081
51	1225 SS Dallas Regulated Operations	139,732	81,278	221,011	221,011	73.94%	73.94%	50.79%	112,251	89,420	22,831
52	1226 SS Dallas Customer Service	782,075	684,163	1,466,238	1,466,238	0.00%	0.00%	50.79%	744,702	-	744,702
53	1227 SS Dallas Customer Program Management	894,578	1,195,631	2,090,209	2,090,209	41.07%	41.07%	50.79%	1,061,617	436,032	625,585
54	1228 SS Dallas Customer Revenue Management	2,309,972	1,838,970	4,148,942	4,148,942	0.00%	0.00%	50.79%	2,107,248	-	2,107,248
55	1401 SS Dallas Employment & Employee Relations	629,253	506,767	1,136,019	1,136,019	0.00%	0.00%	38.72%	439,867	-	439,867
56	1402 SS Dallas Executive Compensation	-	275,897	275,897	275,897	0.00%	0.00%	37.60%	103,737	-	103,737
57	1403 SS Dallas Human Resources - Vice Pres	515,684	613,818	1,129,502	1,129,502	58.49%	58.49%	37.60%	424,693	248,422	176,271
58	1405 SS Dallas Compensation & Benefits	760,287	836,122	1,596,409	1,596,409	0.00%	0.00%	38.72%	618,130	-	618,130
59	1407 SS Dallas Facilities	450,996	779,031	1,230,027	1,230,027	36.00%	36.00%	37.60%	462,490	166,496	295,994
60	1408 SS Dallas Employee Development	974,070	1,294,085	2,268,156	2,268,156	0.00%	0.00%	37.60%	852,827	-	852,827
61	1410 SS Dallas Corporate Development	65,365	(205,885)	(140,519)	(140,519)	0.00%	0.00%	37.60%	(52,835)	-	(52,835)
62	1414 SS Tech Training Delivery	752,600	793,330	1,545,930	1,545,930	0.00%	0.00%	38.72%	598,584	-	598,584
63	1415 SS Tech Training Prog & Curriculum	170,489	69,753	240,243	240,243	0.00%	0.00%	38.72%	93,022	-	93,022
64	1420 SS Dallas EAPC	-	53,212	53,212	53,212	0.00%	0.00%	37.60%	20,008	-	20,008
65	1463 SS HR Benefit Variance	-	101,642	101,642	101,642	15.21%	15.21%	37.60%	38,217	6,541	31,677
66	1501 SS Corporate Legal	1,907,448	2,112,894	4,020,342	4,020,342	41.87%	41.87%	37.60%	1,511,648	632,920	878,729
67	1502 SS Corporate Secretary	122,764	1,690,307	1,813,071	1,813,071	0.00%	0.00%	37.60%	681,715	-	681,715
68	1503 SS Corporate Governmental Affairs	309,105	334,227	643,332	643,332	0.00%	0.00%	38.72%	249,098	-	249,098
69	1504 SS Corporate Central Records	76,132	407,479	483,611	483,611	58.49%	58.49%	38.72%	187,254	109,533	77,721

ATMOS ENERGY CORP., MID-TEX DIVISION
SHARED SERVICES ("SSU") SERVICE-LEVEL FACTORS ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2011

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Line No.	Description (a)	Per Book SSU O&M (Labor)		Per Book SSU O&M (Non-Labor)	Total Per Book SSU O&M Exp		FY12 Capitalization Rate (Labor Exp)	FY12 Capitalization Rate (Non-Labor Exp)	Four-Factor Allocation Factor (2), (3)	Total	SSU Allocated to Capital (4)	Expense Allocated to Mid-Tex (j) = (h) - (i)
		(b)	(c)		(d) = (b) + (c)	(e)						
70	1505 SS Corporate Gas Contract Administration	127,307	103,518	230,825	0.00%	0.00%	0.00%	0.00%	38.72%	89,375	-	89,375
71	1508 SS Corporate Energy Assistance	299,811	262,494	562,305	0.00%	0.00%	0.00%	0.00%	45.38%	255,174	-	255,174
72	1821 SS Gas Supply Executive	276,895	193,156	470,051	0.00%	0.00%	0.00%	0.00%	38.52%	181,064	-	181,064
73	1822 SS Dallas-Regional Gas Supply	146,698	85,079	231,777	0.00%	0.00%	0.00%	0.00%	82.89%	192,120	-	192,120
74	1823 SS Dallas Gas Contract Admin	316,789	143,266	460,056	0.00%	0.00%	0.00%	0.00%	38.72%	178,133	-	178,133
75	1825 SS Franklin-Gas Control & Storage	223,677	122,312	345,989	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-
76	1826 SS New Orleans Gas Supply & Service	46,560	268,071	314,631	0.00%	0.00%	0.00%	0.00%	0.00%	142,780	-	142,780
77	1827 SS Regional Supply Planning	218,877	158,314	377,191	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-
78	1828 SS Jackson-West Region Gas Supply & Services	86,771	70,116	156,887	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-
79	1829 SS Franklin-East Region Gas Supply & Services	-	41,405	41,405	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-
80	1831 SS Dallas Gas Supply	94,046	71,991	166,036	0.00%	0.00%	0.00%	0.00%	100.00%	166,036	-	166,036
81	1832 SS Dallas-Supply Planning	-	10,182	10,182	0.00%	0.00%	0.00%	0.00%	100.00%	10,182	-	10,182
82	1833 SS Dallas-Corporate Gas Supply Risk Mgmt	89,205	63,106	152,314	0.00%	0.00%	0.00%	0.00%	0.00%	69,120	-	69,120
83	1835 SS Franklin Gas Control	675,531	498,883	1,174,415	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-
84	1836 SS TBS-System Support	222,529	130,714	353,244	0.00%	0.00%	0.00%	0.00%	38.52%	136,069	-	136,069
85	1837 SS TBS-Application Support	669,681	280,670	950,351	0.00%	0.00%	0.00%	0.00%	38.52%	366,075	-	366,075
86	1838 SS TBS-Technical Support	421,726	226,005	647,731	0.00%	0.00%	0.00%	0.00%	38.52%	249,506	-	249,506
87	1839 SS TBS-Transportation & Scheduling	194,829	81,832	276,661	0.00%	0.00%	0.00%	0.00%	38.52%	106,570	-	106,570
88	1901 SS Dallas Employee Relocation Exp (Div 02) (6)	188,262	329,832	518,094	0.00%	0.00%	0.00%	0.00%	37.60%	194,803	-	194,803
89	1901 SS Dallas Employee Relocation Exp (Div 12) (6)	82,001	27,880	109,881	0.00%	0.00%	0.00%	0.00%	50.79%	55,809	-	55,809
90	1903 SS Dallas Controller - Miscellaneous (1)	-	(3,349)	(3,349)	0.00%	0.00%	0.00%	0.00%	37.60%	(1,259)	-	(1,259)
91	1904 SS Dallas Performance Plan (5)	-	5,569,561	5,569,561	36.30%	36.30%	36.30%	36.30%	0.00%	-	-	-
92	1905 SS Outside Director Retirement Cost	-	1,415,134	1,415,134	0.00%	0.00%	0.00%	0.00%	37.60%	532,091	-	532,091
93	1908 SS Dallas SEBP (5)	-	8,072,404	8,072,404	0.00%	0.00%	0.00%	0.00%	-	-	-	-
94	1910 SS Dallas Overhead Capitalized (4)	-	(38,579,953)	(38,579,953)	0.00%	0.00%	0.00%	0.00%	40.54%	-	-	-
95	1913 SS Dallas Fleet Management	310,589	122,892	433,481	49.35%	49.35%	49.35%	49.35%	38.72%	167,844	82,832	85,011
96	1915 SS Dallas Insurance	-	11,415,475	11,415,475	0.00%	0.00%	0.00%	0.00%	58.49%	4,292,218	2,510,712	1,781,506
97	TOTAL (Sum Ln 1 through Ln 96)	\$ 55,844,579	\$ 53,420,588	\$ 109,265,167					37.60%	\$ 55,666,887	\$ 13,728,928	\$ 41,937,959
98	Allocated Shared Services O&M to Mid-Tex Division											
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101	Total Adjustment to Account 922 (Ln 97 minus Ln 99)											
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Notes:
 1. \$(4,087,701) of Cost Center 1903 was not allocated during the test period. The per book amount to allocate has been increased by this amount.
 2. Factors are displayed only if applicable to Mid-Tex.
 3. Based on FY12 factors, adjusted to the four-factor formula including Operating Income. The four-factor formula calculation does not include the states of Iowa, Illinois and Missouri.
 4. The Total represents the amount that would be credited from Cost Center 1910.
 5. Allocation percentages have been set to zero to align with GUD 9869 for cost centers 1132, 1904 and 1908. Cost center 1350 is no longer active. All costs in cost center 1507 are below the line.
 6. Cost center 1901 expenses have been divided between General Office (Div 002) and Customer Support (Div 012) and separately allocated.

ATMOS ENERGY CORP., MID-TEX DIVISION
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Division (1)	Cost Center/Description (b)	Cost Center Function (c)
1	002	1001 SS Dallas Chairman & CEO	Costs associated with the Chairman, President and CEO
2	002	1101 SS Dallas Chief Financial Officer	Costs associated with the CFO
3	002	1105 SS Dallas Audit	Costs associated with Internal Audit services provided by KPMG
4	002	1106 SS Dallas Treasurer	Costs associated with the VP, Treasurer who manages Treasury, Procurement and Risk Management. The Treasurer supports the overall financing needs of the Company for both O&M and capital projects.
5	002	1107 SS Dallas Treasury	Costs associated with treasury operations
6	002	1108 SS Dallas Risk Management	Costs associated with insurance and risk management
7	002	1110 SS Dallas Procurement	Costs with associated with purchasing and mail room activities
8	002	1111 SS Dallas Purchasing	Costs associated with procurement activities
9	002	1112 SS Dallas Mail & Supply	Costs associated with mail services at the Dallas corporate office
10	002	1114 SS Dallas Vice Pres & Controller	Costs associated with the VP, Controller
11	002	1116 SS Dallas Taxation	Costs associated with management of Income Tax and Property & Sales Tax departments
12	002	1117 SS Dallas Acctg Services	Costs associated with management of General Accounting, Accounts Payable, Plant Accounting and Payroll departments
13	002	1118 SS Dallas Supply Chain	Costs associated with inventory management
14	002	1119 SS Dallas General Accounting	Costs associated with maintaining the general books and records of the Company
15	002	1120 SS Dallas Accounts Payable	Costs associated with the processing and payment of the Company's bills
16	002	1121 SS Dallas Plant Accounting	Costs associated with the recordkeeping for the Company's fixed assets
17	002	1123 SS Dallas Gas Accounting	Costs associated with the management of Gas Purchase Accounting, Revenue Accounting and Rate Administration departments
18	002	1125 SS Dallas Financial Reporting	Costs associated with the preparation and distribution of both internal and external reporting
19	002	1126 SS Dallas Payroll	Costs associated with paying the Company's employees
20	002	1128 SS Dallas Property & Sales Tax	Costs associated with the management and handling of the Company's property and sales tax activities
21	002	1129 SS Dallas Income Tax	Costs associated with the processing of the Company's income taxes
22	002	1130 SS Dallas Business Planning and Analysis	Costs associated with the planning and budgeting activities of the Company
23	002	1132 SS Dallas Investor Relations	<p>Performs a number of significant activities directly related to attracting capital investment and maintaining important relationships with the investing community. Such activities include, but are not limited to:</p> <ol style="list-style-type: none"> 1.) Accompanying executive management at all discussions with the investing public and financial press to maintain compliance with SEC Regulation FD, applicable to all publicly traded companies. 2.) Initiating, building and maintaining relationships with the financial analyst community and individual investors, as well as serving as the first point of contact between the Company and institutional and individual investors 3.) Preparing and presenting financial presentations throughout the year as needed and overseeing the issuance of financial press releases at least four times per year to report and explain the financial performance of the Company. 4.) Keeping executive management apprised of investor opinions and concerns. 5.) Reviewing research reports submitted by analysts and providing accurate feedback to foster reporting accuracy. 6.) Maintaining knowledge of other companies that are considered to be Atmos Energy's peers. 7.) Providing management and the Company's Board of Directors with information regarding developments in the financial markets and perceptions of investors that may have use in formulating the Company's long and short-term practices and policies. 8.) Serving on the Company's 7-member Financial Information Committee to review all SEC filings to ensure appropriate and accurate disclosures are made. 9.) Providing input and guidance on the design and production of the annual report to shareholders. 10.) Overseeing the Stock Transfer Agent's administration of the Company's Direct Stock Purchase Plan and Dividend Reinvestment Plan, as well as ongoing plan redesign to ensure best practices. <p>Providing investors with reliable, comprehensive information about the Company is a critical step in attracting equity investment capital. This information may be especially important in attracting non-institutional equity investors who do not have access to the range of analysts' reports, and attracting such investment has both near-term and longer-term direct benefits to the Company. The near-term benefits result from rising equity prices, which immediately translate to lower cost common equity, and ultimately ratemaking benefits through lower rates. For example, increased investment and higher equity prices lowers the yield calculation, as shown in the common Discounted Cash Flow formulation of the cost of capital. In a similar vein, the longer-term benefits derive from providing lower cost equity to maintain and expand the utility system.</p>

**ATMOS ENERGY CORP., MID-TEX DIVISION
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING SEPTEMBER 30, 2011**

Line No.	Division (1)	Cost Center/Description (b)	Cost Center Function (c)
24	002	1133 SS Dallas Corporate Communications	Costs associated with internal and external corporate communications including the annual report to shareholders.
25	002	1134 SS Dallas IT	Costs associated with the VP, CIO who manages all IT functions
26	002	1135 SS Dallas IT Application Support	Costs associated with the maintenance and support of the Company's information systems (software)
	002	1137 SS Dallas IT Operations	Costs associated with the maintenance and support of the Company's data center. Purpose is to provide operational services including the network operations center, data center operations, helpdesk, desktop support and security administration. The cost center supports hardware maintenance and software maintenance (for infrastructure items).
27	002	1139 SS Dallas IT Telecommunications	Costs associated with the negotiation and management of Telcom contracts and services including data and voice networks, long distance, maintenance of phone switches, cell phones, and management of radio licenses. This cost center was created to provide greater visibility into the costs of telecommunication services. This cost center tracks activities related to the management of office phones and mobile phones as well as fees to service providers such as AT&T. These activities were previously performed in each department's individual cost centers.
28	002	1141 SS Dallas Gas Purchase Accounting	Costs associated with the accounting for the utility's gas purchases
29	002	1144 SS Dallas Rate Administration	Costs associated with filing PGA, tariffs and recovering gas costs
30	002	1145 SS Dallas Revenue Accounting	Costs associated with the accounting for the utility's revenues
31	002	1146 SS Dallas IT Enterprise Solutions	Project management office for IT projects. To develop and deploy new software technical solutions to the Company. Costs in this center include internal and contractor labor, business systems projects, planning and overseeing development of IT projects and hardware and software.
32	002	1150 SS Dallas Strategic Planning	Costs associated with the VP, Strategic Planning who manages Business Planning & Analysis and Rates
33	002	1153 SS Dallas Distribution Acctg	Costs associated with gas accounting for the Mid-Tex Division
34	002	1154 SS Dallas Rates & Regulatory	Costs associated with rate case and regulatory work. Purpose is to manage the Company's rate strategy for regulated rates as well as the rate and regulatory activity for Atmos' twelve state operating area. The primary activity is the establishment of base rates through rate cases or formula ratemaking mechanisms. The department currently has approximately twenty-eight base rate case filings or formula mechanisms to manage in order to effect rate changes in its various jurisdictions as well as numerous monthly, quarterly and annual reports to meet reporting requirements.
35	002	1155 SS Dallas Texas Gas Pipeline Acctg	Costs associated with accounting for the Texas Gas Pipeline System
36	012	1156 SS Dal-IT Customer Svc Support	Costs associated with resources focusing on supporting Customer Service technologies
37	012	1158 SS CCC IT Support	Costs associated with supporting the IT activities in the Customer Contact Centers. Supports both the Amarillo and Waco customer contact centers, providing telephone and IT support for our contact centers. Costs in this center include labor and related expenses, hardware maintenance and software maintenance for call center equipment and software, and telephone access charges (not long distance).
38	002	1159 SS Dallas Director Technical Training	Costs associated with the planning, development and management of the Company's technical training activities. Provides oversight of technical training for the regulated divisions of the Company. Costs in this center include labor and related expenses plus the technical training materials given to students. The new Technical Training Organization provides safety training including the recent DOT mandated Operator Qualification training to all of the utility employees for Atmos Energy. The technical training for all Atmos utility divisions, including Mid-Tex, is now managed from the Shared Services organization.
39	002	1161 SS Dallas Benefits & Payroll Acctg	Costs associated with management of payroll and benefits departments
40	002	1165 SS Dallas IT Production Services & Support	Costs associated with providing direction for the production and support of all enterprise systems including supporting apps like Advantage and the Oracle Financial / HR system. This cost center was created to provide greater visibility into the costs of supporting existing computer applications. This cost center tracks activities related to management and quality assurance.
41	002	1171 SS Dallas Regulatory Accounting	Costs associated with regulatory accounting work on rate cases, special studies and other Commission requests. This cost center was created to clearly identify personnel who devote their time to working on the regulatory accounting side of the business on rate cases, special studies, and other commission requests such as documenting the Company's cost allocation methodologies.
42	002	1201 SS Dallas President & COO	Costs associated with the SVP, Utility Operations
43	012	1203 SS Amarillo Customer Support Center	Costs associated with the operations of the Customer Support Center
44	002	1209 SS Dallas Safety & Compliance	Costs associated with the VP, Security & Compliance
45	012	1210 SS Waco Customer Support Center	Costs associated with the operations of the Customer Support Center
46	012	1212 SS CSC-Customer Contact Management	Costs associated with both the Waco and Amarillo Customer Support Centers that are not specifically assigned to either support center.
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ATMOS ENERGY CORP., MID-TEX DIVISION
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Division (1)	(a)	(b)	Cost Center/Description	(c)	Cost Center Function
48	012		1213 SS Dallas Quality Assurance		Costs associated with monitoring calls to ensure customers are given correct information and that the correct processes and procedures are followed.	
49	012		1214 SS Dallas Workforce Management		Costs associated with forecasting call volume and scheduling agents to ensure we have people available to answer calls	
50	012		1215 SS Dispatch Operations		Service Orders to Service techs for emergency calls and same day service. To alert first responders of emergency situations and to communicate service order information to the approximately 750 service technicians throughout the regulated divisions. Costs in this center include the labor and related expenses to staff the dispatch function twenty-four hours a day as well as building maintenance and telecom costs.	
51	012		1225 SS Dallas Regulated Operations		Costs of management for coordination of enterprise-wide utility operations projects	
52	012		1226 SS Dallas Customer Service		Costs of management and administration of customer service organization (revenue management, customer contact and program development). Includes overall CSO management and administration, Regulated Operations initiatives and CSO human resources. CSO management and CSO human resources provide support to the contact centers as well as other CSO departments.	
53	012		1227 SS Dallas Customer Program Management		Costs of managing ongoing customer service measurement, quality assurance, continuous improvements and resolution of escalated customer complaints. Purpose is the continuous improvement function within customer service. The group monitors customer satisfaction including the ongoing customer survey to identify opportunities for improvement. The Customer Program Management group also performs user acceptance testing on changes to customer systems to help ensure functional requirements are met.	
54	012		1228 SS Dallas Customer Revenue Management		Costs associated with managing customer revenue functions of Payment Applications, Billing, Billing Systems and Collections. This cost center is for the Director of Revenue Management and the Energy Assistance Program Specialist. The director is responsible for the centers of Payment Applications (1109), Billing Services (1115), Revenue System Support (1148) and Collections (1200). These centers provide day-to-day support and transaction processing for customers in all states served by Atmos. Also, the coordination in all 12 states of Atmos' energy assistance programs is overseen in this area.	
55	002		1401 SS Dallas Employment & Employee Relations		Costs associated with recruiting, union negotiations, and maintenance of HR employee data base. Purpose is to develop, implement and administer employment related activities for the enterprise including: employee relations, labor relations, human resource management systems, corporate compliance, AA/EEO and all other components of employment. Costs charged to this cost center include labor and related expenses, software maintenance, professional association dues, contract labor, legal fees and professional reference books. These costs are a necessary component to providing human resource services to our employees and as such are reasonable and necessary to the provision of safe and reliable service.	
56	002		1402 SS Dallas Executive Compensation		Costs associated with the compensation committee of the Board of Directors. Costs incurred for executive compensation work for the Human Resources Committee of the Atmos Energy Board of Directors. Also included are costs related to corporate officer annual physical exams paid by the Company. These costs are a necessary component of providing human resource services to the corporate officers that are necessary for the provision of safe and reliable service.	
57	002		1403 SS Dallas Human Resources - Vice Pres		Costs associated with the VP, Human Resources	
58	002		1405 SS Dallas Compensation & Benefits		Costs associated with the management of the Company's compensation and benefit plans. The purpose is to ensure Atmos provides its employees the most cost effective pay and benefit plans that are 1) competitive within the utility sector and general industry overall, and 2) consistently applied to all nonunion employees regardless of where they work, unless the union has bargained for these benefits. Specifically, this cost center is accountable for: Group Medical Plan and Retiree Medical Plan; Group Dental Plan; Employee Assistance Plan; Group Life Insurance Plan; Optional Life Insurance Coverage (Group Variable Universal Life, Dependent Spouse and Child(ren)); Flexible Benefits Plan; Business Travel & Accident Insurance; Service Awards Program; Two Defined Contribution Plans (DC); Two Defined Benefit Plans (DB); The Master Trust (holds assets of the two DB plans); Taxable and Tax Exempt VEBA Trusts; Pension Payments to 1,500 retirees; Collection of Retiree Medical Contributions; Workers' Compensation; Group Long-Term Disability Plan; Short-Term Disability; Family Medical Leave; and Compensation Administration (Executive and Non-Executive). Costs specifically charged to this cost center are: Compensation and Benefits Costs for employees assigned to this cost center; Service Awards Program for Shared Services; Compensation Consulting Costs and Compensation Surveys; Training Costs for assigned employees; and Business Travel and Accident Insurance Policy for all of Atmos. These costs are a necessary component to providing human resource services to our employees and as such are reasonable and necessary to the provision of safe and reliable service.	
59	002		1407 SS Dallas Facilities		Costs associated with the management of the Company's facilities (offices)	

ATMOS ENERGY CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Division (1)	(a)	(b)	Cost Center/Description	(c)	Cost Center Function
61	002	1408	SS Dallas Employee Development		Costs associated with designing, developing and implementing training and development opportunities for all employees in areas of customer service, leadership, culture shaping and communication. All training and development costs including those that go into the development and delivery of training programs or participant manuals go into this cost center. This cost center also provides training and development support to both customer support centers and all divisions.	
62	002	1410	SS Dallas Corporate Development		Costs associated with developing and implementing a strategy to identify and evaluate opportunities to grow the Company both internally and externally.	
63	002	1414	SS Tech Training Delivery		Costs associated with technical training delivery	
64	002	1415	SS Tech Training Prog & Curriculum		Costs associated with the Shared Services Employee Activities Planning Committee (EAPC). This committee organizes various Dallas employee-related team building activities throughout the year, including the Company's Lincoln Center United Way campaign. This includes meals incurred by the EAPC as well as office supplies and materials. This does not include employee compensation for their work on the EAPC. These costs are a necessary component to providing human resource services to our employees and as such are reasonable and necessary to the provision of safe and reliable service.	
65	002	1463	SS HR Benefit Variance		Used to accumulate the differences between the actual cost of employee benefits and the budgeted benefits rate	
66	002	1501	SS Dallas Legal		Costs associated with the VP, General Counsel	
67	002	1502	SS Dallas Corporate Secretary		Costs associated with the Corporate Secretary and the Board of Directors. Costs such as Director's fees, board meeting expenses, proxy solicitation expenses and NYSE fees are recorded in this cost center.	
68	002	1503	SS Dallas Governmental Affairs		Costs associated with governmental relations	
69						

ATMOS ENERGY CORP., MID-TEX DIVISION
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Division (1)	Cost Center/Description (b)	Cost Center Function (c)
70	002	1504 SS Dallas Central Records	Costs associated with the storage and maintenance of Company records
71	002	1505 SS Dallas Gas Contract Admin	Costs associated with maintaining and administering the Company's gas contracts
	002	1508 SS Corporate Energy Assistance	Planning, organizing, developing, monitoring and overseeing all aspects of the company's new Energy Assistance and Customer Advocacy Program. The focus of the program will be on meeting the needs of the company's low-income, elderly and disabled customers by working with help agencies across the enterprise to secure federal and state funding for bill payments and home weatherization
72			
73	002	1821 SS Gas Supply Executive	Costs associated with the VP Gas Supply
74	002	1822 SS Dallas-Regional Gas Supply	Costs associated with the management of the Regional Supply department
75	002	1823 SS Dallas Gas Contract Admin	Costs associated with maintaining and administering the Company's gas contracts
76	002	1825 SS Franklin-Gas Control & Storage	Costs associated with the Manager of Gas Control for all areas excluding Mid-Tex
77	002	1826 SS New Orleans Gas Supply & Services	Costs associated with the Director of all the Gas Supply, Planning & Hedging departments.
78	002	1827 SS Regional Supply Planning	Costs associated with the management of the Regional Supply Planning department except for Mid-Tex
79	002	1828 SS Jackson-West Region Gas Supply & Services	Costs associated with the management of the Jackson Gas Supply and Services department
80	002	1829 SS Franklin-East Region Gas Supply & Services	Costs associated with the management of the Franklin Gas Supply and Services department. Region includes KY/Mid-States
81	002	1831 SS Dallas Gas Supply	Costs associated with the management of the Gas Supply department
82	002	1832 SS Dallas-Supply Planning	Costs associated with the management of the Gas Supply Planning department
	002	1833 SS Dallas-Corporate Gas Supply Risk Mgmt	Costs associated with the management of the Hedging Administration for all regions. The timing of the fixed physical purchases, and support for fixed purchase plans are services provided by this cost center.
83			
84	002	1835 SS Franklin Gas Control	Costs associated with operating the gas control system in Franklin Tennessee for all areas excluding Mid-Tex
	002	1836 SS TBS-System Support	Software platform organization utilized to capture gas supply transactions including purchases and transportation activities. To provide support for the Transportation Billing System ("TBS") applications and related processes. The TBS Suite enables divisions to perform gas scheduling and complex billing functions for transportation and industrial sales customers, and provides support for those systems. Cost Center 1836 is the overall management of the TBS group. Costs in these centers include Company labor and related expenses as well as software maintenance fees, contract labor and tools to support the TBS system application.
85	002	1837 SS TBS-Application Support	User interface support including training for the TBS system. To provide support for the Transportation Billing System ("TBS") applications and related processes. The TBS Suite enables divisions to perform gas scheduling and complex billing functions for transportation and industrial sales customers, and provides support for those systems. Cost Center 1837 is the application support group that works with end users and is also responsible for loading contract change data into the application. Costs in these centers include Company labor and related expenses as well as software maintenance fees, contract labor and tools to support the TBS system application.
86	002	1838 SS TBS-Technical Support	Provide technical support for the TBS suite. To provide support for the Transportation Billing System ("TBS") applications and related processes. The TBS Suite enables divisions to perform gas scheduling and complex billing functions for transportation and industrial sales customers, and provides support for those systems. Cost Center 1838 is the Technical Support group which is responsible for polling all of the electronic meters as well as providing programming support to the TBS application. Costs in these centers include Company labor and related expenses as well as software maintenance fees, contract labor and tools to support the TBS system application.
87	002	1839 SS TBS-Transportation & Scheduling	Provide transportation, nomination & scheduling services to the divisions using TBS; to provide support for the Transportation Billing System ("TBS") applications and related processes. The TBS Suite enables divisions to perform gas scheduling and complex billing functions for transportation and industrial sales customers, and provides support for those systems. Cost Center 1839 is the Scheduling Group for the Atmos Utility Divisions. Costs in these centers include Company labor and related expenses as well as software maintenance fees, contract labor and tools to support the TBS system application.
88	002/012	1901 SS Dallas Employee Relocation Exp	Used to accumulate costs associated with the relocation of employees to Shared Services. Charges include transportation of household goods, closing costs, incidentals, etc.
89	002	1903 SS Dallas Controller - Misc.	Used to accumulate costs which do not specifically relate to another SS Cost Center
90	002	1904 SS Dallas Performance Plan	Costs of the Management Incentive Plan ("MIP") and Variable Payment Plan ("VPP") for individuals in Shared Service Cost Centers. The two plans are intended to provide the Company a means by which it can engender and sustain a sense of personal commitment on the part of its employees (through the VPP) and its executives and senior managers (through the MIP) in the continued growth, development, and financial success of the Company and encourage them to remain with and devote their best efforts to the business of the Company, thereby advancing the interests of the Company and its shareholders. Accordingly, the Company may award to employees, executives and senior managers the respective annual incentive compensation.
91			

ATMOS ENERGY CORP., MID-TEX DIVISION
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Division (1)	Cost Center/Description (b)	Cost Center Function (c)
002	1905	SS Outside Director Retirement	Cost Accrued retirement costs for the non-employee members of the Board of Directors. Cost associated with the annual grant of share units to non-employee directors for their service on the Board of Directors. Like all publicly held corporations, Atmos has a board of directors, and the activities of the board benefit the Company and its customers as a whole. These directors require compensation. Part of the compensation package includes annual grants of shares of the Company's stock. The expense recorded in this cost center is not invoiced from a third-party. Rather, it is calculated in accordance with the provisions of Statement of Financial Accounting Standard No. 123(R). Accounting for Stock-Based Compensation. Essentially, this standard requires shared-based compensation to be recognized over the requisite service period. The amount of the compensation cost recorded in this cost center is based upon the number of shares granted and the grant date fair value of the stock award.
002	1908	SS Dallas SEBP	Atmos Energy Corporation has implemented and maintained over the past years a supplemental executive retirement plan as an integral part of its executive compensation program. There are currently three SERP plans in which active corporate officers participate. The SEBP is currently closed to new membership; only employees promoted to or directly appointed to a Management Committee level job are eligible to join the SERP. An account based SERP is now in place to which newly appointed corporate officers are eligible. The SERP has been instrumental in helping the Company to attract, motivate, and retain a high quality senior management team responsible for the leadership of the Atmos organization.
002	1910	SS Dallas Overhead Capitalized	To capture the cost associated with these plans, Cost Center 1908 has been established. Annuity benefits from the SEBP and SERP are funded through Rabbi Trusts maintained at State Street Trust and lump sum benefits from the SEBP, SERP and Account Based SERP are paid from Corporate assets. Atmos Energy's Company-Owned Life Insurance (COLI) which is a funding vehicle for benefits paid to former officers who receive an annuity benefit paid out of Corporate assets. The COLI reimburses Atmos for these annuity benefits. The SFAS 87 expense related to these annuity benefits is charged to the respective division where the former Corporate officer retired. The SFAS 87 expense for current retired SEBP and SERP participants, the management committee and current active Corporate officers is also accounted for in Cost Center 1908. The SFAS 87 expense for the SEBP and SERP is actuarially determined by an independent third-party actuary in accordance with SFAS 87.
002	1913	SS Dallas Fleet Management	The COLI policies were executed on certain executives (now retired) in prior years and are being phased out. Currently, no new policies are being executed. Finally, this Cost Center is used to record the independent actuary's cost to perform the annual SFAS 87 and SFAS 106 calculations required for Atmos Energy's SEC filings. This includes third-party costs associated with the administration of the SEBP (Haynes Boone, State Street, Towers Watson, LCG Associates). These costs are part of the overall executive compensation plan and are not incentive compensation.
002	1915	SS Dallas Insurance	Represents the portion of Shared Services that is capitalized through the overhead pool throughout the year. Capitalization rates are based on estimated support of capital activities by each cost center.
			Costs associated with managing Atmos' vehicle fleet
			Used for booking property insurance costs related to Shared Services.

Note:

1. Division 002 represents the General Office and Division 012 represents Customer Support.

ATMOS ENERGY CORP., MID-TEX DIVISION
MISCELLANEOUS ADJUSTMENTS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Footnote Reference (b)	FERC Account (c)	Amounts (d)	Adjustment Amount (e)
Miscellaneous Adjustments Mid-Tex					
1	Accrual of Lutrell reserve liability	(1)	925	\$ (1,000,000)	
2	Expenses incurred in various proceedings	(2)	923	(846,278)	
3	Contract Labor Insourcing	(3)	923	(23,366)	
4	Lutrell Incident Expenses	(1)	923	471,962	
5	Lutrell Incident Expenses	(1)	925	(125,000)	
6	Pension and Other Postemployment Benefits Regulatory Asset Amortization	(6)	926	195,491	
7	900 Account Review	(5)	910	(26,920)	
8	900 Account Review	(5)	913	(47,918)	
9	900 Account Review	(5)	916	(375)	
10	5400 Account Review	(4)	870	(2,197)	
11	5400 Account Review	(4)	874	(6)	
12	5400 Account Review	(4)	880	(9,498)	
13	5400 Account Review	(4)	889	(112)	
14	5400 Account Review	(4)	902	(131)	
15	5400 Account Review	(4)	910	(6,437)	
16	5400 Account Review	(4)	913	(16,959)	
17	5400 Account Review	(4)	921	(154,075)	
18	5400 Account Review	(4)	925	(1,536)	
19	Total (Sum Ln 1 through Ln 18)			<u>\$ (1,593,355)</u>	
20					
Miscellaneous Adjustments Shared Services					
21					
22	5400 Account Review General Office	(4)	922	\$ (23,214)	
23	5400 Account Review Customer Service	(4)	922	(5,479)	
24	Contract Labor Insourcing	(3)	922	(17,339)	
25	900 Account Review General Office	(5)	922	(33,831)	
26	Amarillo Call Center Lease Termination	(7)	922	(208,742)	
27	SSU MIP/VPP in cost centers other than 1904	(8)	922	(15,099)	
28	SEBP in cost center 1402	(9)	922	(15,685)	
29	Total (Sum Ln 22 through Ln 28)			<u>\$ (319,389)</u>	
30					
31	Total Miscellaneous Adjustments (Ln 19 plus Ln 28)			<u>\$ (1,912,744)</u>	

ATMOS ENERGY CORP., MID-TEX DIVISION
 MISCELLANEOUS ADJUSTMENTS
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Footnote Reference (b)	FERC Account (c)	Amounts (d)	Adjustment Amount (e)
32	Notes:				
33	1. The recording of the Luttrell incident \$1 million liability and the expenses that exceed the \$1 million liability, which are subject to insurance recovery.				
34	2. Expenses related to Company rate proceedings the Company reasonably expects to be recovered in other proceedings or did not seek recovery.				
35	3. Removal of contract labor expense for positions that were insured by the end of the test year.				
36	4. O&M expenses recorded in sub accounts 05400-05499 and 7590 that are being voluntarily removed by the Company, and include items such as alcohol and meals greater than \$25. Any adjustments in sub accounts 05415, 05416, 05417 and 07510 are shown on WP_F-2.10.				
37	5. O&M expenses recorded to FERC accounts 905, 907-913, 916, 923-926, 928, 930.1, 930.2 and 932 that are being voluntarily removed by the Company and include items such as meals greater than \$25, alcohol, other controversial items and non-recurring expenses.				
38	6. Adjustment to include the annual amortization of the Pension and Other Postemployment Benefits Regulatory Asset. Please see WP_B-7.				
39	7. Remove Amarillo Contact Center lease expense for the test year as the building was replaced by new construction.				
40	8. Remove MIP/PPP expense recorded to cost centers other than 1904 which is removed on WP_F-2.7.				
41	9. Remove SEBP expense recorded to cost centers other than 1908 which is removed on WP_F-2.7.				

ATMOS ENERGY CORP., MID-TEX DIVISION
UNCOLLECTIBLE EXPENSE ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	FERC Account (b)	Per Books Amount (c)	Adjusted Cost (1) (d)	Adjustment Amount (e)
1	Total Uncollectible Expense				
2		904	\$ 1,184,734	\$ 3,589,132	\$ 2,404,398
3					

Note:

1. The calculation of the adjusted uncollectible expense is shown on Page 2.

ATMOS ENERGY CORP., MID-TEX DIVISION
 UNCOLLECTIBLE EXPENSE ADJUSTMENT CALCULATION FOR RIDER GCR PART A
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Calculated Amounts (b)
1	Proposed Total Revenue Requirement - Schedule A	\$ 1,274,247,490
2	Per Book Uncollectible Experience Rate (1)	0.523%
3	Estimated Total Uncollectible Expense	
4	(Ln 1 times Ln 2) (2)	\$ 6,665,300
5	Proposed Revenue Requirement - Rider GCR Part A (3)	\$ 588,090,591
6	Per Book Uncollectible Experience Rate (1)	0.523%
7	Estimated Uncollectible Expense - Rider GCR Part A	
8	(Ln 5 times Ln 6)	\$ 3,076,169
9	Proposed Uncollectible Expense excluding Rider GCR	
10	Part A Component (Ln 3 minus Ln 7)	\$ 3,589,132

Notes:

- The experience rate was calculated using the 3-year average of actual net charge-offs, fiscal years 2009 through 2011, the method established in GUD 9670 and used in GUD 9869.
- The estimated Uncollectible Expense on Ln 3 has been calculated using the method established in GUD 9670.
- The amount is from Cost of Service Schedule A, Page 2 of 2, Col. (e) Ln 2.

ATMOS ENERGY CORP., MID-TEX DIVISION
 RULE COMPLIANCE ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Rule (1) (b)	FERC Account (c)	Cost Center (d)	Amount (e)	Allocation Factor (f)	Expense Factor (g)	Total Adjustment (h)
Mid-Tex:								
1	Nondeductible Dues/Donations	7.5414	870		\$ (800)	100%		\$ (800)
2	Nondeductible Dues/Donations	7.5414	874		-	100%		-
3	Nondeductible Dues/Donations	7.5414	880		(237)	100%		(237)
4	Nondeductible Dues/Donations	7.5414	910		(2,330)	100%		(2,330)
5	Nondeductible Dues/Donations	7.5414	912		-	100%		-
6	Nondeductible Dues/Donations	7.5414	913		-	100%		-
7	Nondeductible Dues/Donations	7.5414	921		-	100%		-
8	Nondeductible Dues/Donations	7.5414	930.2		(51,288)	100%		(51,288)
9	Nondeductible Dues/Donations	7.5414	931		-	100%		-
10	Total (Sum Ln 1 to Ln 9)				<u>\$ (54,655)</u>			<u>\$ (54,655)</u>
11								
Shared Services:								
12	Nondeductible Dues/Donations	7.5414	922	1128	\$ (1,450)	37.60%	93.13%	\$ (508)
13	Nondeductible Dues/Donations	7.5414	922	1154	(50)	38.72%	39.14%	(8)
14	Nondeductible Dues/Donations	7.5414	922	1203	(390)	50.79%	84.50%	(167)
15	Nondeductible Dues/Donations	7.5414	922	1501	(225)	37.60%	58.13%	(49)
16	Nondeductible Dues/Donations	7.5414	922		<u>(2,115)</u>			<u>(732)</u>
17	Total (Sum Ln 13 to Ln 16)				<u>\$ (2,115)</u>			<u>\$ (732)</u>
18								
19	Total Rule Compliance (Ln 10 plus Ln 17)							<u>\$ (55,387)</u>
20								

Notes:
 1. Expenses in the test year related to sub-accounts 05415, 05416, 05417 and 07510.
 2. In compliance with Rule No. 7.501, the Company advises that \$526,719 expenses for Legislative Advocacy were recorded in Account 426.4 during calendar year 2009, and \$542,007 recorded in fiscal year 2011.

ATMOS ENERGY CORP., MID-TEX DIVISION
RULE COMPLIANCE, 7.5414, ADJUSTMENT CALCULATION FOR ADVERTISING LIMITATION
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	FERC Account (b)	Per Book Amount (1) (c)	Adjustment Amount (d)
1	Supervision	907	\$ -	-
2	Customer Assistance Expenses	908	1,088,839	-
3	Informational and Instructional Advertising Expenses	909	4,920	-
4	Miscellaneous Customer Service and Informational Expenses	910	300,827	-
5	Supervision	911	3,540	-
6	Demonstrating and Selling Expenses	912	57,677	-
7	Advertising Expenses	913	657,291	-
8	Miscellaneous Sales Expenses	916	395	-
9	General Advertising Expenses	930.1	5,203	-
10				
11	Total Advertising (Sum of Ln 1 through Ln 9)		\$ 2,118,693	\$ -
12				
13	Total Operating Revenue	480-495	\$ 1,192,606,763	
14	Less: Uncollectible Accounts	904	1,184,734	
15				
16	Total Gross Receipts (Ln 13 minus Ln 14)		\$ 1,191,422,029	
17				
18	Allowable Percentage for Advertising per Substantive Rule 7.5414		0.500%	
19				
20	Calculated Allowable Advertising Expense (Ln 16 times Ln 18)		\$ 5,957,110	
21				
22	Total Advertising Expense Per Book (Ln 11)		\$ 2,118,693	
23				
24	Adjustment Amount (2)		\$ -	
25				
26				

Note:
1. Per Book amount is net of per book labor.
2. The above information is provided per Substantive Rule 7.5414. The advertising expense included in the rate filing is below the allowable level; consequently, an adjustment to expense is not required.

ATMOS ENERGY CORP., MID-TEX DIVISION
 CUSTOMER CONSERVATION PROGRAM ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Per Books Amount (b)	Adjusted Costs (c)	Adjustment Amount (d)
1	Total Conservation Program Costs	\$ -	\$ -	
2				
3	Less: Shareholder funding - Account 426.5 (1)	-	-	
4				
5	Customer Funded Program Costs - Account 908	\$ 1,000,000	\$ -	(1,000,000)
6				

Note:
 1. The Company is proposing that the Conservation program be collected through Rider CEE in the rate effective period

ATMOS ENERGY CORP., MID-TEX DIVISION
 INCENTIVE COMPENSATION ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Shared Services (b)	Mid-Tex Employees Direct (c)	Total Adjustment (d)
1	Management Incentive Plan (MIP) & Variable Pay Plan (VIP) (1)	\$ -	\$ (2,091,700)	
2				
3	Long Term Incentive Plan (LTIP & Restricted Stock Plan) (2)	(6,333,614)	(781,945)	
4				
5	Base Labor Adjustment Total	\$ (6,333,614)	\$ (2,873,645)	
6				
7	Allocation to Mid-Tex (3)	66.80%	100.00%	
8				
9	Allocated Base Labor Adjustment	\$ (4,230,575)	\$ (2,873,645)	
10				
11	O&M Expense Factor (3)	29.35%	28.72%	
12				
13	Test Year Base Labor O&M Expense	\$ (1,241,636)	\$ (825,291)	\$ (2,066,927)
14				
15	Adjustment Summary:			
16	Account 922 (Ln. 13)	\$ (1,241,636)	\$ -	\$ (1,241,636)
17	Account 926 (5)	-	(258,292)	(258,292)
18	Other O&M Accounts (5)	-	(566,999)	(566,999)
19	Total (Ln. 16 + Ln. 17 + Ln. 18)	\$ (1,241,636)	\$ (825,291)	\$ (2,066,927)
20				

Notes:

1. Mid-Tex Direct Incentive Compensation:

	MIP/VPP	LTIP	Total
Total TY Accrual (5)	\$ 2,091,700	\$ 781,945	\$ 2,873,645
Less: Capital (5)	(1,524,701)	(523,653)	(2,048,354)
O&M Expense	\$ 566,999	\$ 258,292	\$ 825,291
% O&M	27.11%	33.03%	28.72%

Source: MIP/VPP per ATM RFIs 3-10 (Amended), Attachment 1.

Source: LTIP per ATM RFIs 3-45, Attachment 1 & ACSC RFI 1-12, Attachment 1 (gross amounts only).

2. SSU Incentive Compensation:

	Total SSU LTIP	MTX Alloc. LTIP	% Alloc. to Mid-Tex
Total TY Accrual (5)	\$ 6,333,614	\$ 4,230,575	66.80%
Less: Capital (5)	(2,988,939)		
O&M Expense	\$ 1,241,636		
% O&M	29.35%		

Source: ATM RFI 1-40, Attachment 1.

3. SSU and Pipeline factors are based upon actual test year ratios, see notes and 2.

4. Distribution by account was based upon designations in responses to ATM RFIs 1-38 and 1-40.

5. Source: SCC-Exhibit 8A, page 1.

(d) Distribution by account based on per book O&M test year labor (see Atmos Cost of Service WP F-2.1).

FERC A/C	Account Description	Per Book O&M Labor	Ratio of Labor by Account	Adjustment Distribution
870	Operation Supervision and Engineering	\$ 2,113,517	6.11%	\$ (34,638)
871	Distribution Load Dispatching	558	0.00%	(9)
872	Compressor Station Labor and Expenses	-	0.00%	-
874	Mains and Services Expenses	8,580,415	24.80%	(140,622)
875	Measuring and Regulating Station Expenses - General	51,037	0.15%	(836)
876	Measuring and Regulating Station Expenses - Industrial	1,340	0.00%	(22)
877	Measuring and Regulating Station Exp. - City Gate Chk. Sta.	1,391	0.00%	(23)
878	Meter and House Regulator Expenses	3,126,968	9.04%	(51,247)
879	Customer Installations Expenses	684,098	1.98%	(11,212)
880	Other Expenses	962,795	2.78%	(15,779)
887	Maintenance of Mains	774,721	2.24%	(12,697)
889	Maint. of Meas. and Reg. Sta. Equip. - Gen.	1,836,999	5.31%	(30,106)
890	Maint. of Meas. and Reg. Sta. Equip. - Ind.	2,082	0.01%	(34)
891	Maint. of Meas. and Reg. Sta. Equip. - City Gate	1,340	0.00%	(22)
892	Maintenance of Services	68,978	0.20%	(1,130)
893	Maintenance of Meters and House Regulators	220,651	0.64%	(3,616)
894	Maintenance of Other Equipment	198,040	0.57%	(3,246)
901	Supervision	179	0.00%	(3)
902	Meter Reading Expense	6,336,908	18.32%	(103,854)
903	Customer Records and Collection Expenses	1,549,112	4.48%	(25,388)
905	Miscellaneous Customer Accounts Expenses	-	0.00%	-
910	Miscellaneous Customer Service & Informational Expenses	2,231,651	6.45%	(36,574)
911	Supervision	-	0.00%	-
912	Demonstrating and Selling Expenses	-	0.00%	-
913	Advertising Expenses	1,353,919	3.91%	(22,189)
920	Administrative and General Salaries	4,500,108	13.01%	(73,751)
921	Office Supplies and Expenses	-	0.00%	-
923	Outside Services	-	0.00%	-
Total		\$ 34,596,807	100.00%	\$ (566,999)

ATMOS ENERGY CORP. MID-TEX DIVISION
DEPRECIATION AND AMORTIZATION EXPENSE
BASED ON PLANT IN SERVICE AS OF SEPTEMBER 30, 2011

Line No.	Acct. (a)	Description (b)	Total Plant (c)	Non-depreciable and Fully Depreciated Plant (d)	Depreciable Plant (e)=(c)-(d)	Rate (f)	Proposed Depreciation Expense Total (g)=(e)*(f)-(h)	Depreciation Expense Cleared to Capital (h)=(e)*(f)*cap rate
1	Mid-Tex:							
2		Distribution Plant						
3	374	Land	779,648	779,648	-	0.00%	-	-
4	374	Land Rights	3,202,299	-	3,202,299	0.98%	31,383	-
5	374	Land & Land Rights	-	-	-	1.15%	-	-
6	375	Structures & Improvements	1,468,570	-	1,468,570	1.71%	25,113	-
7	376.00	Mains-Cathodic Protection	136,850,221	-	136,850,221	1.85%	2,531,729	-
8	376.01	Mains-Steel	429,197,678	-	429,197,678	3.97%	17,039,148	-
9	376.02	Mains-Plastic	910,830,245	-	910,830,245	2.21%	20,129,348	-
10	378	M&R Station Equipment - General	39,052,296	-	39,052,296	3.09%	1,206,716	-
11	379	M&R Station Equipment - City Gate	5,513,898	-	5,513,898	1.88%	103,661	-
12	380	Services	758,429,725	-	758,429,725	3.67%	27,834,371	-
13	381	Meters	161,610,868	-	161,610,868	3.31%	5,349,320	-
14	382	Meter Installations	113,850,895	-	113,850,895	3.66%	4,166,943	-
15	383	House Regulators	47,352,660	-	47,352,660	3.50%	1,657,343	-
16	385	Industrial M&R Station Equipment	1,280,593	-	1,280,593	2.80%	35,857	-
17		Test Year End Plant Balance (Sum of Ln 3 through Ln 16)	\$ 2,609,419,594	\$ 779,648	\$ 2,608,639,946	3.07%	\$ 80,110,931	-
18								
19		General Plant						
20		Franchises & Consents						
21	302	Computer Software	18,896	18,896	-	0.00%	-	-
22	303	Land	3,386,331	3,386,331	-	0.00%	-	-
23	389	Land	3,982,767	3,982,767	-	0.00%	-	-
24	390	Structures & Improvements	29,710,016	-	29,710,016	2.54%	754,634	-
25	391	Air Conditioning Equipment	147,233	-	147,233	2.75%	4,049	-
26	392	Office Furniture & Equipment	6,459,687	-	6,459,687	4.00%	258,387	-
27	393	Transportation Equipment	3,284,784	-	3,284,784	9.04%	296,944	-
28	394	Stores Equipment	144,748	-	144,748	4.00%	1,563	-
29	395	Tools, Shop, and Garage Equipment	11,778,174	-	11,778,174	5.00%	159,005	4,227
30	396	Laboratory Equipment	329,367	-	329,367	10.00%	8,893	429,903
31	397	Power Oper. Tool & Work Equipment	2,267,102	-	2,267,102	7.24%	164,138	24,044
32	398	Radio Communication Equipment	8,167,925	-	8,167,925	6.67%	544,801	-
33	399	Miscellaneous Equipment	18,571,170	3,352,404	15,218,766	2.50%	380,469	-
34	399.01	Other Tangible Property	-	-	-	14.29%	-	-
35	399.02	Other Tangible Property-Servers Hardware	574,805	-	574,805	14.29%	82,140	-
36	399.03	Other Tangible Property-Servers Software	69,173	-	69,173	14.29%	9,885	-
37	399.06	Other Tangible Property-Network-Hardware	327,663	-	327,663	11.11%	36,403	-
38	399.07	Other Tangible Property-PC Hardware	7,297,931	-	7,297,931	14.29%	1,042,874	-
39	399.08	Other Tangible Property-PC Software	1,050,503	-	1,050,503	14.29%	150,117	-
40		Other Tangible Property-Application Software	2,140,643	-	2,140,643	14.29%	305,898	-
41		Subtotal (Sum of Ln 20 through Ln 39)	\$ 99,708,919	\$ 10,740,398	\$ 88,968,521	4.72%	\$ 4,200,202	-
42		Accrual for Reserve Deficiency (2)					\$ 70,367	-
43		Total Mid-Tex Direct (Ln 17 plus Ln 40 plus Ln 42)					\$ 84,381,499	-
44								

ATMOS ENERGY CORP., MID-TEX DIVISION
 DEPRECIATION AND AMORTIZATION EXPENSE
 BASED ON PLANT IN SERVICE AS OF SEPTEMBER 30, 2011

Line No.	Acct.	Description	Total Plant	Non-depreciable and Fully Depreciated Plant	Depreciable Plant	Rate	Proposed Depreciation Expense Total	Depreciation Expense Cleared to Capital
(a)		(b)	(c)	(d)	(e)=(c)-(d)	(f)	(g)=(e)x(f)-(h)	(h)=(e)*(f)*cap rate
45								
46								
47		SSU - Customer Support (Div 012):						
48		General Plant						
49	389	Land & Land Rights (1)	\$ 2,874,240	\$ 2,874,240	\$ -	0.00%	\$ -	
50	390	Structures & Improvements	13,180,105	-	13,180,105	3.34%	440,216	
51	390.09	Improvements to Leased Premises	4,405,863	-	4,405,863	4.06%	178,878	
52	391	Office Furniture & Equipment	1,124,491	-	1,124,491	4.03%	45,317	
53	391.02	Remittance Processing Equipment	-	-	-	4.03%	-	
54	391.03	Office Furniture & Equipment	-	-	-	4.03%	-	
55	392	Transportation Equipment	-	-	-	28.96%	-	
56	393	Stores Equipment	-	-	-	10.00%	-	
57	394	Tools & Work Equipment	-	-	-	8.88%	-	
58	397	Communication Equipment - Telephone	14,207,925	-	14,207,925	5.54%	787,119	
59	398	Miscellaneous Equipment	2,980	-	2,980	1.72%	51	
60	399	Other Tangible Property	-	-	-	13.84%	-	
61	399.01	Other Tangible Property-Servers Hardware	6,143,377	-	6,143,377	8.62%	529,559	
62	399.02	Other Tangible Property-Servers Software	2,432,216	-	2,432,216	8.78%	213,549	
63	399.03	Other Tangible Property-Network-Hardware	518,162	-	518,162	8.72%	45,184	
64	399.04	Other Tangible Property-CPU	-	-	-	26.26%	-	
65	399.05	Other Tangible Property-MF Hardware	-	-	-	15.76%	-	
66	399.06	Other Tangible Property-PC Hardware	1,100,278	-	1,100,278	8.78%	96,604	
67	399.07	Other Tangible Property-PC Software	3,414,136	-	3,414,136	6.64%	226,699	
68	399.08	Other Tangible Property-Application Software	93,652,240	-	93,652,240	6.57%	6,152,952	
69	399.09	Other Tangible Property-System Software	-	-	-	6.21%	-	
70	399.24	Other Tangible Property-GenStartupCost	-	-	-	-	-	
71		Total (Sum of Ln 49 through Ln 70)	23,172,326	23,172,326	-	15.89%	\$ 8,716,127	
72		Allocation to Mid-Tex			140,181,773		50.79%	
73		Customer Support Allocated to Mid-Tex (Ln 71 times Ln 72)	\$ 166,228,339	\$ 26,046,566	\$ 140,181,773		\$ 4,426,921	
74		SSU - Customer Support (Div 012):						
75		General Plant						
76		Charles K. Vaughn Center						
77	389	Land & Land Rights (1)	\$ 1,887,123	\$ 1,887,123	\$ -	0.00%	\$ -	
78	390.10	Structures & Improvements	10,400,518	-	10,400,518	3.34%	347,377	
79	397.10	Communication Equipment	271,621	-	271,621	5.54%	15,048	
80	399.10	Other Tangible Equipment	90,341	-	90,341	13.84%	12,503	
81	399.16	PC Hardware	194,015	-	194,015	8.78%	17,035	
82	399.17	PC Software	90,541	-	90,541	6.64%	6,012	
83		Total (Sum of Ln 77 through Ln 82)	\$ 12,934,159	\$ 1,887,123	\$ 11,047,036		\$ 397,975	
84		Allocation to Mid-Tex					76.47%	
85		Customer Support: Charles K. Vaughn Center Allocated to Mid-Tex (Ln 83 times Ln 84)					\$ 304,314	
86		Total Customer Support Depreciation Expense Allocated to Mid-Tex (Ln 73 plus Ln 85)					\$ 4,731,235	

**ATMOS ENERGY CORP., MID-TEX DIVISION
DEPRECIATION AND AMORTIZATION EXPENSE
BASED ON PLANT IN SERVICE AS OF SEPTEMBER 30, 2011**

Line No.	Acct.	Description	Total Plant	Non-depreciable and Fully Depreciated Plant	Depreciable Plant	Rate	Proposed Depreciation Expense Total	Depreciation Expense Cleared to Capital
	(a)	(b)	(c)	(d)	(e)=(c)-(d)	(f)	(g)=(e)x(f)-(h)	(h)=(e)*(f)*cap rate
87								
88								
89								
90		SSU - General Office (Div 002):						
91	390	General Plant	\$	8,100,692	\$	4.06%	\$	
92	391	Improvements to Leased Premises		-	10,389,375	4.03%	418,692	
93	391.02	Office Furniture & Equipment		-	-	4.03%	-	
94	391.03	Remittance Processing Equipment		-	-	4.03%	-	
95	392	Office Furniture & Equipment		-	-	4.03%	-	
96	393	Transportation Equipment		-	99,143	28.96%	28,712	
97	394	Stores Equipment		-	-	10.00%	-	
98	395	Tools & Work Equipment		-	185,402	8.88%	16,464	
99	397	Laboratory Equipment		-	12,100	10.00%	1,210	
100	398	Communication Equipment - Telephone		-	2,193,131	5.54%	121,499	
101	399	Miscellaneous Equipment		-	380,416	1.72%	6,543	
102	399.01	Other Tangible Property		-	162,268	13.84%	22,458	
103	399.02	Other Tangible Property-Servers Hardware		-	23,670,982	8.62%	2,040,439	
104	399.03	Other Tangible Property-Servers Software		-	14,090,396	8.78%	1,237,137	
105	399.04	Other Tangible Property-Network-Hardware		-	3,871,538	8.72%	337,598	
106	399.05	Other Tangible Property-CPU		-	-	26.26%	-	
107	399.06	Other Tangible Property-MF Hardware		-	-	15.76%	-	
108	399.07	Other Tangible Property-PC Hardware		-	2,557,781	8.78%	224,573	
109	399.08	Other Tangible Property-PC Software		-	1,854,955	6.64%	123,169	
110	399.09	Other Tangible Property-Application Software		-	84,861,784	6.57%	5,575,419	
111	399.24	Other Tangible Property-System Software		2,614,619	-	6.21%	-	
112		Other Tangible Property-GenStartupCost		-	-	15.89%	-	
113		Total (Sum of Ln 91 through Ln 111)	\$	155,044,583	\$		\$	10,153,913
114		Allocation to Mid-Tex			144,329,272		37,60%	
115		General Office Allocated to Mid-Tex (Ln 112 times Ln 113)					\$	3,817,871
116		SSU - General Office (Div 002):						
117		General Plant						
118	390.05	Greenville Data Center (010.11520)	\$	9,087,900	\$	3.34%	\$	303,536
119	391.04	G-Structures & Improvements		-	9,087,900	4.03%	369,259	
120		G-Office Furniture & Equip.		-	63,741		\$	306,105
121		Total (Sum of Ln 118 through Ln 119)	\$	9,151,641	\$		\$	13,43%
122		Allocation to Mid-Tex						
123		General Office, Greenville Data Center Allocated to Mid-Tex (Ln 120 times Ln 121)					\$	41,106
124		Total SSU -General Office Depreciation Expense Allocated to Mid-Tex (Ln 114 plus Ln 122)					\$	3,858,977
125		Total SSU Depreciation Expense Allocated to Mid-Tex (Ln 86 plus Ln 123)					\$	8,590,212
126		Total Mid-Tex Depreciation and Amortization Expense (Ln 44 plus Ln 125)					\$	92,971,711

**ATMOS ENERGY CORP., MID-TEX DIVISION
DEPRECIATION RATE SUMMARY**

DS Please see the notes at bottom of page for depreciation rate toggle!

Line No.	Acct.	Description	Reference	Company Filed (current)	Company Proposed (1)
	(a)	(b)	(c)	(d)	(e)
1	Mid-Tex:				
2	374	Land			0.00%
3	374.02	Land Rights			0.98%
4	374	Land & Land Rights			1.15%
5	375	Structures & Improvements			1.71%
6	376.00	Mains-Cathodic Protection			1.85%
7	376.01	Mains-Steel			3.97%
8	376.02	Mains-Plastic			2.21%
9	378	M&R Station Equipment - General			3.09%
10	379	M&R Station Equipment - City Gate			1.88%
11	380	Services			3.67%
12	381	Meters			3.31%
13	382	Meter Installations			3.66%
14	383	House Regulators			3.50%
15	385	Industrial M&R Station Equipment			2.80%
16		Distribution Plant Depreciation Rate		3.48%	3.07%
17					
18		<u>General Plant Depreciation Rates:</u>			
19	389	Land		0.00%	0.00%
20	390	Structures & Improvements		1.44%	2.54%
21	390	Air Conditioning Equipment		1.44%	2.75%
22	391	Office Furniture & Equipment		0.98%	4.00%
23	392	Transportation Equipment		0.00%	9.04%
24	393	Stores Equipment		3.37%	4.00%
25	394	Tools, Shop, and Garage Equipment		3.29%	5.00%
26	395	Laboratory Equipment		3.34%	10.00%
27	396	Power Oper. Tool & Work Equip.		0.00%	7.24%
28	397	Radio Communication Equipment		1.66%	6.67%
29	398	Miscellaneous Equipment		1.90%	2.50%
30	399	Non-Mainframe Computer Equip.		11.79%	14.29%
31	399.01	Other Tangible Property-Servers Hardware		11.79%	14.29%
32	399.02	Other Tangible Property-Servers Software		11.79%	14.29%
33	399.03	Other Tangible Property-Network-Hardware		11.79%	11.11%
34	399.06	Other Tangible Property-PC Hardware		11.79%	14.29%
35	399.07	Other Tangible Property-PC Software		11.79%	14.29%
36	399.08	Other Tangible Property-Application Software		11.79%	14.29%

37	SSU - Customer Support and General Office:			
38	General Plant Depreciation Rates:			
39				
40	Structures & Improvements	390		
41	Improvements to Leased Premises	390.09		
42	CKV-Structures & Improvements	390.10		
43	Office Furniture & Equipment	391		
44	Remittance Processing Equipment	391.02		
45	Office Furniture & Equipment	391.03		
46	Transportation Equipment	392		
47	Stores Equipment	393		
48	Tools & Work Equipment	394		
49	Laboratory Equipment	395		
50	Communication Equipment - Telephone	397		
51	CKV-Communication Equipment	397.10		
52	Miscellaneous Equipment	398		
53	Other Tangible Property	399		
54	Other Tangible Property-Servers Hardware	399.01		
55	Other Tangible Property-Servers Software	399.02		
56	Other Tangible Property-Network-Hardware	399.03		
57	Other Tangible Property-CPU	399.04		
58	Other Tangible Property-MF Hardware	399.05		
59	Other Tangible Property-PC Hardware	399.06		
60	Other Tangible Property-PC Software	399.07		
61	Other Tangible Property-Application Software	399.08		
62	Other Tangible Property-System Software	399.09		
63	CKV-Other Tangible Equipment	399.10		
64	CKV-PC Hardware	399.16		
65	CKV-PC Software	399.17		
66	Other Tangible Property-GenStartupCost	399.24		
67				
68	Notes:			

ATMOS ENERGY CORP., MID-TEX DIVISION
TAXES OTHER THAN INCOME TAX - ACCOUNT 408.1
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Per Book Amount (b)	Adjustments (c)	Adjusted Amount (d)=(b)+(c)
1	<u>Non Revenue - Related</u>			
2	Ad Valorem Tax	\$ 21,899,700	\$ (770,374)	\$ 21,129,326
3	Payroll Tax	2,645,661	77,131	2,722,791
4	DOT Pipeline User Fee	75,921	-	75,921
5	Non Revenue - Related Taxes Allocated from SSU	2,570,204	(421,374)	2,148,830
6	Total Non Revenue - Related (Sum Ln 2 through Ln 5)	\$ 27,191,485	\$ (1,114,617)	\$ 26,076,868
7				
8	<u>Revenue - Related</u>			
9	State Gross Receipts - Tax	\$ 18,952,339	\$ 1,297,396	\$ 20,249,735
10	Franchise Fees	56,312,686	3,854,924	60,167,610
11	Railroad Commission Fees	58,533	4,007	62,540
12	Total Revenue - Related (Sum Ln 9 through Ln 11)	\$ 75,323,559	\$ 5,156,327	\$ 80,479,885
13				
14	Total Taxes Other Than Income (Ln 6 plus Ln 12)	\$ 102,515,044	\$ 4,041,709	\$ 106,556,753

ATMOS ENERGY CORP., MID-TEX DIVISION
TAXES OTHER THAN INCOME TAX WORKPAPER
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Amount (b)	
1	<u>Mid-Tex Direct:</u>		
2	<u>Payroll Tax</u>		
3	Base Labor Adjustment for Mid-Tex Direct (Schedule F-2.1)		
4	Statutory Tax Rate	\$	1,008,245
5	Direct Payroll Tax Expense for Base Labor Adjustment (Ln 3 times Ln 4)		7.65%
6		\$	77,131
7	Direct Payroll Tax Expense for test period		
8	Total Proposed Payroll Tax (Ln 5 plus Ln 7)	\$	2,645,661
9		\$	2,722,791
10	<u>Ad Valorem Tax</u>		
11	Mid-Tex Payment of Property Taxes (1) (2)	\$	21,690,830
12	Capitalized Property Taxes		(561,504)
13	Total Mid-Tex Ad Valorem Tax (Sum of Ln 11 through Ln 12)	\$	21,129,326
14			
15	<u>Revenue-Related Taxes:</u>		
16	Total Operating Revenues Per Book (FERC Accounts 480-495)	\$	1,192,606,763
17	Determination of Tax Rates:		
18	State Gross Receipts Tax Expense (4081-30109)	\$	18,952,339
19	Ratio to Total Operating Revenues (Ln 18 divided by Ln 16)		1.5892%
20			
21	Franchise Fees Expense (4081-30107)	\$	56,312,686
22	Ratio to Total Operating Revenues (Ln 21 divided by Ln 16)		4.7218%
23			
24	Railroad Commission Fee Expense (4081-30112)	\$	58,533
25	Ratio to Total Operating Revenues (Ln 24 divided by Ln 16)		0.0049%
26			
27	<u>State Gross Receipts Tax</u>		
28	Revenue Requirement (Schedule A, Page 2, Col (g), Ln 20)	\$	1,274,247,490
29	Effective Tax Rate (Ln 19)		1.5892%
30	Proposed State Gross Receipts Tax at Projected Rates (Ln 28 times Ln 29)	\$	20,249,735
31			
32	<u>Franchise Fees</u>		
33	Revenue Requirement (Schedule A, Page 2, Col (g), Ln 20)	\$	1,274,247,490
34	Effective Tax Rate (Ln 22)		4.7218%
35	Proposed Franchise Fees at Projected Rates (Ln 33 times Ln 34)	\$	60,167,610
36			
37	<u>Railroad Commission Fee</u>		
38	Revenue Requirement (Schedule A, Page 2, Col (g), Ln 20)	\$	1,274,247,490
39	Effective Tax Rate (Ln 25)		0.0049%
40	Proposed Railroad Commission Fee at Projected Rates (Ln 38 times Ln 39)	\$	62,540

**ATMOS ENERGY CORP., MID-TEX DIVISION
TAXES OTHER THAN INCOME TAX WORKPAPER
TEST YEAR ENDING SEPTEMBER 30, 2011**

Line No.	Description (a)	Amount (b)
41	SSU:	
42	Payroll Tax Allocated to Mid-Tex	
43	Adjusted Labor Expense Allocated to Mid-Tex (WP_F-5.2, Col (g), Ln 101)	\$ 20,277,265
44	Statutory Tax Rate	7.65%
45	Payroll Tax Expense Allocated to Mid-Tex (Ln 43 times Ln 44)	\$ 1,551,211
46	Add: Benefit-Related Payroll Tax Expense Allocated to Mid-Tex	\$ 78,211
47	Add: Payroll Tax for FUTA & SUTA Allocated to Mid-Tex	\$ 85,891
48	Total Proposed Payroll Tax Expense Allocated to Mid-Tex (Sum of Ln 45 through Ln 47)	\$ 1,715,313
49		
50	Ad Valorem Tax Allocated to Mid-Tex (1)	
51	Shared Services General Office Tax Payment	\$ 524,992
52	Allocation to Mid-Tex	37.60%
53	General Office Ad Valorem Tax Expense Allocated to Mid-Tex (Ln 51 times Ln 52)	\$ 197,397
54		
55	Shared Services Customer Support Tax Payment	\$ 441,257
56	Allocation to Mid-Tex	50.79%
57	Customer Support Ad Valorem Tax Expense Allocated to Mid-Tex (Ln 55 times Ln 56)	\$ 224,114
58		
59	Total Proposed SSU Ad Valorem Tax Expense Allocated to Mid-Tex (Ln 53 plus Ln 57)	\$ 421,511
60		
61	Other Tax Allocated to Mid-Tex	
62	Excise Tax (Test Year Amount)	\$ 31,930
63	Allocation to Mid-Tex	37.60%
64	Total Proposed SSU Excise Tax Expense Allocated to Mid-Tex (Ln 62 times Ln 63)	\$ 12,006
65		
66	Total Non Revenue - Related Tax Expenses Allocated to Mid-Tex (Ln 48 + Ln 59 + Ln 64)	\$ 2,148,830
67		

Note:
1. Working Gas in Storage (FERC Account 164.1) was moved from Mid-Tex to Pipeline to reflect GUD 9869 Final Order classification for rate purposes.
2. Ad Valorem taxes based on asset valuation as of December 31, 2010.

ATMOS ENERGY CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO MID-TEX FOR PAYROLL TAX CALCULATION
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Per Book SSU O&M Labor (b)	FY 12 Capitalization Rate (1) (c)	Four-Factor Allocation Factor (1), (2) (d)		Total (e) = (b) * (d)	SSU Allocated to Capital (3) (f) = (e) * (c)		Expense Allocated to Mid-Tex (g) = (e) - (f)
				(1)	(2)		(3)	(4)	
1	1001 SS Dallas Executive Chairman	\$ 832,062	58.49%	37.60%		\$ 312,855	183,003	\$	129,852
2	1101 SS Dallas Chief Financial Officer	457,000	58.49%	37.60%		171,832	100,512		71,320
3	1105 SS Dallas Audit	-	0.00%	37.60%		-	-		-
4	1106 SS Dallas Treasurer	155,504	59.08%	37.60%		58,170	34,545		23,924
5	1107 SS Dallas Treasury	393,250	58.49%	37.60%		147,862	86,491		61,371
6	1108 SS Dallas Risk Management	457,893	80.00%	37.60%		172,168	137,734		34,434
7	1110 SS Dallas Procurement	89,148	49.25%	38.72%		34,518	16,999		17,519
8	1111 SS Dallas Purchasing	301,039	56.41%	38.72%		116,562	65,757		50,805
9	1112 SS Dallas Mail & Supply	21,123	15.21%	38.72%		8,179	1,244		6,935
10	1114 SS Dallas Vice Pres & Controller	223,852	24.97%	37.60%		84,169	21,016		63,152
11	1116 SS Dallas Taxation	183,914	5.70%	37.60%		69,152	3,942		65,210
12	1117 SS Dallas Acctg Services	142,163	49.68%	37.60%		53,453	26,553		26,900
13	1118 SS Dallas Supply Chain	214,819	40.26%	38.72%		83,178	33,489		49,689
14	1119 SS Dallas General Accounting	549,046	58.49%	37.60%		206,441	120,757		85,684
15	1120 SS Dallas Accounts Payable	537,939	16.54%	37.60%		202,265	33,448		168,817
16	1121 SS Dallas Plant Accounting	489,915	90.00%	37.60%		184,208	165,787		18,421
17	1123 SS Dallas Gas Accounting	272,744	0.00%	38.72%		105,606	-		105,606
18	1125 SS Dallas Financial Reporting	713,419	0.00%	37.60%		268,245	-		268,245
19	1126 SS Dallas Payroll	516,330	58.49%	37.60%		194,140	113,561		80,579
20	1128 SS Dallas Property & Sales Tax	1,043,135	6.88%	37.60%		392,219	26,965		365,254
21	1129 SS Dallas Income Tax	428,793	2.00%	37.60%		161,226	3,225		158,002
22	1130 SS Dallas Business Planning and Analysis	465,043	53.12%	37.60%		174,856	92,886		81,970
23	1132 SS Dallas Investor Relations (4)	372,354	0.00%	0.00%		-	-		-
24	1133 SS Dallas Corporate Communications	673,076	0.00%	37.60%		253,077	-		253,077
25	1134 SS Dallas IT	1,098,220	46.43%	37.60%		412,931	191,723		221,208

ATMOS ENERGY CORP., MID-TEX DIVISION
SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO MID-TEX FOR PAYROLL TAX CALCULATION
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description	Per Book SSU O&M Labor	FY 12 Capitalization Rate (1)	Four-Factor Allocation Factor		Total	SSU Allocated to Capital (3)	Expense Allocated to Mid-Tex
				(1), (2)	(d)			
26	1135 SS Dallas IT Application Support	1,664,097	11.50%		37.60%	625,701	71,956	553,745
27	1137 SS Dallas IT Operations	1,807,635	26.96%		37.60%	679,671	183,216	496,455
28	1139 SS Dallas IT Telecommunications	245,609	36.84%		37.60%	92,349	34,023	58,326
29	1141 SS Dallas Gas Purchase Accounting	424,553	0.00%		45.38%	192,662	-	192,662
30	1144 SS Dallas Rate Administration	731,828	0.00%		45.38%	332,103	-	332,103
31	1145 SS Dallas Revenue Accounting	310,432	0.00%		45.38%	140,874	-	140,874
32	1146 SS Dallas IT Enterprise Solutions	646,346	46.32%		37.60%	243,026	112,559	130,467
33	1150 SS Dallas Strategic Planning	344,750	53.57%		37.60%	129,626	69,442	60,183
34	1153 SS Dallas Distribution Acctg	63,692	0.00%		45.38%	28,904	-	28,904
35	1154 SS Dallas Rates & Regulatory	1,613,120	60.86%		38.72%	624,600	380,104	244,496
36	1155 SS Dallas Texas Gas Pipeline Accounting	-	0.00%		0.00%	-	-	-
37	1156 SS Dal - IT Customer Svc Support	796,106	25.00%		50.79%	404,342	101,086	303,257
38	1158 SS CCC IT Support	357,513	5.47%		50.79%	181,581	9,930	171,651
39	1159 SS Dallas Director Technical Training	85,988	0.00%		38.72%	33,295	-	33,295
40	1161 SS Dallas Benefits and Payroll Accounting	238,128	58.49%		37.60%	89,536	52,374	37,162
41	1165 SS Dallas IT Production Services & Support	439,506	14.00%		37.60%	165,254	23,136	142,119
42	1171 SS Regulatory Accounting Services	243,071	60.86%		38.72%	94,117	57,276	36,842
43	1201 SS Dallas President & CEO	752,877	58.49%		37.60%	283,082	165,587	117,494
44	1203 SS Amarillo Customer Support Center	6,179,890	15.50%		50.79%	3,138,766	486,490	2,652,276
45	1209 SS Dallas Safety & Compliance	159,146	0.00%		38.72%	61,621	-	61,621
46	1210 SS Waco Customer Support Center	8,430,578	15.50%		50.79%	4,281,891	663,668	3,618,223
47	1212 SS CSC-Customer Contact Management	-	15.50%		50.79%	-	-	-
48	1213 SS Dallas Quality Assurance	1,355,287	0.00%		50.79%	688,350	-	688,350
49	1214 SS Dallas Workforce Management	416,818	0.00%		50.79%	211,702	-	211,702
50	1215 SS Dispatch Operations	2,353,494	15.50%		50.79%	1,195,340	185,271	1,010,069
51	1225 SS Dallas Regulated Operations	139,732	73.94%		50.79%	70,970	52,478	18,492
52	1226 SS Dallas Customer Service	782,075	0.00%		50.79%	397,216	-	397,216
53	1227 SS Dallas Customer Program Management	894,578	41.07%		50.79%	454,356	186,615	267,741
54	1228 SS Dallas Customer Revenue Management	2,309,972	0.00%		50.79%	1,173,235	-	1,173,235

ATMOS ENERGY CORP., MID-TEX DIVISION
SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO MID-TEX FOR PAYROLL TAX CALCULATION
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Per Book SSU O&M Labor (b)	FY 12 Capitalization Rate (1) (c)	Four-Factor Allocation Factor (1), (2) (d)		Total (e) = (b) * (d)	SSU Allocated to Capital (3) (f) = (e) * (c)	Expense Allocated to Mid-Tex (g) = (e) - (f)
				(1)	(2)			
55	1401 SS Dallas Employment & Employee Relations	629,253	0.00%	38.72%		243,647	-	243,647
56	1402 SS Dallas Executive Compensation	-	0.00%	37.60%		-	-	-
57	1403 SS Dallas Human Resources - Vice Pres	515,684	58.49%	37.60%		193,897	113,419	80,478
58	1405 SS Dallas Compensation & Benefits	760,287	0.00%	38.72%		294,383	-	294,383
59	1407 SS Dallas Facilities	450,996	36.00%	37.60%		169,575	61,047	108,528
60	1408 SS Dallas Employee Development	974,070	0.00%	37.60%		366,250	-	366,250
61	1410 SS Dallas Corporate Development	65,365	0.00%	37.60%		24,577	-	24,577
62	1414 SS Tech Training Delivery	752,600	0.00%	38.72%		291,407	-	291,407
63	1415 SS Tech Training Prog & Curriculum	170,489	0.00%	38.72%		66,013	-	66,013
64	1420 SS Dallas EAPC	-	0.00%	37.60%		-	-	-
65	1463 SS HR Benefit Variance	-	15.21%	37.60%		-	-	-
66	1501 SS Corporate Legal	1,907,448	41.87%	37.60%		717,200	300,288	416,912
67	1502 SS Corporate Secretary	122,764	0.00%	37.60%		46,159	-	46,159
68	1503 SS Corporate Governmental Affairs	309,105	0.00%	38.72%		119,686	-	119,686
69	1504 SS Corporate Central Records	76,132	58.49%	38.72%		29,478	17,243	12,235
70	1505 SS Corporate Gas Contract Administration	127,307	0.00%	38.72%		49,293	-	49,293
71	1508 SS Corporate Energy Assistance	299,811	0.00%	45.38%		136,054	-	136,054
72	1821 SS Gas Supply Executive	276,895	0.00%	38.52%		106,660	-	106,660
73	1822 SS Dallas-Regional Gas Supply	146,698	0.00%	82.89%		121,598	-	121,598
74	1823 SS Dallas Gas Contract Admin	316,789	0.00%	38.72%		122,661	-	122,661
75	1825 SS Franklin-Gas Control & Storage	223,677	0.00%	0.00%		-	-	-
76	1826 SS New Orleans Gas Supply & Service	46,560	0.00%	45.38%		21,129	-	21,129
77	1827 SS Regional Supply Planning	218,877	0.00%	0.00%		-	-	-
78	1828 SS Jackson-West Region Gas Supply & Services	86,771	0.00%	0.00%		-	-	-
79	1829 SS Franklin-East Region Gas Supply & Services	-	0.00%	100.00%		-	-	-
80	1831 SS Dallas Gas Supply	94,046	0.00%	100.00%		94,046	-	94,046
81	1832 SS Dallas-Supply Planning	-	0.00%	100.00%		-	-	-
82	1833 SS Dallas-Corporate Gas Supply Risk Mgmt	89,205	0.00%	45.38%		40,481	-	40,481
83	1835 SS Franklin Gas Control	675,531	0.00%	0.00%		-	-	-
84	1836 SS TBS-System Support	222,529	0.00%	38.52%		85,718	-	85,718
85	1837 SS TBS-Application Support	669,681	0.00%	38.52%		257,961	-	257,961
86	1838 SS TBS-Technical Support	421,726	0.00%	38.52%		162,449	-	162,449
87	1839 SS TBS-Transportation & Scheduling	194,829	0.00%	38.52%		75,048	-	75,048

**ATMOS ENERGY CORP., MID-TEX DIVISION
SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO MID-TEX FOR PAYROLL TAX CALCULATION
TEST YEAR ENDING SEPTEMBER 30, 2011**

Line No.	Description (a)	Per Book SSU O&M Labor (b)	FY 12 Capitalization Rate (1) (c)	Four-Factor Allocation Factor (1), (2) (d)		Total (e) = (b) * (d)	SSU Allocated to Capital (3) (f) = (e) * (c)		Expense Allocated to Mid-Tex (g) = (e) - (f)	
				(1), (2)	(d)		(3)	(f) = (e) * (c)	(g) = (e) - (f)	
88	1901 SS Dallas Employee Relocation Exp (5)	188,262	0.00%		37.60%	70,787	-	-	70,787	
89	1901 SS Dallas Employee Relocation Exp (5)	82,001	0.00%		50.79%	41,648	-	-	41,648	
90	1903 SS Dallas Controller - Miscellaneous	-	0.00%		37.60%	-	-	-	-	
91	1904 SS Dallas Performance Plan (4)	-	36.30%		0.00%	-	-	-	-	
92	1905 SS Outside Director Retirement Cost	-	0.00%		37.60%	-	-	-	-	
93	1908 SS Dallas SEBP (4)	-	0.00%		0.00%	-	-	-	-	
94	1910 SS Dallas Overhead Capitalized (3)	-	0.00%		40.54%	-	-	-	-	
95	1913 SS Dallas Fleet Management	310,589	49.35%		38.72%	120,260	59,349		60,911	
96	1915 SS Dallas Insurance	-	0.00%			-	-	-	-	
97	TOTAL (Sum Ln 1 through Ln 96)	\$ 55,844,579			37.60%	\$ 23,949,847	\$ 4,846,195	\$ 19,103,652		
98										
99	Add: SSU Labor Adjustment (WP_F-2.1, Col (d), Ln 18)							\$	1,173,613	

103	Notes:										
104	1. Factors are displayed only if applicable to Mid-Tex.										
105	2. Based on FY12 factors, adjusted to the four-factor formula including Operating Income.										
106	The four-factor formula calculation does not include the states of Iowa, Illinois and Missouri.										
107	3. The Total represents the amount that would be credited from Cost Center 1910.										
108	4. Allocation percentages have been set to zero to align with GUD 9869 for cost centers 1132, 1904 and 1908. Cost center 1350 is no longer active.										
109	All costs in cost center 1507 are below the line.										
110	5. Cost center 1901 expenses have been divided between General Office (Div 002) and Customer Support (Div 012) and separately allocated.										

11,611,825	1,574,522	20,277,265
12,338,022	3,271,674	10,037,303
	86.44%	
	73.48%	

**ATMOS ENERGY CORP., MID-TEX DIVISION
TOTAL INCOME TAXES
TEST YEAR ENDING SEPTEMBER 30, 2011**

Line No.	Description (a)	Amount (b)
1	Federal Income Tax (Page 2, Col (b), Ln 12)	\$ 44,216,610
2	State Income Tax (Page 3, Col (c), Ln 8)	4,386,040
3		
4	Total Income Tax (Sum Ln 1 through Ln 2)	<u>\$ 48,602,650</u>

**ATMOS ENERGY CORP., MID-TEX DIVISION
FEDERAL INCOME TAX
TEST YEAR ENDING SEPTEMBER 30, 2011**

Line No.	Description (a)	Amount (b)
1	Return on Rate Base (Schedule G, Col (c), Ln 6)	\$ 129,638,514
2		
3	Interest Expense:	
4	Rate Base (Schedule B, Col (e), Ln 21)	\$ 1,512,985,746
5	Weighted Cost of Debt (1)	3.14%
6	Total (Ln 4 times Ln 5)	<u>\$ 47,521,952</u>
7		
8	Taxable component of return (Ln 1 minus Ln 6)	\$ 82,116,562
9		
10	Tax factor (1 / .65) * (.35)	53.85%
11		
12	Federal Income Taxes (Ln 8 times Ln 10)	<u>\$ 44,216,610</u>
13		

Note:
1. Source Schedule G, Col (b) Ln 17.
**ATMOS ENERGY CORP., MID-TEX DIVISION
STATE FRANCHISE ("GROSS MARGIN") TAX**

TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Reference (b)	Amount (c)
1	Total Proposed Operating Revenues	Schedule A, Col (g), Ln 20	\$ 1,274,247,490
2	Less:		
3	Total Purchased Gas Costs (Rider GCR)	Schedule A, Col (g), Ln 4	746,311,816
4	Taxes Other Than Federal Income Tax- Revenue Related	Schedule F-5, Col (d), Ln 12	80,479,885
5	Bad Debt Expense, not included in Purchased Gas Costs	Schedule F-1, Col (e), Ln 27	3,589,132
6	Gross Profit (Ln 1 minus Sum of Ln 3 through Ln 5)		\$ 443,866,657
7	Tax Rate		1%
8	Tax Due (Ln 6 times Ln 7)		\$ 4,438,667
9			
10	Business Loss Carryforward		52,627
11			
12	Total Tax Due (Ln 8 minus Ln 10)		\$ 4,386,040

ATMOS ENERGY CORP., MID-TEX DIVISION
INTEREST EXPENSE - CUSTOMER DEPOSITS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Amount (b)
1	Adjusted Customer Deposits	\$ 21,808,614
2		
3	Current Interest Rate (1)	0.12%
4		
5	Interest on Customer Deposits (Ln 1 times Ln 3)	\$ 26,170
6		
7	Note:	
8	1. Interest Rate per the Public Utility Commission of Texas Press Release	
9	dated December 1, 2011.	

ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY OF RETURN
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Proposed Rates (1) (b)	Proposed Amounts (c)
1	<u>Net Operating Income/Return</u>		
2			
3	Cost of Debt	6.50%	\$ 47,521,952
4	Cost of Equity	10.50%	82,116,562
5			
6	Total Return on Invested Capital		\$ 129,638,514
7			
8	<u>Rate Base - Capitalization Structure</u>		
9			
10	Debt	48.31%	\$ 730,923,252
11	Equity	51.69%	782,062,494
12			
13	Total Invested Capital		\$ 1,512,985,746
14			
15	<u>Percent Return - After Tax</u>		
16			
17	Cost of Debt	3.14%	
18	Return on Equity	5.43%	
19			
20	Percent Return - After Tax	8.57%	
21			
22	Note:		
23	1. Capital Structure and Cost of Debt are March 31, 2012 actual		
24	book balances.		

**ATMOS ENERGY CORP., MID-TEX DIVISION
CALCULATION OF RIDER GCR PART A
TEST YEAR ENDING SEPTEMBER 30, 2011**

Line No.	Month/Year (a)	Estimated Gas Cost	
		Factor (EGCF)/Ccf (1) (b)	
1	October 31, 2010	\$0.5250	
2	November 30, 2010	\$0.5250	
3	December 31, 2010	\$0.5250	
4	January 31, 2011	\$0.4500	
5	February 28, 2011	\$0.4250	
6	March 31, 2011	\$0.3800	
7	April 30, 2011	\$0.4200	
8	May 31, 2011	\$0.4400	
9	June 30, 2011	\$0.4500	
10	July 31, 2011	\$0.3500	
11	August 31, 2011	\$0.5000	
12	September 30, 2011	\$0.5000	
13			
14	Average	\$0.4575	
15			
16			
17			
18	Rate R	Usage (Ccf)	Rider GCR Part A
19	Rate C	766,043,261 \$	350,465,430
20	Rate I	502,902,414	230,078,273
21	Total (Sum Ln 18 to Ln 20)	16,495,898	7,546,887
22		1,285,441,573 \$	588,090,591

Note:

- The filed GCR rates are per Mcf. The rates shown in Column (b) have been converted to a per Ccf rate (i.e. filed rate/10).

**ATMOS ENERGY CORP., MID-TEX DIVISION
CALCULATION OF RIDER GCR PART B
TEST YEAR ENDING SEPTEMBER 30, 2011**

Line No.	Item (a)	Estimated Billing Units (b)	CGS - Mid-Tex Rate (1) (c)	Total (d)	Quantity (e)	Rate Per Unit (f)
1	Capacity Charge (2)	29,398,248	\$5.1911	\$ 152,609,245		
2						
3	<u>Usage Charge</u>					
4	Residential (MMBtu)					
5	Commercial (MMBtu)					
6	Industrial & Transportation (MMBtu)	40,453,255				
7	Sub-Total Mid-Tex Sales (Sum Ln 4 through Ln 6)	170,393,292				
8	Lost and Unaccounted for Gas (3) (Ln 7 times 2.5932%)	4,418,639				
9	Total Deliveries from APT to Mid-Tex (Sum Ln 7 through Ln 8)	174,811,931	\$0.0276	\$ 4,824,809		
10						
11	Estimated Pipeline Cost (Ln 1 plus Ln 9)			\$ 157,434,054		
12	Gas Utility Tax at 0.5%			787,170		
13						
14	Total Rider GCR Part B (Ln 11 plus Ln 12)			\$ 158,221,225		
15						
16	<u>Present Allocation:</u>					
17		Allocation Factor	Rider GCR Part B	Volumes		Rate Per Unit
18	Rate R	0.64302686	\$ 101,740,497	766,043,261	Ccf	\$0.1328
19	Rate C	0.30547645	48,332,858	502,902,414	Ccf	\$0.0961
20	Industrial & Transportation	0.05149670	8,147,870	40,453,255	MMBtu	\$0.2014
21	Total Rider GCR Part B (Sum Ln 18 through Ln 20)		\$ 158,221,225			
22						

Notes:

- Capacity Charge and Usage Charge are per GUD No. 10144.
- MDQ is per contract between Mid-Tex and Atmos Pipeline - Texas.
- Includes Lost and Unaccounted for Gas factor of 2.5932% per GUD No. 9400, Finding of Fact No. 120A.

ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY OF CURRENT AND PROPOSED RATE STRUCTURE - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Current Unincorporated (b)	Proposed Unincorporated (c)
1	Rate R		
2	Customer Charge per month	\$18.87	\$17.70
3			
4	Consumption Charge per CCF	\$0.04315	\$0.04172
5			
6			
7	Rate C		
8	Customer Charge per month	\$38.04	\$34.72
9			
10	Consumption Charge per CCF	\$0.05748	\$0.06589
11			
12			
13	Rate I & T		
14	Customer Charge per month	\$678.33	\$600.00
15			
16	Consumption Charge per MMBTU:		
17	First 1,500 MMBTU	\$0.1373	\$0.2473
18	Next 3,500 MMBTU	\$0.0999	\$0.1812
19	Over 5,000 MMBTU	\$0.0159	\$0.0389

ATMOS ENERGY CORP., MID-TEX DIVISION
 SUMMARY OF CURRENT AND PROPOSED RATE STRUCTURE - BASE RATES - APPEALS
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Description (a)	Current ICL (b)	Proposed ICL (c)
1	Rate R		
2	Customer Charge per month	\$7.50	\$ 17.70
3			
4	Consumption Charge per CCF	\$0.25116	\$0.04172
5			
6			
7	Rate C		
8	Customer Charge per month	\$16.75	\$ 34.72
9			
10	Consumption Charge per CCF	\$0.10217	\$0.06589
11			
12			
13	Rate I & T		
14	Customer Charge per month	\$450.00	\$ 600.00
15			
16	Consumption Charge per MMBTU:		
17	First 1,500 MMBTU	\$0.2750	\$0.2473
18	Next 3,500 MMBTU	\$0.2015	\$0.1812
19	Over 5,000 MMBTU	\$0.0433	\$0.0389

ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011

Line	Description (a)	Total (b)	Reference (c)
Rate R			
1	<u>Rate Characteristics:</u>		
2	Customer Charge	\$18.87	GUD 10162
3			
4			
5	Consumption Charge (\$/Ccf)	\$0.04315	GUD 10162
6			
7	Rider GCR Part A	\$0.45750	Schedule H
8	Rider GCR Part B	\$0.13281	Schedule I
9			
10	<u>Billing Units (1):</u>		Billing Determinants Study
11	Bills	17,314,932	Billing Determinants Study
12	Total Ccf		
13			
14	<u>Present Revenue:</u>		
15	Customer Charge	\$ 326,732,767	Ln 2 times Ln 11
16			
17	Consumption Charge	33,054,767	Ln 5 times Ln 12
18	Base Revenue	\$ 359,787,534	Ln 15 plus Ln 17
19	Rider GCR Part A	350,465,430	Ln 7 times Ln 12
20	Rider GCR Part B	101,740,497	Ln 8 times Ln 12
21	Subtotal	\$ 811,993,460	Sum Ln 18 through Ln 20
22	Revenue Related Taxes	54,741,928	Ln 21 times WP_5.1 excel cell G36
23			
24	Total Present Revenue- Rate R	\$ 866,735,389	Ln 21 plus Ln 22
25			
26	Note 1: See Billing Determinants Study for details.		

ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011

Line	Description (a)	Total (b)	Reference (c)
Rate C			
1	<u>Rate Characteristics:</u>		
2	Customer Charge	\$38.04	GUD 10162
3			
4			
5	Consumption Charge (\$/Ccf)	\$0.05748	GUD 10162
6			
7	Rider GCR Part A	\$0.45750	Schedule H
8	Rider GCR Part B	\$0.09611	Schedule I
9			
10	<u>Billing Units (1):</u>		Billing Determinants Study
11	Bills	1,471,479	Billing Determinants Study
12	Total CCF		
13			
14	<u>Present Revenue:</u>		
15	Customer Charge	\$ 55,975,061	Ln 2 times Ln 11
16			
17	Consumption Charge	28,906,831	Ln 5 times Ln 12
18	Base Revenue	\$ 84,881,892	Ln 15 plus Ln 17
19	Rider GCR Part A	230,078,273	Ln 7 times Ln 12
20	Rider GCR Part B	48,332,858	Ln 8 times Ln 12
21	Subtotal	\$ 363,293,023	Sum Ln 18 through Ln 20
22	Revenue Related Taxes	24,492,021	Ln 21 times WP_5.1 excel cell G36
23			
24	Total Present Revenue- Rate C	\$ 387,785,044	Ln 21 plus Ln 22
25			

Note 1: See Billing Determinants Study for details.

ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011

Line	Description (a)	Total (b)	Reference (c)
Rate I & T			
1	Rate Characteristics:		
2	Customer Charge	\$678.33	GUD 10162
3			
4			
5	Block 1 (\$/MMBTU)	\$0.1373	GUD 10162
6	Block 2 (\$/MMBTU)	\$0.0999	GUD 10162
7	Block 3 (\$/MMBTU)	\$0.0159	GUD 10162
8			
9	Rider GCR Part A	\$4.57501	Schedule H
10	Rider GCR Part B	\$0.20141	Schedule I
11			
12	Consumption Characteristics:		
13	Block 1	0.23924	(1)
14	Block 2	0.29036	(1)
15	Block 3	0.47040	(1)
16			
17	Billing Units (1):		
18	Bills	10,380	Billing Determinants Study
19	Block 1	9,678,031	Billing Determinants Study
20	Block 2	11,745,997	Billing Determinants Study
21	Block 3	19,029,227	Billing Determinants Study
22	Total MMBTU	40,453,255	
23			
24	Sales Volumes	1,689,180	Billing Determinants Study
25			

ATMOS ENERGY CORP., MID-TEX DIVISION
 SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line	Description (a)	Total (b)	Reference (c)
26	Present Revenue:		
27	Customer Charge	\$ 7,041,065	Ln 2 time Ln 18
28			
29	Block 1	1,328,794	Ln 5 times Ln 19
30	Block 2	1,173,425	Ln 6 times Ln 20
31	Block 3	302,565	Ln 7 times Ln 21
32	Base Revenue	\$ 9,845,849	Sum Ln 27 through Ln 31
33	Rider GCR Part A	7,546,887	Ln 9 times Ln 24
34	Rider GCR Part B	8,147,870	Ln 10 times Ln 22
35	Subtotal	25,540,606	Sum Ln 32 through Ln 34
36	Revenue Related Taxes	1,721,864	Ln 35 times WP_5.1 excel cell G36
37			
38	Total Present Revenue- Rate I&T	\$ 27,262,470	Ln 35 plus Ln 36
39			
40	Note 1: See Billing Determinants Study for details.		

ATMOS ENERGY CORP., MID-TEX DIVISION
 CALCULATION OF CURRENT REVENUES BY AREA - RATE R - BASE RATES
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Area (a)	Adjusted Customer Charges (b)	Customer Charge Revenue (c)	Per Book Volume (d)	Adjusted Volume (e)	Consumption Revenue (f)	Base Rate Revenue (g)	Part A (h)	Part B (i)	Subtotal (j)	Rider FF & Rider TAX (k)	Current Revenue (l)
1	AFFECTED CITIES	14,339,989	\$ 270,595,601	621,660,902		\$ 26,631,418	\$ 297,227,020	\$ 282,361,440	\$ 81,969,834	\$ 661,558,294	\$ 44,600,084	\$ 706,158,378
2	UNINCORPORATED	536,843	10,130,219	20,407,073		875,736	11,005,954	9,285,051	2,695,460	22,986,465	1,549,672	24,536,137
3	DALLAS ICL	2,438,100	46,006,947	130,509,900		5,547,612	51,554,559	58,818,939	17,075,202	127,448,701	8,592,172	136,040,873
4	TOTAL	17,314,932	\$ 326,732,767	772,577,876		\$ 33,054,767	\$ 359,787,534	\$ 350,465,430	\$ 101,740,497	\$ 811,993,460	\$ 54,741,928	\$ 866,735,389

9	Ratios:	80.57%
10	AFFECTED CITIES	2.65%
11	UNINCORPORATED	16.78%
12	DALLAS ICL	100.00%
13	TOTAL	80.47% 80.567558471789% 2.64% 2.649348507667% 16.89% 16.783093020543% 100.00% 100.00%

ATMOS ENERGY CORP., MID-TEX DIVISION
CALCULATION OF CURRENT REVENUES BY AREA - RATE C - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Area (a)	Adjusted Customer Charges (b)	Customer Charge Revenue (c)	Per Book Volume (d)	Adjusted Volume (e)	Consumption Revenue (f)	Base Rate Revenue (g)	Part A (h)	Part B (i)	Subtotal (j)	Rider FF & Rider TAX (k)	Current Revenue (l)
1	AFFECTED CITIES	1,205,206	\$ 45,846,031	379,651,812		\$ 21,950,763	\$ 67,796,794	\$ 174,712,808	\$ 36,702,159	\$ 279,211,761	\$ 18,823,539	\$ 298,035,299
2	UNINCORPORATED	25,229	959,716	7,367,385		427,363	1,387,079	3,401,514	714,561	5,503,154	371,005	5,874,158
3	DALLAS ICL	241,044	9,169,314	115,303,938		6,528,705	15,698,019	51,963,952	10,916,138	78,578,109	5,297,478	83,875,587
4												
5	TOTAL	1,471,479	\$ 55,975,061	502,323,136		\$ 28,906,831	\$ 84,881,892	\$ 230,078,273	\$ 48,332,858	\$ 363,293,023	\$ 24,492,021	\$ 387,785,044

9 Ratios:

10 AFFECTED CITIES	75.94%
11 UNINCORPORATED	1.48%
12 DALLAS ICL	22.59%
13 TOTAL	100.00%

75.58%	75.936247873496%
1.47%	1.478415856521%
22.95%	22.585336269983%
100.00%	100.00%

ATMOS ENERGY CORP. MID-TEX DIVISION
CALCULATION OF CURRENT REVENUES BY AREA - RATE 1&T - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Area (a)	Adjusted Meter Charges (b)	Customer Charge Revenue (c)	Sales Volume (d)	Transportation Volume (e)	Total Volume (f)	Volume Block 1 (g)	Volume Block 2 (h)	Volume Block 3 (i)	Consumption Revenue Block 1 (j)	Consumption Revenue Block 2 (k)	Consumption Revenue Block 3 (l)	Total Consumption Revenue (m)	Base Rate Revenue (n)	Part A (o)	Part B (p)	Subtotal (q)	Rider FF & Rider TAX (r)	Current Revenue (s)
1	AFFECTED CITIES	8,460	\$ 5,738,672	1,329,031	28,569,092	29,898,123	7,892,879	8,864,076	13,141,168	\$ 1,063,692	\$ 885,521	\$ 208,945	\$ 2,178,158	\$ 7,916,630	\$ 5,937,820	\$ 6,021,914	\$ 19,876,564	\$ 1,340,013	\$ 21,216,577
2	UNINCORPORATED	420	284,899	120,004	2,006,272	2,126,276	366,981	488,772	1,270,523	50,386	48,828	20,201	119,416	404,315	536,152	428,263	1,368,729	92,275	1,461,004
3	DALLAS ICL	1,500	1,017,495	240,145	8,188,711	8,428,856	1,418,171	2,393,149	4,617,536	194,715	239,076	73,419	507,209	1,524,704	1,072,915	1,697,693	4,295,313	289,576	4,584,889
4																			
5	TOTAL	10,380	\$ 7,041,065	1,689,180	38,764,075	40,453,255	9,678,031	11,745,997	19,029,227	\$ 1,328,794	\$ 1,173,425	\$ 302,565	\$ 2,804,783	\$ 9,845,649	\$ 7,546,887	\$ 8,147,870	\$ 25,540,606	\$ 1,721,864	\$ 27,262,470

ATMOS ENERGY CORP., MID-TEX DIVISION
OTHER REVENUES
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	FERC Account	Test Year	Adjustments	Adjusted Amounts
	(a)	(b)	(c)	(d)
1	488 (1)	\$ 11,772,061	\$ -	\$ 11,772,061
2	489	987,736	555,451	1,543,187
3	ATM Treasury Lock Amort.		-	-
4	493	-	-	-
5	495	(52,432)	47,550	(4,882)
6	ATM BFI Dividend	\$ -	\$ -	\$ -
7	Totals	\$ 12,707,364	\$ 603,001	\$ 13,310,366

Notes:

1. Mid-Tex is not proposing to change any of the miscellaneous service charges previously approved on Rate M.

ATMOS ENERGY CORP., MID-TEX DIVISION
 NON-STANDARD CONTRACT MARGINS
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line No	Area (a)	Customer (b)	Customer Numbers (c)	Usage MMBtu (d)	Annual Margin Revenue (e)
1	SAN ANGELO	Customer 1	1270	72,003	\$ 54,189
2	WICHITA FALLS	Customer 2	1521	321,028	225,868
3	GATESVILLE	Customer 3	1246	37,056	15,992
4	KILLEEN	Customer 4	1246	769,784	94,143
5	KILLEEN	Customer 5	1246	197,161	31,063
6	WAXAHACHIE	Customer 6	1319	80,090	22,923
7	ABILENE	Customer 7	1567	124,723	34,547
8	ALLEN	Customer 8	1567	75,828	20,855
9	BONHAM	Customer 9	1567	29,757	13,733
10	BROWNWOOD	Customer 10	1567	11,265	6,122
11	BRYAN	Customer 11	1567	15,609	6,851
12	BURNET	Customer 12	1567	8,931	5,674
13	CARLSBAD	Customer 13	1567	12,947	6,447
14	COLORADO CITY	Customer 14	1567	40,846	11,334
15	DENTON	Customer 15	1567	124,351	32,009
16	FORT WORTH	Customer 16	1567	385,405	86,739
17	GAINESVILLE	Customer 17	1567	9,982	5,925
18	GARLAND	Customer 18	1567	3,374	3,006
19	GATESVILLE	Customer 19	1567	209,631	53,435
20	HUTCHINS	Customer 20	1567	38,181	10,882
21	KERRVILLE	Customer 21	1567	19,606	11,667
22	MARLIN	Customer 22	1567	37,296	10,695
23	MART	Customer 23	1567	11,702	6,217
24	MEXIA	Customer 24	1567	34,271	14,297
25	SAN ANGELO	Customer 25	1567	37,242	14,900
26	SNYDER	Customer 26	1567	34,913	10,287
27	TERRELL	Customer 27	1567	34,526	10,183
28	VERNON	Customer 28	1567	16,883	7,208
29	WACO	Customer 29	1567	47,315	12,606
30	WICHITA FALLS	Customer 30	1567	107,501	27,318
31	FORT WORTH	Customer 32	1996	76,664	153,647
32	ENNIS	Customer 33	3334	153,734	31,055
33	ENNIS	Customer 34	1222	364,666	31,259
34	STEPHENVILLE	Customer 35	6720	42,155	23,743
35	ARLINGTON	Customer 36	3507	307,267	67,956
36	RICHARDSON	Customer 37	3507	199,058	31,581
37	FORT WORTH	Customer 38	1069	564,326	69,124
38	WICHITA FALLS	Customer 39	1445	2,795,314	232,642
39	WAXAHACHIE	Customer 40	1362	47,613	8,553
40	FORT WORTH	Customer 41	1398	703,747	18,468
41	DENTON	Customer 42	10430	335,467	6,062
42	FAIRVIEW	Customer 43	1742	28,441	1,138
43	JUSTIN	Customer 44	1742	749	30
44	LINCOLN PARK	Customer 45	1742	413	17
45	MCKINNEY	Customer 46	1742	870	35
46	MCKINNEY	Customer 47	1742	12,205	488
47	PONDER	Customer 48	1742	54	2
48	WYLE	Customer 49	1742	11,807	472
49					
50	Total Non-Standard Contract Margins			7,500,004	\$ 1,543,187

**ATMOS ENERGY CORP., MID-TEX DIVISION
TYPICAL BILL COMPARISON - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011**

Line	Rate R @ 60 Ccf							July 5, 2012 PROPOSED	CHANGE
1	Customer charge							\$18.87	
2	Consumption charge	60	CCF	X	\$0.04315	=		2.59	
3	Rider GCR Part A	60	CCF	X	\$0.45750	=		27.45	
4	Rider GCR Part B	60	CCF	X	\$0.13281	=		7.97	
5	Subtotal							\$56.88	
6	Rider FF & Rider TAX			X	0.01620	=		0.92	
7	Total							\$57.80	
8									
9									
10	Customer charge							\$17.70	
11	Consumption charge	60	CCF	X	\$0.04172	=		2.50	
12	Rider GCR Part A	60	CCF	X	\$0.45750	=		27.45	
13	Rider GCR Part B	60	CCF	X	\$0.13281	=		7.97	
14	Subtotal							\$55.62	
15	Revenue-related Tax Reimbursement			X	0.01620	=		0.90	(\$1.28)
16	Total							\$56.52	-2.21%
17									
18									
19	Rate C @ 300 Ccf								
20	Customer charge							\$38.04	
21	Consumption charge	300	CCF	X	\$0.05748	=		17.24	
22	Rider GCR Part A	300	CCF	X	\$0.45750	=		137.25	
23	Rider GCR Part B	300	CCF	X	\$0.09611	=		28.83	
24	Subtotal							\$221.36	
25	Revenue-related Tax Reimbursement			X	0.01620	=		3.59	
26	Total							\$224.95	
27									
28	Customer charge							\$34.72	
29	Consumption charge	300	CCF	X	\$0.06589	=		19.77	
30	Rider GCR Part A	300	CCF	X	\$0.45750	=		137.25	
31	Rider GCR Part B	300	CCF	X	\$0.09611	=		28.83	
32	Subtotal							\$220.57	
33	Revenue-related Tax Reimbursement			X	0.01620	=		3.57	(\$0.81)
34	Total							\$224.14	-0.36%
35									
36	Rate I @ 300 MMBTU								
37	Customer charge							\$678.33	
38	Consumption charge	300	MMBTU	X	\$0.1373	=		41.19	
39	Consumption charge	0	MMBTU	X	\$0.0999	=		0.00	
40	Consumption charge	0	MMBTU	X	\$0.0159	=		0.00	

ATMOS ENERGY CORP., MID-TEX DIVISION
TYPICAL BILL COMPARISON - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011

41	Rider GCR Part A	300	MMBTU	X	\$0.4685	=	140.54				
42	Rider GCR Part B	300	MMBTU	X	\$0.2014	=	60.42				
43	Subtotal						\$920.48				
44	Revenue-related Tax Reimbursement			X	0.01620	=	14.91				
45	Total						\$935.39				
46											
47	Customer charge							\$600.00			
48	Consumption charge	300	MMBTU	X	\$0.2473	=	74.19				
49	Consumption charge	0	MMBTU	X	\$0.1812	=	0.00				
50	Consumption charge	0	MMBTU	X	\$0.0389	=	0.00				
51	Rider GCR Part A	300	MMBTU	X	\$0.4685	=	140.54				
52	Rider GCR Part B	300	MMBTU	X	\$0.2014	=	60.42				
53	Subtotal						\$875.15				
54	Revenue-related Tax Reimbursement			X	0.01620	=	14.18				
55	Total						\$889.33			(\$46.06)	
56										-4.92%	
57	Rate T @ 300 MMBTU								PROPOSED	CHANGE	
58	Customer charge							\$678.33			
59	Consumption charge	300	MMBTU	X	\$0.1373	=	41.19				
60	Consumption charge	0	MMBTU	X	\$0.0999	=	0.00				
61	Consumption charge	0	MMBTU	X	\$0.0159	=	0.00				
62	Rider GCR Part B	300	MMBTU	X	\$0.2014	=	60.42				
63	Subtotal						\$779.94				
64	Revenue-related Tax Reimbursement			X	0.01620	=	12.63				
65	Total						\$792.57				
66											
67	Customer charge							\$	600.00		
68	Consumption charge	300	MMBTU	X	\$0.2473	=	74.19				
69	Consumption charge	0	MMBTU	X	\$0.1812	=	0.00				
70	Consumption charge	0	MMBTU	X	\$0.0389	=	0.00				
71	Rider GCR Part B	300	MMBTU	X	\$0.2014	=	60.42				
72	Subtotal						\$734.61				
73	Revenue-related Tax Reimbursement			X	0.01620	=	11.90				
74	Total						\$746.51			(\$46.06)	
75										-5.81%	

ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011

Line	Rate R @ 44.2 Ccf					July 5, 2012 PROPOSED	CHANGE			Base	GCR	FF&TAX	Total
1	Customer charge									\$20.78	26.09	0.76	47.63
2	Consumption charge									\$19.54	26.09	0.74	46.37
3	Rider GCR Part A									(1.24)	0.00	(0.02)	(1.26)
4	Rider GCR Part B									-5.97%	0.00%	-2.63%	-2.65%
5	Subtotal												
6	Rider FF & Rider TAX												
7	Total												
8													
9													
10	Customer charge												
11	Consumption charge												
12	Rider GCR Part A												
13	Rider GCR Part B												
14	Subtotal												
15	Revenue-related Tax Reimbursement												
16	Total												
17													
18													
19	Rate C @ 341.8 Ccf												
20	Customer charge									\$ 57.68	189.21	4.00	250.89
21	Consumption charge									\$57.24	189.21	3.99	250.44
22	Rider GCR Part A									(0.44)	0.00	(0.01)	(0.45)
23	Rider GCR Part B									-0.76%	0.00%	-0.25%	-0.18%
24	Subtotal												
25	Revenue-related Tax Reimbursement												
26	Total												
27													
28	Customer charge												
29	Consumption charge												
30	Rider GCR Part A												
31	Rider GCR Part B												
32	Subtotal												
33	Revenue-related Tax Reimbursement												
34	Total												
35													

ATMOS ENERGY CORP., MID-TEX DIVISION
 SUMMARY PROOF OF REVENUE AT PROPOSED RATES - BASE RATES
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line	Description (a)	Total (b)	Reference (c)
Rate R			
1	<u>Rate Characteristics:</u>		
2	Customer Charge	\$ 17.70	Rate Design
3			
4	Consumption Charge \$(/Ccf)	\$0.04172	Rate Design
5			
6	Rider GCR Part A	\$0.45750	Schedule H
7	Rider GCR Part B	\$0.13281	Schedule I
8			
9	<u>Billing Units (1):</u>		
10	Bills	17,314,932	WP_J-1 Page 1 Col. (b) Ln. 11
11	Total CCF	766,043,261	WP_J-1 Page 1 Col. (b) Ln. 12
12			
13	<u>Proposed Revenue:</u>		
14	Customer Charge	\$ 306,474,296	Ln 2 times Ln 10
15	Consumption Charge	31,959,325	Ln 4 times Ln 11
16	Base Revenue	338,433,621	Ln 14 plus Ln 15
17	Rider GCR Part A	350,465,430	Ln 6 times Ln 11
18	Rider GCR Part B	101,740,497	Ln 7 times Ln 11
19	Subtotal	\$ 790,639,548	Sum Ln 16 through Ln 18
20	Revenue Related Taxes	53,302,318	Ln 19 times WP_5.1 excel cell G36
21			
22	Total Proposed Revenue- Rate R	\$ 843,941,866	Ln 19 plus Ln 20
23			
24	Note 1: See Billing Determinants Study for details.		
Rate C			
1	<u>Rate Characteristics:</u>		
2	Customer Charge	\$ 34.72	Rate Design
3			
4	Consumption Charge \$(/Ccf)	\$0.06589	Rate Design
5			
6	Rider GCR Part A	\$0.45750	Schedule H
7	Rider GCR Part B	\$0.09611	Schedule I
8			
9	<u>Billing Units (1):</u>		
10	Bills	1,471,479	WP_J-1 Page 2 Col. (b) Ln. 11
11	Total CCF	502,902,414	WP_J-1 Page 2 Col. (b) Ln. 12
12			
13	<u>Proposed Revenue:</u>		
14	Customer Charge	\$ 51,089,751	Ln 2 times Ln 10
15	Consumption Charge	33,136,240	Ln 4 times Ln 11
16	Base Revenue	84,225,991	Ln 14 plus Ln 15
17	Rider GCR Part A	230,078,273	Ln 6 times Ln 11
18	Rider GCR Part B	48,332,858	Ln 7 times Ln 11
19	Subtotal	\$ 362,637,122	Sum Ln 16 through Ln 18
20	Revenue Related Taxes	24,447,802	Ln 19 times WP_5.1 excel cell G36
21			
22	Total Proposed Revenue- Rate C	\$ 387,084,924	Ln 19 plus Ln 20
23			
24	Note 1: See Billing Determinants Study for details.		

ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT PROPOSED RATES - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011

Line	Description (a)	Total (b)	Reference (c)
Rate I & T			
1	Rate Characteristics:		
2	Customer Charge	\$ 600.00	Rate Design
3			
4	Block 1 (\$/MMBTU)	\$0.2473	Rate Design
5	Block 2 (\$/MMBTU)	\$0.1812	Rate Design
6	Block 3 (\$/MMBTU)	\$0.0389	Rate Design
7			
8			
9			
10			
11	Rider GCR Part A	\$4.5750	Schedule H
12	Rider GCR Part B	\$0.2014	Schedule I
13			
14			
15			
16	Billing Units (1):		
17	Bills	10,380	WP_J-1 Page 3 Col. (b) Ln. 18
18	Block 1	9,678,031	WP_J-1 Page 3 Col. (b) Ln. 19
19	Block 2	11,745,997	WP_J-1 Page 3 Col. (b) Ln. 20
20	Block 3	19,029,227	WP_J-1 Page 3 Col. (b) Ln. 21
21	Total MMBTU	40,453,255	
22			
23	Sales Volumes	1,689,180	WP_J-1
24			
25	Proposed Revenue:		
26	Customer Charge	\$ 6,228,000	Ln 2 times Ln 17
27	Block 1	2,393,377	Ln 4 times Ln 18
28	Block 2	2,128,375	Ln 5 times Ln 19
29	Block 3	740,237	Ln 6 times Ln 20
30	Base Revenue	\$ 11,489,989	Sum Ln 26 through Ln 29
31	Rider GCR Part A	7,546,887	Ln 12 times Ln 23
32	Rider GCR Part B	8,147,870	Ln 13 times Ln 21
33	Subtotal	27,184,746	Sum Ln 30 through Ln 32
34	Revenue Related Taxes	1,832,706	Ln 33 times WP_5.1 excel cell G36
35			
36	Total Proposed Revenue- Rate I&T	\$ 29,017,452	Ln 33 plus Ln 34

ATMOS ENERGY CORP., MID-TEX DIVISION
CALCULATION OF PROPOSED REVENUES BY AREA - RATE R - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Area (a)	Adjusted Customer Charges (b)	Customer Charge Revenue (c)	Adjusted Volume (d)	Consumption Revenue (e)	Base Rate Revenue (f)	Part A (g)	Part B (h)	Subtotal (i)	Rider FF & Rider TAX (j)	Proposed Revenue (k)	Amount Change (l)	Percentage Change (m)
1	AFFECTED CITIES	14,339,989	\$ 253,817,814	617,182,352	\$ 25,748,848	\$ 279,566,661	\$ 282,361,440	\$ 81,969,834	\$ 643,897,936	\$ 43,409,481	\$ 687,307,417	\$ (18,850,962)	-2.67%
2	UNINCORPORATED	536,843	9,502,113	20,295,156	846,714	10,348,827	9,285,051	2,695,460	22,329,338	1,505,370	23,834,708	(701,429)	-2.86%
3	DALLAS ICL	2,438,100	43,154,370	128,565,753	5,363,763	48,518,133	58,818,939	17,075,202	124,412,275	8,387,466	132,799,741	(3,241,132)	-2.38%
4	TOTAL	17,314,932	\$ 306,474,296	766,043,261	\$ 31,959,325	\$ 338,433,621	\$ 350,465,430	\$ 101,740,497	\$ 790,639,548	\$ 53,302,318	\$ 843,941,866	\$ (22,793,523)	-2.63%

ATMOS ENERGY CORP., MID-TEX DIVISION
CALCULATION OF PROPOSED REVENUES BY AREA - RATE C - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Area (a)	Adjusted Customer Charges (b)	Customer Charge Revenue (c)	Adjusted Volume (d)	Consumption Revenue (e)	Base Rate Revenue (f)	Part A (g)	Part B (h)	Subtotal (i)	Rider FF & Rider TAX (j)	Proposed Revenue (k)	Amount Change (l)	Percentage Change (m)
1	AFFECTED CITIES	1,205,206	\$ 41,844,748	381,885,224	\$ 25,162,417	\$ 67,007,165	\$ 174,712,808	\$ 36,702,159	\$ 278,422,132	\$ 18,770,304	\$ 297,192,436	\$ (842,863)	-0.28%
2	UNINCORPORATED	25,229	875,955	7,434,989	489,891	1,365,847	3,401,514	714,561	5,481,921	369,573	5,851,494	(22,664)	-0.39%
3	DALLAS ICL	241,044	8,369,048	113,582,201	7,483,931	15,852,979	51,963,952	10,916,138	78,733,069	5,307,925	84,040,994	165,407	0.20%
4													
5	TOTAL	1,471,479	\$ 51,089,751	502,902,414	\$ 33,136,240	\$ 84,225,991	\$ 230,078,273	\$ 48,332,858	\$ 362,637,122	\$ 24,447,802	\$ 387,084,924	\$ (700,120)	-0.18%

ATMOS ENERGY CORP., MID-TEX DIVISION
CALCULATION OF PROPOSED REVENUES BY AREA - RATE I&T - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Area (a)	Adjusted Meter Charges (b)	Customer Charge Revenue (c)	Sales Volume (d)	Transportation Volume (e)	Total Volume (f)	Volume Block 1 (g)	Volume Block 2 (h)	Volume Block 3 (i)	Consumption Revenue Block 1 (j)	Consumption Revenue Block 2 (k)	Consumption Revenue Block 3 (l)	Total Consumption Revenue (m)	Base Rate Revenue (n)
1	AFFECTED CITIES	8,460	\$ 5,076,000	1,329,031	28,569,092	29,898,123	7,892,879	8,864,076	13,141,168	\$ 1,951,909	\$ 1,606,171	\$ 511,191	\$ 4,069,271	\$ 9,145,271
2	UNINCORPORATED	420	252,000	120,004	2,006,272	2,126,276	366,981	488,772	1,270,523	90,754	88,565	49,423	228,743	480,743
3	DALLAS ICL	1,500	900,000	240,145	8,188,711	8,428,856	1,418,171	2,393,149	4,617,536	350,714	433,639	179,622	963,974	1,863,974
4														
5	TOTAL	8,880	\$ 6,228,000	1,449,035	38,764,075	40,453,255	9,678,031	11,745,997	19,029,227	\$ 2,393,377	\$ 2,128,375	\$ 740,237	\$ 5,261,989	\$ 11,489,989

Part A	Part B	Subtotal	Rider FF & Rider TAX	Proposed Revenue	Amount Change	Percentage Change
(o)	(p)	(q)	(r)	(s)	(t)	(u)
\$ 5,937,820	\$ 6,021,914	\$ 21,105,005	\$ 1,422,830	\$ 22,527,835	\$ 1,311,259	6.18%
536,152	428,263	1,445,158	97,428	1,542,585	81,581	5.58%
1,072,915	1,697,693	4,634,583	312,448	4,947,032	362,143	7.90%
\$ 7,546,887	\$ 8,147,870	\$ 27,184,746	\$ 1,832,706	\$ 29,017,452	\$ 1,754,982	6.44%

ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES - APPEALS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line	Description (a)	Total (b)	Reference (c)
Rate R			
1	Rate Characteristics:		
2	Customer Charge	\$7.50	CY2010 RRM Settlement
3			
4			
5	Consumption Charge (\$/Ccf)	\$0.25116	CY2010 RRM Settlement
6			
7	Rider GCR Part A	\$0.45750	Schedule H
8	Rider GCR Part B	\$0.13281	Schedule I
9			
10	Billing Units (1):		
11	Bills	17,314,932	Billing Determinants Study
12	Total Ccf	766,043,261	Billing Determinants Study
13			
14	Present Revenue:		
15	Customer Charge	\$ 129,861,990	Ln 2 times Ln 11
16			
17	Consumption Charge	192,399,425	Ln 5 times Ln 12
18	Base Revenue	322,261,415	Ln 15 plus Ln 17
19	Rider GCR Part A	350,465,430	Ln 7 times Ln 12
20	Rider GCR Part B	101,740,497	Ln 8 times Ln 12
21	Subtotal	774,467,342	Sum Ln 18 through Ln 20
22	Revenue Related Taxes	52,212,041	Ln 21 times WP_5.1 excel cell G36
23			
24	Total Present Revenue- Rate R	\$ 826,679,383	Ln 21 plus Ln 22
25			
26	Note 1: See Billing Determinants Study for details.		
Rate C			
1	Rate Characteristics:		
2	Customer Charge	\$16.75	CY2010 RRM Settlement
3			
4			
5	Consumption Charge (\$/Ccf)	\$0.10217	CY2010 RRM Settlement
6			
7	Rider GCR Part A	\$0.45750	Schedule H
8	Rider GCR Part B	\$0.09611	Schedule I
9			
10	Billing Units (1):		
11	Bills	1,471,479	Billing Determinants Study
12	Total CCF	502,902,414	Billing Determinants Study
13			
14	Present Revenue:		
15	Customer Charge	\$ 24,647,273	Ln 2 times Ln 11
16			
17	Consumption Charge	51,381,540	Ln 5 times Ln 12
18	Base Revenue	76,028,813	Ln 15 plus Ln 17
19	Rider GCR Part A	230,078,273	Ln 7 times Ln 12
20	Rider GCR Part B	48,332,858	Ln 8 times Ln 12
21	Subtotal	354,439,944	Sum Ln 18 through Ln 20
22	Revenue Related Taxes	23,895,175	Ln 21 times WP_5.1 excel cell G36
23			
24	Total Present Revenue- Rate C	\$ 378,335,119	Ln 21 plus Ln 22
25			
26	Note 1: See Billing Determinants Study for details.		

ATMOS ENERGY CORP., MID-TEX DIVISION
 SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES - APPEALS
 TEST YEAR ENDING SEPTEMBER 30, 2011

Line	Description (a)	Total (b)	Reference (c)
Rate I & T			
1	Rate Characteristics:		
2	Customer Charge	\$450.00	CY2010 RRM Settlement
3			
4			
5	Block 1 (\$/MMBTU)	\$0.2750	CY2010 RRM Settlement
6	Block 2 (\$/MMBTU)	\$0.2015	CY2010 RRM Settlement
7	Block 3 (\$/MMBTU)	\$0.0433	CY2010 RRM Settlement
8			
9	Rider GCR Part A	\$4.57501	Schedule H
10	Rider GCR Part B	\$0.20141	Schedule I
11			
12	Consumption Characteristics:		
13	Block 1	0.23924	(1)
14	Block 2	0.29036	(1)
15	Block 3	0.47040	(1)
16			
17	Billing Units (1):		
18	Bills	10.380	Billing Determinants Study
19	Block 1	9.678.031	Billing Determinants Study
20	Block 2	11.745.997	Billing Determinants Study
21	Block 3	19.029.227	Billing Determinants Study
22	Total MMBTU	40,453,255	
23			
24	Sales Volumes	1,689,180	Billing Determinants Study
25			
26	Present Revenue:		
27	Customer Charge	\$ 4,671,000	Ln 2 time Ln 18
28			
29	Block 1	2,661,459	Ln 5 times Ln 19
30	Block 2	2,366,818	Ln 6 times Ln 20
31	Block 3	823,966	Ln 7 times Ln 21
32	Base Revenue	10,523,242	Sum Ln 27 through Ln 31
33	Rider GCR Part A	7,546,887	Ln 9 times Ln 24
34	Rider GCR Part B	8,147,870	Ln 10 times Ln 22
35	Subtotal	26,218,000	Sum Ln 32 through Ln 34
36	Revenue Related Taxes	1,767,531	Ln 35 times WP_5.1 excel cell G36
37			
38	Total Present Revenue- Rate I&T	\$ 27,985,531	Ln 35 plus Ln 36
39			

Note 1: See Billing Determinants Study for details.

ATMOS ENERGY CORP., MID-TEX DIVISION
CALCULATION OF CURRENT REVENUES BY AREA - RATE R - BASE RATES - APPEALS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Area (a)	Adjusted Customer Charges (b)	Customer Charge Revenue (c)	Per Book Volume (d)	Adjusted Volume (e)	Consumption Revenue (f)	Base Rate Revenue (g)	Part A (h)	Part B (i)	Subtotal (j)	Rider FF & Rider TAX (k)	Current Revenue (l)
1	AFFECTED CITIES	14,339,989	\$ 107,549,921	621,660,902	617,182,352	\$ 155,011,519	\$ 262,561,441	\$ 282,361,440	\$ 81,969,834	\$ 626,892,715	\$ 42,263,044.85	\$ 669,155,760
2	UNINCORPORATED	536,843	4,026,319	20,407,073	20,295,156	5,097,331	9,123,650	9,285,051	2,695,460.33	21,104,161	1,422,773.13	22,526,934
3	DALLAS ICL	2,438,100	18,285,750	130,509,900	128,565,753	32,290,575	50,576,325	58,818,939	17,075,202.19	126,470,466	8,526,222.82	134,996,689
4												
5	TOTAL	17,314,932	\$ 129,861,990	772,577,876	766,043,261	\$ 192,399,425	\$ 322,261,415	\$ 350,465,430	\$ 101,740,497	\$ 774,467,342	\$ 52,212,041	\$ 826,679,383
6												
7												
8												
9	Ratios:											
10	AFFECTED CITIES				80.57%							
11	UNINCORPORATED				2.65%							
12	DALLAS ICL				16.78%							
13	TOTAL				100.00%							

ATMOS ENERGY CORP., MID-TEX DIVISION
CALCULATION OF CURRENT REVENUES BY AREA - RATE C - BASE RATES - APPEALS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Area	Adjusted Customer Charges	Customer Charge Revenue	Per Book Volume	Adjusted Volume	Consumption Revenue	Base Rate Revenue	Part A	Part B	Subtotal	Rider FF & Rider TAX	Current Revenue
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	AFFECTED CITIES	1,205,206	\$ 20,187,198	379,651,812	381,885,224	\$ 39,017,213	\$ 59,204,412	\$ 174,712,808	\$ 36,702,159	\$ 270,619,378	\$ 18,244,268	\$ 288,863,647
2	UNINCORPORATED	25,229	422,588	7,367,385	7,434,989	759,633	1,182,221	3,401,514	714,561	5,298,295	357,194	5,655,489
3	DALLAS ICL	241,044	4,037,487	115,303,938	113,582,201	11,604,694	15,642,181	51,963,952	10,916,138	78,522,271	5,293,713	83,815,984
4												
5	TOTAL	1,471,479	\$ 24,647,273	502,323,136	502,902,414	\$ 51,381,540	\$ 76,028,813	\$ 230,078,273	\$ 48,332,858	\$ 354,439,944	\$ 23,895,175	\$ 378,335,119

Ratios:	
AFFECTED CITIES	75.94%
UNINCORPORATED	1.48%
DALLAS ICL	22.59%
TOTAL	100.00%

ATMOS ENERGY CORP., MID-TEX DIVISION
CALCULATION OF CURRENT REVENUES BY AREA - RATE I&T - BASE RATES - APPEALS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Area (a)	Adjusted Meter Charges (b)	Customer Charge Revenue (c)	Sales Volume (d)	Transportation Volume (e)	Total Volume (f)	Volume Block 1 (g)	Volume Block 2 (h)	Volume Block 3 (i)	Consumption Revenue Block 1 (j)	Consumption Revenue Block 2 (k)	Consumption Revenue Block 3 (l)	Total Consumption Revenue (m)	Base Rate Revenue (n)	Part A (o)	Part B (p)	Subtotal (q)	Rider FF & Rider TAX (r)	Current Revenue (s)
1	AFFECTED CITIES	8,460	\$3,807,000	1,329,031	28,569,092	29,898,123	7,892,879	8,864,076	13,141,168	\$2,170,542	\$1,786,111	\$569,013	\$4,525,666	\$8,332,666	\$5,937,820	\$6,021,914	\$20,292,400	\$1,368,047	\$21,660,447
2	UNINCORPORATED	420	189,000	120,004	2,006,272	2,126,276	366,981	488,772	1,270,523	100,920	98,488	55,014	254,421	443,421	536,152	428,263	1,407,835	\$94,912	1,502,747
3	DALLAS ICL	1,500	675,000	240,145	8,188,711	8,428,856	1,418,171	2,393,149	4,617,536	389,997	482,220	199,939	1,072,156	1,747,156	1,072,915	1,687,693	4,517,765	\$304,573	4,822,338
4		10,380	\$4,671,000	1,689,180	38,764,075	40,453,255	9,678,031	11,745,997	19,029,227	\$2,661,459	\$2,366,818	\$823,966	\$5,852,242	\$10,523,242	\$7,546,887	\$8,147,870	\$26,218,000	\$1,767,531	\$27,985,531
5	TOTAL																		

ATMOS ENERGY CORP., MID-TEX DIVISION TYPICAL BILL COMPARISON - BASE RATES - APPEALS TEST YEAR ENDING SEPTEMBER 30, 2011

Line	Rate R @ 60 Ccf							July 5, 2012	
								PROPOSED	CHANGE
1	Customer charge								
2	Consumption charge	60	CCF	X \$0.25116	=				
3	Rider GCR Part A	60	CCF	X \$0.45750	=				
4	Rider GCR Part B	60	CCF	X \$0.13281	=				
5	Subtotal								
6	Rider FF & Rider TAX								
7									
8	Total								
9									
10	Customer charge								
11	Consumption charge	60	CCF	X \$0.04172	=			17.70	
12	Rider GCR Part A	60	CCF	X \$0.45750	=			2.50	
13	Rider GCR Part B	60	CCF	X \$0.13281	=			27.45	
14	Subtotal							7.97	
15	Revenue-related Tax Reimbursement							\$55.62	
16	Total							3.75	
17								\$59.37	(\$2.53)
18									-4.09%
19	Rate C @ 300 Ccf								
20	Customer charge								
21	Consumption charge	300	CCF	X \$0.10217	=				
22	Rider GCR Part A	300	CCF	X \$0.45750	=				
23	Rider GCR Part B	300	CCF	X \$0.09611	=				
24	Subtotal								
25	Revenue-related Tax Reimbursement								
26	Total								
27									
28	Customer charge								
29	Consumption charge	300	CCF	X \$0.06589	=			34.72	
30	Rider GCR Part A	300	CCF	X \$0.45750	=			19.77	
31	Rider GCR Part B	300	CCF	X \$0.09611	=			137.25	
32	Subtotal							28.83	
33	Revenue-related Tax Reimbursement							\$220.57	
34	Total							14.87	
35								\$235.44	\$7.57
36	Rate I @ 300 MMBTU								3.32%
37	Customer charge								
38	Consumption charge	300	MMBTU	X \$0.2750	=				
39	Consumption charge	0	MMBTU	X \$0.2015	=				
40	Consumption charge	0	MMBTU	X \$0.0433	=				

**ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES - APPEALS
TEST YEAR ENDING SEPTEMBER 30, 2011**

Line	Rate R @ 44.2 Ccf					July 5, 2012 PROPOSED	CHANGE	Current Proposed	Base	GCR	FF&TAX	Total
1	Customer charge								\$18.60	26.09	3.01	47.70
2	Consumption charge	44	CCF	X	\$0.25116	=			\$19.54	26.09	3.08	48.71
3	Rider GCR Part A	44	CCF	X	\$0.45750	=			0.94	0.00	0.07	1.01
4	Rider GCR Part B	44	CCF	X	\$0.13281	=			5.05%	0.00%	2.33%	2.12%
5	Subtotal											
6	Rider FF & Rider TAX											
7	Total											
8												
9												
10	Customer charge											
11	Consumption charge	44	CCF	X	\$0.04172	=	\$ 17.70					
12	Rider GCR Part A	44	CCF	X	\$0.45750	=	1.84					
13	Rider GCR Part B	44	CCF	X	\$0.13281	=	20.22					
14	Subtotal						5.87					
15	Revenue-related Tax Reimbursement						\$45.63					
16	Total						3.08					
17							\$48.71	\$1.01				
18								2.12%				
19	Rate C @ 341.8 Ccf											
20	Customer charge								\$ 51.67	189.21	16.24	257.12
21	Consumption charge	342	CCF	X	\$0.10217	=			\$57.24	189.21	16.61	263.06
22	Rider GCR Part A	342	CCF	X	\$0.45750	=			5.57	0.00	0.37	5.94
23	Rider GCR Part B	342	CCF	X	\$0.09611	=			10.78%	0.00%	2.28%	2.31%
24	Subtotal											
25	Revenue-related Tax Reimbursement											
26	Total											
27												
28	Customer charge											
29	Consumption charge	342	CCF	X	\$0.06589	=	\$ 34.72					
30	Rider GCR Part A	342	CCF	X	\$0.45750	=	22.52					
31	Rider GCR Part B	342	CCF	X	\$0.09611	=	156.36					
32	Subtotal						32.85					
33	Revenue-related Tax Reimbursement						\$246.45					
34	Total						16.61					
35							\$263.06	\$5.94				
								2.31%				

ATMOS ENERGY CORP., MID-TEX DIVISION
CALCULATION OF PROPOSED REVENUES BY AREA - RATE R - BASE RATES - APPEALS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Area (a)	Adjusted Customer Charges (b)	Customer Charge Revenue (c)	Adjusted Volume (d)	Consumption Revenue (e)	Base Rate Revenue (f)	Part A (g)	Part B (h)	Subtotal (i)	Rider FF & Rider TAX (j)	Proposed Revenue (k)	Amount Change (l)	Percentage Change (m)
1	AFFECTED CITIES	14,339,989	\$ 253,817,814	617,182,352	\$ 25,748,848	\$ 279,566,661	\$ 282,361,440	\$ 81,969,834	\$ 643,897,936	\$ 43,409,481	\$ 687,307,417	\$ 18,151,657	2.71%
2	UNINCORPORATED	536,843	9,502,113	20,295,156	846,714	10,348,827	9,285,051	2,695,460	22,329,338	1,505,370	23,834,708	1,307,774	5.81%
3	DALLAS ICL	2,438,100	43,154,370	128,565,753	5,363,763	48,518,133	58,818,939	17,075,202	124,412,275	8,387,466	132,799,741	(2,196,948)	-1.63%
4													
5	TOTAL	17,314,932	\$ 306,474,296	766,043,261	\$ 31,959,325	\$ 338,433,621	\$ 350,465,430	\$ 101,740,497	\$ 790,639,548	\$ 53,302,318	\$ 843,941,866	\$ 17,262,483	2.09%

ATMOS ENERGY CORP., MID-TEX DIVISION
CALCULATION OF PROPOSED REVENUES BY AREA - RATE C - BASE RATES - APPEALS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Area (a)	Adjusted Customer Charges (b)	Customer Charge Revenue (c)	Adjusted Volume (d)	Consumption Revenue (e)	Base Rate Revenue (f)	Part A (g)	Part B (h)	Subtotal (i)	Rider FF & Rider TAX (j)	Proposed Revenue (k)	Amount Change (l)	Percentage Change (m)
1	AFFECTED CITIES	1,205,206	\$ 41,844,748	381,885,224	\$ 25,162,417	\$ 67,007,165	\$ 174,712,808	\$ 36,702,159	\$ 278,422,132	\$ 18,770,304	\$ 297,192,436	\$ 8,328,790	2.88%
2	UNINCORPORATED	25,229	875,955	7,434,989	489,891	1,365,847	3,401,514	714,561	5,481,921	369,573	5,851,494	196,006	3.47%
3	DALLAS ICL	241,044	8,369,048	113,582,201	7,483,931	15,852,979	51,963,952	10,916,138	78,733,069	5,307,925	84,040,994	225,010	0.27%
4													
5	TOTAL	1,471,479	\$ 51,089,751	502,902,414	\$ 33,136,240	\$ 84,225,991	\$ 230,078,273	\$ 48,332,858	\$ 362,637,122	\$ 24,447,802	\$ 387,084,924	\$ 8,749,805	2.31%

ATMOS ENERGY CORP. - MID-TEX DIVISION
CALCULATION OF PROPOSED REVENUES BY AREA - RATE I&T - BASE RATES - APPEALS
TEST YEAR ENDING SEPTEMBER 30, 2011

Line No.	Area (a)	Adjusted Meter Charges (b)	Customer Charge Revenue (c)	Sales Volume (d)	Transportation Volume (e)	Total Volume (f)	Volume Block 1 (g)	Volume Block 2 (h)	Volume Block 3 (i)	Consumption Revenue Block 1 (j)	Consumption Revenue Block 2 (k)	Consumption Revenue Block 3 (l)	Total Consumption Revenue (m)	Base Rate Revenue (n)	Part A (o)	Part B (p)	Subtotal (q)	Rider FF & Rider Tax (r)	Proposed Revenue (s)	Amount Change (t)	Percentage Change (u)
1	AFFECTED CITIES	8,460	\$ 5,076,000	1,329,031	28,568,092	20,898,123	7,892,879	8,864,076	13,141,168	\$ 1,951,909	\$ 1,606,171	\$ 511,191	\$ 4,069,271	\$ 9,145,271	\$ 5,937,820	\$ 6,021,914	\$ 21,105,005	\$ 1,422,830	\$ 22,527,835	\$ 867,369	4.00%
2	UNINCORPORATED	420	252,000	120,004	2,006,272	2,126,276	366,981	488,772	1,270,523	90,754	86,565	49,423	228,743	480,743	536,152	428,263	1,445,168	97,428	1,542,585	39,838	2.65%
3	DALLAS ICL	1,500	900,000	240,145	8,188,711	8,428,656	1,418,171	2,393,148	4,617,536	350,714	433,639	179,622	963,974	1,863,974	1,072,915	1,697,693	4,634,583	312,448.36	4,947,032	124,694	2.59%
4																					
5	TOTAL	8,880	\$ 6,228,000	1,449,035	38,764,075	40,453,255	9,678,031	11,745,997	19,029,227	\$ 2,393,377	\$ 2,128,375	\$ 740,237	\$ 5,261,969	\$ 11,489,989	\$ 7,546,887	\$ 8,147,870	\$ 27,184,746	\$ 1,832,706	\$ 29,017,452	\$ 1,031,921	3.69%

Atmos Energy Corp., Mid-Tex Division
2012 Statement of Intent
Rate Design

Appeal CCOS Net Revenue Requirement	\$	434,145,424	\$	<u>Residential</u> 338,431,486	\$	<u>Commercial</u> 84,223,622	\$	<u>Industrial & Transport</u> 11,490,316
Original Filing CCOS Net Revenue Requirement	\$	459,281,751	\$	366,013,687	\$	83,419,058	\$	9,849,006
Change to Residential Class			\$	(27,582,201)				
% of Revenue Requirement Excluding Residential						88.00%		12.00%
Adjustment to Appeal CCOS Net Revenue Requirement	\$	-	\$	-	\$	-	\$	-
Rate Design Net Revenue Requirement	\$	434,145,424	\$	338,431,486	\$	84,223,622	\$	11,490,316
Adjusted Number of Bills				17,314,932		1,471,479		10,380
Proposed Customer Charge			\$	17.70	\$	34.72	\$	600.00
Customer Charge Revenue	\$		\$	306,474,296	\$	51,089,751	\$	6,228,000
Revenue to be Collected in Consumption Charge				31,957,189		33,133,871		5,262,316
Volumes								
Tier 1				766,043,261		502,902,414		9,678,031
Tier 2								11,745,997
Tier 3								19,029,227
Consumption Charge per Ccf/MMBtu			\$	0.04172	\$	0.06589	\$	0.2473
Tier 1								0.1812
Tier 2								0.0389
Tier 3								

ATMOS ENERGY CORP. -- MID-TEX DIVISION
BASE REVENUE REQUIREMENTS ALLOCATION
TYE 9/30/11

	Description (a)	Amount (b)	BASE REVENUE REQUIREMENTS ALLOCATION		
			Residential (c)	Commercial (d)	Industrial & Transport (e)
1	Operating & Maintenance Expenses	\$ 150,139,876	\$ 117,821,997	\$ 28,208,729	\$ 4,109,151
2	Depreciation Expense	92,971,711	74,169,547	16,792,900	2,009,264
3	Taxes Other than Income	26,076,868	20,074,644	5,282,081	720,143
4	Interest on Customer Deposits	26,170	18,552	7,618	-
5	Return on Investment	129,638,514	99,441,226	26,557,747	3,639,541
6	Income Taxes	48,602,650	37,281,414	9,956,739	1,364,497
7	Total Cost of Service	\$ 447,455,789	\$ 348,807,380	\$ 86,805,815	\$ 11,842,595
8	Revenue Credits	13,310,366	77.95% 10,375,894	19.40% 2,582,193	2.65% 352,279
9	Base Revenue Requirements	\$ 434,145,424	\$ 338,431,486	\$ 84,223,622	\$ 11,490,316

	Total	Residential	Commercial	Industrial & Transport
(a) Customer Deposit Balances				
Customer Deposit Balances	\$ 34,046,761	\$ 24,135,338	\$ 9,911,423	\$ -
Allocation Factor	100.00%	70.89%	29.11%	0.00%
(b) Allocated Rate Base				
Allocated Rate Base	\$ 1,512,985,745	\$ 1,160,559,109	\$ 309,950,269	\$ 42,476,367
Allocation Factor	100.00%	76.71%	20.49%	2.81%
(c) Allocated Total Cost of Service				
Total Cost of Service	\$ 447,455,789	\$ 348,807,380	\$ 86,805,815	\$ 11,842,595
Allocation Factor	100.00%	77.95%	19.40%	2.65%

ATMOS ENERGY CORP. -- MID-TEX DIVISION
 RATE BASE ALLOCATION
 TYE 9/30/11

		RATE BASE ALLOCATION			
	Description (a)	Amount (b)	Residential (c)	Commercial (d)	Industrial & Transport (e)
1	Net Plant:				
2	Gross Plant	\$ 2,862,971,783			
3	Accumulated Depreciation	1,069,874,434			
4	Net Plant	\$ 1,793,097,349	\$ 1,374,107,069	\$ 369,367,977	\$ 49,622,303
5	Working Capital :				
6	Cash Working Capital	\$ (19,302,670)			
7	Materials & Supplies	850,505	(15,147,735)	(3,626,643)	(528,291)
8	Prepayments	10,692,714	667,432	159,795	23,277
9	Pension Expense Regulatory Asset	1,954,911	8,391,088	2,008,979	292,647
10	Working Capital	\$ (5,804,540)	(4,555,102)	(1,090,574)	(158,863)
11	Non-Investor Supplied Capital:				
12	Customer Deposits	\$ 21,808,614	15,459,863	6,348,751	-
13	Injuries and Damages Reserve	1,925,776	1,511,249	361,820	52,706
14	Accumulated Deferred Income Taxes	241,322,747	184,933,234	49,711,130	6,678,383
15	Rate Base Adjustments	9,249,927	7,088,511	1,905,433	255,983
16	Non-Investor Supplied Capital	274,307,063	208,992,857	58,327,134	6,987,072
17	RATE BASE	\$ 1,512,985,745	\$ 1,160,559,109	\$ 309,950,269	\$ 42,476,367
(a)	Allocated O&M Expenses Allocated O&M Expenses Allocation Factor	\$ 150,139,876 100.00%	117,821,997 78.47%	28,208,729 18.79%	4,109,151 2.74%
(b)	Customer Deposit Balances Customer Deposit Balances Allocation Factor	\$ 34,046,761 100.00%	\$ 24,135,338 70.89%	\$ 9,911,423 29.11%	- 0.00%
(c)	Allocated Net Plant Allocated Net Plant Allocation Factor	\$ 1,793,097,349 100.00%	\$ 1,374,107,069 76.63%	\$ 369,367,977 20.60%	\$ 49,622,303 2.77%

ATMOS ENERGY CORP. -- MID-TEX DIVISION
 PLANT ALLOCATION
 TYE 9/30/11

			ORIGINAL COST					FUNCTIONALIZATION / CLASSIFICATION				PLANT ALLOCATION		
Acct. No.	Description	Gross Plant (c)	Accumulated Depreciation (d)	Net Plant (e)	Customer-Related (a) (f)	Capacity-Related (a) (g)	General (h)	Residential (i)	Commercial (j)	Industrial & Transport (k)				
1 Mid-Tex:														
2	Distribution Plant													
3	374 Land	\$ 779,648	\$ 7,298	\$ 772,350	\$ 238,451	\$ 533,899		\$ 218,567	\$ 19,621	\$ 263				
4								343,312	163,094	27,494				
5	374 Land Rights	3,202,299	1,651,163	1,551,135	478,888	1,072,247		438,954	39,406	528				
6								689,484	327,546	55,217				
7	375 Structures & Improvements	1,468,570	1,328,471	140,099	43,253	96,845		39,646	3,559	48				
8								62,274	29,584	4,987				
9	376 Mains	1,476,878,143	382,674,635	1,094,203,508	337,817,905	756,385,603		309,647,548	27,797,849	372,509				
10								486,376,256	231,057,987	38,951,360				
11	378 M&R Station Equipment - General	39,052,296	18,202,077	20,850,219	6,437,173	14,413,046		5,900,382	529,692	7,098				
12								9,267,975	4,402,846	742,224				
13	379 M&R Station Equipment - City Gate	5,513,898	2,981,446	2,532,453	781,854	1,750,598		716,656	64,336	862				
14								1,125,682	534,767	90,150				
15	380 Services	758,429,725	449,388,591	309,041,134	309,041,134			283,270,448	25,429,909	340,777				
16	381 Meters	161,610,868	69,356,213	92,254,655	92,254,655			67,815,977	22,484,897	1,953,781				
17	382 Meter Installations	113,850,895	33,884,709	79,966,185	79,966,185			58,782,779	19,489,872	1,693,534				
18	383 House Regulators	47,352,660	12,349,400	35,003,261	35,003,261			25,730,738	8,531,220	741,303				
19	385 Industrial M&R Station Equipment	1,280,593	173,954	1,106,639	1,106,639			-	-	1,106,639				
20	Total Distribution Plant	\$ 2,609,419,594	\$ 971,997,957	\$ 1,637,421,637	\$ 863,169,398	\$ 774,252,239	\$ -	\$ 1,250,426,678	\$ 340,906,186	\$ 46,088,774				
21 General Plant														
22	302 Franchises & Consents	18,896	7,231	11,665		\$ 11,665		8,940	2,403	323				
23	303 Computer Software	3,386,331	3,474,703	(88,372)		(88,372)		(67,722)	(18,204)	(2,446)				
24	389 Land	3,982,767	245,810	3,736,957		3,736,957		2,863,748	769,792	103,417				
25	390 Structures & Improvements	29,857,249	14,493,418	15,363,830		15,363,830		11,773,786	3,164,863	425,180				
26	391 Office Furniture & Equipment	6,459,687	2,395,160	4,064,527		4,064,527		3,114,775	837,270	112,482				
27	392 Transportation Equipment	3,284,784	(1,541,204)	4,825,988		4,825,988		3,698,307	994,126	133,555				
28	393 Stores Equipment	144,748	15,459	129,289		129,289		99,079	26,633	3,578				
29	394 Tools, Shop, and Garage Equipment	11,778,174	941,117	10,837,058		10,837,058		8,304,779	2,232,373	299,905				
30	395 Laboratory Equipment	329,367	(6,458)	335,825		335,825		257,353	69,178	9,294				
31	396 Power Oper. Tool & Work Equipment	2,267,102	(1,518,906)	3,786,008		3,786,008		2,901,337	779,896	104,774				
32	397 Radio Communication Equipment	8,167,925	1,506,837	6,661,088		6,661,088		5,104,602	1,372,147	184,339				
33	398 Miscellaneous Equipment	18,571,170	15,049,678	3,521,492		3,521,492		2,698,630	725,408	97,454				
34	399 Non-Mainframe Computer Equipment	11,460,720	789,186	10,671,534		10,671,534		8,177,933	2,198,276	295,325				
35	RWIP Retirement Work in Progress	-	(36,203,431)	36,203,431		36,203,431		27,743,831	7,457,703	1,001,896				
36	Total General Plant	\$ 99,708,919	\$ (351,401)	\$ 100,060,320	\$ -	\$ 100,060,320		\$ 76,679,380	\$ 20,611,864	\$ 2,769,076				
37 Shared Services Unit:														
38	Customer Support	\$ 94,317,551	\$ 65,163,949	\$ 29,153,602	\$ 29,153,602			26,722,507	2,398,948	32,147				
39	General Plant	59,525,719	33,063,929	26,461,789		26,461,789		20,278,504	5,450,980	732,305				
40	Total Shared Services Plant	\$ 153,843,269	\$ 98,227,878	\$ 55,615,391	\$ 29,153,602	\$ -	\$ 26,461,789	\$ 47,001,011	\$ 7,849,927	\$ 764,453				
41	TOTAL PLANT	\$ 2,862,971,783	\$ 1,069,874,434	\$ 1,793,097,349	\$ 892,323,001	\$ 774,252,239	\$ 126,522,109	\$ 1,374,107,069	\$ 369,367,977	\$ 49,622,303				

ATMOS ENERGY CORP. -- MID-TEX DIVISION
PLANT ALLOCATION

		Total		Customer-Related		Capacity-Related		Residential		Commercial		Industrial & Transport	
(a)	Accounts 374-379 functionalized between Customer-related and Capacity-related using the following minimum system analysis:												
	Feet of Mains	153,690,240											
	Current Cost of 2" Main per Foot	\$ 5.70											
	Current Cost of 2' Main System	876,351,221											
	Current Cost of All Mains in Service	2,838,530,956											
(b)	Remaining Current Cost of Mains	1,962,179,735				1,962,179,735							
	Allocation Factor	100.00%		30.87%		69.13%							
	No. of Customer Locations	1,620,582						1,485,443		133,352		1,787	
	Allocation Factor	100.00%						91.66%		8.23%		0.11%	
	Design Day Demand	2,097,587						1,348,805		640,763		108,019	
(c)	Design Day Demand (McF)	100.00%						64.30%		30.55%		5.15%	
	Allocation Factor												
	Meter Investment												
	Meter Investment	\$ 343,002,294						252,139,425		\$ 83,598,723		\$ 7,264,146	
	Allocation Factor	100.00%						73.51%		24.37%		2.12%	
(d)	Direct to Ind. & Trans.	100.00%						0.00%		0.00%		100.00%	
	Allocation Factor												
	Distribution & Cust. Sup. Plant												
	Total Distribution Plant	\$ 1,637,421,637						1,250,426,678		\$ 340,906,186		\$ 46,088,774	
	Customer Support Plant	29,153,602						26,722,507		2,398,948		32,147	
(e)	Total	\$ 1,666,575,239						1,277,149,185		\$ 343,305,134		\$ 46,120,921	
	Allocation Factor	100.00%						76.63%		20.60%		2.77%	

ATMOS ENERGY CORP. -- MID-TEX DIVISION
DESIGN DAY DEMAND ANALYSIS
TYE 9/30/11

Class Cost of Service Study - 4
Page 1 of 1

DESIGN DAY DEMAND (a)	Residential (b)		Commercial (d)		Industrial & Transport (f)	Refer- ence (h)	Description (i)
	(a)	(c)	(e)	(g)			
1 Class Adjusted Usage (Mcf)	76,604,326		50,290,241				Billing Determinant Study
2 Annual Days	365		365				
3 Class Daily Usage (Mcf)	209,875		137,781				Billing Determinant Study
4 Adjusted Customers	1,442,911		122,623				Billing Determinant Study (DFW Airport)
5 Daily use per Customer (Mcf)		0.1455		1.1236			
6 Normal Heating Degree Days	2,086		2,086				
7 Annual Days	365		365				
8 Average Daily Heating Degree Days	5.72		5.72				
9 System Design Heating Degree Days	50.00		50.00				
10 System Design vs. Average Daily HDDs	44.28		44.28				
11 Use per Customer / HDD Regression Coefficients	0.0206		0.0956				
12 Adjustment to Daily Use per Customer		0.9129		4.2323			CCS-5 Use per Customer/HDD Regression
13 Adjusted Class Design Day Usage		1,0583		5,3560			Billing Determinant Study
14 Adjusted Customers		1,442,911		122,623			Billing Determinant Study
15 Class Design Day		1,527,058		656,766	108,233		
16 Adjustment for Minimum System							
17 Maximum Hourly Flow per Location (Ccf)	5		5		5		GUD No. 9670
18 Daily Hours	24		24		24		
19 Maximum Hourly Flow per Location (Ccf)	120		120		120		
20 Number of Locations	1,485,443		133,352		1,787		Meter Count & GUD No. 9670
21 Maximum Daily Flow per Hour (Mcf)		(178,253.16)		(16,002)	(214)		
22 Adjusted Class Design Day (Mcf)		1,348,805		640,763	108,019		
23 UPSTREAM PIPELINE FIXED CHARGE ALLOCATION FACTOR:							
24 Adjusted Class Design Day (Mcf)	1,348,805		640,763		108,019		GUD No. 9670
25 Mmbtu/Mcf	1,024		1,024		1,024		GUD No. 9670
26 Lost & Unaccounted-for Gas Factor	1.025		1.025		1.025		
27 Upstream MMBtu Demand		1,415,705		672,545	113,377		
28 Upstream Pipeline Fixed Charge Allocation Factor		64.30269%		30.54764%	5.14967%		

ATMOS ENERGY CORP. -- MID-TEX DIVISION
USE PER CUSTOMER / HEATING DEGREE DAY REGRESSION
TYE 9/30/11

Class Cost of Service Study - 5
Page 1 of 1

RESIDENTIAL

Year	Month	Customers	Usage	Use Per Customer	Heating Degree Days	
					Months of Consumption	Trailing
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	October	1,389,027	21,776,517	15.68	0	0
2	November	1,398,756	47,127,494	33.69	63	63
3	December	1,409,336	112,445,850	79.79	243	243
4	January	1,410,015	167,159,334	118.55	466	466
5	February	1,425,365	182,488,728	128.03	699	699
6	March	1,420,975	87,912,702	61.87	438	438
7	April	1,425,423	47,897,446	33.60	141	109
8	May	1,420,073	33,422,773	23.54	0	141
9	June	1,401,451	32,846,104	23.44	0	0
10	July	1,393,083	10,548,619	7.57	0	0
11	August	1,408,164	19,217,921	13.65	0	0
12	September	1,398,274	17,654,030	12.63	0	0
13	October	1,401,765	22,947,073	16.37	35	0
14	November	1,404,094	40,596,837	28.91	188	35
15	December	1,420,161	110,713,378	77.96	474	188
16	January	1,426,170	175,938,235	123.36	569	474
17	February	1,420,858	148,837,018	104.75	331	569
18	March	1,430,838	104,471,566	73.01	182	331
19	April	1,428,682	51,129,521	35.79	59	182
20	May	1,432,532	30,823,069	21.52	3	59
21	June	1,422,398	22,073,243	15.52	0	3
22	July	1,413,466	20,285,611	14.35	0	0
23	August	1,416,922	18,004,297	12.71	0	0
24	September	1,414,543	17,418,370	12.31	0	0
25	October	1,427,079	21,688,772	15.20	38	0
26	November	1,425,024	42,029,249	29.49	197	38
27	December	1,426,919	128,787,878	90.26	499	197
28	January	1,431,347	160,214,359	111.93	526	499
29	February	1,438,843	125,674,322	87.34	273	526
30	March	1,439,589	87,915,466	61.07	239	273
31	April	1,438,676	61,097,995	42.47	95	239
32	May	1,430,892	30,761,441	21.50	3	95
33	June	1,436,181	21,814,522	15.19	0	3
34	July	1,428,170	20,269,034	14.19	0	0
35	August	1,424,665	18,873,314	13.25	0	0
36	September	1,417,869	17,017,155	12.00	0	0
37	October	1,436,698	25,891,675	18.02	0	0
38	November	1,428,768	45,057,435	31.54	115	65
39	December	1,434,468	138,665,043	96.67	176	194
40	January	1,440,584	213,584,946	148.26	681	634
41	February	1,445,292	180,691,815	125.02	645	521
42	March	1,451,337	152,305,491	104.94	288	437
43	April	1,442,202	63,941,278	44.34	41	170
44	May	1,445,487	28,437,677	19.67	3	6
45	June	1,439,198	21,014,135	14.60	0	0

COMMERCIAL

Customers	Usage	Use Per Customer	Heating Degree Days	
			Months of Consumption	Trailing
(h)	(i)	(j)	(k)	(l)
120,141	24,628,683	205.00	0	0
121,788	34,345,597	282.01	63	63
122,492	59,490,989	485.67	243	243
121,909	81,780,493	670.83	466	466
124,527	90,906,236	730.01	699	699
122,605	53,107,382	433.16	438	438
122,672	36,770,431	299.75	141	109
122,309	31,239,540	255.41	0	141
120,949	30,677,094	253.64	0	0
118,291	19,597,511	165.67	0	0
120,924	23,783,541	196.68	0	0
119,660	21,573,768	180.29	0	0
113,980	26,377,936	231.43	35	0
123,401	31,513,182	255.37	188	35
121,193	58,384,305	481.75	474	188
122,988	86,208,840	700.95	569	474
121,522	77,891,743	640.97	331	569
122,529	60,006,176	489.73	182	331
120,060	40,122,165	334.18	59	182
120,311	30,899,203	256.83	3	59
119,077	25,245,994	212.01	0	3
122,450	24,869,097	203.10	0	0
118,867	21,095,281	177.47	0	0
117,022	21,325,665	182.24	0	0
125,038	25,481,558	203.79	0	0
121,533	32,754,568	269.51	38	0
120,512	64,631,853	536.31	197	38
121,638	79,373,331	652.54	499	197
122,577	66,227,866	540.30	526	499
122,181	51,777,751	423.78	239	273
120,936	40,646,897	336.10	95	239
119,300	31,162,154	261.21	3	95
124,300	23,285,082	187.33	0	3
119,900	23,519,545	196.16	-	-
119,195	22,884,775	191.99	-	-
116,480	20,856,209	179.05	-	-
122,197	25,943,948	212.31	115	-
118,174	33,899,223	286.86	176	65
121,561	67,501,017	555.29	681	194
122,833	101,928,770	829.82	634	521
121,970	87,343,833	716.11	645	304
123,591	78,502,543	635.18	288	437
119,890	44,032,482	367.27	41	170
119,333	29,056,861	243.49	3	6
124,781	24,292,430	194.68	-	-

46	2010	July	1,432,429	20,122,242	14.05	0	0	118,425	23,096,012	195.03	-
47	2010	August	1,433,054	18,145,943	12.66	0	0	120,976	22,228,171	183.74	-
48	2010	September	1,429,287	17,217,885	12.05	1	0	116,240	21,518,771	185.12	1
49	2010	October	1,429,686	19,422,704	13.59	25	25	115,516	23,983,132	207.62	25
50	2010	November	1,436,095	41,503,216	28.90	233	233	124,322	32,526,535	261.63	233
51	2010	December	1,441,512	111,445,712	77.31	483	483	123,787	56,971,687	460.24	483
52	2011	January	1,444,739	175,019,820	121.14	681	681	123,331	83,988,636	681.00	681
53	2011	February	1,446,429	201,217,690	139.11	455	455	123,092	98,393,653	799.35	455
54	2011	March	1,446,059	78,190,618	54.07	181	181	122,363	50,929,544	416.22	181
55	2011	April	1,448,551	42,340,155	29.23	23	23	119,382	34,874,025	292.12	23
56	2011	May	1,449,184	29,814,299	20.57	38	38	123,556	28,802,527	233.11	38
57	2011	June	1,437,603	22,150,898	15.41	0	0	121,008	25,464,878	210.44	-
58	2011	July	1,431,642	18,857,733	13.17	0	0	119,013	25,602,205	215.12	-
59	2011	August	1,425,378	16,159,072	11.34	0	0	120,502	18,886,790	156.73	-
60	2011	September	1,449,673	16,455,960	11.35	0	0	123,993	21,899,472	176.62	-

Dependent Variable: CUPC

Method: Least Squares

Date: 01/23/12 Time: 16:06

Sample(adjusted): 2006:11 2011:09

Included observations: 59 after adjusting endpoints

Convergence achieved after 7 iterations

Variable Coefficient Std. Error t-Statistic Prob.

68	C	190.649421	9.143240936	20.8514051	8.70E-28
69	HDD	0.39535669	0.034763212	11.3728469	4.56E-16
70	HDDL	0.56035151	0.037554442	14.9210448	5.50E-21
71	AR(1)	0.36239705	0.128836709	2.81284003	0.00679594
72	R-squared	0.96736893	Mean dependent var	352.751186	
73	Adjusted R-squared	0.96558906	S.D. dependent var	193.45782	
74	S.E. of regression	35.8867879	Akaike info criterion	10.0640044	
75	Sum squared resid	70832.3851	Schwarz criterion	10.2048544	
76	Log likelihood	-292.888131	F-statistic	543.503416	
77	Durbin-Watson stat	2.17900091	Prob(F-statistic)	0	
78	Inverted AR Roots	0.36			

	Meter Class (a)	Cost per Meter (a) (b)	Number of Meters (c)			Replacement Cost of Meters		
			Residential (c)	Commercial (d)	Industrial & Transport (e)	Residential (f)	Commercial (g)	Industrial & Transport (h)
1	1	\$ 158.00	1,418,075	64708	1	\$ 224,055,850	\$ 10,223,864	\$ 158
2	2	\$ 275.00	47,777	19963	2	13,138,675	5,489,825	550
3	3	\$ 744.00	17,680	19263	7	13,153,920	14,331,672	5,208
4	4	\$ 731.00	1,775	20130	33	1,297,525	14,715,030	24,123
5	5	\$ 4,190.00	35	2634	124	146,650	11,036,460	519,560
6	6	\$ 4,190.00	33	2007	133	138,270	8,409,330	557,270
7	7	\$ 4,190.00	6	168	11	25,140	703,920	46,090
8	8	\$ 4,190.00	13	1108	237	54,470	4,642,520	993,030
9	9	\$ 4,190.00	30	3349	653	125,700	14,032,310	2,736,070
10	Non-Classified Residential (b)	\$ 169.74	19			3,225		
11	Non-Classified Commercial (b)	\$ 626.90		22			13,792	
12	Non-Classified Ind. & Transport (b)	\$ 4,065.00			586			2,382,087
13	Total		1,485,443	133,352	1,787	\$ 252,139,425	\$ 83,598,723	\$ 7,264,146

(a) GUD No. 9670

(b) Average cost of Classified Meters

(c) Classified Meters from GUD No. 9670: Total Meters from Meter Count and GUD No. 9670

ATMOS ENERGY CORP. -- MID-TEX DIVISION
 O&M EXPENSE ALLOCATION
 TYE 9/30/11

Acct. No.	Description (b)	Amount (c)	O&M EXPENSE ALLOCATION		
			Residential (d)	Commercial (e)	Industrial & Transport (f)
1	Mid-Tex:				
2	841 Natural gas storage - Operation labor and expenses	\$ 541	\$	249 \$	164 \$
3	870 Operation Supervision and Engineering	3,782,005	2,867,172	788,577	126,256
4	871 Distribution Load Dispatching	1,079,099	496,778	326,131	256,190
5	872 Compressor Station Labor and Expenses	0	-	-	-
6	874 Mains and Services Expenses	30,105,537	23,155,430	6,099,133	850,975
7	875 Measuring and Regulating Station Expenses - General	58,239	42,368	13,778	2,093
8	876 Measuring and Regulating Station Expenses - Industrial	3,183	-	-	3,183
9	877 Measuring and Regulating Station Exp - City Gate Chk. Sta.	3,596	2,616	851	129
10	878 Meter and House Regulator Expenses	3,286,855	2,416,152	801,094	69,609
11	879 Customer Installations Expenses	707,891	648,861	58,250	781
12	880 Other Expenses	5,516,069	4,181,781	1,150,143	184,145
13	881 Rents	94,514	71,652	19,707	3,155
14	885 Maintenance Supervision and Engineering	5,921	4,488	1,234	198
15	886 Maintenance of Structures and Improvements	24,022	17,475	5,683	863
16	887 Maintenance of Mains	1,276,616	928,727	302,009	45,879
17	888 Maintenance of compressor station equipment	2,647	1,218	800	628
18	889 Maint. of Measuring and Regulating Station Equip. - General	2,279,612	1,658,398	539,288	81,925
19	890 Maint. of Measuring and Regulating Station Equip. - Industrial	2,143	-	-	2,143
20	891 Maint. of Measuring and Regulating Station Equip. - City Gate	1,379	1,003	326	50
21	892 Maintenance of Services	470,357	431,134	38,704	519
22	893 Maintenance of Meters and House Regulators	242,812	178,490	59,180	5,142
23	894 Maintenance of Other Equipment	805,036	610,305	167,856	26,875
24	901 Supervision	184	169	15	0
25	902 Meter Reading Expense	7,862,520	7,206,871	646,979	8,670
26	903 Customer Records and Collection Expenses	15,078,152	11,554,864	3,106,015	417,274
27	904 Uncollectible Accounts	3,589,132	2,916,654	531,299	141,178
28	905 Miscellaneous Customer Accounts Expenses	100	92	8	0
29	907 Supervision	-	-	-	-
30	908 Customer Assistance Expenses	88,839	81,431	7,310	98
31	909 Informational and Instructional Advertising Expenses	4,920	4,509	405	5
32	910 Miscellaneous Customer Service and Informational Expenses	2,561,828	2,348,199	210,804	2,825
33	911 Supervision	3,540	3,245	291	4
34	912 Demonstrating and Selling Expenses	57,677	52,868	4,746	64
35	913 Advertising Expenses	1,985,790	1,820,196	163,404	2,190
36	916 Miscellaneous Sales Expenses	20	19	2	0
37	920 Administrative and General Salaries	4,362,208	3,445,284	799,663	117,261
38	921 Office Supplies and Expenses	219,286	173,193	40,199	5,895
39	922 Administrative Expenses Transferred - Customer Support	20,738,706	15,892,725	4,272,057	573,924
40	922 Administrative Expenses Transferred - General	23,288,070	18,400,881	4,270,909	626,280
41	923 Outside Services Employed	1,150,183	908,418	210,847	30,918
42	924 Property Insurance	739,904	567,011	152,416	20,476
43	925 Injuries and Damages	1,306,752	1,032,076	239,549	35,127
44	926 Employee Pensions and Benefits	16,202,802	12,797,018	2,970,233	435,551
45	928 Regulatory Commission Expenses	-	-	-	-
46	929 Duplicate Charges - Credit	-	-	-	-
47	930.1 General Advertising Expenses	5,203	4,769	428	6
48	930.2 Miscellaneous General Expense	298,948	236,110	54,802	8,036
49	931 Rents	836,378	660,573	153,321	22,483
50	932 Maintenance of General Plant	662	523	121	18
51	Total Operation and Maintenance Expenses	\$ 150,139,876	\$ 117,821,997	\$ 28,208,729	\$ 4,109,151

ATMOS ENERGY CORP -- MID-TEX DIVISION
 O&M EXPENSE ALLOCATION

	Total	Residential	Commercial	Industrial & Transport
(a) Composite of Accts. 871-879 & 886-893				
871 Distribution Load Dispatching	\$ 1,079,099	\$ 496,778	\$ 326,131	\$ 256,190
872 Compressor Station Labor and Expenses	-	-	-	-
874 Mains and Services Expenses	30,105,537	23,155,430	6,099,133	850,975
875 Measuring and Regulating Station Expenses - General	58,239	42,368	13,778	2,093
876 Measuring and Regulating Station Expenses - Industrial	3,183	-	-	3,183
877 Measuring and Regulating Station Exp. - City Gate Chk. Sta.	3,596	2,616	851	129
878 Meter and House Regulator Expenses	3,286,855	2,416,152	801,094	69,609
879 Customer Installations Expenses	707,891	648,861	58,250	781
886 Maintenance of Structures and Improvements	24,022	17,475	5,683	863
887 Maintenance of Mains	1,276,616	928,727	302,009	45,879
888 Maintenance of compressor station equipment	2,647	1,218	800	628
889 Maint. of Measuring and Regulating Station Equip. - General	2,279,612	1,658,398	539,288	81,925
890 Maint. of Measuring and Regulating Station Equip. - Industrial	2,143	-	-	2,143
891 Maint. of Measuring and Regulating Station Equip. - City Gate	1,379	1,003	326	50
892 Maintenance of Services	470,357	431,134	38,704	519
893 Maintenance of Meters and House Regulators	242,812	178,490	59,180	5,142
Total	\$ 39,543,988	\$ 29,978,652	\$ 8,245,225	\$ 1,320,110
Allocation Factor	100.00%	75.81%	20.85%	3.34%
(b) Throughput				
Total	166,399,699	76,604,326	50,290,241	39,505,132
Allocation Factor	100.00%	46.04%	30.22%	23.74%
(c) Composite of Accts. 376 & 380				
376 Mains	\$ 1,094,203,508	\$ 796,023,804	\$ 258,855,836	\$ 39,323,868
380 Services	309,041,134	283,270,448	25,429,909	340,777
Total	\$ 1,403,244,642	\$ 1,079,294,252	\$ 284,285,746	\$ 39,664,645
Allocation Factor	100.00%	76.91%	20.26%	2.83%
(d) Composite of Accts. 374-379				
374 Land & Land Rights	\$ 2,323,486	\$ 1,690,316	\$ 549,667	\$ 83,502
375 Structures & Improvements	140,099	101,921	33,143	5,035
376 Mains	1,094,203,508	796,023,804	258,855,836	39,323,868
378 M&R Station Equipment - General	20,850,219	15,168,358	4,932,538	749,322
379 M&R Station Equipment - City Gate	2,532,453	1,842,338	599,103	91,012
Total	\$ 1,120,049,764	\$ 814,826,736	\$ 264,970,288	\$ 40,252,740
Allocation Factor	100.00%	72.75%	23.66%	3.59%
(e) Direct to Ind. & Trans.				
Allocation Factor	100.00%	0.00%	0.00%	100.00%
(f) Composite of Accts. 381-383				
381 Meters	\$ 92,254,655	\$ 67,815,977	\$ 22,484,897	\$ 1,953,781
382 Meter Installations	79,966,185	58,782,779	19,489,872	1,693,534
383 House Regulators	35,003,261	25,730,738	8,531,220	741,303
Total	\$ 207,224,101	\$ 152,329,493	\$ 50,505,989	\$ 4,388,618
Allocation Factor	100.00%	73.51%	24.37%	2.12%
(g) No. of Customer Locations				
No. of Customer Locations	1,620,582	1,485,443	133,352	1,787
Allocation Factor	100.00%	91.66%	8.23%	0.11%

ATMOS ENERGY CORP. -- MID-TEX DIVISION
O&M EXPENSE ALLOCATION

	Total	Residential	Commercial	Industrial & Transport
(h) Account 380 380 Services Allocation Factor	\$ 309,041,134 100.00%	\$ 283,270,448 91.66%	\$ 25,429,909 8.23%	\$ 340,777 0.11%
(i) Plant Weighted Customers Net Plant Investment Allocation Factor	\$ 1,793,097,349 100.00%	\$ 1,374,107,069 76.63%	\$ 369,367,977 20.60%	\$ 49,622,303 2.77%
(j) GUID 9400 Allocation Factors Allocation Factor	100.00%	81.26%	14.80%	3.93%
(k) Composite of Accts. 870-902, 905-916, 924 & 928-930.1 Accts. 870-902 Accts. 905-916 Acct. 924 Accts. 928-930.1 Total Allocation Factor	\$ 57,610,236 4,702,713 739,904 5,203 63,058,056 100.00%	\$ 44,921,090 4,310,558 567,011 4,769 49,803,429 78.98%	\$ 11,019,737 386,970 152,416 428 11,559,551 18.33%	\$ 1,669,409 5,186 20,476 6 1,695,076 2.69%
(l) Total Plant Total Plant Allocation Factor	\$ 1,793,097,349 100.00%	\$ 1,374,107,069 76.63%	\$ 369,367,977 20.60%	\$ 49,622,303 2.77%

Acct. No.	Description (b)	ALLOCATED NET PLANT (a)				ALLOCATION FACTOR (b)			DEPRECIATION (c)			DEPRECIATION ALLOCATION		
		TOTAL NET PLANT (c)	Residential (d)	Commercial (e)	Industrial & Transport (f)	Residential (g)	Commercial (h)	Industrial & Transport (i)	Residential (k)	Commercial (l)	Industrial & Transport (m)			
1	Mid-Tex:													
2	Distribution Plant													
3	374 Land	\$ 772,350	\$ 561,878	\$ 182,715	\$ 27,757	72.75%	23.66%	3.59%	\$ -	\$ -	\$ -	\$ 22,831	\$ 7,424	\$ 1,128
4	374 Land Rights	1,551,135	1,128,438	366,952	55,745	72.75%	23.66%	3.59%	31,383	-	-	18,269	7,424	1,128
5	375 Structures & Improvements	140,089	101,921	33,143	5,035	72.75%	23.66%	3.59%	25,113	-	-	18,269	7,424	903
6	376 Mains	1,094,203,508	796,023,804	258,855,836	39,323,868	72.75%	23.66%	3.59%	39,700,225	9,391,886	1,426,761	28,881,578	9,391,886	1,426,761
7	378 M&R Station Equipment - General	20,850,219	15,166,358	4,932,538	749,322	72.75%	23.66%	3.59%	1,206,716	285,473	43,367	877,876	285,473	43,367
8	379 M&R Station Equipment - City Gate	2,532,453	1,842,338	599,103	91,012	72.75%	23.66%	3.59%	103,861	24,523	3,725	75,413	24,523	3,725
9	380 Services	309,041,134	283,270,448	25,429,909	340,777	91.66%	8.23%	0.11%	27,834,371	2,290,393	30,693	25,513,286	2,290,393	30,693
10	381 Meters	92,254,655	67,815,977	1,953,781	1,953,781	73.51%	24.37%	2.12%	5,349,320	1,303,771	113,289	113,289	1,303,771	113,289
11	382 Meter Installations	79,966,185	67,815,977	22,484,897	1,953,781	73.51%	24.37%	2.12%	4,166,943	1,015,594	88,248	3,063,101	1,015,594	88,248
12	383 House Regulators	35,003,261	25,730,738	8,531,220	1,693,534	73.51%	24.37%	2.12%	1,857,343	403,938	35,099	1,218,305	403,938	35,099
13	385 Industrial M&R Station Equipment	1,106,639	-	-	1,106,639	0.00%	0.00%	100.00%	35,857	-	-	-	-	35,857
14	Total Distribution Plant	\$ 1,637,421,637	\$ 1,250,426,678	\$ 340,906,186	\$ 46,088,774				\$ 80,110,931	\$ 14,728,943	\$ 1,779,069	\$ 63,602,919	\$ 14,728,943	\$ 1,779,069
15	General Plant													
16	302 Franchises & Consents	\$ 11,665	\$ 8,940	\$ 2,403	\$ 323	76.63%	20.60%	2.77%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	303 Computer Software	(88,372)	(67,722)	(18,204)	(2,446)	76.63%	20.60%	2.77%	-	-	-	-	-	-
18	389 Land	3,736,957	2,863,748	769,792	103,417	76.63%	20.60%	2.77%	759,683	156,284	20,996	581,403	156,284	20,996
19	390 Structures & Improvements	15,363,830	11,773,788	3,164,863	425,180	76.63%	20.60%	2.77%	259,387	53,226	7,151	198,010	53,226	7,151
20	391 Office Furniture & Equipment	4,064,527	3,114,775	837,270	112,482	76.63%	20.60%	2.77%	296,944	61,169	8,218	227,558	61,169	8,218
21	392 Transportation Equipment	4,825,988	3,698,307	994,126	133,555	76.63%	20.60%	2.77%	1,563	322	43	1,198	322	43
22	393 Stores Equipment	129,289	99,079	26,633	3,578	76.63%	20.60%	2.77%	159,005	32,754	4,400	121,851	32,754	4,400
23	394 Tools, Shop, and Garage Equipment	10,837,058	8,304,779	2,232,373	299,905	76.63%	20.60%	2.77%	159,005	32,754	4,400	121,851	32,754	4,400
24	395 Laboratory Equipment	335,825	257,353	69,178	9,294	76.63%	20.60%	2.77%	8,893	1,832	246	6,815	1,832	246
25	396 Power Oper. Tool & Work Equipment	3,786,008	2,901,337	779,896	104,774	76.63%	20.60%	2.77%	164,138	33,812	4,542	125,784	33,812	4,542
26	397 Radio Communication Equipment	6,661,088	5,104,602	1,372,147	184,339	76.63%	20.60%	2.77%	544,801	112,226	15,077	417,498	112,226	15,077
27	398 Miscellaneous Equipment	3,521,492	2,698,630	725,408	97,454	76.63%	20.60%	2.77%	380,469	78,375	10,529	291,566	78,375	10,529
28	399 Non-Mainframe Computer Equipment	10,671,534	8,177,933	2,198,276	295,325	76.63%	20.60%	2.77%	1,627,317	335,218	45,034	1,247,064	335,218	45,034
29	RWIP Retirement Work in Progress	36,203,831	27,743,831	7,457,703	1,001,896				-	-	-	-	-	-
30	Total General Plant	\$ 100,060,320	\$ 76,679,380	\$ 20,611,864	\$ 2,769,076				\$ 4,200,202	\$ 865,218	\$ 116,237	\$ 3,218,747	\$ 865,218	\$ 116,237
31	Accrual for Reserve Deficiency	\$ 100,060,320	\$ 76,679,380	\$ 20,611,864	\$ 2,769,076	76.63%	20.60%	2.77%	\$ 70,367	14,495	1,947	53,924	14,495	1,947
32	Shared Services Unit:													
33	Customer Support	\$ 29,153,602	\$ 26,722,507	\$ 2,398,948	\$ 32,147	91.66%	8.23%	0.11%	\$ 4,731,235	\$ 389,317	\$ 5,217	\$ 4,336,701	\$ 389,317	\$ 5,217
34	General Plant	26,461,789	20,278,504	5,450,980	732,305	76.63%	20.60%	2.77%	3,859,977	794,928	106,794	2,957,256	794,928	106,794
35	Total Shared Services Plant	\$ 55,615,391	\$ 47,001,011	\$ 7,849,927	\$ 764,453				\$ 8,590,212	\$ 1,184,244	\$ 112,011	\$ 7,293,957	\$ 1,184,244	\$ 112,011
36	TOTAL PLANT	\$ 1,793,097,349	\$ 1,374,107,069	\$ 369,367,977	\$ 49,622,303									
37	TOTAL DEPRECIATION EXPENSE								\$ 92,971,711	\$ 16,792,900	\$ 2,009,261	\$ 74,169,547	\$ 16,792,900	\$ 2,009,261

(a) Class Cost of Service Study - 3, Plant Allocation
(b) Class Allocated Net Plant as a percent of Total Net Plant
(c) Distribution Plant Depreciation Expense spread to accounts based on Gross Plant from Class Cost of Service Study - 3, Plant Allocation

ATMOS ENERGY CORP. -- MID-TEX DIVISION
TAXES OTHER THAN INCOME ALLOCATION
TYE 9/30/11

Class Cost of Service Study - 9
Page 1 of 1

		TAXES OTHER THAN INCOME ALLOCATION			Refer- ence (f)	Description (g)
		Residential (c)	Commercial (d)	Industrial & Transport (e)		
1	Non Revenue-Related Taxes:					
2	Ad Valorem Tax	\$ 21,129,326	\$ 4,352,522	\$ 584,734	(a)	Total Plant
3	Payroll Tax	\$ 2,722,791	511,566	74,520	(b)	O&M Expenses
4	DOT Pipeline User Fee	\$ 75,921	14,264	2,078	(b)	O&M Expenses
5	Non Revenue - Related Taxes Allocated from SSU	\$ 2,148,830	403,729	58,811	(b)	O&M Expenses
6	Total Non Revenue-Related	\$ 26,076,868	5,282,081	720,143		
7	Revenue-Related Taxes:					
8	State Gross Receipts Taxes	\$ 20,249,735				Collected through Riders FF & Tax
9	Local Franchise Fees	\$ 60,167,610				Collected through Riders FF & Tax
10	Railroad Commission Fees	\$ 62,540				Collected through Riders FF & Tax
11	Total Revenue-Related	\$ 80,479,885	-	-		
12	Taxes Other than Income	\$ 106,556,753	5,282,081	720,143		

		TAXES OTHER THAN INCOME ALLOCATION			Refer- ence (f)	Description (g)
		Residential (c)	Commercial (d)	Industrial & Transport (e)		
(a)	Total Plant Total Plant Allocation Factor	\$ 1,374,107,069 76.63%	\$ 369,367,977 20.60%	\$ 49,622,303 2.77%	CCS-3	Plant Allocation
(b)	O&M Expenses O&M Expenses Allocation Factor	\$ 117,821,997 78.47%	\$ 28,208,729 18.79%	\$ 4,109,151 2.74%	CCS-7	O&M Expense Allocation

Atmos Energy Corporation
Mid-Tex Division
Summary of Pension and Other Postemployment Benefits Expense Calculation

Line No.	Description (a)	GUD 9869				GUD 9869 with Towers Watson 2012 Estimates				Total		Deferral		
		FAS 87	FAS 106	SERP	Total	FAS 87	FAS 106	SERP	Total	(j) = (i - e)	(k) = (f - b)	FAS 87	FAS 106	SERP
		(b)	(c)	(d)	(e) = (b + c + d)	(f)	(g)	(h)	(i) = (f + g + h)			(l) = (g - c)		(m) = (h - d)
1	Mid-Tex Expense	\$2,874,946	#####	\$171,212	\$ 7,114,721	\$ 5,941,774	\$ 4,918,042	#####	\$ 11,003,206	\$ 3,888,485	\$ 3,066,828	\$ 849,479	\$ (27,822)	
2	Mid-Tex Capital	2,912,514	4,225,387	-	7,137,901	5,941,186	5,127,874	-	11,069,060	3,931,159	3,028,671	902,487	-	
3														
4	Total (Ln 2 plus Ln 3)	\$5,787,460	#####	\$171,212	\$ 14,252,622	\$11,882,960	\$10,045,916	#####	\$ 22,072,266	\$ 7,819,644	\$ 6,095,500	\$ 1,751,966	\$ (27,822)	
5														
6	<u>Regulatory Asset (Expense):</u>													
7														
8	Asset January through September 2012 (End of the Fiscal Year) (Col (j) Ln 1 x 9/12)									\$2,916,363.91	\$2,300,121.15	\$637,109.25	\$ (20,866.50)	
9	Asset January through March 2012 (Col (j) Ln 8 x 1/3) (1)									\$ 972,121	\$ 766,707	\$ 212,370	\$ (6,956)	
10														
11	<u>Regulatory Asset (Capital):</u>													
12														
13	Asset January through September 2012 (End of the Fiscal Year) (Col (j) Ln 2 x 9/12)									\$ 2,948,369	\$ 2,271,504	\$ 676,865	\$ -	
14	Asset January through March 2012 (Col (j) Ln 13 x 1/3) (1)									\$ 982,790	\$ 757,168	\$ 225,622	\$ -	
15														
16														
17	Total Regulatory Asset through March 2012 (Ln 9 plus Ln 14)									\$ 1,954,911	\$ 1,523,875	\$ 437,992	\$ (6,956)	
18														
19	Note:													
20	1. January through March (three months) is 1/3 of the remaining nine months of the fiscal year.													

ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS ADJUSTMENT
TEST YEAR ENDING JUNE 30, 2008
GUD 9869

Line No.	Description (a)	Shared Services (b)		Mid-Tex Direct (e)		Supplemental Executive Benefit Plan (SERP) (f)
		Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106")	Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106")	
1	Fiscal Year 2009 Towers Perrin Report	\$ 2,825,263	\$ 3,660,066	\$ 4,711,600	\$ 6,900,197	\$ 171,212
2	Test Year Amounts	2,582,475	2,758,179	3,959,453	4,919,144	192,563
3	Test Year Change for Actuarially Determined Benefit Costs (Ln. 1 minus Ln.2)	\$ 242,788	\$ 901,887	\$ 752,147	\$ 1,981,053	\$ (21,351)
4	Allocation to Mid-Tex	38.08%	38.08%	100.00%	100.00%	100.00%
5	Test Year Change for Actuarially Determined Benefit Costs Allocated to Mid-Tex (Ln. 3 times Ln. 4)	\$ 92,454	\$ 343,439	\$ 752,147	\$ 1,981,053	\$ (21,351)
6	O&M Expense Factor	77.99%	77.99%	43.21%	43.21%	100.00%
7	Test Year Adjustment for Actuarially Determined Benefit Costs (Ln. 5 times Ln. 6)	\$ 72,105	\$ 267,848	\$ 325,003	\$ 856,013	\$ (21,351)
8						
9	Expense on FY 2009 Towers Perrin (Ln. 1 times Ln. 4 times Ln. 6)	\$ 839,063	\$ 1,086,988	\$ 2,035,882	\$ 2,981,575	\$ 171,212
10						
11	Capital Percentage (1 minus Ln. 6)	22.01%	22.01%	56.79%	56.79%	0.00%
12						
13	Capital (Ln. 1 times Ln. 4 times Ln. 11)	\$ 236,797	\$ 306,765	\$ 2,675,718	\$ 3,918,622	\$ -
14						
15	Total (Ln. 9 plus Ln. 13)	\$ 1,075,860	\$ 1,393,753	\$ 4,711,600	\$ 6,900,197	\$ 171,212

ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS ADJUSTMENT
2012 TOWERS WATSON ESTIMATES WITH GUD 9869 ASSUMPTIONS

Line No.	Description (a)	Shared Services		Mid-Tex Direct		Supplemental Executive Benefit Plan (SERP)
		Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106")	Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106")	
		(b)	(c)	(d)	(e)	(f)
1	Fiscal Year 2012 Towers Watson Report	\$ 6,094,332	\$ 4,358,139	\$ 9,562,238	\$ 8,386,337	\$ 143,390
2	Test Year Amounts	-	-	-	-	-
3	Test Year Change for Actuarially Determined Benefit Costs (Ln. 1 minus Ln.2)	\$ 6,094,332	\$ 4,358,139	\$ 9,562,238	\$ 8,386,337	\$ 143,390
4	Allocation to Mid-Tex	38.08%	38.08%	100.00%	100.00%	100.00%
5	Test Year Change for Actuarially Determined Benefit Costs Allocated to Mid-Tex (Ln. 3 times Ln. 4)	\$ 2,320,722	\$ 1,659,579	\$ 9,562,238	\$ 8,386,337	\$ 143,390
6	O&M Expense Factor	77.99%	77.99%	43.21%	43.21%	100.00%
7	Test Year Adjustment for Actuarially Determined Benefit Costs (Ln. 5 times Ln. 6)	\$ 1,809,931	\$ 1,294,306	\$ 4,131,843	\$ 3,623,736	\$ 143,390
8						
9	Expense on FY 2012 Towers Perrin (Ln. 1 times Ln. 4 times Ln. 6)	\$ 1,809,931	\$ 1,294,306	\$ 4,131,843	\$ 3,623,736	\$ 143,390
10						
11	Capital Percentage (1 minus Ln. 6)	22.01%	22.01%	56.79%	56.79%	0.00%
12						
13	Capital (Ln. 1 times Ln. 4 times Ln. 11)	\$ 510,791	\$ 365,273	\$ 5,430,395	\$ 4,762,601	\$ -
14						
15	Total (Ln. 9 plus Ln. 13)	\$ 2,320,722	\$ 1,659,579	\$ 9,562,238	\$ 8,386,337	\$ 143,390