

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

APPLICATION FILED BY ATMOS PIPELINE - TEXAS FOR TEST YEAR 2015 ANNUAL INTERIM RATE ADJUSTMENT FILING.	§ § §	GAS UTILITIES DOCKET NO. 10497
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INTERIM RATE ADJUSTMENT 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 (2013). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders:

FINDINGS OF FACT

Background

1. Atmos Energy Corporation (Atmos) 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. Atmos Pipeline - Texas (Atmos PT), a division of Atmos, owns and operates a gas pipeline transportation system.
3. On February 12, 2016, Atmos PT filed an application for an annual interim rate adjustment (IRA) applicable to customers located on Atmos PT's system.
4. On February 12, 2016, Atmos PT requested that the IRA for all customer classes become effective on April 12, 2016.
5. On February 19, 2016, the Commission suspended implementation of the Company's proposed IRA until May 27, 2016, which would be 45 days following the 60th day after the application would be considered complete.
6. Neither TEX. UTIL. CODE § 104.301(2007) nor 16 TEX. ADMIN. CODE, § 7.7101 (2010) provides the opportunity for parties to intervene in the Commission's review of an application for an annual interim rate adjustment.
7. Title 16 TEX. ADMIN. CODE §7.7101 allows written comments or a protest, concerning the proposed IRA, to be filed with the Oversight and Safety Division.
8. One letter of protest was received in this docket.

9. As of the date of this interim order, no other comments or protests concerning this application have been received by the Commission.
10. This docket represents the sixth annual IRA for Atmos PT since Gas Utilities Docket ("GUD") No. 10000.¹
11. GUD No. 10078 was the first annual IRA for Atmos PT, which was approved on July 26, 2011; GUD No. 10144 was the second annual IRA; GUD No. 10240 was the third annual IRA; GUD No. 10338 was the fourth annual IRA; and GUD No. 10422 was the fifth annual IRA for Atmos PT since GUD No. 10000.
12. Until promulgation of TEX. UTIL. CODE § 104.301 (2007), a utility could not increase its rates subject to the Commission's jurisdiction without filing with the Commission a formal statement of intent rate case, including a comprehensive cost of service rate review.
13. The proposed IRA will allow Atmos PT an opportunity to recover, subject to refund, a return on investment, depreciation expense, and related taxes on the incremental cost of infrastructure investment since its last rate case, without the necessity of filing a statement of intent rate case and without review by the Commission of the Company's comprehensive cost of service.

Applicability

14. This docket applies to only those rates over which the Commission has original jurisdiction, which includes the entire Atmos PT system.
15. Atmos PT's negotiated rate customers are not allocated any of the interim rate adjustment amounts, consistent with the rate design approved in GUD No. 10000.

Most Recent Comprehensive Rate Case

16. Atmos PT's most recent rate case for the area in which the IRA will be implemented is GUD No. 10000, *Statement of Intent to Change the Rate CGS and Rate PT Rates of Atmos Pipeline - Texas*.
17. GUD No. 10000 was filed on September 17, 2010.
18. The data used in GUD No. 10000 was based on a test year ending March 31, 2010.
19. The Commission signed GUD No. 10000 Final Order on April 18, 2011, and the rates became effective the same day.
20. A Nunc Pro Tunc Order was signed on June 27, 2011. Motions for rehearing were denied on June 27, 2011.

¹ *Statement of Intent to Change the Rate CGS and Rate PT Rates of Atmos Pipeline - Texas.*

21. The following chart shows the factors that were established in GUD No. 10000 to calculate the return on investment, depreciation expense, and incremental federal income taxes for Atmos PT:

Factor	Percentage
Rate of Return	9.362%
Depreciation Rate	2.536%
Depreciation Rate - SSU	9.067%
Federal Income Tax Rate	35%

22. It is reasonable for the Commission to approve use of the allocation factors shown in the following chart that were established in GUD No. 10000 to allocate the interim rate adjustment amount to the customer classes:

Customer Class	Allocation Factor
Rate CGS (City Gate Service)	0.975869
Rate PT (Pipeline Transportation)	0.024131

Interim Rate Adjustment

23. The revenue amounts to be recovered through Atmos PT's proposed annual IRA are incremental to the revenue requirement established in the Company's most recent rate case for the area in which the IRA is to be implemented, GUD No. 10000, and subsequent approved interim rate adjustments.
24. Under TEX. UTIL. CODE § 7.7101(f)(3), for the first IRA following the most recent rate case, a utility may adjust its rates based on the difference between invested capital at the end of the most recent rate case test-year and the invested capital at the end of the calendar year following the end of the most recent rate case test-year.
25. In GUD No. 10078, the first interim rate adjustment following the most recent rate case, GUD No. 10000, Atmos PT adjusted its rates based on the difference between its invested capital at the end of its SOI rate case test year ended March 31, 2010 and the incremental invested capital at the end of December 31, 2010.
26. In GUD No. 10144, the second interim rate adjustment, Atmos PT adjusted its rates based on the difference between invested capital from December 31, 2010 and December 31, 2011.
27. In GUD No. 10240, the third interim rate adjustment, Atmos PT adjusted its rates based on the difference between invested capital from December 31, 2011 and December 31, 2012.
28. In GUD No. 10338, the fourth interim rate adjustment, Atmos PT adjusted its rates based on the difference between invested capital from December 31, 2012 and December 31, 2013.

29. In GUD No. 10422, the fifth interim rate adjustment, Atmos PT adjusted its rates based on the difference between invested capital from December 31, 2013 and December 31, 2014.
30. In this sixth interim rate adjustment, Atmos PT adjusted its rates based on the difference between invested capital from December 31, 2014 and December 31, 2015.
31. Atmos PT seeks approval from the Commission for an adjustment to its revenue based on incremental net utility plant investment with regard to the following components: return on investment; depreciation expense; ad valorem taxes; revenue related taxes; and federal income taxes. The incremental change in the revenue requirement to be recovered through this IRA filing from all rate classes using the approved component factors is **\$40,657,746** (Exhibit B).
32. The value of Atmos PT's invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment for the Company's interim rate adjustments.
33. Atmos PT's incremental net utility plant investment increase is **\$248,205,030** (Exhibit B).
34. It is reasonable that, subsequent to the filing of the IRA, Atmos PT removed \$205,823.00, the portion of the Shared Services Project No. 010.24308 allocated to Atmos PT in the original request filed on February 12, 2016.²
35. Atmos PT is required to use the same factors to calculate the interim return on investment, depreciation expense, and incremental federal income tax as those established or used in the final order setting rates for Atmos PT in the most recent rate case for the area in which the IRA is to be implemented (GUD No. 10000).
36. Atmos PT filed the Commission's Annual Earnings Monitoring Report (EMR) as required by 16 TEX. ADMIN. CODE § 7.7101. The Company's actual rate of return is 9.040 % for the test year ended December 31, 2015, which does not exceed the 75 basis points above the return established in GUD. No. 10000, which was 9.361%.
37. GUD No. 10000, Atmos PT's most recent SOI rate case and the basis for the key factors in this IRA calculation, was approved by the Commission on April 18, 2011. Capacity Charges, set in GUD No. 10000, are shown in Column B of the table below.
35. The IRA approved for GUD No. 10078, the *first* IRA applicable to the customers located in Atmos PT's system, are shown in Column C, below.
38. The IRA approved for GUD No. 10144, the *second* IRA applicable to the customers located in Atmos PT's system, are shown in Column D, below.

² Atmos PT's response to Staff's RFI 1-16.

39. Atmos Energy Corporation (Atmos) 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).
40. Atmos Pipeline - Texas (Atmos PT), a division of Atmos, owns and operates a gas pipeline transportation system.
41. On February 13, 2015, Atmos PT filed an application for an annual interim rate adjustment (IRA) applicable to customers located on Atmos PT’s system.
42. The IRA approved for GUD No. 10240, the *third* IRA applicable to the customers located in Atmos PT’s system, are shown in Column E, below.
43. The IRA approved for GUD No. 10388, the *fourth* IRA applicable to the customers located in Atmos PT’s system, are show in Column F, below.
44. The IRA approved for GUD No. 10422, the *fifth* IRA applicable to the customers located in Atmos PT’s system, are show in Column G, below.
45. The IRA approved for GUD No. 10497, the *sixth* IRA applicable to the customers located in Atmos PT’s system, are show in Column H, below.
46. Atmos PT’s proposed 2015 Year-ended Maximum Daily Quantity (MDQ) complies with TEXAS UTILITIES CODE, § 104.301, and 16 TEX. ADMIN. CODE, § 7.7101.
47. When the Capacity Charges, as established in GUD No. 10000, the 2010 IRA, the 2011 IRA, the 2012 IRA, the 2013 IRA, the 2014 IRA, and the proposed 2015 IRA (Columns B, C, D, E, F, G, and H) are added, the resulting capacity charges for the affected customer classes are shown in Column I, below.

A	B	C	D	E	F	G	H	I
Rate Schedule	Capacity Charge Per MDQ GUD No. 10000	2010 IRA GUD No. 10078	2011 IRA GUD No. 10144	2012 IRA GUD No. 10240	2013 IRA GUD No. 10338	2014 IRA GUD No. 10422	2015 IRA GUD No. 10497	2015 Capacity Charge Per MDQ
Rate CGS – Mid-Tex	\$4.4420	\$0.4036	\$0.4691	\$0.8507	\$1.3701	\$1.0994	\$1.1691	\$ 9.8042
Rate CGS – Other	\$3.62880	\$0.4036	\$0.4691	\$0.8507	\$1.3701	\$1.0994	\$1.1691	\$ 8.9908
Rate PT	\$2.30740	\$0.2454	\$0.2513	\$0.3731	\$0.5932	\$0.4729	\$0.5171	\$ 4.7604

48. Atmos PT filed its Annual Project Report as required by 16 TEX. ADMIN. CODE § 7.7101 (2010).
- Gross Pipeline Additions totaled \$273,871,974.
 - Pipeline Retirements totaled \$25,661,703.
 - Gross Shared Services Units (SSU) Additions totaled \$2,059,990.³
 - SSU Retirements totaled \$6,201,241.
49. Atmos PT Net Utility Plant Investment is calculated on the following as required by 16 TEX. ADMIN. CODE § 7.7101.
- Net change in Atmos PT Utility Plant Investment \$248,205,030.⁴
 - Net change in Atmos PT Accumulated Depreciation \$19,828,154.⁵
 - Net change in allocated Atmos SSU Utility Plant Investment \$3,935,226.⁶
 - Net change in allocated Atmos SSU Accumulated Depreciation \$77,527.⁷
 - Net change in Utility Plant Investment \$226,536,215.⁸
 - Safety-related improvements/infrastructure projects totaled \$67,401,665 or 24.6% of total additions.⁹
 - Integrity testing projects totaled \$25,080,646 or 9.2% of total additions.¹⁰
50. Atmos PT proposed the IRA as a flat rate to be applied to the monthly Capacity Charge per Maximum Daily Quantity (MDQ) rather than to the usage rate. (Exhibit B).
51. Atmos PT is required to show its annual IRA on its customers' monthly billing statements as a surcharge.
52. The proposed IRA does not require an evidentiary proceeding; rather, TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101 require the regulatory authority to review a utility's method of calculating the IRA.
53. Due process protections are deferred until Atmos PT files its next full statement of intent rate case.

Notice

54. Adequate notice by Atmos PT was provided to its City Gate Service (CGS) and Pipeline Transportation (PT) customers by direct mail or hand delivery on February 23, 2016, and, as a result, was completed within 45 days of the filing, fulfilling the requirements of under TEX. UTIL. CODE § 104.301(a).

³ The SSU additions amount was revised to reflect the removal of Shared Services Project No. 010.24308, for the amount of \$205,823.00, as referenced in FOF No. 34, in calculating the IRA.

⁴ Exhibit B, Schedule A Errata.

⁵ Exhibit B, Schedule A Errata.

⁶ Exhibit B, Schedule A Errata.

⁷ Exhibit B, Schedule A Errata.

⁸ Exhibit B, Schedule A Errata.

⁹ Atmos PT's Response to Staff's RFI 1-5.

¹⁰ Atmos PT's Response to Staff's RFI 1-6.

Comprehensive Rate Case Required

55. Atmos PT is not required to initiate a statement of intent rate case at the time it applies for an IRA.
56. Under 16 TEX. ADMIN. CODE § 7.7101 (l) (2010) a gas utility that implements an IRA and does not file a rate case before the fifth anniversary of the date its initial IRA became effective is required to file a rate case not later than the 180th day after that anniversary.
57. Atmos PT is required to file a statement of intent rate case no later than January 23, 2017.
58. Under 16 TEX. ADMIN. CODE § 7.7101(j), any change in investment and related expenses and revenues that have been included in any interim rate adjustment shall be fully subject to review for reasonableness and prudence in the next rate case. Per 16 TEX. ADMIN. CODE § 7.7101(i), all amounts collected from customers under an interim rate adjustment tariff are subject to refund until the conclusion of the next rate case.

Review of Interim Rate Adjustment

59. Atmos PT presented its IRA calculation using the factors approved in GUD No. 10000 for rate of return, depreciation, and federal income tax, and using a property-related taxes (Ad Valorem) percentage of 2.748% based on the estimated 2015 taxes paid by the Company.¹¹
60. Atmos PT's IRA, as adjusted, is \$40,657,746 based on an incremental net utility plant investment increase of \$226,536,215 using the property-related taxes (Ad Valorem) percentage of 2.748% based on the estimated 2015 taxes paid by the Atmos PT (Exhibit B).¹²
61. Atmos PT's proposed allocation methodology complies with TEX. UTIL. CODE § 104.301 and with 16 TEX. ADMIN. CODE § 7.7101.

Customer Class	Allocation Factor
Rate CGS (City Gate Service)	0.975869
Rate PT (Pipeline Transportation)	0.024131
Total	1.00

¹¹ Title 16 TEX. ADMIN. CODE § 7.7101(f)(5) only refers to the return on investment, depreciation expense, and incremental federal income tax factors from the most recent rate case to calculate the IRA. The Ad Valorem taxes are not specifically designated as a factor that must remain constant. In Atmos' last statement of intent rate case (GUD No. 10000), Ad Valorem taxes were reconciled between the estimate used in the IRAs and actual Ad Valorem taxes paid.

¹² Exhibit B, Schedule B of the Application.

62. For calculating the change in the Capacity Charge per year, it is reasonable for the Commission to approve use of Atmos PT's 2015 Year-ended Maximum Daily Quantity (MDQ) times 12. The following total Maximum Daily Quantity (MDQ) used in the calculation of the IRA are reasonable:

Customer Class	Total Maximum Daily Quantity (MDQ)
Rate CGS (City Gate Service)	33,936,936
Rate PT (Pipeline Transportation)	1,897,416

63. It is reasonable for the Commission to approve Atmos PT's applications for IRAs. The following amounts of IRA revenue and additional capacity charges by customer class are reasonable:

Customer Class	IRA	Change in Capacity Charge Per MDQ	New Capacity Charge Per MDQ
Rate CGS (City Gate Service):	\$39,676,639		
Rate CGS – Mid-Tex		\$ 1.1691	\$ 9.8042
Rate CGS – Other		\$ 1.1691	\$ 8.9908
Rate PT (Pipeline Transportation):	\$ 981,107	\$ 0.5171	\$ 4.7604

Reimbursements of Expense

64. As provided for in the statute and the rule, a gas utility that implements an IRA is required to reimburse the Commission for the utility's proportionate share of the Commission's annual costs related to the administration of the IRA mechanism.
65. After the Commission has finally acted on Atmos PT's application for an IRA, the Director of the Oversight and Safety Division will estimate Atmos PT's proportionate share of the Commission's annual costs related to the processing of such applications.
66. In making the estimate of Atmos PT's proportionate share of the Commission's annual cost related to the processing of such applications, the Director will take into account the number of utilities the Commission reasonably expects to file for IRAs during the fiscal year, and the cost expected to be incurred in processing such applications.
67. Atmos PT is required to reimburse the Commission for the amount determined by the Director of the Oversight and Safety Division, within thirty days after receipt of notice of the amount of the reimbursement.

CONCLUSIONS OF LAW

1. Atmos PT is a “gas utility” as defined in TEX. UTIL. CODE §§ 101.003(7), and 121.001, and is therefore subject to the jurisdiction of the Railroad Commission of Texas (“Commission”).
2. The Commission has jurisdiction over Atmos PT’s applications for IRAs for incremental changes in investment, and the subject matter of this case under TEX. UTIL. CODE §§ 102.001, 104.001, 104.002, AND 104.301.
3. Under TEX. UTIL. CODE ANN. § 102.001, 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. Under the provisions of the TEX. UTIL. CODE ANN. § 104.301 and 16 TEX. ADMIN. CODE § 7.7101, Atmos PT is required to seek Commission approval before implementing an IRA tariff to Atmos PT’s customers.
5. Atmos PT filed its application for an IRA for changes in investment in accordance with the provisions of TEX. UTIL. CODE ANN. § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
6. Atmos PT’s application for an IRA was processed in accordance with the requirements of TEX. UTIL. CODE ANN. § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
7. In accordance with 16 TEX. ADMIN. CODE § 7.315, within thirty days of the effective date of any change to rates or services, the Company is required to electronically file with the Commission its revised tariffs.
8. Atmos PT may not charge any rate that has not been successfully filed and accepted as a tariff filing pursuant to TEX. UTIL. CODE ANN. §§ 102.151 and 104.002 and 16 TEX. ADMIN. CODE § 7.315.
9. In accordance with TEX. UTIL. CODE ANN. § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(a), the filing date of Atmos PT’s most recent rate case, in which there is a final order setting rates for the area in which the IRA will apply, was no more than two years prior to the date the Company filed its initial IRA.

10. The Company is required, under TEX. UTIL. CODE ANN. § 104.301(e) and 16 TEX. ADMIN. CODE § 7.7101(d), to file with the Commission an annual project report, including the cost, need, and customers benefited by the change in investment, and describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year.
11. Atmos PT shall include in all future annual IRA filings relocation project reports that provide additional information about relocation projects included in investment projects in the same format as required in this docket.
12. Atmos PT is required, under TEX. UTIL. CODE ANN. § 104.301(f) and 16 TEX. ADMIN. CODE § 7.7101(e), to file with the Commission an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year.
13. Atmos PT is required, under 16 TEX. ADMIN. CODE § 7.7101(h), to recalculate its approved IRA annually and is required to file an application for an annual adjustment no later than 60 days prior to the one-year anniversary of the proposed implementation date of the previous IRA application.
14. In accordance with 16 TEX. ADMIN. CODE § 7.7101(i), all amounts collected from customers under Atmos PT's IRA tariffs or rate schedules are subject to refund. The issues of refund amounts, if any, and whether interest should be included on refunded amounts and, if so, the rate of interest, shall be addressed in the rate case a gas utility files or the Commission initiates after the implementation of an IRA and shall be the subjects of specific findings of fact in the Commission's final order setting rates.
15. In accordance with 16 TEX. ADMIN. CODE § 7.7101(j), in the rate case that Atmos PT files or the Commission initiates after the implementation of an IRA, any change in investment and related expenses and revenues that have been included in any IRA shall be fully subject to review for reasonableness and prudence. Upon issuance of a final order setting rates in the rate case that the Company files or the Commission initiates after the implementation of an IRA, any change in investment and related expenses and revenues that have been included in any IRA shall no longer be subject to review for reasonableness or prudence.
16. The Commission has authority to suspend the implementation of the IRA, under TEX. UTIL. CODE ANN. § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(e).
17. Atmos PT provided adequate notice of its IRA, in accordance with TEX. UTIL. CODE ANN. § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(b).
18. Atmos PT's application for an IRA, as revised, complies with all provisions of TEX. UTIL. CODE ANN. § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.

19. Atmos PT's IRA set forth in the findings of fact and conclusions of law in this Order comply with the provisions of TEX UTIL. CODE ANN. § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
20. In accordance with TEX. UTIL. CODE ANN. § 104.301(h) and 16 TEX. ADMIN. CODE § 7.7101(l), the Company shall file a comprehensive rate case for the areas in which the IRA is implemented, no later than the 180th day after the fifth anniversary of the date its initial IRA became effective.
21. The Commission has authority, under TEX. UTIL. CODE ANN. § 104.301(j) and 16 TEX. ADMIN. CODE § 7.7101(m), to recover from Atmos PT the proportionate share of the Commission's annual cost related to the administration of the IRA mechanism.

IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT Atmos Pipeline - Texas's IRA as adjusted and to the extent recommended to be approved in the findings of fact and conclusions of law, is **HEREBY APPROVED**, subject to refund, to be effective for bills rendered on or after the date of this order.

IT IS FURTHER ORDERED THAT Atmos Pipeline - Texas **SHALL** file with the Commission no later than January 23, 2017, a statement of intent to change rates as required under TEX. UTIL. CODE ANN. § 104.301(h) and 16 TEX. ADMIN. CODE § 7.7101(l).

IT IS FURTHER ORDERED THAT within 30 days of this order Atmos Pipeline - Texas **SHALL** electronically file its IRA tariffs, Exhibit A, in proper form that accurately reflect the rates, as expressed in Exhibit A, approved by the Commission in this Order.

IT IS FURTHER ORDERED THAT Atmos Pipeline - Texas **SHALL** not charge any rate that has not been electronically filed and accepted by the Commission as a tariff.

IT IS FURTHER ORDERED THAT Atmos Pipeline - Texas **SHALL** reimburse the Commission for the utility's proportionate share of the Commission's annual costs related to the administration of the IRA mechanism. The amount of this reimbursement shall be determined by the Director of the Oversight and Safety Division. This Order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE § 2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

Any portion of Atmos PT's application not expressly granted herein is overruled. All requested findings of fact and conclusions of law, which are not expressly adopted herein, are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

SIGNED this 3rd day of May, 2016.

RAILROAD COMMISSION OF TEXAS



DAVID PORTER
CHAIRMAN




CHRISTI CRADDICK
COMMISSIONER




RYAN SITTON
COMMISSIONER

ATTEST



SECRETARY



GUD NO. 10497

EXHIBIT A

Tariffs

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	CGS – MID-TEX	
APPLICABLE TO:	Mid-Tex	
EFFECTIVE DATE:		

Application

Applicable, in the event that Company has entered into a Transportation Agreement for City Gate Service to a Local Distribution Company (Customer) connected to the Atmos Pipeline -Texas System for the transportation of all natural gas supplied by Customer to a Point or Points of Delivery.

Type of Service

This service provides firm transportation and storage service to Local Distribution Companies. Where service of the quantity and type required by Customer is not already available at a Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished at such Point of Delivery.

Monthly Rate

Customer's monthly bill will be calculated by adding the Monthly Customer and Usage charges to the amounts and quantities due under the Riders listed below. The Monthly Customer Charge each month will be equal to the Capacity Charge, as adjusted, multiplied by the Customer's Maximum Daily Quantity (MDQ) as set forth in the Transportation Agreement between Customer and Company. Total Usage Charges each month will be equal to the Usage Charge multiplied by the volume of gas delivered to Customer by Company during such month:

Charge	Amount
Capacity	\$ 3.6263 per MMBtu of MDQ ¹
Capacity Charge related to Mid-Tex Working Gas	\$ 0.8134 per MMBtu of MDQ
Annual Rider REV Adjustment	\$ 0.0025 per MMBtu of MDQ
Interim Rate Adjustment ("IRA")	\$ 5.3620 per MMBtu of MDQ ²
Total Capacity Charge	\$ 9.8042 per MMBtu of MDQ
Usage	\$ 0.0276 per MMBtu

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

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

Rider SUR: Plus an amount for surcharges calculated in accordance with Rider SUR.

Rider REV: Plus an amount per MMBtu in accordance with Rider REV as an adjustment to the Capacity Charge per MMBtu of MDQ.

¹ The Capacity Charge per MMBtu will be adjusted annually as calculated pursuant to Rider REV.

² 2010 IRA - \$0.4036, 2011 IRA - \$0.4691, 2012 IRA - \$0.8507, 2013 IRA - \$1.3701, 2014 IRA - \$1.0994, 2015 IRA - \$1.1691.

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	CGS – MID-TEX	
APPLICABLE TO:	Mid-Tex	
EFFECTIVE DATE:		

Rider WGIS: Plus an amount per MMBtu in accordance with Rider WGIS as an adjustment to the Capacity Charge per MMBtu of MDQ.

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.

Curtailement Overpull Fee

Upon notification by Company of an event of curtailement or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailement 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 service 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 CGS, 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.

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	CGS – OTHER	
APPLICABLE TO:	CoServ, West Texas Gas, the City of Rising Star, the City of Navasota, Mitchell County Utility Co, Terra Gas Supply, Texas Gas Service Co., and Other City Gate Service Customers, except Mid-Tex	
EFFECTIVE DATE:		

Application

Applicable, in the event that Company has entered into a Transportation Agreement for City Gate Service to a Local Distribution Company (Customer), other than Mid-Tex, connected to the Atmos Pipeline -Texas System for the transportation of all natural gas supplied by Customer to a Point or Points of Delivery.

Type of Service

This service provides firm transportation and storage service to Local Distribution Companies. Where service of the quantity and type required by Customer is not already available at a Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished at such Point of Delivery.

Monthly Rate

Customer's monthly bill will be calculated by adding the Monthly Customer and Usage charges to the amounts and quantities due under the Riders listed below. The Monthly Customer Charge each month will be equal to the Capacity Charge, as adjusted, multiplied by the Customer's Maximum Daily Quantity (MDQ) as set forth in the Transportation Agreement between Customer and Company. Total Usage Charges each month will be equal to the Usage Charge multiplied by the volume of gas delivered to Customer by Company during such month:

Charge	Amount
Capacity	\$ 3.6263 per MMBtu of MDQ ¹
Annual Rider REV Adjustment	\$ 0.0025 per MMBtu of MDQ
Interim Rate Adjustment ("IRA")	\$ 5.3620 per MMBtu of MDQ ²
Total Capacity Charge	\$ 8.9908 per MMBtu of MDQ
Usage	\$ 0.0276 per MMBtu

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

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

Rider SUR: Plus an amount for surcharges calculated in accordance with Rider SUR.

Rider REV: Plus an amount per MMBtu in accordance with Rider REV as an adjustment to the Capacity Charge per MMBtu of MDQ.

Imbalance Fees

¹ The Capacity Charge per MMBtu will be adjusted annually as calculated pursuant to Rider REV.

² 2010 IRA - \$0.4036, 2011 IRA - \$0.4691, 2012 IRA - \$0.8507, 2013 IRA - \$1.3701, 2014 - IRA \$1.0994, 2015 IRA - \$1.1691.

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	CGS – OTHER	
APPLICABLE TO:	CoServ, West Texas Gas, the City of Rising Star, the City of Navasota, Mitchell County Utility Co, Terra Gas Supply, Texas Gas Service Co., and Other City Gate Service Customers, except Mid-Tex	
EFFECTIVE DATE:		

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.

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 service 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 CGS, 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.

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY
CORPORATION**

RATE SCHEDULE:	PT - PIPELINE TRANSPORTATION	
APPLICABLE TO:	Entire System	
EFFECTIVE DATE:		

Applicability

This rate schedule is applicable to service by the Company under a Transportation Agreement - Pipeline, to a customer directly connected to the Atmos Pipeline-Texas System for the transportation of all natural gas supplied by Customer or Customer's agent for delivery to Customer at one Point of Delivery.

Not applicable for service to City Gate Service customers.

Type of Service

This service provides interruptible transportation service to end use customers. Where service of the quantity and type desired by Customer is not already available at a Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished at such Point of Delivery.

Monthly Rate

Customer's monthly bill will be calculated by adding the Monthly Customer and Usage charges to the amounts and quantities due under the Riders listed below. The Monthly Customer Charge each month will be equal to the Capacity Charge, as adjusted, multiplied by the Customer's Maximum Daily Quantity (MDQ) as set forth in the Transportation Agreement between Customer and Company. Total Usage Charges each month will be equal to the Usage Charge multiplied by the volume of gas delivered to Customer by Company during such month:

Charge	Amount
Capacity	\$ 2.3061 per MMBtu of MDQ ¹
Annual Rider REV Adjustment	\$ 0.0013 per MMBtu of MDQ
Interim Rate Adjustment ("IRA")	\$ 2.4530 per MMBtu of MDQ ²
Total Capacity Charge	\$ 4.7604 per MMBtu of MDQ
Usage	\$ 0.0163 per MMBtu

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

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

¹ The Capacity Charge per MMBtu will be adjusted annually as calculated pursuant to Rider REV.

² 2010 IRA - \$0.2454, 2011 IRA - \$0.2513, 2012 IRA - \$0.3731, 2013 IRA - \$0.5932, 2014 IRA - \$0.4729, 2015 IRA - \$0.5171.

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY
CORPORATION**

RATE SCHEDULE:	PT - PIPELINE TRANSPORTATION	
APPLICABLE TO:	Entire System	
EFFECTIVE DATE:		

Rider MF: Plus an amount for municipal fees calculated in accordance with Rider MF.

Rider SUR: Plus an amount for surcharges calculated in accordance with Rider SUR.

Rider REV: Plus an amount per MMBtu in accordance with Rider REV as an adjustment to the Capacity Charge per MMBtu of MDQ.

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.

Curtailement Overpull Fee

Upon notification by Company of an event of curtailement or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailement 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.

MDQ Adjustment

If a Customer's daily usage on any day exceeds the Customer's MDQ as set forth in the applicable Transportation Agreement by 10% or more, the Customer's MDQ shall be increased to equal such daily usage. The effective date of such increase in the MDQ shall be the first day of the calendar month that begins following the day on which the Customer's daily usage exceeded the Customer's MDQ.

Agreement

A transportation agreement is required.

Notice

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

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY
CORPORATION**

RATE SCHEDULE:	PT - PIPELINE TRANSPORTATION	
APPLICABLE TO:	Entire System	
EFFECTIVE DATE:		

Special Conditions

In order to receive service under Rate PT, 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.

GUD NO. 10497

EXHIBIT B

Schedules

Summary Errata

ATMOS PIPELINE - TEXAS
INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
AS OF DECEMBER 31, 2015

Change to Capacity Charge Per MDQ for 2015 Interim Rate Adjustment (1)

Line No.	Rate Class	Capacity Charge			Interim Cost Recovery		Proposed Capacity Charge
		per MDQ		per GUD 10000		Adjustment to Capacity Charge (2)	
	(a)		(b)		(c)		(d)
1	Rate Schedule CGS - Mid-Tex (3)	\$	8.6351	\$	1.1691	\$	9.8042
2							
3	Rate Schedule CGS - Other (4)	\$	7.8217	\$	1.1691	\$	8.9908
4							
5	Rate Schedule PT (5)	\$	4.2433	\$	0.5171	\$	4.7604
6							
7	Notes:						
8	1. The capacity charge times each customer's MDQ equals the monthly customer capacity charge.						
9	2. Column (c) is 2015 Interim Rate Adjustment per the proposed Tariffs for Rate CGS and PT customers.						
10	3. Column (b) includes rates from GUD 10000 for the Capacity Charge in the amount of \$3.6263 and						
11	Capacity Charge related to Mid-Tex Working Gas in the amount of \$0.8134; also included is \$0.0025						
12	for the Annual Rider Rev Adjustment, the 2010 IRA Adjustment in the amount of \$0.4036, the 2011						
13	IRA Adjustment in the amount of \$0.4691, the 2012 IRA Adjustment in the amount of \$0.8507, the						
14	2013 IRA Adjustment in the amount of \$1.3701 and the 2014 IRA Adjustment in the amount of						
15	\$1.0994 for a total of \$8.6351.						
16	4. Column (b) includes the rate from GUD 10000 for the Capacity Charge in the amount of \$3.6263,						
17	\$0.0025 for the Annual Rider Rev Adjustment, the 2010 IRA Adjustment in the amount						
18	of \$0.4036, the 2011 IRA Adjustment in the amount of \$0.4691, the 2012 IRA Adjustment						
19	in the amount of \$0.8507, the 2013 IRA Adjustment in the amount of \$1.3701 and the 2014 IRA						
20	Adjustment in the amount of \$1.0994 for a total of \$7.8217.						
21	5. Column (b) includes the rate from GUD 10000 for the Capacity Charge in the amount of \$2.3061,						
22	\$0.0013 for the Annual Rider Rev Adjustment, the 2010 IRA Adjustment in the amount of \$0.2454,						
23	the 2011 IRA Adjustment in the amount of \$0.2513, the 2012 IRA Adjustment in the amount						
24	of \$0.3731, the 2013 IRA Adjustment in the amount of \$0.5932 and the 2014 IRA Adjustment						
25	in the amount of \$0.4729 for a total of \$4.2433.						

Schedule A Errata

ATMOS PIPELINE - TEXAS
INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
AS OF DECEMBER 31, 2015

Line No.	Description (a)	Total Approved Per GUD 10000 At 12/31/2014 (1)	Per Book As of 12/31/2015 (c)	Adjustments (2) (d)	Per Book Adjusted As of 12/31/2015 (e)	Ref (f)	Change in Investment (Col. e - Col. b) (g)
1	Utility Plant Investment	\$ 1,924,206,981	\$ 2,172,417,253	\$ (5,241)	\$ 2,172,412,011	2	\$ 248,205,030
2	Accumulated Depreciation	442,978,376	462,806,530	-	462,806,530		19,828,154
3	Allocated SSU Utility Plant Investment	33,857,656	38,320,075	(8,397,645)	29,922,430	2, 3	(3,935,226)
4	Allocated SSU Accumulated Depreciation	22,442,626	22,365,099	-	22,365,099	3	(77,527)
5	Removal of Expense Account Costs, and Other Adjustments	(3,126,981)	-	(1,109,944)	(1,109,944)	2	2,017,038
6	Net Utility Plant Investment (Ln 1 - Ln 2 + Ln 3 - Ln 4 + Ln 5)	\$ 1,489,516,654	\$ 1,725,565,699	\$ (9,512,830)	\$ 1,716,052,869		\$ 226,536,215
7							
8							
9	Calculation of the Interim Rate Adjustment Amount:						
10	Return						
11	Depreciation Expense						
12	Property-related Taxes (Ad Valorem)						
13	Revenue-related Taxes						
14	Federal Income Tax						
15	Interim Rate Adjustment Amount						
16							
17	Total Interim Rate Adjustment Amount times the Allocation Factors						
18	Rate Schedule CGS						
19	Rate Schedule PT						
20	Total						
21							
22	Total Change in Capacity Charge						
23	Rate Schedule CGS						
24	Rate Schedule PT						
25							
26	Notes:						
27	1 Amounts updated to include the 2014 IRA authorized in GUD 10422.						
28	2 See Worksheet/Schedule A for adjustment details related to Column (d).						
29	3 The amounts in Column (c), Lines 3-4 represent the SSU per book amounts multiplied by the 2016 allocation factors						
30	4 Revenue-related taxes are recovered through Rider TAX.						

Notes:
 1 Amounts updated to include the 2014 IRA authorized in GUD 10422.
 2 See Worksheet/Schedule A for adjustment details related to Column (d).
 3 The amounts in Column (c), Lines 3-4 represent the SSU per book amounts multiplied by the 2016 allocation factors
 4 Revenue-related taxes are recovered through Rider TAX.

Schedule B Errata

ATMOS PIPELINE - TEXAS
INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
AS OF DECEMBER 31, 2015

Line No.	Description (a)	Total (b)	Reference (c)
1	Return Factor	9.361%	GUD 10000, Sch. G, Col. (b), Ln. 21
2	Depreciation Expense Factor Calculations:		
3			
4			
5	Total Pipeline Depreciation Expense	\$ 27,257,355	GUD 10000, Sch F-3, Col (g), Ln 66
6	Invested Capital - Gross Plant	1,074,791,982	GUD 10000, Sch F-3, Col (e), Ln 66
7	Pipeline Depreciation Expense Factor	2.536%	Ln 5 divided by Ln 6
8			
9	Total SSU Depreciation Expense	\$ 2,310,362	GUD 10000, Sch F-3, (Col (g), Ln 111 + Col (g), Ln 119)
10	Invested Capital - Gross Plant	25,481,367	GUD 10000, Sch F-3, (Col (e), Ln 111 + Col (e), Ln 119)
11	SSU Depreciation Expense Factor	9.067%	Ln 9 divided by Ln 10
12			
13	Pipeline Property Tax Factor Calculation:		
14	Property-Related Taxes (Ad Valorem) (1)	\$ 19,418,110	Amount of Ad Valorem taxes paid for 2015 for Pipeline and Gas Storage Property
15	North Loop Tax Reimbursement	576,602	Amount of Energy Transfer Reimbursement for 50% of North Loop Taxes
16	Total Property-Related Taxes (Ad Valorem)	\$ 18,841,508	Ln 14 minus Ln 15
17	Total Net Plant	685,626,808	GUD 10000, Sch C, Col (e), Ln 66 minus Sch D, Col (f), Ln 65
18	Pipeline Property Tax Factor	2.748%	Ln 16 divided by Ln 17
19			
20	SSU Property Tax Factor Calculation:		
21	Property-Related Taxes (Ad Valorem)	\$ 128,649	Amount of Ad Valorem taxes
22	Total Net Plant	15,855,440	GUD 10000, Sch C, (Col (e), Ln 111 + Col (e), Ln 119) minus Sch D, (Col (f), Ln 113 + Col (f), Ln 121)
23	SSU Property Tax Factor	0.811%	Ln 21 divided by Ln 22
24			
25	Federal Income Tax Factor Calculation (1 / 65) * (35)	53.84615%	GUD 10000, Sch F-6, Col (b), Ln 10
26			
27	Allocation Factors		
28	Rate Schedule CGS	0.975869	GUD 10000, Sch A, (Col (d), Ln 2 + Col (d), Ln 3) divided by Col (d), Ln 6
29	Rate Schedule PT	0.024131	GUD 10000, Sch A, Col (d), Ln 4 divided by Col (d), Ln 6
30	Total	1.000000	Sum of Ln 28 through Ln 29
31			
32	2015 Year-end Maximum Daily Quantity (MDO) times 12:		
33	Rate Schedule CGS	33,936,936	Current year-end maximum daily quantity per contract
34	Rate Schedule PT	1,897,416	Current year-end maximum daily quantity per contract
35		35,834,352	
36			
37	Note:		
38	1. The Company verified the 2014 Ad Valorem taxes paid amount included in the 12/31/2014 filing. The APT amount prior to adjustment included in the filing for 2014 was \$16,337,695		
39	and the amount has not changed as of January 2016.		

Schedule C Errata

ATMOS PIPELINE - TEXAS
INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
AS OF DECEMBER 31, 2015

Line No.	Description (a)	Factors (b)	Reference (c)
1	Cost of Common Equity	\$ 48,135,216	GUD 10000, Sch G, Col (b), Ln 5
2	Cost of Preferred Stock	-	
3	Return excluding debt, per GUD 10000	\$ 48,135,216	Ln 1 plus Ln 2
4	Total Invested Capital	\$ 807,733,326	GUD 10000, Sch G, Col (b), Ln 14
5	Return rate excluding debt, per GUD 10000	5.959%	Ln 3 divided by Ln 4
6	Federal Income Tax Factor	53.84615%	Sch B, Col (b), Ln 25
7	Federal Income Tax Adjustment Factor	3.209%	Ln 5 times Ln 6
8	Change in Invested Capital - Net Utility Plant	\$ 226,536,215	Sch A, Col (g), Ln 6
9	Change in Federal Income Tax	\$ 7,269,211	Ln 7 times Ln 8

ATMOS PIPELINE - TEXAS
INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
AS OF DECEMBER 31, 2015

Worksheet/Schedule A Errata

Line No.	Description (a)	Ref (b)	Adjustments (c)	Total Adjustment (d)
1	APT Utility Plant Investment Adjustments:			
2	To remove artwork from Pipeline Utility Plant per GUD 10000, Finding of Fact No. 38, Sch C, Col (d), Ln 47, Project 180.10927.	1	\$ (46,552)	
3	To reverse the adjustment already included in the per books number on Sch A, Col (b), Ln 1.	1	46,552	
4	To remove project 180.31417; project was inadvertently closed before final decision on investment could be made.	37	(5,241)	
5	Ending Balance, APT Utility Plant Investment Adjustments		\$ (5,241)	
6				
7	APT Accumulated Depreciation Adjustments:			
8				
9	Ending Balance, APT Accumulated Depreciation Adjustments		\$ -	
10				
11	SSU Utility Plant Investment Adjustments:			
12	Adjustment to account for change in allocations rates from GUD 10000 to current rate	2	\$ (1,053,449)	
13	Year 2011 Reallocation Adjustment for Shared Services 2010 Additions	3	(626,744)	
14	Year 2012 Reallocation Adjustment for Shared Services 2010 and 2011 Additions	4	(1,245,225)	
15	Year 2013 Reallocation Adjustment for Shared Services 2010, 2011 and 2012 Additions	17	(106,413)	
16	Year 2014 Reallocation Adjustment for Shared Services 2010, 2011, 2012 and 2013 Additions	25	(2,478,976)	
17	Year 2015 Reallocation Adjustment for Shared Services 2010, 2011, 2012, 2013 and 2014 Additions	30	(2,886,838)	
18	2013 Projects 010.12884 and 010.20654 miscoded to General Office instead of Customer Support, adjustment booked after 12/31/2013	21	(164,123)	
19	Reverse adjustment for 2013 Projects 010.12884 and 010.20654, as the amounts were recorded in 2014.	21	164,123	
20	Ending Balance, SSU Utility Plant Investment Adjustments		\$ (8,397,645)	
21				
22	SSU Accumulated Depreciation Adjustments:			
23				
24	Ending Balance, SSU Utility Plant Investment Adjustments		\$ -	
25				
26	Adjustments Rolled Forward from GUD 10000:			
27	To remove the amortized disallowances from GUD 10000, Sch B-1 and Sch C, Col (e), Ln 122b related to employee expenses.	5, 13	\$ (782,826)	
28	To remove Shared Services - General Office projects allocated to Pipeline and removed from rate base per GUD 10000, Sch B-1 and Sch C, Col (e), Ln 122a.	5, 13	(57,767)	
29	Ending Balance, Adjustments		\$ (840,593)	
30				
31	Rate Base Adjustments:			
32	Reduction to exclude Expense Account Charges from Shared Services 2010 Additions	6	\$ (97)	
33	Reduction to exclude Direct Expense Account Charges from Pipeline 2010 Additions	6	(1,611)	
34	To remove project 010.11566 allocated to Pipeline in Calendar Year 2010 that does not currently provide services to Pipeline.	7, 13	(36,334)	
35	Reclassification of projects in April 2010 through December 2010 for Shared Services, Projects reclassified from General Office to Customer Support: 010.11629, 010.11633, 010.11648, 010.11651, 010.11666, 010.11679, 010.11681, 010.11682, 010.11685, 010.11686, 010.11687 and 010.11692	8	(115,452)	
36	Reverse adjustment for Project 010.11566, as the amount is not included in Rate base as of 2015	7, 13	36,334	
37				
38	2011 Rate Base Adjustments:			
39	To remove projects 010.11579, 010.11628 and 010.11782 allocated to Pipeline in Calendar Year 2011 that do not currently provide services to Pipeline.	7	\$ (230,919)	
40	To reverse the adjustment shown on Line 35 as all transfers are included in SSU Retirement Report, page 1 of 2.	8	115,452	
41	Reallocation of 2010 SSU employee expenses adjusting to 2011 factors	9	(3)	
42	Reduction to exclude Expense Account Charges from Shared Services 2011 Additions	10	(285)	

ATMOS PIPELINE - TEXAS
INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
AS OF DECEMBER 31, 2015

Worksheet/Schedule A Errata

Line No.	Description (a)	Ref (b)	Adjustments (c)	Total Adjustment (d)
43	Reduction to exclude Direct Expense Account Charges from Pipeline 2011 Additions	10	(18,764)	

**ATMOS PIPELINE - TEXAS
INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
AS OF DECEMBER 31, 2015**

Worksheet/Schedule A Errata

Line No.	Description (a)	Ref (b)	Adjustments (c)	Total Adjustment (d)
44	Reclassification of a project in January 2011 through December 2011 for Shared Services; Projects reclassified from General Office to Customer Support: 010 13910	11	(1,850)	
45	Reclassification of a project in January 2011 through December 2011 for Shared Services; Projects reclassified from Customer Support to General Office: 010 12196	12	936	
46	Reverse adjustment to remove projects 010.11579, 010.11628 and 010.11782, as amounts are no longer in Rate Base as of 2015.	7	230,919	
47				
48	<u>2012 Rate Base Adjustments:</u>			
49	To remove projects 010.11776, 010.14525, 010.14527, and 010.18377 allocated to Pipeline in Calendar Year 2012 that do not currently provide services to Pipeline	7, 13	\$ (50,647)	
50	Reallocation of 2010 SSU employee expenses adjusting to 2012 factors	14	(5)	
51	To reverse the adjustment shown on Line 44 as all transfers are included in SSU Retirement Report, page 1 of 2.	11	1,850	
52	To reverse the adjustment shown on Line 45 as all transfers are included in SSU Retirement Report, page 1 of 2.	12	(936)	
53	Reallocation of 2011 SSU employee expenses adjusting to 2012 factors	18	(15)	
54	Reduction to exclude Expense Account Charges from Shared Services 2012 Additions	15	(555)	
55	Reduction to exclude Expense Account Charges from Pipeline 2012 Additions	15	(14,071)	
56	Reduction to exclude cost of retirement associated with project 180.21221	16	(35,282)	
57	Reverse adjustment to remove projects 010.11776, 010.14525, 010.14527, and 010.18377, as amounts are no longer in Rate Base as of 2015.	7,13	50,647	
58	Reverse reduction to exclude cost of retirement associated with project 180.21221, as amount has been removed from Rate Base as of 2015.	16	35,282	
59				
60	<u>2013 Rate Base Adjustments:</u>			
61	Reallocation of 2010 SSU employee expenses adjusting to 2013 factors	18	\$ (0)	
62	Reallocation of 2011 SSU employee expenses adjusting to 2013 factors	19	(1)	
63	Reallocation of 2012 SSU employee expenses adjusting to 2013 factors	26	(2)	
64	To remove projects 010.11142, 010.12985, 010.18694, and 010.18736 allocated to Pipeline in Calendar Year 2013 that do not currently provide services to Pipeline	7,13	(127,475)	
65	Reduction to exclude Expense Account Charges from Shared Services 2013 Additions	20	(422)	
66	Reduction to exclude Expense Account Charges from Pipeline 2013 Additions	20	(13,890)	
67	To remove project 010.21028 allocated to Pipeline in Calendar Year 2013 as follow up to Railroad Commission Audit	29	(13,293)	
68	To reverse the adjustment to remove projects 010.11142, 010.12985, 010.18694, and 010.18736, as amounts are no longer in Rate Base as of 2015.	7,13	127,475	
69	To reverse the adjustment to remove project 010.21028, as the amount is no longer in Rate Base as of 2015.	29	13,293	
70				
71	<u>2014 Rate Base Adjustments:</u>			
72	Reduction to exclude Expense Account Charges from Shared Services 2014 Additions	22	\$ (278)	
73	Reduction to exclude Expense Account Charges from Pipeline 2014 Additions	22	(19,200)	
74	Reallocation of 2010 SSU employee expenses adjusting to 2014 factors	23	(10)	
75	Reallocation of 2011 SSU employee expenses adjusting to 2014 factors	24	(27)	
76	Reallocation of 2012 SSU employee expenses adjusting to 2014 factors	27	(50)	
77	Reallocation of 2013 SSU employee expenses adjusting to 2014 factors	28	(38)	
78	To remove projects 010.20796, 010.21211, and 010.21214 allocated to Pipeline in Calendar Year 2014 that do not currently provide services to Pipeline	7,13	(318,151)	
79	To reverse the adjustment to remove projects 010.20796, 010.21211, and 010.21214, as the amounts are no longer in Rate Base as of 2015.	7,13	318,151	
80				
81				
82				

ATMOS PIPELINE - TEXAS
INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
AS OF DECEMBER 31, 2015

Worksheet/Schedule A Errata

Line No.	Description (a)	Ref (b)	Adjustments (c)	Total Adjustment (d)
83	2015 Rate Base Adjustments:			
84				
85	To remove projects 010.25160 and 010.25162 allocated to Pipeline in Calendar Year 2015 to reduce controversy.	7,13	\$ 19,027	
86	Reduction to exclude Expense Account Charges from Shared Services 2015 Additions	31	(1,697)	
87	Reduction to exclude Expense Account Charges from Pipeline 2015 Additions	31	(11,376)	
88	Reallocation of 2010 SSU employee expenses adjusting to 2015 factors	32	(10)	
89	Reallocation of 2011 SSU employee expenses adjusting to 2015 factors	33	(29)	
90	Reallocation of 2012 SSU employee expenses adjusting to 2015 factors	34	(53)	
91	Reallocation of 2013 SSU employee expenses adjusting to 2015 factors	35	(40)	
92	Reallocation of 2014 SSU employee expenses adjusting to 2015 factors	36	(24)	
93	To remove project 010.24308 allocated to Pipeline in Calendar Year 2015 as follow up to Railroad Commission Audit		(205,823)	
94				
95	Ending Balance, Rate Base Adjustments			\$ (269,351)
96				
97	Notes:			
98	1. This adjustment was made to remove artwork from Pipeline Utility Plant per GUD 10000, Finding of Fact No. 38; Sch C, Col (d), Ln 47 for Project 180.10927.			
99	2. Adjustment to account for changes in allocation factors from GUD 10000 at 14.30% to the current rate at 14.91%.			
100	3. These adjustments reallocate the prior Shared Services Additions authorized in GUD 10078 to the level of service provided by SSU at the end of 2011.			
101	4. These adjustments reallocate the prior Shared Services Additions authorized in GUD 10078 and GUD 10144 to the level of service provided by SSU at the end of 2012.			
102	5. These balances roll forward the adjustments disallowed in GUD 10000 Final Order.			
103	6. These adjustments remove certain expense account charges booked to capital from April 2010 - December 2010.			
104	7. These projects have been removed since Pipeline does not utilize the services from these projects.			
105	8. This adjustment relates to the Reclassification of Shared Services additions from General Office to Customer Support in the April 2010 through December 2010			
106	Report.			
107	9. Restatement of the 2010 Employee Expense account charges using the 2012 allocation factors			
108	10. These adjustments remove certain employee expense account charges booked to Capital from January 2011 - December 2011			
109	11. This adjustment relates to the Reclassification of Shared Services additions from General Office to Customer Support in the January 2011 through December 2011			
110	Report.			
111	12. This adjustment relates to the Reclassification of Shared Services additions from Customer Support to General Office in the January 2011 through December 2011			
112	Report.			
113	13. Adjustments as applicable are stated at SSU current year allocation factor			
114	14. Restatement of the 2010 employee expense account charges using the 2013 allocation factors			
115	15. These adjustments remove certain employee expense account charges booked to Capital from January 2012 - December 2012			
116	16. This adjustment removes costs for an asset that should have been retired during 2012; however, the retirement was not booked until 2013			
117	17. These adjustments reallocate the prior Shared Services Additions authorized in GUD 10078, GUD 10144, and GUD 10240 to the level of service provided by			
118	SSU at the end of 2013.			
119	18. Restatement of the 2010 employee expense account charges using the 2013 allocation factors			
120	19. Restatement of the 2011 employee expense account charges using the 2013 allocation factors			
121	20. These adjustments remove certain employee expense account charges booked to Capital from January 2013 - December 2013.			
122	21. This adjustment removes costs for projects that were incorrectly booked to SSU General Office during 2013; the reversing entry was not booked until 2014			
123	22. These adjustments remove certain employee expense account charges booked to Capital from January 2014 - December 2014			
124	23. Restatement of the 2010 employee expense account charges using the 2014 allocation factors			
125	24. Restatement of the 2011 employee expense account charges using the 2014 allocation factors			

ATMOS PIPELINE - TEXAS

INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT
 AS OF DECEMBER 31, 2015

Worksheet/Schedule A Errata

Line No.	Description (a)	Ref (b)	Adjustments (c)	Total Adjustment (d)
126	25. These adjustments reallocate the prior Shared Services Additions authorized in GUD 10078, GUD 10144, GUD 10240 and GUD 10338			
127	to the level of service provided by SSU at the end of 2014.			
128	26. Restatement of the 2012 employee expense account charges using the 2013 allocation factors.			
129	27. Restatement of the 2012 employee expense account charges using the 2014 allocation factors.			
130	28. Restatement of the 2013 employee expense account charges using the 2014 allocation factors.			
131	29. Per Final Order GUD 10338.			
132	30. These adjustments reallocate the prior Shared Services Additions authorized in GUD 10078, GUD 10144, GUD 10240, GUD 10338 and GUD 10422			
133	to the level of service provided by SSU at the end of 2015.			
134	31. These adjustments remove certain employee expense account charges booked to Capital from January 2015 - December 2015.			
135	32. Restatement of the 2010 employee expense account charges using the 2015 allocation factors.			
136	33. Restatement of the 2011 employee expense account charges using the 2015 allocation factors.			
137	34. Restatement of the 2012 employee expense account charges using the 2015 allocation factors.			
138	35. Restatement of the 2013 employee expense account charges using the 2015 allocation factors.			
139	36. Restatement of the 2014 employee expense account charges using the 2015 allocation factors.			
140	37. Project will be reversed from the books during CY 2016.			