

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

**STATEMENT OF INTENT TO
CHANGE THE RATES OF CGS
AND RATE PT RATES OF ATMOS
PIPELINE-TEXAS**

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**GAS UTILITIES DOCKET NO.
10580**

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 Chapter 551 (Open Meetings) of the Texas Government Code. The Railroad Commission of Texas ("Commission") adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

General

1. On January 6, 2016, Atmos Pipeline – Texas ("Atmos"), a division of Atmos Energy Corporation ("Atmos Energy"), filed with the Commission a statement of intent to change its Rate CGS and Rate PT rates (the "SOI"). The filing was docketed as GUD No. 10580.
2. Atmos filed its SOI pursuant to Subtitle A (Gas Utility Regulatory Act) ("GURA") of the Texas Utilities Code, Chapter 104 (Rates and Services), Subchapter C (Rate Changes Proposed by Utility).
3. Atmos's SOI complied with the requirements of GURA Section 104.102 (Statement of Intent to Increase Rates).
4. Atmos's proposed cost of service as set forth in the SOI is based on the 12-month period ending September 30, 2016, updated for known changes and conditions that are measurable with reasonable accuracy.
5. Atmos's proposed rates constitute a major change as defined by GURA Section 104.101 (Definition).
6. Atmos's request for a rate change was warranted.
7. The deadline for Commission action is August 1, 2017.

Parties

8. Applicant Atmos is a "gas utility" under GURA Section 101.003 (Definitions).

9. The following parties properly intervened: Staff of the Railroad Commission ("Staff"), Atmos Cities Steering Committee ("ACSC"), Atmos Texas Municipalities ("ATM"), City of Dallas ("Dallas"), Texas Industrial Energy Consumers ("TIEC"), Smurfit Kappa North America, LLC ("Smurfit"), Nucor Steel – Texas ("Nucor"), Texas Gas Service Company ("TGS"), CoServ Gas, Ltd. ("CoServ"), and Fowler Energy Company ("Fowler Energy").
10. On February 17, 2017, all municipal parties were aligned for purposes of discovery pursuant to Commission Rule § 1.86 (Alignment of Municipal Intervenors for Purposes of Discovery).

Procedural Background

11. On January 6, 2017, Atmos filed its SOI.
12. Subsequently, Staff, ACSC, ATM, Dallas, TIEC, Smurfit, Nucor, TGS, CoServ, and Fowler Energy properly intervened.
13. On January 24, 2017, the Commission properly suspended the effective date of Atmos's proposed rate change for a period of 150 days pursuant to GURA Section 104.107 (Rate Suspension; Deadline).
14. On February 17, 2017, all municipal parties were aligned for purposes of discovery pursuant to Commission Rule § 1.86 (Alignment of Municipal Intervenors for Purposes of Discovery).
15. On February 17, 2017, the rate case expense portion of GUD No. 10580 was severed into a separate docket, GUD No. 10604.
16. On February 21, 2017, Atmos provided a Public Notice of Intent to Increase Rates (the "Public Notice") to all applicable customers at their billing addresses by US Mail, postage paid, in accordance with GURA Section 104.103 (Notice of Intent to Increase Rates). The Public Notice stated that Atmos requested an increase in annual revenues by \$72.9 million.
17. On February 24, 2017, Atmos filed certain errata to its original SOI (the "Errata Filing"). The Errata Filing changed Atmos's requested increase annual revenue to \$80.8 million.
18. On March 10, 2017, the Notice of Hearing was issued, setting the hearing on the merits to commence on April 19, 2017 ("Notice of Hearing").
19. On March 15, 2017, the Commission published the Notice of Hearing in *Gas Utilities Information Bulletin No. 1055*.
20. The hearing on the merits was held from April 19-21, 2017 (the "Hearing").
21. On May 25, 2017, Atmos voluntarily caused the deadline for Commission action to be extended until August 1, 2017.

22. On June 26, 2017, the evidentiary record closed and the Proposal for Decision ("PFD") was issued.
23. From July 7-11, 2017, ATM, Dallas, ACSC, TIEC, Staff, Smurfit, and Atmos each timely filed exceptions to the PFD.
24. On July 20, 2017, ATM, Dallas, ACSC, TIEC, Nucor, CoServ, and Atmos each timely filed replies to the exceptions.
25. On July 24, 2017, the First Amended PFD was issued and served on all parties.

Books and Records

26. Atmos established that it maintains its books and records in accordance with the Commission's regulatory requirements.

Revenue Requirement

27. An overall base revenue requirement of \$380,821,971 for Atmos is just and reasonable, and permits Atmos a reasonable opportunity to earn a reasonable return on Atmos's invested capital used and useful in providing service to the public in excess of its reasonable and necessary operating expense.

Rate Base

28. A rate base amount totaling \$1,767,599,981 is just and reasonable.
29. Atmos established that its Cash Working Capital ("CWC") amounts and methods used are just and reasonable.
30. CWC totaling \$8,093,285 is just and reasonable and supported by evidence.
31. Deferred taxes arise because of timing differences between recognition of certain items for book purposes versus tax purposes. Deferred taxes represent the difference between what is included as income taxes in the ratemaking context and what is actually paid in federal income taxes.
32. ADIT is the amount of the difference that has accumulated over time.
33. The ADIT balances are either an asset or liability that represent the cumulative amounts of additional income taxes that are estimated to become receivable or payable in future periods.
34. In this docket, Atmos's ADIT balance is a liability that results in a decrease to rate base.
35. Atmos's ADIT liability is a credit to rate base for ratemaking purposes, and the effect of the credit is to reduce the cost of providing service to ratepayers by

- an amount equal to the deferred income taxes multiplied by the overall rate of return.
36. Atmos proposed a credit to rate base for ADIT in the amount of \$343,366,465 million.
 37. This proposed credit represents Atmos's ADIT liability of \$494,605,824, offset by the allocated net operating loss carryforward ("NOLC") of \$151,239,359 ($\$725,716,695 \times \text{SSU Allocation Factor of } 20.84\%$).
 38. A tax net operating loss is realized when Atmos's tax deduction exceed its earned income and all tax has been offset.
 39. Under provisions of the Internal Revenue Code, a tax net operating loss may first be carried back to offset taxable income from the prior two years. Any loss remaining after the carryback is available to carry forward for up to twenty years to reduce taxable income in a future period.
 40. Because NOLC deductions have not yet been used to offset taxes, the government has not yet extended a cost-free loan.
 41. Atmos's rate base should not be reduced for a cost-free loan that has not yet be realized.
 42. The availability of NOLC has increased in recent years due to stimulus measures passed by Congress that provide for additional levels of bonus depreciation, which along with accelerated depreciation and other deductions, has allowed Atmos to depreciate assets much faster than is allowed for financial accounting or regulatory purposes. However, the evidence in this case indicates that current law phases out bonus depreciation at the end of 2019.
 43. Once bonus depreciation is phased out in 2019, Atmos likely will generate taxable income, which the NOLC may be used to offset prior to its expiration.
 44. Atmos's failure to account for NOLC in its ADIT calculation will result in a normalization violation.
 45. Rulings from other regulatory bodies and private letter rulings from the IRS support Atmos's position that failure to account for NOLC in its ADIT calculation will result in a normalization violation.
 46. Atmos's ADIT NOLC balance should be calculated based upon the stand-alone taxes of Atmos, rather than the consolidated returns of Atmos Energy, because the consolidated tax return includes both regulated and non-regulated legal entities of Atmos Energy.
 47. Based on Atmos's stand-alone tax return, the ADIT asset after allocation attributable to NOLC is \$151,239,359.

48. This ADIT NOLC asset was added to rate base as a matching offset the ADIT credit to rate base, which decreases the ADIT rate base credit by the NOLC amount of \$151,239,359.
49. Atmos established that its calculation of the ADIT NOLC is just and reasonable.
50. An adjustment to the ADIT calculation in the amount of \$1,484,486, for corresponding adjustments to the incentive compensation programs is proper.
51. It is reasonable to use the methodology reflected in Ms. Cannady's Schedule CTC-5 to adjust the ADIT calculation in conformance with recommended adjustments regarding incentive compensation.
52. A credit to rate base for ADIT in the amount of \$344,850,951, is just and reasonable and supported by substantial evidence.
53. Atmos established that inclusion of the Pension and Other Postemployment Benefit ("OPEB") regulatory asset of \$6,567,664 in rate base is just and reasonable. No party contested this.
54. Atmos established that it is just and reasonable to change the current OPEB benchmarks in accordance with Tex. Util. Code § 104.059 (Pension and Other Postemployment Benefits).

| Entity | Pension Account Plan | Postemployment Benefit Plan | Supplemental Executive Benefit Plan | Total |
|--------------------------|----------------------|-----------------------------|-------------------------------------|--------------------|
| SSU Allocated to APT | \$ 682,388 | \$ 390,508 | \$ 0 | \$1,072,896 |
| Mid-Tex Allocated to APT | \$ 906,331 | \$ 481,543 | \$ 0 | \$1,387,874 |
| APT Direct | \$ 335,451 | (\$ 193,820) | \$ 323,031 | \$464,662 |
| Total | \$1,924,170 | \$ 678,231 | \$ 323,031 | \$2,925,432 |

55. A one-time pension asset adjustment in the amount of \$2,103,309 is just and reasonable.
56. It is just and reasonable for the Commission to require Atmos, in its next statement of intent, to maintain the same schedules and format for WP_F-2.3.1 and WP_B-7.1, including the monthly source documentation provided in Atmos Ex. 1a Relied Files, WP_B-7.1 Pension Regulatory Asset, as Atmos did with this filing. This will provide monthly dollar amounts capitalized and expensed and allow verification of ratios.
57. It is just and reasonable for Atmos to recover its direct capitalized incentive compensation expenses at the 100-percent target and that the SSU portions be removed.
58. Recovery of capitalized incentive compensation totaling \$3,921,206 is just and reasonable, and is supported by the weight of evidence.

59. Unchallenged amounts shown on Atmos's books and records, as well as summaries and excerpts therefrom, are presumed to have been reasonably and necessarily incurred.

Operations and Maintenance (O&M) Expenses

60. Operations and maintenance ("O&M") expenses inclusive of depreciation and of taxes other than income taxes, totaling \$232,426,770 is reasonable and necessary and supported by the weight of the evidence.
61. Atmos's proposed rates and methods of depreciation, amortization, and depletion are proper and adequate, just and reasonable, and supported by the evidence.
62. The ELG depreciation method is a straight-line method.
63. The ELG depreciation method is proper and adequate. Atmos met its burden by establishing that ELG is a viable, industry-accepted method to establish depreciation rates.
64. Atmos's proposed service lives are proper and adequate, and just and reasonable. The weight of evidence—including Atmos's two depreciation studies, along with the direct and rebuttal testimonies of Atmos's depreciation expert witness—supports Atmos's proposed service lives. The analyses and considerations used by Atmos were proper and adequate, and sufficiently supported Atmos's proposed service lives.
65. Atmos's proposed reserve reallocation is proper and adequate. Reallocating reserves ensures the undepreciated plant balance in each account will be depreciated over the remaining life of those assets, which ensures accurate rates.
66. Portions of both short-term incentive ("STI") compensation and long-term incentive ("LTI") compensation are reasonable and necessary expenses.
67. Both shareholders and ratepayers benefit, to some degree, from incentive compensation. The evidence supports that a benefit exists.
68. It is reasonable for the Commission to limit Atmos's incentive compensation cost recovery to only those costs associated with the direct employees for both STI and LTI, limited to 100 percent of the target. This amount is reasonable and necessary.
69. A total STI amount of \$1,362,856 is a reasonable and necessary expense.
70. A total LTI amount of \$355,551 is a reasonable and necessary expense.
71. Incentive compensation in the total amount of \$1,718,407 is a reasonable and necessary expense.

72. Atmos's requested Supplemental Executive Retirement Plan ("SERP") amount totaling \$93,683 is reasonable and necessary. The evidence shows that SERP is beneficial to recruit and retain executives, which benefits both shareholders and ratepayers.
73. Atmos's request for test-year compensation costs recorded in Cost Center 1905, totaling \$610,588, is reasonable and necessary. The evidence supports that the test year expense is for a 13-member Board of Directors and that no adjustment is necessary.
74. Atmos met its burden in establishing that settlement pay and relocation expenses, totaling \$53,682, are reasonable and necessary and supported by evidence.
75. The proper, lawful federal income tax rate in this proceeding is 35 percent. Atmos's income tax expenses at this rate are reasonable and necessary.
76. Atmos's Shared Services Unit ("SSU") O&M Expense Allocation Factor of 71.08 percent is reasonable. It is based on data that is known and measurable and will be in effect for the rate period.
77. No party challenged the insurance rates Atmos paid to its affiliate, Blueflame Insurance Services, Ltd. ("Blueflame"), for property insurance coverage.
78. The expenses of Blueflame, an affiliate of Atmos, are reasonable and necessary for the provision of natural gas service by Atmos.
79. The price to Atmos by Blueflame is not higher than the price charged by Blueflame to its other affiliates or divisions or to a nonaffiliated person for insurance.
80. The services provided by Blueflame are reasonable and necessary.
81. Unchallenged expenses shown on Atmos's books and records, as well as summaries and excerpts therefrom, are reasonable and necessary.

Rate of Return

82. A rate of return of 8.87 percent, calculated using the below components, is just and reasonable, supported by the facts and evidence unique to this case, and will not yield more than a fair return on the adjusted value of the invested capital used and useful in providing service to the public.
83. Atmos failed to meet its burden to support its proposed capital structure of 59.83 percent equity and 40.17 percent long-term debt ("LT-debt").
84. The weight of credible evidence supports including short-term debt ("ST-debt") in Atmos's capital structure. The evidence shows that Atmos Energy had ST-

debt in its capital structure for each quarter of the test year and all but two quarters of the last three years.

85. An equity ratio of 52.64 percent and a LT-debt ratio of 47.36 percent reflects Atmos's actual equity ratio and is just and reasonable.
86. Atmos's requested 5.95-percent cost of debt is just and reasonable and supported by the weight of the evidence. Atmos demonstrated that 5.95-percent is the average cost of debt as of September 30, 2016.
87. Atmos failed to meet its burden to support its proposed 13.5-percent return on equity ("ROE").
88. Atmos's reliance on values derived from the mean of its proxy group gives a skewed result because one of the companies is an outlier. Relying on mean values for this proxy group, rather than median values, results in a skewed high ROE recommendation.
89. It is reasonable in this docket to use a proxy group of pipelines to establish an appropriate ROE. While the evidence supports that Atmos carries lower risk than the five pipelines in its proxy group, this lower risk can be accounted for by using low-end values.
90. Atmos operates as an intrastate natural gas pipeline. Atmos provided evidence showing that its business activities wholly consist of intrastate pipeline transmission operations.
91. As compared to other proxy-group pipelines, Atmos carries low risk. Atmos's five-company proxy group includes companies with S&P credit ratings three to four notches below Atmos Energy's "A" rating. Regarding Atmos's operations, Atmos primarily serves its sibling division—Atmos Mid-Tex. In fiscal year 2016, sales to Atmos Mid-Tex comprised more than 75 percent of Atmos's income.
92. Because Atmos carries low risk relative to the five pipelines on its proxy group, it is reasonable to use "Low ROE" values from Atmos's pipeline proxy group to establish an ROE.
93. It is reasonable to use a constant growth Discounted Cash Flow ("DCF") model for analysis to determine return on equity. The DCF model is widely recognized in regulatory proceedings and is used by all the expert witnesses that provided quantitative analyses in this proceeding.
94. It is reasonable to use 30-, 90-, and 180-day ranges of median "Low ROE" estimates in the DCF analysis. Median values are appropriate and reasonable to use here, rather than mean values, to avoid skewing by the outliers.
95. It is reasonable to use the rounded average the median "Low ROE" values in Atmos's proxy group for 30-, 90-, and 180-day periods to establish the ROE in this proceeding.

96. Substantial, credible evidence supports an ROE of 11.5 percent, which is just and reasonable.

Class Cost of Service Study, Allocation, and Rate Design

97. Atmos's class cost of service study ("CCOSS") is reasonable to use as a guide to design rates, but the weight of the evidence supports that Atmos's proposed allocation would result in an unreasonably abrupt allocation increase for PT classes. Therefore, Atmos failed to meet its burden.
98. Substantial evidence supports using the results of Atmos's CCOSS as a guide, but limiting the rate increase to 1.5 times the system average for any class. Doing so is just and reasonable and balances the interests of both PT and CG customers, and recognizes the degree of inferiority of PT customers' interruptible service.
99. PT customers have inferior service to CG customers due to interruptibility, thus warranting a discounted rate. The evidence shows that PT customer interruptions have been minimal—17 over a six-year period, with seven restored the same day and three within three days.
100. A PT capacity charge of \$5.47, which is 54 percent of the resulting CG charge, is just and reasonable. This ratio is between the ratio from GUD No. 10000—64 percent—and the current ratio of 53 percent.

Rate Schedules and Tariffs

101. Atmos's proposed rate schedules and tariffs, as revised consistent with the Examiner recommendations in the PFD, are just and reasonable and supported by the evidence.
102. The proposed rates set out below are just and reasonable.

| Customer Class | Capacity Charge per MDQ | Usage Charge per MMBtu | WGIS* |
|-------------------------|-------------------------|------------------------|-----------|
| CGS - Mid-Tex | \$10.20461 | \$0.02785 | \$0.43694 |
| CGS - Other | \$10.20461 | \$0.02785 | |
| Pipeline Transportation | \$ 5.46962 | \$0.01325 | |

*Working Gas in Storage

103. Atmos's proposed Rider REV tariff is just and reasonable. Atmos's proposed transition provision is necessary to allow Atmos the opportunity to collect the previously approved revenues.
104. Atmos's proposed Rider REV MDQ provision is just and reasonable. It is reasonable that Atmos refund any over-recovery due to MDQ updates, and do so in its next Rider REV filing dating back to the final order in GUD No. 10295. It is reasonable that Atmos should provide a true-up of Rider REV collections

from the 2014 Rider REV to the present when Atmos updates the MDQs for the 2016 Rider REV adjustment.

105. Continuation of the current Rider REV allocation of 75 percent and 25 percent is just and reasonable.
106. For Rider SUR, it is just and reasonable to recover expenses over a 5-year period.
107. It is just and reasonable to include the MDQ provision in the CGS Mid-Tex and CGS-Other tariffs, consistent with the recommendation in the PFD.

Review for Reasonableness and Prudence

108. Capital investment made by Atmos through September 30, 2016, was reasonable and prudent, with the exception and the unsupported procurement card charges that required a \$1,255 reduction of plant in service.
109. While investment subsequently transferred to other divisions may have been prudent at the time, the assets are no longer included in Atmos plant, and therefore warrant a refund of \$1,113,043.09 in GRIP collections. It is just and reasonable to refund this amount to affected customers in the form of a one-time bill credit, in the amounts listed below.

| IRA REFUND PER CUSTOMER (per MDQ) | |
|-----------------------------------|------------------------|
| Rate Class | One-time Refund Amount |
| CGS | (\$0.0315) |
| PT | (\$0.0163) |

Future Interim Rate Adjustments

110. The following interim rate adjustment ("IRA") factors are just and reasonable until changed by a subsequent general rate proceeding:
 - The capital structure and related components reflected in this Order;
 - For the initial filing, the Net Investment, including the detail of Plant in Service amounts—along with the associated depreciation rate for each account—as shown in Schedules C, D, F-3, and F-4;
 - For the initial filing, the net plant in service shall be \$1,979,922,986;
 - For the initial filing, the customer charges or volumetric rates reflected in this Order will be the starting rates to apply to any IRA adjustment; and

- The base rate revenue allocation factors to spread any change in IRA increase/decrease to the appropriate customer classes are as follows:

| Customer Class | Examiners' Recommended Revenue | Percentage |
|------------------------------------|---------------------------------------|-------------------|
| PT | \$9,588,199 | 2.62% |
| CGS | \$356,905,066 | 97.38% |
| Total (not including Mid-Tex WGIS) | \$366,493,265 | 100% |

Other Issues

111. The rate case expenses associated with GUD No. 10580 were severed and will be considered in a separate docket, GUD No. 10604.

CONCLUSIONS OF LAW

General & Jurisdiction

1. Atmos is a gas utility as defined in GURA and therefore is subject to the jurisdiction of the Commission.
2. Atmos's SOI complied with the requirements of GURA Section 104.102 (Statement of Intent to Increase Rates).
3. Atmos's proposed rates constitute a major change as defined by GURA Section 104.101 (Definition).
4. The Commission has exclusive original jurisdiction over all matters decided in this docket.
5. Because the First Amended PFD was served on all parties, the Commission is not required to separately note and specify in this Final Order any adopted amendments.

Notice and Procedure

6. Required notices were issued and/or provided in accordance with the requirements of GURA, Subtitle A (Administrative Procedure and Practice) of the Texas Government Code, and applicable Commission rules.
7. This proceeding was conducted in accordance with the requirements of GURA, Subtitle A (Administrative Procedure and Practice) of the Texas Government Code, and applicable Commission rules.
8. The Commission properly suspended the operation of Atmos's proposed rate schedule pursuant to GURA Section 104.107 (Rate Suspension; Deadline).

Books and Records

9. Atmos established it maintains its books and records in accordance with the Commission's regulatory requirements. Therefore, Atmos is entitled to the presumption that the unchallenged amounts included therein are reasonable and necessary.

Rates and Rate Elements

10. Atmos did not meet its burden of proving that its proposed rate changes are just and reasonable.
11. The revenue, rates, rate design, and service charges reflected in 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 GURA.
12. The overall revenues reflected in this Order are just and reasonable, fix an overall level of revenues that will permit Atmos 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 GURA Section 104.051 (Establishing Overall Revenues), and otherwise comply with GURA Chapter 104 (Rates and Services).
13. The revenue, rates, rate design, and service charges reflected in this Order 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 GURA Section 104.052 (Establishing Fair Rate of Return).
14. The rates established in this Order comport with the requirements of GURA Section 104.053 (Components of Adjusted Value of Invested Capital) 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.
15. The test-year level of pension-related and other post-employment benefits expenses are consistent with GURA Section 104.059 (Pension and Other Postemployment Benefits).
16. A rate of return of 8.87 percent, including the components specified in this Order, is consistent with the requirements of GURA Section 104.052 (Establishing Fair Rate of Return) and Chapter 104 (Rates and Services).
17. The rates and methods of depreciation, amortization, or depletion reflected in this Order meet the requirements of GURA Section 104.054 (Depreciation, Amortization, and Depletion) and Chapter 104 (Rates and Services).

18. Affiliate expenses paid by Atmos to Blueflame for property insurance coverage were reasonable and necessary in accordance with Commission Rule § 7.503 (Evidentiary Treatment of Uncontroverted Books and Records of Gas Utilities).
19. The rates established in this case comply with the affiliate transaction standards set out in GURA Section 104.055 (Net Income; Allowable Expenses).
20. The operations and maintenance expenses reflected in this Order meet the requirements of GURA Section 104.051 (Establishing Overall Revenues) and Chapter 104 (Rates and Services) and Chapter 104 (Rates and Services).
21. All unchallenged amounts shown on Atmos's books and records, as well as summaries and excerpts therefrom, are presumed to have been reasonably and necessarily incurred.

Rate Schedules and Tariffs

22. The rate schedules and tariffs reflected in this Order are consistent with applicable GURA and Commission requirements.

Review for Reasonableness and Prudence

23. Capital investment made through September 30, 2016, was reasonable and prudent and consistent with GURA Chapter 104 (Rates and Services) and Commission Rule § 7.7101 (Interim Rate Adjustments).

Future Interim Rate Adjustments

24. In accordance with Commission Rule § 7.7101 (Interim Rate Adjustments), Atmos may adjust its revenue in future IRA filings based on the difference between values of the investment amounts only by the constant factors set in this docket for: return on investment; depreciation expense, for those individual rates for each FERC account; ad valorem taxes; revenue related taxes; and federal income tax.

Other Issues

25. Rate case expenses for GUD No. 10580 will be considered by the Commission in accordance with applicable Texas law in a separate proceeding, GUD No. 10604.
26. Atmos is required under Commission Rule § 7.315 (Filing of Tariffs) to file electronic tariffs incorporating rates consistent with this Order within 30 days of the date of this Order.

IT IS THEREFORE ORDERED that Atmos's proposed rate changes are **DENIED**.

IT IS FURTHER ORDERED that the rates and rate elements established in this Order, along with related tariffs, are **APPROVED**.

IT IS FURTHER ORDERED that Atmos shall refund \$1,113,043.09 in GRIP collections for plant assets transferred to other divisions. The refund shall be in the form of a one-time bill credit applied to the September 2017 bill. The credit shall apply to affected customers in the amount of \$0.0315 per customer per MDQ to rate class CGS and in the amount of \$0.0163 per customer per MDQ to rate PT customers.

IT IS FURTHER ORDERED that all other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not specifically granted or approved in this Order, are hereby **DENIED**.

IT IS FURTHER ORDERED this Order will not be final and effective until 25 days after the Commission's Order is signed. 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. The time allotted for Commission action on a motion for rehearing in this docket prior to its being overruled by operation of law is hereby extended until 100 days from the date this Order is signed.

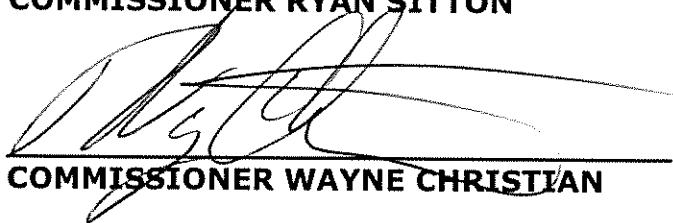
SIGNED this 1st day of August, 2017.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN CHRISTI CRADDICK

COMMISSIONER RYAN SITTON



COMMISSIONER WAYNE CHRISTIAN

ATTEST:



SECRETARY

GUD No. 10580 FINAL ORDER

ATTACHMENT 1

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 | \$ 10.20461 per MMBtu of MDQ ¹ |
| Capacity Charge related to Mid-Tex Working Gas | \$ 0.43694 per MMBtu of MDQ |
| Total Capacity Charge | \$ 10.64155 per MMBtu of MDQ |
| Usage | \$ 0.02785 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.

MDQ Adjustment: If Shipper's daily usage on any day exceeds Shipper's MDQ as set forth herein by 10% or more, then Shipper's MDQ will be increased to equal such daily usage up to the firm capacity available through the then existing APT facilities. The effective date of such increase in the MDQ will be the first day of the calendar month following the day on which Shipper's daily usage exceeded Shipper's MDQ by 10% or more.

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

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

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

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.

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 – Mid-Tex, 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, WTG Marketing, Inc., the City of Rising Star, the City of Navasota, Corix Utilities (Texas), Inc., 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 | \$ 10.20461 per MMBtu of MDQ ¹ |
| Total Capacity Charge | \$ 10.20461 per MMBtu of MDQ |
| Usage | \$ 0.02785 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.

MDQ Adjustment: If Shipper's daily usage on any day exceeds Shipper's MDQ as set forth herein by 10% or more, then Shipper's MDQ will be increased to equal such daily usage up to the firm capacity available through the then existing APT facilities. The effective date of such increase in the MDQ will be the first day of the calendar month following the day on which Shipper's daily usage exceeded Shipper's MDQ by 10% or more.

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

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|--|--|
| RATE SCHEDULE: | CGS – OTHER | |
| APPLICABLE TO: | CoServ, WTG Marketing, Inc., the City of Rising Star, the City of Navasota, Corix Utilities (Texas), Inc., Terra Gas Supply, Texas Gas Service Co., and Other City Gate Service Customers, except Mid-Tex | |
| EFFECTIVE DATE: | | |

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.

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 - Other, 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 | \$ 5.46962 per MMBtu of MDQ |
| Total Capacity Charge | \$ 5.46962 per MMBtu of MDQ |
| Usage | \$ 0.01325 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 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.

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY
CORPORATION**

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

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.

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.

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.

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.

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|--|--|
| RIDER: | RIDER MF – MUNICIPAL FEE ADJUSTMENT | |
| APPLICABLE TO: | Entire System | |
| EFFECTIVE DATE: | | |

Application

Applicable to Customers inside the corporate limits of an incorporated municipality that imposes a municipal fee upon Company for the Gas Service provided to Customer.

Monthly Adjustment

Company will adjust Customer's bill each month in an amount equal to the municipal fees payable for the Gas Service provided to Customer by Company. Municipal franchise fees are determined by each municipality's ordinance. Each municipality's ordinance will specify the percentage and applicability of municipal fees.

From time to time, Company will make further adjustments to Customer's bill to account for any over- or under-recovery of municipal fees by Company.

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|---|--|
| RIDER: | REV – REVENUE ADJUSTMENT | |
| APPLICABLE TO: | Rate CGS – Mid-Tex, Rate CGS – Other and Rate PT | |
| EFFECTIVE DATE: | | |

Applicability

This Rider will apply to Rate CGS – Mid-Tex, Rider CGS - Other and Rate PT.

Transition Provision

The adjustment under this Rider in effect pursuant to the version authorized in GUD No. 10295 will remain in effect following the effective date of the Final Order in GUD No. 10580 until October 31, 2017.

Adjustment Mechanism

Effective each November 1, rate schedules subject to this Rider will be adjusted based on the change in 1) the level of Other Revenue for the twelve-month period from July 1 of the prior year through June 30 of the current year from 2) the level of Other Revenue credited to the total cost of service in GUD Docket No. 10580.

Seventy-five percent of the difference between 1) the level of Other Revenue for the twelve-month period from July 1 of the prior year through June 30 of the current year less revenue related taxes and 2) the level of Other Revenue credited to the total cost of service in GUD Docket No. 10580 less revenue related taxes shall be allocated to the Rate CGS class and the Rate PT class in the same proportion as the Other Revenue was allocated to each class in GUD Docket No. 10580, as determined from the dollar amounts for Other Revenue Credit on Schedule J to the Final Order in GUD No. 10580, Columns (d) and (e), Line 6 for each class, respectively, as compared to the Total System Other Revenue Credit on Schedule J, Column (c), Line 6. Any difference between the amount authorized to be collected from each class effective the second prior November 1 under this Rider and the amount collected from each class under this Rider during the twelve-month period beginning on the second prior November 1 will be added to or subtracted from each class' respective allocated portion of the difference in Other Revenue. The adjusted allocated portion of the difference in Other Revenue for each class shall be divided by the then current MDQ for such class, and that result shall be divided by 12 to calculate a monthly amount. The resulting amount shall be added to or subtracted from the capacity charge for each class.

Such adjusted capacity charge will then be adjusted for any Interim Rate Adjustments approved by the Commission after the issuance of the Final Order in GUD Docket No. 10580.

Adjustment Review Process

No later than August 15th of each year, Atmos Pipeline – Texas shall file with the Commission an “Other Revenue Adjustment” Report showing the following:

1. The actual Other Revenue billed by Atmos Pipeline - Texas during the twelve-month period from July 1 of the prior year through June 30 of the current year by FERC Account;
2. A listing of the customers in the Other Revenue class by coded reference showing monthly volumes and monthly revenues for each customer;
3. The then current contractual MDQ and the MDQ in the prior year's filing for each customer in each class (CGS and PT);
4. The Other Revenue allocation percentages for each class derived from Schedule J;
5. The calculations described in the Adjustment Mechanism Section of this Rider REV and supporting schedules;
6. A confidential cross reference listing of the Customer codes and names (for Railroad Commission Staff only);

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|---|--|
| RIDER: | REV – REVENUE ADJUSTMENT | |
| APPLICABLE TO: | Rate CGS – Mid-Tex, Rate CGS – Other and Rate PT | |
| EFFECTIVE DATE: | | |

7. A statement on whether or not the proposed adjustment would generate additional revenue of more than 2 ½% of Atmos Pipeline – Texas’ annual per books revenue for the twelve-month period ending on June 30 of the current year; and
8. Proposed tariffs showing the proposed adjusted rates.

Atmos Pipeline – Texas shall provide notice to all directly affected customers by bill insert or direct mail on the same date as the date of the filing of the Other Revenue Adjustment Report. The notice shall provide the customers with the proposed adjustment and contact information on where the customer can inspect a copy of the filing. If the requested adjustment would generate additional revenue of more than 2 ½% of Atmos Pipeline – Texas’ annual per books revenue for the twelve-month period ending on June 30 of the current year, the notice shall contain a statement that within 20 days of the date of the filing the customer has a right to:

1. request a copy of the complete filing and the address for making such a request;
2. file a reply and the address for filing a reply; and
3. request a hearing and the address for making such a request.

If a hearing is requested, the Hearings Division of the Commission shall conduct the hearing, which shall be limited in scope to the sole issue of the reasonableness of any increase greater than 2 ½% of Atmos Pipeline – Texas’ annual per books revenue for the twelve-month period ending on June 30 of the current year, on an expedited basis in order to permit the Commission to approve, adjust or deny the proposed Other Revenue Adjustment on or before November 1 of the current year.

The Commission shall have the opportunity to review the Other Revenue Adjustment Report and may submit discovery requests until the 40th day following the filing date of the Other Revenue Adjustment Report. Directly affected customers may also submit discovery requests until that date. The Commission shall approve, adjust or deny the proposed Other Revenue Adjustment on or before November 1 of the current year. Atmos Pipeline – Texas shall have the right to appeal the Commission’s decision by filing a Motion for Rehearing with the Commission within 20 days following the issuance of the Commission’s decision.

Atmos Pipeline – Texas shall promptly reimburse the Commission for the cost of reviewing each Other Revenue Adjustment Report upon the invoicing of such cost.

The Other Revenue Adjustment, as adjusted by the Commission, shall be implemented on November 1 of the current year and shall remain in effect until revised on the following November 1st.

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|---|--|
| RIDER: | SUR – SURCHARGES | |
| APPLICABLE TO: | Rate CGS – Mid-Tex, Rate CGS – Other and Rate PT | |
| EFFECTIVE DATE: | | |

Applicability

This Rider is applicable to customer classes as authorized by the state or any governmental entity or regulatory authority pursuant to any statute, order, rule, contract, or agreement.

Monthly Calculation

Surcharges will be calculated in accordance with the applicable statute, order, rule, contract, or agreement.

GUD No. 10580 - MAOP

The following surcharge as authorized in GUD No. 10580 shall be recovered from the Rate CGS – Mid-Tex, Rate CGS – Other and Rate PT customers by adding an amount equal to each customer's MDQ times \$0.03958 per MMBtu of MDQ to their otherwise applicable total customer charge for each month for a 60-month period.

GUD No. 10580 – GRIP Refund

The following refund as authorized in GUD No. 10580 shall be made to the Rate CGS – Mid-Tex, Rate CGS – Other and Rate PT customers by crediting each customer's bill in the month of September 2017 by an amount equal to each customer's MDQ times (\$0.0315) for CGS and (\$0.0163) for PT per MMBtu of MDQ.

GUD No. 10580 FINAL ORDER

ATTACHMENT 2

Schedules

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
COST OF SERVICE & CLASS COST OF SERVICE SCHEDULES AND WORKPAPERS
TEST YEAR ENDING SEPTEMBER 30, 2016

Totals may vary due to rounding.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
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TEST YEAR ENDING SEPTEMBER 30, 2016

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| 2 | Schedule B | RATE BASE | MYERS |
| 3 | Schedule C | COMPONENTS OF RATE BASE - GROSS PLANT | MYERS |
| 4 | Schedule D | COMPONENTS OF RATE BASE - ACCUMULATED DEPRECIATION | MYERS |
| 5 | Schedule E | CASH WORKING CAPITAL | LYONS |
| 6 | Schedule F-1 | OPERATION AND MAINTENANCE EXPENSES | MYERS |
| 7 | Schedule F-2 | ADJUSTMENTS TO OPERATION AND MAINTENANCE EXPENSES | MYERS |
| 8 | Schedule F-3 | DEPRECIATION AND AMORTIZATION EXPENSE | MYERS |
| 9 | Schedule F-4 | DEPRECIATION RATE SUMMARY | WATSON |
| 10 | Schedule F-5 | TAXES OTHER THAN INCOME TAX | MYERS |
| 11 | Schedule F-6 | TOTAL INCOME TAXES | MYERS |
| 12 | Schedule G | SUMMARY OF RETURN | HEVERT |
| 13 | Schedule H | CLASS COST OF SERVICE SUMMARY | GASKE |
| 14 | Schedule H-1 | FUNCTIONALIZATION AND CLASSIFICATION OF COSTS | GASKE |
| 15 | Schedule H-1.1 | FUNCTIONAL ALLOCATION OF DEFERRED INCOME TAXES | GASKE |
| 16 | Schedule H-2 | ALLOCATION OF TRANSMISSION COSTS | GASKE |
| 17 | Schedule H-2.1 | DEVELOPMENT OF CLASS ALLOCATION FACTORS | GASKE |
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| 19 | Schedule H-3.1 | DEVELOPMENT OF STORAGE ALLOCATOR | GASKE |
| 20 | Schedule H-4 | TOTAL ALLOCATED COST | GASKE |
| 21 | Schedule H-4.1 | RRC TAX ALLOCATION | GASKE |
| 22 | Schedule I | ADJUSTED BILLING DETERMINANTS | GASKE |
| 23 | Schedule J | RATE DESIGN | GASKE |
| 24 | Schedule K | SUMMARY OF CURRENT AND PROPOSED RATE STRUCTURE | GASKE |
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| 27 | Schedule K-3 | PROPOSED CHANGE IN PRO FORMA REVENUE | GASKE |
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ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
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| 3 | WP B-2 | INJURIES AND DAMAGES RESERVE | MYERS |
| 4 | WP B-3 | MATERIALS AND SUPPLIES | MYERS |
| 5 | WP B-4 | PREPAYMENTS | MYERS |
| 6 | WP B-5 | UNDERGROUND STORAGE & LINE PACK GAS | MYERS |
| 7 | WP B-6 | ACCUMULATED DEFERRED INCOME TAXES TEST YEAR ENDING BALANCE | MYERS |
| 8 | WP B-7 | PENSION AND OTHER POSTEMPLOYMENT BENEFITS REGULATORY ASSET | MYERS |
| 9 | WP B-7.1 | PENSION AND OTHER POSTEMPLOYMENT BENEFITS REGULATORY ASSET SUMMARY | MYERS |
| 10 | WP E-1 | ACCUMULATED DEFERRED INCOME TAXES TEST YEAR BEGINNING BALANCE | MYERS |
| 11 | WP F-2.1 | BASE LABOR ADJUSTMENT | MYERS |
| 12 | WP F-2.2 | MEDICAL AND DENTAL BENEFITS ADJUSTMENT | MYERS |
| 13 | WP F-2.3 | PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS PLAN ADJUSTMENTS | MYERS |
| 14 | WP F-2.3.1 | PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS PLAN FOR APPROVAL | MYERS |
| 15 | WP F-2.4 | PROPERTY INSURANCE ADJUSTMENT | MYERS |
| 16 | WP F-2.5 | BLANK SHEET | MYERS |
| 17 | WP F-2.6 | EMPLOYEE EXPENSE ADJUSTMENT | MYERS |
| 18 | WP F-2.7 | SHARED SERVICES ("SSU") SERVICE LEVEL FACTORS ADJUSTMENT | MYERS |
| 19 | WP F-2.7.1 | SHARED SERVICES ("SSU") COST CENTER FUNCTIONS | MYERS |
| 20 | WP F-2.8 | MISCELLANEOUS ADJUSTMENTS | MYERS |
| 21 | WP F-2.9 | BLANK SHEET | MYERS |
| 22 | WP F-2.10 | RULE COMPLIANCE ADJUSTMENT | MYERS |
| 23 | WP F-2.11 | BLANK SHEET | MYERS |
| 24 | WP F-5.1 | TAXES OTHER THAN INCOME TAX WORKPAPER | MYERS |
| 25 | WP F-5.2 | SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO PIPELINE FOR PAYROLL TAX CALCULATION | MYERS |

Atmos Pipeline - Texas Errata Changes

| | | |
|--|----------------|--|
| Revenue Requirement - Original Filing (1/6/2017) | \$ 494,642,625 | |
| Updated Revenue Requirement - Errata Filing (2/24/2017) | \$ 502,784,446 | Amounts have been hardcoded. Can trace back to Schedule A. |
| Base Transport Revenue Requirement - Original Filing (1/6/2017) | \$ 422,871,291 | |
| Updated Base Transport Revenue Requirement - Errata Filing (2/24/2017) | \$ 430,973,408 | Amounts have been hardcoded. Can trace back to Schedule A. |

| Description of Change | Tab | Cell Reference | Value - Original Filing | Value - Errata Filing | Base Transport Revenue Requirement Impact | Sponsoring Witness | Testimony Pages | Testimony Exhibits | Print Cell Impacted |
|--|----------------|----------------------|-------------------------|-----------------------|---|--------------------|------------------------|--------------------|-------------------------------------|
| Changed Cost Center 1910 Allocation Factor | WP_F-2.7 | I103 | 14.24% | 0.00% | \$ 8,102,117 | Myers | | N/A | p. 2, Line 93, Col (g) |
| Added PT Customer to Billing Determinants | Adjustment | C26 | 1,880,220 | 1,916,220 | | | | | p. 1, Line 16, Col. "MDQ Base Year" |
| Added PT Customer to Billing Determinants | Schedule I | E26 | 1,650,432 | 1,686,432 | \$ (171,328) | Gaske | | N/A | p. 1, Line 16, Col. "MDQ Test Year" |
| Updated No. of PT Customers | Schedule H-2.1 | F19 | 70 | 71 | \$ - | Gaske | | N/A | p. 1, Line 9, Col (e) |
| <u>Rebuttal Changes</u> | | | | | | | | | |
| Changed SSU O&M Expense Factor | WP_F-2.1 | E20 | 95.76% | 71.08% | \$ (334,541) | Myers | p. 22, Line 1 - p. 24, | BWM-R-2 | p. 1, Line 11, Col (c) done |
| Removed Severance Pay - Capital | WP_B-1 | G13 | \$ - | \$ 49,108 | \$ (7,332) | Myers | p. 19, Lines 3 - 18 | N/A | p. 1, Line 4, Col (b) done |
| Removed Severance Pay - Expense (Direct) | WP_F-2.8 | E28 | \$ - | \$ 8,231 | \$ - | Myers | p. 19, Lines 3 - 18 | N/A | p. 1, Line 19, Col (d) done |
| Removed Severance Pay - Expense (SSU) | WP_F-2.8 | E39 | \$ - | \$ 43,456 | \$ (43,782) | Myers | p. 19, Lines 3 - 18 | N/A | p. 2, Line 30, Col (d) done |
| Remove Gas Utility Tax from Other Revenue | Schedule K-4 | D10 | \$ 75,148,577 | \$ 74,859,733 | \$ 287,394 | Myers | p. 4, Lines 4 - 13 | N/A | p. 1, Line 1, Col (c) done |
| Remove Charges without invoice support | Schedule C | E38 | \$ 12,285 | \$ 11,181 | \$ (225) | Myers | p. 28, Lines 13 - 18 | N/A | p. 1, Line 29, Col (d) |
| Remove Charges without invoice support | Schedule D | E38 | \$ (541,524) | \$ (541,538) | \$ 2 | Myers | p. 28, Lines 13 - 18 | N/A | p. 1, Line 29, Col (d) |

Atmos Pipeline - Texas
GUD No. 10580 / Statement of Intent filed 1/6/17
Twelve Months Ending September 30, 2016
Decision Summary GUD No. 10580

| | SOI | Errata | Rebuttal | Examiners | Difference |
|--|----------------|----------------|----------------|----------------|-----------------|
| Revenue Requirement Requested | \$ 494,642,625 | \$ 502,784,446 | \$ 502,398,276 | \$ 452,099,810 | \$ (50,298,466) |
| Base Transport Revenue Requirement Requested | \$ 422,871,291 | \$ 430,973,408 | \$ 430,875,147 | \$ 380,821,971 | \$ (50,053,176) |
| Transport Base Rates Increase Requested | \$ 72,918,007 | \$ 80,848,796 | \$ 80,750,312 | \$ 30,697,359 | \$ (50,052,953) |

| | Proposed | Recommended |
|---------------------------------------|-------------|-------------|
| Rate CGS - Mid-Tex | | |
| Capacity Charge per MDQ | \$ 11.24146 | \$ 10.20461 |
| Mid-Tex Working Gas in Storage Charge | \$ 0.52433 | \$ 0.43694 |
| Usage Charge per MMBtu | \$ 0.02785 | \$ 0.02785 |
| Rate CGS - Other | | |
| Capacity Charge per MDQ | \$ 11.24146 | \$ 10.20461 |
| Usage Charge per MMBtu | \$ 0.02785 | \$ 0.02785 |
| Rate PT | | |
| Capacity Charge per MDQ | \$ 7.70001 | \$ 5.46962 |
| Usage Charge per MMBtu | \$ 0.01325 | \$ 0.01325 |

| | | |
|-------|---|----------------------------|
| NO. 1 | Rate of Return | Schedule G |
| | a. Capital Structure | |
| | Long-Term Debt | 47.36% |
| | Atmos and Staff (40.17%) | 0.401705729 |
| | ACSC (48%) | |
| | ATM (33.77%) | |
| | Smurfit (remain at current GUD 10000 - 49.5%) | |
| | Dallas (45%) | |
| | TIEC (38.11%) | |
| | EXAMINERS (47.36%) | |
| | Common Equity | 52.64% |
| | Atmos and Staff (59.83%) | 0.598294271 |
| | ACSC (52%) | |
| | ATM (53.43%) | |
| | Smurfit (remain at current GUD 10000 - 50.5%) | |
| | Dallas (55%) | |
| | TIEC (51.90%) | |
| | EXAMINERS (52.64%) | |
| | Short-Term Debt | 0.00% |
| | ATM (12.80%) | |
| | TIEC (9.99%) | |
| | EXAMINERS (0%) | |
| | b. Cost of Capital | |
| | Return on Equity | 11.50% |
| | Atmos (13.5%) | |
| | ACSC (9%) | |
| | ATM (8.92%) | |
| | Dallas (9.25%) | |
| | Smurfit (9.59% - 10%) | |
| | Staff (10%) | |
| | TIEC (9.5%) | |
| | EXAMINERS (11.5%) | |
| | Cost of Long-Term Debt | 5.95% |

Revenue Requirement Impact ROR by Party

| | Examiners | ACSC | ATM |
|-----------------------|--------------------|-----------------|-----------------|
| ROR | 8.87% | 7.54% | 6.90% |
| Revenue Impact | \$ (47,941,228) | \$ (84,987,569) | \$ (94,223,641) |
| | | | |
| | Dallas | Smurfit | Staff |
| ROR | 7.25% | 7.79% | 8.37% |
| Revenue Impact | (\$86,145,748) | (\$78,916,353) | (\$57,516,786) |
| | 4.81% Cost of Debt | at 9.59% ROE | |
| | | | |
| | TIEC | Atmos | |
| ROR | 7.30% | 10.47% | |
| Revenue Impact | (\$85,736,378) | | |

Atmos Pipeline - Texas
GUD No. 10580 / Statement of Intent filed 1/6/17
Twelve Months Ending September 30, 2016
Decision Summary GUD No. 10580

| | |
|---------------------------|-------|
| Atmos (5.95%) | 5.95% |
| Dallas (4.81%) or (5.68%) | |
| EXAMINERS (5.95%) | |
| Cost of Short-Term Debt | 0.00% |
| ATM (1%) | |
| TIEC (1.05%) | |
| Rate of Return Result | 8.87% |

| Issue | On/Off Switch (1 is on, 0 is off) | Schedule Impacted | Cell Impacted | Adjustment | Base Transport Revenue Impact | Witness |
|--|--------------------------------------|---------------------|--|---------------|----------------------------------|------------|
| Operations and Maintenance Expenses | | | | | | |
| 2 Depreciation | 0 | F-3 | G17 - G60 | (32,980,982) | (33,220,806) | D. Garrett |
| Incentive Compensation | | | | | | |
| 3 Direct Incentive Compensation (FERC 926 Employee Pensions and Benefits) | | Schedule F-2 | L51 | | | |
| ACSC or | 0 | | | (\$1,474,777) | (\$1,485,846) | |
| Dallas or | 0 | | | (\$1,843,941) | (\$1,858,073) | |
| Examiners | 1 | | | (\$580,485) | (\$585,134) | |
| 4 SSU Incentive Compensation (O&M Non-Labor Service Level Factor Adjustments) | | | | | | |
| ACSC or | 0 | WP F-2.7 | E109 | (\$757,634) | (\$763,613) | |
| Dallas or | 0 | Schedule F-2 | L51 | (\$1,103,348) | (\$1,111,922) | |
| Examiners | 1 | Schedule F-2 | L51 | (\$1,017,251) | (\$1,025,179) | |
| 5 SERP (Dallas) | 0 | Schedule F-2 | L51 | (\$93,446) | (\$94,440) | |
| 6 Cost Center 1905 Outside Director (ACSC) | 0 | WP F-2.7 | E101 | (\$46,102) | (\$46,741) | |
| 7 Other Pay (ACSC) | 0 | Schedule F-2 | | (\$87,465) | (\$88,123) | |
| Increase Adjustment for FERC 851 System Control and Load Dispatching \$25,485 | | | L24 | (\$25,485) | (\$25,677) | |
| Increase Adjustment for FERC 865 Maintenance of Measuring and Regulating Station Equipment \$8,231 | | | L34 | (\$8,231) | (\$8,293) | |
| Increase Adjustment for FERC 903 Customer Records and Collection Expenses \$6,344 | | | L38 | (\$6,344) | (\$6,392) | |
| Decrease Adjustment for FERC 922 Administrative Expenses Transferred- Credit \$47,405 | | | L47 | (\$47,405) | (\$47,761) | |
| 8 Adjustments to Shared Services Expense Factors | 0 | | | | (\$380,944) | C. Cannady |
| Decrease Labor Expense Factor for Medical and Dental Benefits Adjustment 70.28% | | WP F-2.2 | C24 C12 | 70.28% | | |
| Decrease O&M Expense Factor for Pensions and Other Postemployment Benefits Plans 70.28% | | WP F-2.3 | D12 | 70.28% | | |
| Rate Base | | | | | | |
| Incentive Compensation | | | | | | |
| 9 Direct Incentive Compensation Capitalized | | WP B-1 | G13 | | | |
| ACSC or | 0 | | | \$3,358,370 | (\$501,422) | C. Cannady |
| Examiners | 1 | | | \$1,371,493 | (\$205,064) | |
| 10 SSU Incentive Compensation Capitalized | | WP B-1 | G14 | | | |
| ACSC or | 0 | | | \$1,273,311 | (\$190,112) | C. Cannady |
| Examiners | 1 | | | \$1,252,284 | (\$187,265) | |
| 11 Reduce MIP/VPP Accrual (ACSC) \$1,132,232 | 0 | WP B-6 | D12 | (\$1,132,232) | (\$169,048) | C. Cannady |
| Reduce MIP/VPP Accrual (Examiners) \$519,292 | 1 | | D12 | (\$519,292) | (\$77,825) | |
| 12 Reduce Restricted Stock Grant Plan (ACSC) \$3,546,322 | 0 | WP B-6 | D40 | (\$3,546,322) | (\$110,345) | C. Cannady |

Atmos Pipeline - Texas
GUD No. 10580 / Statement of Intent filed 1/6/17
Twelve Months Ending September 30, 2016
Decision Summary GUD No. 10580

| | | | | | | | | |
|------------------------------------|---|-------------|---|----------------------------|------------|---|----------------|------------|
| | Reduce Restricted Stock Grant Plan (Examiner) | \$4,631,448 | 1 | WP B-6 | D40 | (\$4,631,448) | (\$144,401) | |
| 13 | Remove FD-NOL Credit Carryforward - Utility | | 0 | WP B-6 | D60 | (\$725,716,695) | (\$22,580,808) | C. Cannady |
| 14 | Increase Pension & Other Postemployment Benefit Regulatory Asset | | 0 | WP B-7 | C12 | \$2,103,309 | \$525,945 | C. Cannady |
| 15 | Remove Adjustments for Capitalized Pension Regulatory Asset from APT - Direct Plant | | 0 | Schedule C | E63 | | (\$381,486) | C. Cannady |
| | Remove Adjustment from FERC 350.1 Land \$4,790 | | | | | (\$4,790) | | |
| | Remove Adjustment from FERC 350.2 Rights-of-Way \$28 | | | | | (\$28) | | |
| | Remove Adjustment from FERC 351 Structures and Improvements \$21,394 | | | | | (\$21,394) | | |
| | Remove Adjustment from FERC 352 Wells \$68,089 | | | | | (\$68,089) | | |
| | Remove Adjustment from FERC 353 Lines \$11,512 | | | | | (\$11,512) | | |
| | Remove Adjustment from FERC 354 Compressor Station Equipment \$43,377 | | | | | (\$76,646) | | |
| | Remove Adjustment from FERC 355 M&R Equipment \$43,999 | | | | | (\$43,999) | | |
| | Remove Adjustment from FERC 356 Purification Equipment \$43,377 | | | | | (\$43,377) | | |
| | Remove Adjustment from FERC 357 Other Equipment \$539 | | | | | (\$539) | | |
| | Remove Adjustment from FERC 365.2 ROW - City Gate \$16,486 | | | | | (\$16,486) | | |
| | Remove Adjustment from FERC 366 Structures and Improvements \$9,963 | | | | | (\$9,963) | | |
| | Remove Adjustment from FERC 367 Mains - Cathodic Protection \$174,070 | | | | | (\$174,070) | | |
| | Remove Adjustment from FERC 367.01 Mains - Steel \$1,243,202 | | | | | (\$1,243,202) | | |
| | Remove Adjustment from FERC 367.02 Mains - Plastic \$10,066 | | | | | (\$10,066) | | |
| | Remove Adjustment from FERC 368 Compressor Station Equipment \$130,320 | | | | | (\$130,320) | | |
| | Remove Adjustment from FERC 369 M&R Station Equipment \$198,677 | | | | | (\$198,677) | | |
| | Remove Adjustment from FERC 370 Communication Equipment \$12,285 | | | | | (\$12,285) | | |
| | Remove Adjustment from FERC 371 Other Equipment \$4,276 | | | | | (\$4,276) | | |
| | Remove Adjustment from FERC 390 Structures and Improvements \$5,458 | | | | | (\$5,458) | | |
| | Remove Adjustment from FERC 391 Office Furniture and Equipment \$4,237 | | | | | (\$4,237) | | |
| | Remove Adjustment from FERC 392 Transportation Equipment \$1,357 | | | | | (\$1,357) | | |
| | Remove Adjustment from FERC 394 Tools, Shop, and Garage Equipment \$8,551 | | | | | (\$8,551) | | |
| | Remove Adjustment from FERC 395 Laboratory Equipment \$150 | | | | | (\$150) | | |
| | Remove Adjustment from FERC 396 Power Operated Equipment \$2,653 | | | | | (\$2,653) | | |
| | Remove Adjustment from FERC 397 Communication Equipment \$639 | | | | | (\$639) | | |
| | Remove Adjustment from FERC 397.02 Communication Equipment - Fixed Radios \$70 | | | | | (\$70) | | |
| | Remove Adjustment from FERC 397.05 Communication Equipment - Telemetry \$100 | | | | | (\$100) | | |
| | Remove Adjustment from FERC 398 Miscellaneous Equipment \$7,116 | | | | | (\$7,116) | | |
| | Remove Adjustment from FERC 399 Other Tangible Property \$62 | | | | | (\$62) | | |
| | Remove Adjustment from FERC 399.01 Other Tangible Property - Servers Hardware \$532 | | | | | (\$532) | | |
| | Remove Adjustment from FERC 399.02 Other Tangible Property - Servers Software \$1,223 | | | | | (\$1,223) | | |
| | Remove Adjustment from FERC 399.03 Other Tangible Property - Network Hardware \$62 | | | | | (\$62) | | |
| | Remove Adjustment from FERC 399.06 Other Tangible Property - PC Hardware \$689 | | | | | (\$689) | | |
| | Remove Adjustment from FERC 399.07 Other Tangible Property - PC Software \$690 | | | | | (\$690) | | |
| Revenue Allocation and Rate Design | | | | | | | | |
| 16 | Allocation Factor for PT Interruptible Rate Class | | 0 | Schedule I | D33 | 0 = Atmos (75%) 2 = Nucor (25%) 1 = ACSC (100%) 3 = TIEC (55%) | | |
| 17 | Fixed Storage Costs Allocation | | 0 | Schedule H-3.1 | F31 | | | |
| 18 | Limit Increase to 1.5x System Average-Examiners / TIEC Alternative | | 1 | Schedule J Schedule K-3 | E39 K12 | | | |

GUD No. 10580
Atmos Pipeline - Texas
Revenue Requirement Summary

| | | Recommended | Proposed | Difference |
|---|-------------------|-----------------|-----------------|---------------|
| a Operations and Maintenance Expense | Schedule F-1 | \$127,410,291 | \$129,008,096 | -\$1,597,804 |
| b Depreciation and Amortization Expense | Schedule F-3 | \$81,036,473 | \$81,036,473 | \$0 |
| c Taxes Other than Income Taxes | Schedule F-5 | \$25,846,258 | \$26,091,547 | -\$245,289 |
| d Rate Base | Schedule B | \$1,767,599,981 | \$1,771,755,131 | -\$4,155,151 |
| e Adjustment | Schedule G | 8.87200% | 10.46714% | |
| f Return on Rate Base | d * e | \$156,821,470 | \$185,452,048 | -\$28,630,578 |
| g Income Taxes | Schedule F-6 | \$60,993,470 | \$80,809,888 | -\$19,816,418 |
| h Revenue Requirement | a + b + c + f + g | \$452,107,963 | \$502,398,052 | -\$50,290,089 |
| i Other Revenue | Schedule K-4 | \$69,411,586 | \$69,411,586 | \$0 |
| j Transport Revenue Requirement | h - i | \$382,696,376 | \$432,986,465 | -\$50,290,089 |
| k Rider TAX Revenue | Schedule F-5 | \$1,866,252 | \$2,111,542 | -\$245,289 |
| l Base Transport Revenue Requirement | j - k | \$380,830,124 | \$430,874,924 | -\$50,044,800 |
| m Current Base Transport Revenues | Schedule K-1 | \$350,124,612 | \$350,124,612 | \$0 |
| n Revenue Requirement Deficiency | j - k - m | \$30,705,512 | \$80,750,312 | -\$50,044,800 |
| o Transport Rev Increase (%) | n / m | 8.77% | 23.06% | |
| p Revenue Requirement Increase (%) | n / (m + i) | 7.32% | 19.25% | |

Adjustment to ADIT Related to Incentive Pay Accruals
(Modeled after ACSC Cannady Schedule CTC-5)

SECTION 1--Atmos Direct ADIT (STI)

| | | | |
|---|--------------|---|--------------------------|
| Atmos Direct STI | \$ 6,475,450 | a | Section 3, d |
| Examiners Recommended Award to be included in Rates | \$ 4,658,298 | b | a - (Section 3, h) |
| Examiners Recommended Percentage | 72% | c | b / a |
| Atmos Direct ADIT Related to STI | \$ 1,850,506 | d | WP_B-6, column b, line 3 |
| Examiners Recommended ADIT for STI | \$ 1,331,214 | e | c * d |
| Examiners Recommended Adjustment to ADIT | \$ (519,292) | f | e - d |

SECTION 2--Atmos SSU ADIT (LTI)

| | | | |
|--|----------------|---|---------------------------|
| Atmos SSU LTI | \$ 1,837,049 | a | Section 4, f |
| Examiners Recommended Award | \$ - | b | a - Section 3,l |
| Examiners Recommended Percentage | 0% | c | b / a |
| SSU ADIT for LTI before Allocation to Atmos | \$ 4,631,448 | d | WP_B-6, column b, line 31 |
| Examiners Recommended SSU ADIT LTI Before Allocation to Atmos | \$ - | e | c * d |
| Examiners Recommended ADIT Adjustment Before Allocation to Atmos | \$ (4,631,448) | f | e - d |
| SSU Four-Allocation Factor | 20.84% | g | WP_B-6, column b, line 64 |
| Examiners Recommended Adjustment to ADIT | \$ (965,194) | h | f * g |

SECTION 3--STI

Atmos

| | | | |
|---------------------|--------------|---|---|
| Direct--Expense | \$ 1,894,491 | a | Atmos Ex. 18 at Exh. BWM-R-3 (Myers Reb.) |
| Direct--Capitalized | \$ 4,580,959 | b | Atmos Ex. 18 at Exh. BWM-R-3 (Myers Reb.) |
| SSU--Capitalized | \$ 432,486 | c | Atmos Ex. 18 at Exh. BWM-R-3 (Myers Reb.) |
| Direct--Total | \$ 6,475,450 | d | a + b |

Examiners Adjustments

| | | | |
|--------------------------------|--------------|---|---|
| Direct--Expense Adjustment | \$ 531,635 | e | Atmos Response to Exam RFI 3-01 + 3-02, limit award to 100% |
| Direct--Capitalized Adjustment | \$ 1,285,517 | f | Atmos Response to Exam RFI 3-01 + 3-02, limit award to 100% |
| SSU--Capitalized Adjustmnet | \$ 432,486 | g | Exclude all SSU |
| Direct -- Total | \$ 1,817,152 | h | e + f |

SECTION 4--LTI

Atmos

| | | | |
|---------------------|--------------|---|---|
| Direct--Expense | \$ 404,401 | a | Atmos Ex. 18 at Exh. BWM-R-3 (Myers Reb.) |
| Direct--Capitalized | \$ 711,740 | b | Atmos Ex. 18 at Exh. BWM-R-3 (Myers Reb.) |
| SSU--Expense | \$ 1,017,251 | c | Atmos Ex. 18 at Exh. BWM-R-3 (Myers Reb.) |
| SSU--Capitalized | \$ 819,798 | d | Atmos Ex. 18 at Exh. BWM-R-3 (Myers Reb.) |
| Direct--Total | \$ 1,116,141 | e | a + b |
| SSU--Total | \$ 1,837,049 | f | c + d |

Examiners Adjustments

| | | | |
|---------------------|--------------|---|--|
| Direct--Expense | \$ 48,850 | g | Atmos Response to Exam RFI 3-03, limit award to 100% |
| Direct--Capitalized | \$ 85,976 | h | Atmos Response to Exam RFI 3-03, limit award to 100% |
| SSU--Expense | \$ 1,017,251 | i | Exclude all SSU |
| SSU--Capitalized | \$ 819,798 | j | Exclude all SSU |
| Direct--Total | \$ 134,826 | k | g + h |
| SSU--Total | \$ 1,837,049 | l | i + j |

GUD No. 10580
FINAL ORDER

City of Dallas
Depreciation Adjustments
ALG Recommendation

| | | [1] | [2] | | | | [3] | | | | [4] | | |
|--|------------------------------|----------------------|------------------|------|--------------|-------------------------|-----------------|------|--------------|-------------------|---------------|---------------------|--|
| Account No. | Description | Original Cost | Company Proposal | | | City of Dallas Proposal | | | | Difference | | | |
| | | | Iowa Curve Type | AL | Rate | Annual Accrual | Iowa Curve Type | AL | Rate | Annual Accrual | Rate | Annual Accrual | |
| <u>Underground Storage Plant</u> | | | | | | | | | | | | | |
| 350.20 | Rights Of Way | 32,563 | R4 | - 55 | 2.23% | 726 | R4 | - 55 | 2.13% | 695 | -0.10% | (31) | |
| 351.00 | Structures & Improvements | 24,613,950 | S3 | - 52 | 2.39% | 588,987 | R2.5 | - 75 | 1.37% | 336,821 | -1.02% | (252,166) | |
| 352.00 | Wells | 78,334,938 | R0.5 | - 55 | 3.27% | 2,561,261 | R0.5 | - 55 | 1.89% | 1,481,851 | -1.38% | (1,079,410) | |
| 353.00 | Lines | 13,244,531 | R0.5 | - 40 | 3.66% | 485,025 | R0.5 | - 42 | 2.31% | 305,595 | -1.35% | (179,429) | |
| 354.00 | Compressor Station Equipment | 88,180,195 | R1.5 | - 40 | 3.36% | 2,958,943 | L2 | - 42 | 2.47% | 2,174,213 | -0.89% | (784,730) | |
| 355.00 | Meas. & Reg. Equipment | 50,619,681 | R0.5 | - 40 | 4.59% | 2,323,554 | R0.5 | - 42 | 2.47% | 1,250,785 | -2.12% | (1,072,770) | |
| 356.00 | Purification Equipment | 49,904,221 | R2.5 | - 55 | 2.20% | 1,097,856 | R2 | - 69 | 1.39% | 695,526 | -0.81% | (402,330) | |
| 357.00 | Other Equipment | 620,643 | R2.5 | - 40 | 3.12% | 19,347 | R2.5 | - 40 | 2.69% | 16,718 | -0.42% | (2,629) | |
| <u>Total Underground Storage Plant</u> | | <u>305,550,724</u> | | | <u>3.28%</u> | <u>10,035,700</u> | | | <u>2.05%</u> | <u>6,262,204</u> | <u>-1.23%</u> | <u>(3,773,496)</u> | |
| <u>Transmission Plant</u> | | | | | | | | | | | | | |
| 365.20 | ROW - City Gate | 18,967,308 | R4 | - 85 | 1.31% | 248,564 | R1 | - 89 | 1.23% | 232,664 | -0.08% | (15,900) | |
| 366.00 | Structures & Improvements | 11,462,500 | L0 | - 45 | 4.06% | 465,303 | L0 | - 45 | 2.39% | 273,576 | -1.67% | (191,726) | |
| 367.03 | Mains - All | 1,642,131,650 | L0 | - 70 | 2.83% | 46,440,537 | L0 | - 70 | 1.52% | 25,010,087 | -1.31% | (21,430,450) | |
| 368.00 | Compressor Station Equipment | 149,930,747 | L0 | - 32 | 4.40% | 6,597,250 | L0 | - 32 | 2.75% | 4,125,843 | -1.65% | (2,471,407) | |
| 369.00 | M&R Station Equipment | 228,574,767 | L0 | - 37 | 4.82% | 11,019,272 | L0 | - 37 | 2.80% | 6,397,236 | -2.02% | (4,622,036) | |
| 370.00 | Communication Equipment | 14,133,747 | L2 | - 25 | 5.47% | 773,582 | R1.5 | - 28 | 3.50% | 494,346 | -1.98% | (279,236) | |
| 371.00 | Other Equipment | 4,919,152 | L0 | - 34 | 3.61% | 177,607 | L0 | - 34 | 2.51% | 123,471 | -1.10% | (54,136) | |
| <u>Total Transmission Plant</u> | | <u>2,070,119,871</u> | | | <u>3.17%</u> | <u>65,722,116</u> | | | <u>1.77%</u> | <u>36,657,225</u> | <u>-1.40%</u> | <u>(29,064,891)</u> | |
| <u>General Plant - Depreciated</u> | | | | | | | | | | | | | |
| 390.00 | Structures & Improvements | 6,279,606 | R1.5 | - 40 | 3.38% | 212,345 | R1.5 | - 40 | 2.55% | 160,214 | -0.83% | (52,131) | |
| 392.00 | Transportation Equipment | 1,561,599 | L1 | - 7 | 13.28% | 207,393 | L1 | - 7 | 10.40% | 162,437 | -2.88% | (44,956) | |
| 396.00 | Power Operated Equipment | 3,051,689 | R1.5 | - 15 | 6.98% | 213,005 | R1.5 | - 15 | 5.49% | 167,498 | -1.49% | (45,508) | |
| <u>Total General Plant - Depreciated</u> | | <u>10,892,894</u> | | | <u>5.81%</u> | <u>632,743</u> | | | <u>4.50%</u> | <u>490,148</u> | <u>-1.31%</u> | <u>(142,595)</u> | |
| <u>General Plant - Amortized</u> | | | | | | | | | | | | | |
| 391.00 | Office Furniture & Equipment | 4,874,479 | SQ | - 24 | 7.20% | 351,183 | SQ | - 24 | 7.20% | 351,183 | 0.00% | - | |

City of Dallas
Depreciation Adjustments
ALG Recommendation

| | | [1] | [2] | | | [3] | | | | [4] | | |
|---------------------------------|-------------------------------|---------------|------------------|----|--------|-------------------------|-----------------|----|--------|----------------|--------|----------------|
| Account No. | Description | Original Cost | Company Proposal | | | City of Dallas Proposal | | | | Difference | | |
| | | | Iowa Curve Type | AL | Rate | Annual Accrual | Iowa Curve Type | AL | Rate | Annual Accrual | Rate | Annual Accrual |
| 394.00 | Tools,Shop, & Garage | 9,837,772 | SQ - 20 | | 6.20% | 609,659 | SQ - 20 | | 6.20% | 609,659 | 0.00% | - |
| 395.00 | Laboratory Equipment | 172,495 | SQ - 21 | | 6.03% | 10,409 | SQ - 21 | | 6.03% | 10,409 | 0.00% | - |
| 397.00 | Communication Equipment - All | 930,477 | SQ - 22 | | 7.11% | 66,191 | SQ - 22 | | 7.11% | 66,191 | 0.00% | - |
| 398.00 | Miscellaneous Equipment | 8,186,506 | SQ - 32 | | 5.49% | 449,114 | SQ - 32 | | 5.49% | 449,114 | 0.00% | - |
| 399.00 | Other Tangible Property | 71,110 | SQ - 7 | | 15.93% | 11,326 | SQ - 7 | | 15.93% | 11,326 | 0.00% | - |
| 399.01 | Servers Hardware | 611,913 | SQ - 10 | | 11.08% | 67,779 | SQ - 10 | | 11.08% | 67,779 | 0.00% | - |
| 399.02 | Servers Software | 1,407,444 | SQ - 10 | | 12.61% | 177,439 | SQ - 10 | | 12.61% | 177,439 | 0.00% | - |
| 399.03 | Network Hardware | 71,335 | SQ - 10 | | 10.98% | 7,833 | SQ - 10 | | 10.98% | 7,833 | 0.00% | - |
| 399.06 | PC Hardware | 792,972 | SQ - 5 | | 22.06% | 174,963 | SQ - 5 | | 22.06% | 174,963 | 0.00% | - |
| 399.07 | PC Software | 690,857 | SQ - 5 | | 23.15% | 159,911 | SQ - 5 | | 23.15% | 159,911 | 0.00% | - |
| Total General Plant - Amortized | | 27,647,361 | | | 7.54% | 2,085,808 | | | 7.54% | 2,085,808 | 0.00% | - |
| TOTAL PLANT STUDIED | | 2,414,210,850 | | | 3.25% | 78,476,366 | | | 1.88% | 45,495,384 | -1.37% | (32,980,982) |

[1] From Company depreciation study; plant balance as of the study date

[2] From Company depreciation study

[3] Rates and Accruals from Rate Development exhibit. (Some unadjusted accounts may be hard coded to match Company proposal due to rounding differences)

[4] = [3] - [2]

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
REVENUE REQUIREMENT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Reference | Current Revenues | Proposed Revenues | Proposed Change (1) | Percent Increase |
|----------|---------------------------------------|------------------------------|-----------------------|-----------------------|----------------------|-----------------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | Operating Revenues | | | | | |
| 2 | Rate CGS - Mid-Tex | Schedules K-1 and K-2 | \$ 326,742,207 | \$ 354,331,858 | \$ 27,589,651 | 8.44% |
| 3 | Adjustment | Schedules K-1 and K-2 | 14,908,621 | 16,901,847 | 1,993,226 | 13.37% |
| 4 | Rate PT | Schedules K-1 and K-2 | 8,473,784 | 9,588,227 | 1,114,443 | 13.15% |
| 5 | Total Gas Transport Revenues | Sum Ln 2 through Ln 4 | \$ 350,124,612 | \$ 380,821,932 | \$ 30,697,320 | 8.77% |
| 6 | Other Revenue | Schedule K-4 | 69,411,586 | 69,411,586 | - | 0.00% |
| 7 | Total Operating Revenues | Sum Ln 5 + Ln 6 | <u>\$ 419,536,198</u> | <u>\$ 450,233,518</u> | <u>\$ 30,697,320</u> | <u>7.32%</u> |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | Total | Rider TAX | Base Revenue |
| 12 | Cost of Service Elements | | | | | |
| 13 | Operation and Maintenance Expenses | Schedule F-1 | | \$ 127,410,291 | | \$ 127,410,291 |
| 14 | | | | | | |
| 15 | Taxes Other than Income Taxes | Schedule F-5 | | 25,846,258 | 1,866,252 | 23,980,006 |
| 16 | | | | | | |
| 17 | Depreciation and Amortization Expense | Schedule F-3 | | 81,036,473 | | 81,036,473 |
| 18 | | | | | | |
| 19 | Income Taxes | Schedule F-6 | | 60,993,470 | | 60,993,470 |
| 20 | | | | | | |
| 21 | Rate Base | Schedule B | \$ 1,767,599,981 | | | |
| 22 | Rate of Return | Schedule G | 8.872% | | | |
| 23 | Return on Rate Base | Col (c), Ln 21 * Ln 22 | | 156,813,317 | | 156,813,317 |
| 24 | | | | | | |
| 25 | Subtotal Revenue Requirement | Sum Ln 13 through Ln 23 | | \$ 452,099,810 | \$ 1,866,252 | \$ 450,233,557 |
| 26 | Other Revenue | Schedule K-4 | | 69,411,586 | | 69,411,586 |
| 27 | Total Revenue Requirement | Ln 25 - Ln 26 | | <u>\$ 382,688,223</u> | <u>\$ 1,866,252</u> | <u>\$ 380,821,971</u> |
| 28 | | | | | | |
| 29 | Revenue Deficiency (1) | Col (f) Ln 27 - Col (c) Ln 5 | | | | <u>\$ 30,697,359</u> |
| 30 | | | | | | |
| 31 | <u>Note:</u> | | | | | |
| 32 | 1. Difference is due to rounding. | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
RATE BASE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Reference | Per Book Amounts | Adjustments | Adjusted Amounts |
|----------|--|------------------|--------------------------------|------------------------------|--------------------------------|
| | (a) | (b) | (c) | (d) | (e) |
| 1 | Net Plant in Service: | | | | |
| 2 | Utility Plant in Service | Schedule C | \$ 2,477,714,631 | \$ 1,770,733 | \$ 2,479,485,364 |
| 3 | Adjustment | Schedule D | 499,811,419 | (249,041) | 499,562,378 |
| 4 | Non-Current Gas in Storage | DTB (Acct 117.1) | 16,928,914 | - | 16,928,914 |
| 5 | Net Plant in Service (Ln 2 - Ln 3 + Ln 4) | | <u>\$ 1,994,832,125</u> | <u>\$ 2,019,774</u> | <u>\$ 1,996,851,900</u> |
| 6 | | | | | |
| 7 | Additions: | | | | |
| 8 | Materials & Supplies (1) | WP_B-3 | \$ 3,191,463 | \$ 566,215 | \$ 3,757,677 |
| 9 | Prepayments (1) | WP_B-4 | 4,172,121 | 2,484,071 | 6,656,192 |
| 10 | Line Pack (1) | WP_B-5 | 4,385,237 | - | 4,385,237 |
| 11 | Working Gas Stored Underground (1) (2) | WP_B-5 | - | 106,038,127 | 106,038,127 |
| 12 | Pension and Other Postemployment Benefits Regulatory Asset | WP_B-7 | - | 6,567,664 | 6,567,664 |
| 13 | Total Additions (Sum Ln 8 through Ln 12) | | <u>\$ 11,748,820</u> | <u>\$ 115,656,076</u> | <u>\$ 127,404,896</u> |
| 14 | | | | | |
| 15 | Deductions: | | | | |
| 16 | Injuries and Damages Reserve | WP_B-2 | \$ 1,786,169 | \$ (1,664,735) | \$ 121,434 |
| 17 | Accum. Deferred Income Taxes | WP_B-6 | 407,438,827 | (62,587,877) | 344,850,951 |
| 18 | Rate Base Adjustments | WP_B-1 | - | 3,591,145 | 3,591,145 |
| 19 | Total Deductions (Sum Ln 16 through Ln 18) | | <u>\$ 409,224,996</u> | <u>\$ (60,661,466)</u> | <u>\$ 348,563,530</u> |
| 20 | | | | | |
| 21 | Total Cash Working Capital | Schedule E | <u>\$ -</u> | <u>\$ (8,093,285)</u> | <u>\$ (8,093,285)</u> |
| 22 | | | | | |
| 23 | Total Rate Base (Ln 5 + Ln 13 - Ln 19 + Ln 21) (3) | | <u><u>\$ 1,597,355,949</u></u> | <u><u>\$ 170,244,031</u></u> | <u><u>\$ 1,767,599,981</u></u> |

Notes:

1. Adjusted to 13 month averages as of September 30, 2016.

2. Working Gas in Storage (FERC Account 164.1) was moved to APT to reflect GUD 9400 and GUD 10000 Final Order classification for rate purposes.

3. For this proceeding, APT is treating its original cost of investment minus accumulated depreciation, as adjusted, as its adjusted value of invested capital rate base, as per TEX. UTIL. CODE §§ 104.051, 104.052, and 104.301(b).

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
RATE BASE ADJUSTMENTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Amounts |
|-----------------|--|---------------------|
| | (a) | (b) |
| 1 | GUD No. 10000 Amortization of Employee Expenses, TYE March 31, 2010 (WP_B-1.1) (1) | \$ 759,435 |
| 2 | Employee Expense Adjustment, TYE September 30, 2016 (WP_B-1) (2) | 127,405 |
| 3 | Adjustment | 31,420 |
| 3a | Adjustment for Excessive APT STI/LTIP Capitalized | 1,371,493 |
| 3b | Adjustment for SSU STI Capitalized and Excessive LTP Capitalized | 1,252,284 |
| 3c | Remove Capitalized SSU Severance Pay | 49,108 |
| 4 | Total (Sum Ln 1 through Ln 3) | <u>\$ 3,591,145</u> |
| 5 | | |
| 6 | <u>Notes:</u> | |
| 7 | 1. In GUD 10000, rate base was approved through March 31, 2010. | |
| 8 | 2. See Page 2, Column (e), Ln 22. The adjustment covers the periods April 1, 2010 through September 30, 2016. | |
| 9 | 3. Other Employee-related Expenses adjusted beginning October 1, 2015 through September 30, 2016 for 5400 and 900 Series Review. | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
RATE BASE ADJUSTMENTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Shared Services - Customer Support (1) | Shared Services - General Office | APT | Total Adjustment |
|----------|--|---|-------------------------------------|------------|---------------------|
| | (a) | (b) | (c) | (d) | (e) |
| 1 | <u>Twelve Months Ended September 30, 2016:</u> | | | | |
| 2 | Employee Expense Adjustment (4) | \$ 168,422 | \$ 297,945 | \$ 264,468 | |
| 3 | Allocation Factor (2) (3) | 0.00% | 20.84% | 100.00% | |
| 4 | | | | | |
| 5 | Allocated Employee Expense Totals (Ln 2 x Ln 3) | \$ - | \$ 62,092 | \$ 264,468 | |
| 6 | Capitalization Factor (2) | 100.00% | 28.92% | 0.00% | |
| 7 | Subtotal (Ln 5 x Ln 6) | \$ - | \$ 17,957 | \$ - | |
| 8 | | | | | |
| 9 | <u>Add Charges Direct to Capital:</u> | | | | |
| 10 | Employee Expense Adjustment (October 1, 2015 - September 30, 2016) (4) | \$ 7,065 | \$ 7,191 | \$ 8,028 | |
| 11 | Employee Expense Adjustment (October 1, 2014 - September 30, 2015) | 2,663 | 7,557 | 14,418 | |
| 12 | Employee Expense Adjustment (October 1, 2013 - September 30, 2014) | 3,470 | 2,247 | 18,046 | |
| 13 | Employee Expense Adjustment (October 1, 2012 - September 30, 2013) | 27,026 | 6,328 | 15,337 | |
| 14 | Employee Expense Adjustment (October 1, 2011 - September 30, 2012) | 43,068 | 3,697 | 18,326 | |
| 15 | Employee Expense Adjustment (October 1, 2010 - September 30, 2011) | 45,171 | 1,491 | 12,305 | |
| 16 | Employee Expense Adjustment (April 1, 2010 - September 30, 2010) | 2,356 | 652 | 1,531 | |
| 17 | Employee Expense Adjustment Estimate (5) | - | 1,959 | 14,972 | |
| 18 | Subtotal (Sum Ln 10 through Ln 17) | \$ 130,819 | \$ 31,123 | \$ 102,963 | |
| 19 | Allocation Factor (2) (3) | 0.00% | 20.84% | 100.00% | |
| 20 | Allocated Expense Direct to Capital (Ln 18 x Ln 19) | \$ - | \$ 6,486 | \$ 102,963 | |
| 21 | | | | | |
| 22 | Total for the Period Ending September 30, 2016 (Ln 7 + Ln 20) | \$ - | \$ 24,443 | \$ 102,963 | \$ 127,405 |

Notes:

1. Shared Services - Customer Support does not provide services to APT; therefore APT is allocated zero percent of the amounts shown.
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. APT costs are directly charged and not allocated.
4. Shared Services - General Office amounts have been adjusted to remove amounts in cost centers which do not allocate to APT.
5. This adjustment is to align the employee expense criteria for April 2010 through May 2011 with GUD No. 10000, Finding of Fact Nos. 34 and 35.

Data Sources:

WP_B-1 and WP_F-2.6_Oct'15-Sep'16 Co 010 Div 002 IEXP.xlsx
WP_B-1 and WP_F-2.6_Oct'15-Sep'16 Co 010 Div 012 IEXP.xlsx
WP_B-1 and WP_F-2.6_Oct'15-Sep'16 Co 180 IEXP.xlsx
WP_B-1 and WP_F-2.8_Oct'15-Sep'16 900 Series Adjustment.xlsx
WP_B-1 and WP_F-2.8_Oct'15-Sep'16 5400 Review Adjustment.xlsx
WP_B-1_Apr'10-May'11 IEXP Estimate.xlsx
WP_B-1_Apr'10-Sep'15 Co 010 Div 002 IEXP Capital Only.xlsx
WP_B-1_Apr'10-Sep'15 Co 010 Div 012 IEXP Capital Only.xlsx
WP_B-1_Apr'10-Sep'15 Co 180 IEXP Capital Only.xlsx

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
GUD NO. 10000 RATE BASE ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2016
AMORTIZATION SCHEDULE *

| Line No. | Year Ended Mar. 31 (a) | Beginning of Year Rate Base Adjustment Amount (b) | Annual Amortization (1) (c) | End of Year Rate Base Adjustment Amount (2) (d) | Balance as of September 30, 2016 (e) |
|----------|------------------------------|--|-----------------------------------|---|--|
| 1 | 2010 | | | \$ 962,159 | |
| 2 | \$ 962,159 | \$ 962,159 | \$ 31,188 | 930,971 | |
| 3 | \$ 930,971 | 930,971 | 31,188 | 899,782 | |
| 4 | \$ 899,782 | 899,782 | 31,188 | 868,594 | |
| 5 | \$ 868,594 | 868,594 | 31,188 | 837,406 | |
| 6 | \$ 837,406 | 837,406 | 31,188 | 806,217 | |
| 7 | \$ 806,217 | 806,217 | 31,188 | 775,029 | |
| 8 | \$ 775,029 | 775,029 | 31,188 | 743,841 | \$ 759,435 |
| 9 | \$ 743,841 | 743,841 | 31,188 | 712,653 | |
| 10 | \$ 712,653 | 712,653 | 31,188 | 681,464 | |
| 11 | \$ 681,464 | 681,464 | 31,188 | 650,276 | |
| 12 | \$ 650,276 | 650,276 | 31,188 | 619,088 | |
| 13 | \$ 619,088 | 619,088 | 31,188 | 587,899 | |
| 14 | \$ 587,899 | 587,899 | 31,188 | 556,711 | |
| 15 | \$ 556,711 | 556,711 | 31,188 | 525,523 | |
| 16 | \$ 525,523 | 525,523 | 31,188 | 494,334 | |
| 17 | \$ 494,334 | 494,334 | 31,188 | 463,146 | |
| 18 | \$ 463,146 | 463,146 | 31,188 | 431,958 | |
| 19 | \$ 431,958 | 431,958 | 31,188 | 400,770 | |
| 20 | \$ 400,770 | 400,770 | 31,188 | 369,581 | |
| 21 | \$ 369,581 | 369,581 | 31,188 | 338,393 | |
| 22 | \$ 338,393 | 338,393 | 31,188 | 307,205 | |
| 23 | \$ 307,205 | 307,205 | 31,188 | 276,016 | |
| 24 | \$ 276,016 | 276,016 | 31,188 | 244,828 | |
| 25 | \$ 244,828 | 244,828 | 31,188 | 213,640 | |
| 26 | \$ 213,640 | 213,640 | 31,188 | 182,452 | |
| 27 | \$ 182,452 | 182,452 | 31,188 | 151,263 | |
| 28 | \$ 151,263 | 151,263 | 31,188 | 120,075 | |
| 29 | \$ 120,075 | 120,075 | 31,188 | 88,887 | |
| 30 | \$ 88,887 | 88,887 | 31,188 | 57,698 | |
| 31 | \$ 57,698 | 57,698 | 31,188 | 26,510 | |
| 32 | \$ 26,510 | 26,510 | 26,510 | - | |

Notes:

1. The annual amortization is calculated based upon the same period reflected in GUD No. 9670, an Atmos Energy Corp., Mid-Tex Division case, Schedule B, Page 2, Footnote 1 (30.85 years).
2. The March 31, 2010 amount is per GUD No. 10000 Employee Expense Rate Base Adjustment found in relied file, "GUD_10000_Official Examiners Model_Final Order.xlsx."

1 in the amount of \$910,472 plus an additional \$51,687 in meals as stated in GUD No. 10000 Finding of Fact 36.

* Totals may vary due to rounding.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
INJURIES AND DAMAGES RESERVE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Balance As of Date | Per Book Amount (1) | Adjustments (2) | Adjusted Amount | Allocation Factor | Allocated Amount |
|----------|----------------------------|------------------------|-----------------|-----------------|----------------------|---------------------|
| | (a) | (b) | (c) | (d) = (b) + (c) | (e) | (f) = (d) * (e) |
| 1 | <u>APT - Direct</u> | | | | | |
| 2 | Adjustment | \$ 59,113 | \$ - | \$ 59,113 | 100.00% | \$ 59,113 |
| 3 | October 31, 2015 | 61,068 | - | 61,068 | 100.00% | 61,068 |
| 4 | November 30, 2015 | 62,661 | - | 62,661 | 100.00% | 62,661 |
| 5 | December 31, 2015 | 64,435 | - | 64,435 | 100.00% | 64,435 |
| 6 | January 31, 2016 | - | - | - | 100.00% | - |
| 7 | February 28, 2016 | 58,885 | - | 58,885 | 100.00% | 58,885 |
| 8 | March 31, 2016 | 60,659 | - | 60,659 | 100.00% | 60,659 |
| 9 | April 30, 2016 | 62,433 | - | 62,433 | 100.00% | 62,433 |
| 10 | May 31, 2016 | 57,911 | - | 57,911 | 100.00% | 57,911 |
| 11 | June 30, 2016 | 59,344 | - | 59,344 | 100.00% | 59,344 |
| 12 | July 31, 2016 | 61,118 | - | 61,118 | 100.00% | 61,118 |
| 13 | August 31, 2016 | 62,892 | - | 62,892 | 100.00% | 62,892 |
| 14 | September 30, 2016 | 61,663 | - | 61,663 | 100.00% | 61,663 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
INJURIES AND DAMAGES RESERVE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Balance As of Date | Per Book Amount (1) | Adjustments (2) | Adjusted Amount | Allocation Factor | Allocated Amount |
|----------|--|------------------------|-----------------|-----------------|----------------------|---------------------|
| | (a) | (b) | (c) | (d) = (b) + (c) | (e) | (f) = (d) * (e) |
| 15 | <u>SSU - General Office (Div. 02)</u> | | | | | |
| 16 | Adjustment | \$ 6,726,995 | \$ (6,538,170) | \$ 188,825 | 20.84% | \$ 39,351 |
| 17 | October 31, 2015 | 6,655,480 | (6,538,170) | 117,310 | 20.84% | 24,447 |
| 18 | November 30, 2015 | 6,659,186 | (6,538,170) | 121,016 | 20.84% | 25,220 |
| 19 | December 31, 2015 | 6,655,587 | (6,538,170) | 117,417 | 20.84% | 24,470 |
| 20 | January 31, 2016 | 6,787,519 | (6,538,170) | 249,349 | 20.84% | 51,964 |
| 21 | February 28, 2016 | 6,812,059 | (6,538,170) | 273,888 | 20.84% | 57,078 |
| 22 | March 31, 2016 | 7,262,610 | (6,988,170) | 274,440 | 20.84% | 57,193 |
| 23 | April 30, 2016 | 7,255,311 | (6,988,170) | 267,141 | 20.84% | 55,672 |
| 24 | May 31, 2016 | 7,257,531 | (6,988,170) | 269,360 | 20.84% | 56,135 |
| 25 | June 30, 2016 | 7,259,841 | (6,988,170) | 271,671 | 20.84% | 56,616 |
| 26 | July 31, 2016 | 7,268,092 | (6,988,170) | 279,922 | 20.84% | 58,336 |
| 27 | August 31, 2016 | 7,274,731 | (6,988,170) | 286,561 | 20.84% | 59,719 |
| 28 | September 30, 2016 | 8,274,980 | (7,988,170) | 286,810 | 20.84% | 59,771 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
INJURIES AND DAMAGES RESERVE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Balance As of Date | Per Book Amount (1) | Adjustments (2) | Adjusted Amount | Allocation Factor | Allocated Amount |
|----------|--|------------------------|-----------------|-----------------|----------------------|---------------------|
| | (a) | (b) | (c) | (d) = (b) + (c) | (e) | (f) = (d) * (e) |
| 29 | <u>SSU - Customer Support (Div. 12)</u> | | | | | |
| 30 | Adjustment | \$ - | \$ - | \$ - | 0.00% | \$ - |
| 31 | October 31, 2015 | - | - | - | 0.00% | - |
| 32 | November 30, 2015 | - | - | - | 0.00% | - |
| 33 | December 31, 2015 | - | - | - | 0.00% | - |
| 34 | January 31, 2016 | - | - | - | 0.00% | - |
| 35 | February 28, 2016 | - | - | - | 0.00% | - |
| 36 | March 31, 2016 | - | - | - | 0.00% | - |
| 37 | April 30, 2016 | - | - | - | 0.00% | - |
| 38 | May 31, 2016 | - | - | - | 0.00% | - |
| 39 | June 30, 2016 | - | - | - | 0.00% | - |
| 40 | July 31, 2016 | - | - | - | 0.00% | - |
| 41 | August 31, 2016 | - | - | - | 0.00% | - |
| 42 | September 30, 2016 | - | - | - | 0.00% | - |
| 43 | | | | | | |
| 44 | Total APT at September 30, 2016 (Col (f) = (Ln 14 + Ln 28 + Ln 42)) | <u>\$ 1,786,169</u> | | | | <u>\$ 121,434</u> |
| 45 | | | | | | |
| 46 | <u>Notes:</u> | | | | | |
| 47 | 1. Account 228.2 Sub Accounts 28101 and 28102. | | | | | |
| 48 | 2. The adjustment in Column (c) removes SSU reserves not allocated to the divisions. | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
MATERIALS AND SUPPLIES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Balance As of Date | Per Book Amount (1) | Adjustments (2) | Adjusted Amount | Allocation Factor | Allocated Amount |
|----------|---|------------------------|---------------------|---------------------|----------------------|---------------------|
| | (a) | (b) | (c) | (d) = (b) + (c) | (e) | (f) = (d) * (e) |
| 1 | <u>APT - Direct</u> | | | | | |
| 2 | Adjustment | \$ 7,077,903 | \$ (3,257,629) | \$ 3,820,273 | 100% | \$ 3,820,273 |
| 3 | October 31, 2015 | 4,460,783 | - | 4,460,783 | 100% | 4,460,783 |
| 4 | November 30, 2015 | 4,002,520 | - | 4,002,520 | 100% | 4,002,520 |
| 5 | December 31, 2015 | 3,966,144 | - | 3,966,144 | 100% | 3,966,144 |
| 6 | January 31, 2016 | 3,937,662 | - | 3,937,662 | 100% | 3,937,662 |
| 7 | February 28, 2016 | 3,906,863 | - | 3,906,863 | 100% | 3,906,863 |
| 8 | March 31, 2016 | 3,880,232 | - | 3,880,232 | 100% | 3,880,232 |
| 9 | April 30, 2016 | 3,840,753 | - | 3,840,753 | 100% | 3,840,753 |
| 10 | May 31, 2016 | 3,830,652 | - | 3,830,652 | 100% | 3,830,652 |
| 11 | June 30, 2016 | 3,365,938 | - | 3,365,938 | 100% | 3,365,938 |
| 12 | July 31, 2016 | 3,339,477 | - | 3,339,477 | 100% | 3,339,477 |
| 13 | August 31, 2016 | 3,307,041 | - | 3,307,041 | 100% | 3,307,041 |
| 14 | September 30, 2016 | 3,191,463 | - | 3,191,463 | 100% | 3,191,463 |
| 15 | | | | | | |
| 16 | 13 Month Average | <u>\$ 4,008,264</u> | <u>\$ (250,587)</u> | <u>\$ 3,757,677</u> | | <u>\$ 3,757,677</u> |
| 17 | | | | | | |
| 18 | <u>Notes:</u> | | | | | |
| 19 | 1. Accounts 154 and 163. | | | | | |
| 20 | 2. Adjustment to exclude steel pipe charged to inventory due to project delay. See relied file, "FY16 Detail Trial Balance.xlsx". | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
PREPAYMENTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Balance As of Date | Per Book Amount (1) | Adjustments | Adjusted Amount | Allocation Factor | Allocated Amount |
|----------|----------------------------|------------------------|-------------|---------------------|----------------------|---------------------|
| | (a) | (b) | (c) | (d) = (b) + (c) | (e) | (f) = (d) * (e) |
| 1 | <u>APT - Direct</u> | | | | | |
| 2 | Adjustment | \$ 571,079 | \$ - | \$ 571,079 | 100.00% | \$ 571,079 |
| 3 | October 31, 2015 | 507,526 | - | 507,526 | 100.00% | 507,526 |
| 4 | November 30, 2015 | 420,994 | - | 420,994 | 100.00% | 420,994 |
| 5 | December 31, 2015 | 505,665 | - | 505,665 | 100.00% | 505,665 |
| 6 | January 31, 2016 | 371,728 | - | 371,728 | 100.00% | 371,728 |
| 7 | February 28, 2016 | 785,567 | - | 785,567 | 100.00% | 785,567 |
| 8 | March 31, 2016 | 926,158 | - | 926,158 | 100.00% | 926,158 |
| 9 | April 30, 2016 | 2,347,522 | - | 2,347,522 | 100.00% | 2,347,522 |
| 10 | May 31, 2016 | 2,853,997 | - | 2,853,997 | 100.00% | 2,853,997 |
| 11 | June 30, 2016 | 2,584,688 | - | 2,584,688 | 100.00% | 2,584,688 |
| 12 | July 31, 2016 | 2,443,099 | - | 2,443,099 | 100.00% | 2,443,099 |
| 13 | August 31, 2016 | 2,301,511 | - | 2,301,511 | 100.00% | 2,301,511 |
| 14 | September 30, 2016 | 663,755 | - | 663,755 | 100.00% | 663,755 |
| 15 | | | | | | |
| 16 | 13 Month Average | <u>\$ 1,329,484</u> | <u>\$ -</u> | <u>\$ 1,329,484</u> | | <u>\$ 1,329,484</u> |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
PREPAYMENTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Balance As of Date | Per Book Amount (1) | Adjustments | Adjusted Amount | Allocation Factor | Allocated Amount |
|----------|--|------------------------|-------------|----------------------|----------------------|---------------------|
| | (a) | (b) | (c) | (d) = (b) + (c) | (e) | (f) = (d) * (e) |
| 17 | <u>Shared Services General Office (Div. 02)</u> | | | | | |
| 18 | Adjustment | \$ 20,331,955 | \$ - | \$ 20,331,955 | 20.84% | \$ 4,237,179 |
| 19 | October 31, 2015 | 33,755,385 | - | 33,755,385 | 20.84% | 7,034,622 |
| 20 | November 30, 2015 | 34,011,139 | - | 34,011,139 | 20.84% | 7,087,921 |
| 21 | December 31, 2015 | 31,143,313 | - | 31,143,313 | 20.84% | 6,490,266 |
| 22 | January 31, 2016 | 27,823,564 | - | 27,823,564 | 20.84% | 5,798,431 |
| 23 | February 28, 2016 | 21,886,615 | - | 21,886,615 | 20.84% | 4,561,171 |
| 24 | March 31, 2016 | 26,445,249 | - | 26,445,249 | 20.84% | 5,511,190 |
| 25 | April 30, 2016 | 25,550,137 | - | 25,550,137 | 20.84% | 5,324,649 |
| 26 | May 31, 2016 | 27,278,517 | - | 27,278,517 | 20.84% | 5,684,843 |
| 27 | June 30, 2016 | 24,655,461 | - | 24,655,461 | 20.84% | 5,138,198 |
| 28 | July 31, 2016 | 22,751,428 | - | 22,751,428 | 20.84% | 4,741,398 |
| 29 | August 31, 2016 | 19,812,706 | - | 19,812,706 | 20.84% | 4,128,968 |
| 30 | September 30, 2016 | 16,834,769 | - | 16,834,769 | 20.84% | 3,508,366 |
| 31 | | | | | | |
| 32 | 13 Month Average | <u>\$ 25,560,018</u> | <u>\$ -</u> | <u>\$ 25,560,018</u> | | <u>\$ 5,326,708</u> |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
PREPAYMENTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Balance As of Date | Per Book Amount (1) | Adjustments | Adjusted Amount | Allocation Factor | Allocated Amount |
|----------|--|------------------------|-------------|-----------------|----------------------|---------------------|
| | (a) | (b) | (c) | (d) = (b) + (c) | (e) | (f) = (d) * (e) |
| 33 | <u>Shared Services Customer Support (Div. 12)</u> | | | | | |
| 34 | Adjustment | \$ - | \$ - | \$ - | 0.00% | \$ - |
| 35 | October 31, 2015 | - | - | - | 0.00% | - |
| 36 | November 30, 2015 | - | - | - | 0.00% | - |
| 37 | December 31, 2015 | - | - | - | 0.00% | - |
| 38 | January 31, 2016 | - | - | - | 0.00% | - |
| 39 | February 28, 2016 | - | - | - | 0.00% | - |
| 40 | March 31, 2016 | - | - | - | 0.00% | - |
| 41 | April 30, 2016 | - | - | - | 0.00% | - |
| 42 | May 31, 2016 | - | - | - | 0.00% | - |
| 43 | June 30, 2016 | - | - | - | 0.00% | - |
| 44 | July 31, 2016 | - | - | - | 0.00% | - |
| 45 | August 31, 2016 | - | - | - | 0.00% | - |
| 46 | September 30, 2016 | - | - | - | 0.00% | - |
| 47 | | | | | | |
| 48 | 13 Month Average | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | | <u>\$ -</u> |
| 49 | | | | | | |
| 50 | September 30, 2016 Total (Ln 14 + Ln 30 + Ln 46) | | | | | <u>\$ 4,172,121</u> |
| 51 | | | | | | |
| 52 | 13 Month Average Total (Ln 16 + Ln 32 + Ln 48) | | | | | <u>\$ 6,656,192</u> |
| 53 | | | | | | |
| 54 | <u>Note:</u> | | | | | |
| 55 | 1. Account 165. | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
UNDERGROUND STORAGE & LINE PACK GAS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Balance As of Date | Mid-Tex Gas Stored - Current (1) | Deferred Debits - Line Pack Gas (2) |
|----------|----------------------------|--|--|
| | (a) | (b) | (c) |
| 1 | Adjustment | \$ 115,530,731 | \$ 4,385,237 |
| 2 | October 31, 2015 | 121,172,541 | 4,385,237 |
| 3 | Adjustment | 113,059,251 | 4,385,237 |
| 4 | December 31, 2015 | 107,368,157 | 4,385,237 |
| 5 | January 31, 2016 | 95,261,765 | 4,385,237 |
| 6 | February 28, 2016 | 99,786,776 | 4,385,237 |
| 7 | March 31, 2016 | 98,252,242 | 4,385,237 |
| 8 | April 30, 2016 | 99,545,328 | 4,385,237 |
| 9 | May 31, 2016 | 101,035,606 | 4,385,237 |
| 10 | June 30, 2016 | 102,565,924 | 4,385,237 |
| 11 | July 31, 2016 | 105,431,428 | 4,385,237 |
| 12 | August 31, 2016 | 108,297,249 | 4,385,237 |
| 13 | September 30, 2016 | 111,188,657 | 4,385,237 |
| 14 | | | |
| 15 | 13 Month Average | <u>\$ 106,038,127</u> | <u>\$ 4,385,237</u> |

17 Notes:

- 18 1. Gas Stored - Current, Account 164.1, was moved from Mid-Tex to APT to
reflect the GUD 9400 and GUD 10000 Final Order classification for rate purposes.
- 19 2. Account 186, Sub Account 13956.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ACCUMULATED DEFERRED INCOME TAXES TEST YEAR ENDING BALANCE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Deferred Tax Item | Assets / (Liabilities) - Per Book Balances (1) (2) | Adjustments | Assets / (Liabilities) - Adjusted Balances |
|----------|--|--|----------------------|--|
| | (a) | (b) | (c) | (d) = (b) + (c) |
| 1 | <u>APT - Direct</u> | | | |
| 2 | Ad Valorem Taxes | \$ (1,361,251) | \$ - | \$ (1,361,251) |
| 3 | Adjustment | 1,850,506 | (519,292) | 1,331,214 |
| 4 | Self Insurance - Adjustment | - | | - |
| 5 | Worker's Comp Insurance Reserve | 141,522 | | 141,522 |
| 6 | SEBP Adjustment | 1,211,376 | | 1,211,376 |
| 7 | FAS 106 Adjustment | (2,050,380) | | (2,050,380) |
| 8 | CWIP | 89,061 | (89,061) | - |
| 9 | RWIP | (450,230) | | (450,230) |
| 10 | Fixed Asset Cost Adjustment | (457,524,372) | | (457,524,372) |
| 11 | Depreciation Adjustment | (30,062,037) | | (30,062,037) |
| 12 | Section 481(a) TPR | - | | - |
| 13 | TXU - Goodwill Amortization | (39,858,377) | 39,858,377 | - |
| 14 | Deferred Expense Projects | (24,791) | | (24,791) |
| 15 | UNICAP Section 263A Costs (3) | - | 3,593,587 | 3,593,587 |
| 16 | Allowance for Doubtful Accounts | 8,037 | (8,037) | - |
| 17 | Prepayments | (242,237) | | (242,237) |
| 18 | Rate Case Accrual | (5,294,205) | 5,294,205 | - |
| 19 | WACOG to FIFO Adjustment (3) | - | (2,180,659) | (2,180,659) |
| 20 | Reg Asset Benefit Accrual | (3,164,472) | | (3,164,472) |
| 21 | Intra Period Tax Allocation | - | | - |
| 22 | Total APT - Direct (Sum Ln 2 through Ln 21) | \$ (536,731,850) | \$ 45,949,120 | \$ (490,782,730) |
| 23 | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ACCUMULATED DEFERRED INCOME TAXES TEST YEAR ENDING BALANCE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Deferred Tax Item | Assets / (Liabilities) - Per Book Balances (1) (2) | Adjustments | Assets / (Liabilities) - Adjusted Balances |
|----------|--|--|--------------|--|
| | (a) | (b) | (c) | (d) = (b) + (c) |
| 24 | <u>SSU - General Office (Div 02)</u> | | | |
| 25 | Directors Deferred Bonus | \$ 166,965 | \$ - | \$ 166,965 |
| 26 | MIP/VPP Accrual | 1,498,907 | (1,498,907) | - |
| 27 | Miscellaneous Accrued | - | - | - |
| 28 | Self Insurance - Adjustment | 2,915,283 | (2,915,283) | - |
| 29 | Worker's Comp Insurance Reserve | 104,671 | - | 104,671 |
| 30 | SEBP Adjustment | 26,316,340 | (26,316,340) | - |
| 31 | Restricted Stock Grant Plan | 4,631,448 | (4,631,448) | - |
| 32 | Rabbi Trust | 1,442,452 | (1,442,452) | - |
| 33 | Restricted Stock - MIP | 12,632,356 | (12,632,356) | - |
| 34 | Director's Stock Awards | 5,939,395 | - | 5,939,395 |
| 35 | Pension Expense | (30,651,600) | - | (30,651,600) |
| 36 | FAS 106 Adjustment | 8,944,489 | - | 8,944,489 |
| 37 | CWIP | 1,707,565 | (1,707,565) | - |
| 38 | RWIP | (3,782) | - | (3,782) |
| 39 | Fixed Asset Cost Adjustment | (42,023,581) | - | (42,023,581) |
| 40 | Depreciation Adjustment | 17,524,367 | - | 17,524,367 |
| 41 | Section 481(a) Cushion Gas | 549,209 | (549,209) | - |
| 42 | Section 481(a) Line Pack Gas | 66,639 | (66,639) | - |
| 43 | Deferred Expense Projects | - | - | - |
| 44 | Allowance for Doubtful Accounts | 2 | (2) | - |
| 45 | Clearing Account - Adjustment | - | - | - |
| 46 | Charitable Contribution Carryover | 11,032,917 | (11,032,917) | - |
| 47 | Prepayments | (4,047,588) | - | (4,047,588) |
| 48 | Federal & State Tax Interest | 439,887 | - | 439,887 |
| 49 | VA Charitable Contributions | (9,275,764) | 9,275,764 | - |
| 50 | FD - NOL Credit Carryforward - Non Reg | (237,733,657) | 237,733,657 | - |
| 51 | FD - NOL Credit Carryforward - Utility | 725,716,695 | - | 725,716,695 |
| 52 | FD - NOL Credit Carryforward - Other | 6,052,102 | (6,052,102) | - |
| 53 | ST - State Net Operating Loss | - | - | - |
| 54 | FD - FAS 115 Adjustment | (2,481,569) | - | (2,481,569) |
| 55 | FD - Federal Benefit on State NOL | - | - | - |
| 56 | FD - AMT Minimum Tax Credit | 10,099,286 | - | 10,099,286 |
| 57 | ST - Valuation Allow Enterprise Zone ITC | (120,928) | 120,928 | - |
| 58 | FD - Valuation Allow Fed Tax Enterprise Zone ITC | 42,325 | (42,325) | - |

GUD No. 10580

FINAL ORDER

Date Issued: August 1, 2017

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ACCUMULATED DEFERRED INCOME TAXES TEST YEAR ENDING BALANCE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Deferred Tax Item | Assets / (Liabilities) - Per Book Balances (1) (2) | Adjustments | Assets / (Liabilities) - Adjusted Balances |
|----------|--|--|----------------------|--|
| | (a) | (b) | (c) | (d) = (b) + (c) |
| 59 | ST - Enterprise Zone ITC | 1,755,554 | (1,755,554) | - |
| 60 | FD - Treasury Lock Adjustment - Realized | 10,520,828 | | 10,520,828 |
| 61 | FD - Treasury Lock Adjustment - Unrealized | 97,261,210 | (97,261,210) | - |
| 62 | FD - Federal Tax on Enterprise ITC | (614,444) | 614,444 | - |
| 63 | Total SSU General Office (Sum Ln 25 through Ln 62) | \$ 620,407,979 | \$ 79,840,484 | \$ 700,248,463 |
| 64 | Allocation Factor | 20.84% | 20.84% | 20.84% |
| 65 | Total SSU General Office Allocated to APT (Ln 63 x Ln 64) | \$ 129,293,023 | \$ 16,638,757 | \$ 145,931,780 |
| 66 | | | | |
| 67 | <u>SSU - Customer Support (Div 12)</u> | | | |
| 68 | MIP/VPP Accrual | \$ (574,777) | \$ 574,777 | \$ - |
| 69 | Worker's Comp Insurance Reserve | - | - | - |
| 70 | CWIP | (255,614) | 255,614 | - |
| 71 | RWIP | (137) | - | (137) |
| 72 | Fixed Asset Cost Adjustment | (45,459,621) | - | (45,459,621) |
| 73 | Depreciation Adjustment | 17,798,432 | - | 17,798,432 |
| 74 | Total SSU Customer Support (Sum Ln 68 through Ln 73) | \$ (28,491,717) | \$ 830,391 | \$ (27,661,326) |
| 75 | Allocation Factor | 0.00% | 0.00% | 0.00% |
| 76 | Total SSU Customer Support Allocated to APT (Ln 74 x Ln 75) | \$ - | \$ - | \$ - |
| 77 | | | | |
| 78 | Grand Total APT ADIT (Sum Ln 22 + Ln 65 + Ln 76) | \$ (407,438,827) | \$ 62,587,877 | \$ (344,850,951) |

Notes:

1. Includes FERC Accounts 190, 282 and 283.
2. Credit Amounts are in parentheses.
3. Adjustment for Storage Gas ADIT booked on Mid-Tex books per the Mid-Tex Division Final Order in GUD No. 9869 and GUD No. 10000.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
PENSION AND OTHER POSTEMPLOYMENT BENEFITS REGULATORY ASSET
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Amounts |
|----------|---|---------------------|
| | (a) | (b) |
| 1 | Summarization of Pension and Other Postemployment Benefits Regulatory Asset ("Asset"): | |
| 2 | | |
| 3 | Adjustment | \$ 6,567,664 |
| 4 | | |
| 5 | Total Asset (Sum of Line 3) | <u>\$ 6,567,664</u> |
| 6 | | |
| 7 | Summarization of Asset Amortization: | |
| 8 | | |
| 9 | Asset Amortization - Calculated (Asset Amount / 10 years) (1) | \$ 656,766 |
| 10 | | |
| 11 | Asset Amortization - Per Book Amount in the Test Year | - |
| 12 | | |
| 13 | Asset Amortization Adjustment (Line 9 plus Line 11) (2) | <u>\$ 656,766</u> |
| 14 | | |
| 15 | | |
| 16 | <u>Notes:</u> | |
| 17 | 1. The annual recorded amortization of the Asset is included in O&M. | |
| 18 | 2. The adjustment to Asset Amortization is shown on WP_F-2.8. | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
PENSION AND OTHER POSTEMPLOYMENT BENEFITS REGULATORY ASSET SUMMARY
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Time Period | Description | Expense Amount | Total Amount |
|----------|--|--|----------------|--------------|
| | (a) | (b) | (c) | (d) |
| 1 | <u>Total Asset Amount - By Period (1):</u> | | | |
| 2 | Adjustment | | | |
| 3 | January 1, 2012 - September 30, 2012 | This asset amount represents the difference between the GUD No. 10000 benchmark and the FY12 Towers Watson Actuarial Report. | \$ 1,368,602 | |
| 4 | October 1, 2012 - September 30, 2013 | This asset amount represents the difference between the GUD No. 10000 benchmark and the FY13 Towers Watson Actuarial Report. | 2,428,821 | |
| 5 | October 1, 2013 - September 30, 2014 | This asset amount represents the difference between the GUD No. 10000 benchmark and the FY14 Towers Watson Actuarial Report. | 1,797,393 | |
| 6 | October 1, 2014 - September 30, 2015 | This asset amount represents the difference between the GUD No. 10000 benchmark and the FY15 Towers Watson Actuarial Report. | 1,135,945 | |
| 7 | October 1, 2015 - September 30, 2016 | This asset amount represents the difference between the GUD No. 10000 benchmark and the FY16 Towers Watson Actuarial Report. | (163,098) | |
| 8 | | | | |
| 9 | | Total Asset Value at September 30, 2016 (Sum Ln 3 through Ln 7) | | \$ 6,567,664 |
| 10 | | | | |
| 11 | <u>Total Asset Amortization - By Period (2):</u> | | | |
| 12 | | | | |
| 13 | January 1, 2012 - September 30, 2016 | No amortization has been recorded prior to the end of the test year | \$ - | |
| 14 | | | | |
| 15 | | Total Asset Amortization at September 30, 2016 (Ln 13) | | \$ - |
| 16 | | | | |
| 17 | | Net Asset Amount at September 30, 2016 (Ln 9 + Ln 15) | | \$ 6,567,664 |
| 18 | | | | |

Notes:

1. The Company has included in rate base, the Company's calculated amount of the Pension and Other Postemployment Benefits Asset cost in accordance with TEX. UTIL. CODE § 104.059.

2. The annual amortization of the Asset is included in O&M expense on Schedule F-1. The annual amortization is based on a ten year amortization period.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
COMPONENTS OF RATE BASE - GROSS PLANT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Amount Per Books | Adjustments (1) | Adjusted Amount |
|----------|---------------------|--|------------------|-----------------|------------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 1 | APT - Direct | | | | |
| 2 | | <u>Intangible Plant</u> | | | |
| 3 | | Adjustment Miscellaneous Intangible Plant | \$ 6,238,271 | \$ - | \$ 6,238,271 |
| 4 | | Total Intangible Plant (Ln 3) | \$ 6,238,271 | \$ - | \$ 6,238,271 |
| 5 | | | | | |
| 6 | | <u>Storage Plant</u> | | | |
| 7 | 350.00 | Land and Land Rights | \$ - | \$ - | \$ - |
| 8 | 350.10 | Land | 5,510,599 | 4,790 | 5,515,389 |
| 9 | 350.20 | Rights-of-Way | 32,563 | 28 | 32,592 |
| 10 | 351.00 | Structures and Improvements | 24,613,950 | 21,394 | 24,635,344 |
| 11 | 352.00 | Wells | 78,334,938 | 68,089 | 78,403,027 |
| 12 | 353.00 | Lines | 13,244,531 | 11,512 | 13,256,043 |
| 13 | 354.00 | Compressor Station Equipment | 88,180,195 | 76,646 | 88,256,841 |
| 14 | 355.00 | M&R Equipment | 50,619,681 | 43,999 | 50,663,680 |
| 15 | 356.00 | Purification Equipment | 49,904,221 | 43,377 | 49,947,598 |
| 16 | 357.00 | Other Equipment | 620,643 | 539 | 621,183 |
| 17 | | Total Storage Plant (Sum Ln 7 through Ln 16) | \$ 311,061,323 | \$ 270,374 | \$ 311,331,697 |
| 18 | | | | | |
| 19 | | <u>Transmission Plant</u> | | | |
| 20 | 365.00 | Land | \$ 1,232,270 | \$ - | \$ 1,232,270 |
| 21 | 365.10 | ROW - Trans Comp Stat | - | - | - |
| 22 | 365.20 | ROW - City Gate | 18,967,308 | 16,486 | 18,983,795 |
| 23 | 366.00 | Structures and Improvements | 11,462,500 | 9,963 | 11,472,463 |
| 24 | 367.00 | Mains - Cathodic Protection | 200,265,343 | 174,070 | 200,439,413 |
| 25 | 367.01 | Mains - Steel | 1,430,285,022 | 1,243,202 | 1,431,528,224 |
| 26 | 367.02 | Mains - Plastic | 11,581,285 | 10,066 | 11,591,352 |
| 27 | 368.00 | Compressor Station Equipment | 149,930,747 | 130,320 | 150,061,066 |
| 28 | 369.00 | M&R Station Equipment | 228,574,767 | 198,677 | 228,773,444 |
| 29 | 370.00 | Communication Equipment | 14,133,747 | 11,181 | 14,144,928 |
| 30 | 371.00 | Other Equipment | 4,919,152 | 4,276 | 4,923,427 |
| 31 | | Total Transmission Plant (Sum Ln 20 through Ln 30) | \$ 2,071,352,141 | \$ 1,798,242 | \$ 2,073,150,383 |
| 32 | | | | | |
| 33 | | <u>General Plant</u> | | | |
| 34 | 389.00 | Land and Land Rights | \$ 124,981 | \$ - | \$ 124,981 |
| 35 | 390.00 | Structures and Improvements | 6,279,606 | 5,458 | 6,285,064 |
| 36 | 391.00 | Office Furniture and Equipment | 4,874,479 | 4,237 | 4,878,716 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
COMPONENTS OF RATE BASE - GROSS PLANT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Amount Per Books | Adjustments (1) | Adjusted Amount |
|----------|--------------------|---|---------------------|-----------------|--------------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 37 | 392.00 | Transportation Equipment | 1,561,599 | 1,357 | 1,562,956 |
| 38 | 393.00 | Stores Equipment | - | - | - |
| 39 | 394.00 | Tools, Shop, and Garage Equipment | 9,837,772 | 8,551 | 9,846,323 |
| 40 | 395.00 | Laboratory Equipment | 172,495 | 150 | 172,645 |
| 41 | 396.00 | Power Operated Equipment | 3,051,689 | 2,653 | 3,054,342 |
| 42 | 397.00 | Communication Equipment | 735,453 | 639 | 736,092 |
| 43 | 397.02 | Communication Equipment - Fixed Radios | 80,444 | 70 | 80,513 |
| 44 | 397.05 | Communication Equipment - Telemetry | 114,580 | 100 | 114,680 |
| 45 | 398.00 | Miscellaneous Equipment | 8,186,506 | 7,116 | 8,193,622 |
| 46 | 399.00 | Other Tangible Property | 71,110 | 62 | 71,172 |
| 47 | 399.01 | Other Tangible Property - Servers Hardware | 611,913 | 532 | 612,444 |
| 48 | 399.02 | Other Tangible Property - Servers Software | 1,407,444 | 1,223 | 1,408,668 |
| 49 | 399.03 | Other Tangible Property - Network Hardware | 71,335 | 62 | 71,397 |
| 50 | 399.06 | Other Tangible Property - PC Hardware | 792,972 | 689 | 793,661 |
| 51 | 399.07 | Other Tangible Property - PC Software | 794,285 | 690 | 794,975 |
| 52 | | Total General Plant (Sum Ln 34 through Ln 51) | \$ 38,768,664 | \$ 33,589 | \$ 38,802,253 |
| 53 | | | | | |
| 54 | | Total APT - Direct (Ln 4 + Ln 17 + Ln 31 + Ln 52) | \$ 2,427,420,399 | \$ 2,102,205 | \$ 2,429,522,604 |
| 55 | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
COMPONENTS OF RATE BASE - GROSS PLANT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Amount Per Books | Adjustments (1) | Adjusted Amount |
|----------|---|---|---------------------|-----------------|--------------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 56 | <u>SSU General Office (Division 002)</u> | | | | |
| 57 | | <u>General Plant</u> | | | |
| 58 | 390.00 | Structures and Improvements | \$ 1,411,378 | \$ - | \$ 1,411,378 |
| 59 | 390.09 | Improvements to Leased Premises | 8,968,040 | (656,292) | 8,311,748 |
| 60 | 391.00 | Office Furniture and Equipment | 9,396,159 | (76,411) | 9,319,747 |
| 61 | 392.00 | Transportation Equipment | 7,125 | - | 7,125 |
| 62 | 393.00 | Stores Equipment | - | - | - |
| 63 | 394.00 | Tools, Shop, and Garage Equipment | 160,005 | - | 160,005 |
| 64 | 395.00 | Laboratory Equipment | - | - | - |
| 65 | 397.00 | Communication Equipment | 2,429,872 | - | 2,429,872 |
| 66 | 398.00 | Miscellaneous Equipment | 136,510 | - | 136,510 |
| 67 | 399.00 | Other Tangible Property | 162,268 | - | 162,268 |
| 68 | 399.01 | Other Tangible Property - Servers Hardware | 31,625,506 | - | 31,625,506 |
| 69 | 399.02 | Other Tangible Property - Servers Software | 18,988,317 | - | 18,988,317 |
| 70 | 399.03 | Other Tangible Property - Network Hardware | 3,248,234 | - | 3,248,234 |
| 71 | 399.06 | Other Tangible Property - PC Hardware | 1,807,627 | - | 1,807,627 |
| 72 | 399.07 | Other Tangible Property - PC Software | 534,105 | - | 534,105 |
| 73 | 399.08 | Other Tangible Property - Application Software | 54,497,510 | (857,853) | 53,639,657 |
| 74 | 399.09 | Other Tangible Property - Mainframe Software | 39,252 | - | 39,252 |
| 75 | | Total General Plant (Sum Ln 58 through Ln 74) | \$ 133,411,908 | \$ (1,590,557) | \$ 131,821,351 |
| 76 | | Allocation Factor (2) | 20.84% | 20.84% | 20.84% |
| 77 | | General Office Allocated to APT (Ln 75 x Ln 76) | \$ 27,803,042 | \$ (331,472) | \$ 27,471,570 |
| 78 | | | | | |
| 79 | <u>SSU - Greenville Data Center</u> | | | | |
| 80 | | <u>General Plant</u> | | | |
| 81 | 390.05 | Structures and Improvements | \$ 9,133,015 | \$ - | \$ 9,133,015 |
| 82 | 391.04 | Office Furniture and Equipment | 63,741 | - | 63,741 |
| 83 | | Total General Plant (Sum of Ln 81 through Ln 82) | \$ 9,196,755 | \$ - | \$ 9,196,755 |
| 84 | | Allocation Factor | 70.13% | 70.13% | 70.13% |
| 85 | | Greenville Data Center Allocated to APT (Ln 83 x Ln 84) | \$ 6,449,777 | \$ - | \$ 6,449,777 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
COMPONENTS OF RATE BASE - GROSS PLANT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Amount Per Books | Adjustments (1) | Adjusted Amount |
|----------|--------------------|---|----------------------|---------------------|----------------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 86 | | | | | |
| 87 | | <u>SSU - Distribution and Marketing</u> | | | |
| 88 | | <u>General Plant</u> | | | |
| 89 | 390.20 | Structures and Improvements | \$ - | \$ - | \$ - |
| 90 | 390.29 | Improvements to Leased Premises | - | - | - |
| 91 | 391.20 | Office Furniture and Equipment | 263,338 | - | 263,338 |
| 92 | 394.20 | Tools, Shop, and Garage Equipment | 39,435 | - | 39,435 |
| 93 | 397.20 | Communication Equipment | 8,824 | - | 8,824 |
| 94 | 398.20 | Miscellaneous Equipment | 7,388 | - | 7,388 |
| 95 | 399.21 | Other Tangible Property - Servers Hardware | 1,628,900 | - | 1,628,900 |
| 96 | 399.22 | Other Tangible Property - Servers Software | 961,256 | - | 961,256 |
| 97 | 399.23 | Other Tangible Property - Network Hardware | 37,965 | - | 37,965 |
| 98 | 399.26 | Other Tangible Property - PC Hardware | 75,783 | - | 75,783 |
| 99 | 399.28 | Other Tangible Property - Application Software | 18,947,146 | - | 18,947,146 |
| 100 | | Total General Plant (Sum of Ln 89 through Ln 99) | <u>\$ 21,970,034</u> | <u>\$ -</u> | <u>\$ 21,970,034</u> |
| 101 | | Allocation Factor | 0.00% | 0.00% | 0.00% |
| 102 | | Distribution and Marketing Allocated to APT (Ln 100 x Ln 101) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 103 | | | | | |
| 104 | | <u>SSU - Align Pipe Projects</u> | | | |
| 105 | | <u>General Plant</u> | | | |
| 106 | 399.31 | Other Tangible Property - Servers Hardware | \$ 290,843 | \$ - | \$ 290,843 |
| 107 | 399.32 | Other Tangible Property - Servers Software | 337,635 | - | 337,635 |
| 108 | 399.38 | Other Tangible Property - Application Software | 17,009,382 | - | 17,009,382 |
| 109 | | Total General Plant (Sum of Ln 106 through Ln 108) | <u>\$ 17,637,860</u> | <u>\$ -</u> | <u>\$ 17,637,860</u> |
| 110 | | Allocation Factor (3) | 90.95% | 90.95% | 90.95% |
| 111 | | Align Projects Allocated to APT (Ln 109 x Ln 110) | <u>\$ 16,041,414</u> | <u>\$ -</u> | <u>\$ 16,041,414</u> |
| 112 | | | | | |
| 113 | | Total SSU General Office Allocated to APT (Ln 77 + Ln 85 + Ln 102 + Ln 111) | <u>\$ 50,294,232</u> | <u>\$ (331,472)</u> | <u>\$ 49,962,760</u> |
| 114 | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
COMPONENTS OF RATE BASE - GROSS PLANT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Amount Per Books | Adjustments (1) | Adjusted Amount |
|----------|---|---|-----------------------|-----------------|-----------------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 115 | <u>SSU Customer Support (Division 012)</u> | | | | |
| 116 | | <u>General Plant</u> | | | |
| 117 | 389.00 | Land and Land Rights | \$ 2,874,240 | \$ - | \$ 2,874,240 |
| 118 | 390.00 | Structures and Improvements | 12,620,665 | - | 12,620,665 |
| 119 | 390.09 | Improvements to Leased Premises | 2,820,614 | - | 2,820,614 |
| 120 | 391.00 | Office Furniture and Equipment | 2,295,208 | - | 2,295,208 |
| 121 | 397.00 | Communication Equipment | 1,962,785 | - | 1,962,785 |
| 122 | 398.00 | Miscellaneous Equipment | 51,379 | - | 51,379 |
| 123 | 399.00 | Other Tangible Property | 629,166 | - | 629,166 |
| 124 | 399.01 | Other Tangible Property - Servers Hardware | 8,903,052 | - | 8,903,052 |
| 125 | 399.02 | Other Tangible Property - Servers Software | 1,818,284 | - | 1,818,284 |
| 126 | 399.03 | Other Tangible Property - Network Hardware | 629,226 | - | 629,226 |
| 127 | 399.06 | Other Tangible Property - PC Hardware | 813,065 | - | 813,065 |
| 128 | 399.07 | Other Tangible Property - PC Software | 190,247 | - | 190,247 |
| 129 | 399.08 | Other Tangible Property - Application Software | 89,487,465 | - | 89,487,465 |
| 130 | | Total General Plant (Sum Ln 117 through Ln 129) | <u>\$ 125,095,393</u> | <u>\$ -</u> | <u>\$ 125,095,393</u> |
| 131 | | Allocation Factor | 0.00% | 0.00% | 0.00% |
| 132 | | Customer Support Allocated to APT (Ln 130 x Ln 131) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 133 | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
COMPONENTS OF RATE BASE - GROSS PLANT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Amount Per Books | Adjustments (1) | Adjusted Amount |
|----------|--|---|--------------------------------|----------------------------|--------------------------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 134 | <u>SSU - Customer Support Charles K. Vaughn Training Center</u> | | | | |
| 135 | | <u>General Plant</u> | | | |
| 136 | 389.10 | Land and Land Rights | \$ 1,887,123 | \$ - | \$ 1,887,123 |
| 137 | 390.10 | Structures and Improvements | 11,239,300 | - | 11,239,300 |
| 138 | 391.10 | Office Furniture and Equipment | 204,636 | - | 204,636 |
| 139 | 392.10 | Transportation Equipment | 96,290 | - | 96,290 |
| 140 | 394.10 | Tools, Shop, and Garage Equipment | 347,775 | - | 347,775 |
| 141 | 395.10 | Laboratory Equipment | 23,632 | - | 23,632 |
| 142 | 397.10 | Communication Equipment | 294,319 | - | 294,319 |
| 143 | 398.10 | Miscellaneous Equipment | 509,283 | - | 509,283 |
| 144 | 399.10 | Other Tangible Property | 113,831 | - | 113,831 |
| 145 | 399.16 | Other Tangible Property - PC Hardware | 228,123 | - | 228,123 |
| 146 | 399.17 | Other Tangible Property - PC Software | 102,576 | - | 102,576 |
| 147 | 399.18 | Other Tangible Property - Application Software | 20,560 | - | 20,560 |
| 148 | | Total General Plant (Sum of Ln 136 through Ln 147) | <u>\$ 15,067,448</u> | <u>\$ -</u> | <u>\$ 15,067,448</u> |
| 149 | | Allocation Factor | 0.00% | 0.00% | 0.00% |
| 150 | | CKV Training Center Allocated to APT (Ln 148 x Ln 149) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 151 | | | | | |
| 152 | | Total SSU Customer Support Allocated to APT (Ln 132 + Ln 150) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 153 | | | | | |
| 154 | | Total APT Gross Plant (Ln 54 + Ln 113 + Ln 152) | <u>\$ 2,477,714,631</u> | <u>\$ 1,770,733</u> | <u>\$ 2,479,485,364</u> |

- 155 Notes:
- 156 1. Please see relied file, "Schedule C & D_Net Plant Adjustments.xlsx" for details related to adjustments shown in Column (d). The adjustments include
- 157 the capital portion of the pension and other postemployment benefits regulatory asset and the removal of SSU projects previously disallowed in GUD No.
- 158 10000 or removed to reduce controversy.
- 158 2. Allocation Factor are calculated excluding Atmos Energy Marketing.
- 159 3. The allocation factor is based upon volumes.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
COMPONENTS OF RATE BASE - ACCUMULATED DEPRECIATION
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Amount Per Books | Adjustments (1) | Adjusted Amount |
|----------|----------------------------|--|---------------------|-----------------|-----------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 1 | <u>APT - Direct</u> | | | | |
| 2 | | <u>Intangible Plant</u> | | | |
| 3 | | Adjustment Miscellaneous Intangible Plant | \$ 6,238,271 | \$ - | \$ 6,238,271 |
| 4 | | Total Intangible Plant (Ln 3) | \$ 6,238,271 | \$ - | \$ 6,238,271 |
| 5 | | | | | |
| 6 | | <u>Storage Plant</u> | | | |
| 7 | 350.00 | Land and Land Rights | \$ 9,064 | \$ (9,064) | \$ - |
| 8 | 350.10 | Land | - | - | - |
| 9 | 350.20 | Rights-of-Way | 9,380 | 5,388 | 14,767 |
| 10 | 351.00 | Structures and Improvements | 6,961,408 | (1,105,806) | 5,855,602 |
| 11 | 352.00 | Wells | 10,803,413 | 3,495,251 | 14,298,665 |
| 12 | 353.00 | Lines | 3,418,253 | 281,618 | 3,699,870 |
| 13 | 354.00 | Compressor Station Equipment | 21,271,147 | (2,605,184) | 18,665,963 |
| 14 | 355.00 | M&R Equipment | 5,645,418 | 2,131,182 | 7,776,600 |
| 15 | 356.00 | Purification Equipment | 9,243,269 | (2,183,425) | 7,059,844 |
| 16 | 357.00 | Other Equipment | 216,940 | (9,960) | 206,980 |
| 17 | | Total Storage Plant (Sum Ln 7 through Ln 16) | \$ 57,578,292 | \$ 0 | \$ 57,578,292 |
| 18 | | | | | |
| 19 | | <u>Transmission Plant</u> | | | |
| 20 | 365.00 | Land | \$ 162,287 | \$ (162,287) | \$ - |
| 21 | 365.10 | ROW - Trans Comp Stat | 11,912 | (11,912) | - |
| 22 | 365.20 | ROW - City Gate | 6,516,054 | (926,949) | 5,589,104 |
| 23 | 366.00 | Structures and Improvements | 3,493,523 | (353,287) | 3,140,237 |
| 24 | 367.00 | Mains - Cathodic Protection | 61,498,385 | (9,107,539) | 52,390,846 |
| 25 | 367.01 | Mains - Steel | 224,636,976 | 14,294,331 | 238,931,308 |
| 26 | 367.02 | Mains - Plastic | 1,205,346 | 280,332 | 1,485,678 |
| 27 | 368.00 | Compressor Station Equipment | 49,459,698 | (7,102,940) | 42,356,758 |
| 28 | 369.00 | M&R Station Equipment | 51,312,585 | 4,277,954 | 55,590,538 |
| 29 | 370.00 | Communication Equipment | 5,213,036 | (541,538) | 4,671,498 |
| 30 | 371.00 | Other Equipment | 2,589,079 | (646,179) | 1,942,900 |
| 31 | | Total Transmission Plant (Sum Ln 20 through Ln 30) | \$ 406,098,881 | \$ (14) | \$ 406,098,867 |
| 32 | | | | | |
| 33 | | <u>General Plant</u> | | | |
| 34 | 389.00 | Land and Land Rights | \$ (643) | \$ 643 | \$ - |
| 35 | 390.00 | Structures and Improvements | 1,546,068 | (207,497) | 1,338,571 |
| 36 | 391.00 | Office Furniture and Equipment | 2,877,454 | (152,869) | 2,724,584 |

GUD No. 10580
FINAL ORDER

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
COMPONENTS OF RATE BASE - ACCUMULATED DEPRECIATION
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Amount Per Books | Adjustments (1) | Adjusted Amount |
|----------|--------------------|---|---------------------|-----------------|-----------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 37 | 392.00 | Transportation Equipment | 403,733 | 174,682 | 578,415 |
| 38 | 393.00 | Stores Equipment | - | - | - |
| 39 | 394.00 | Tools, Shop, and Garage Equipment | 2,597,494 | (430,587) | 2,166,906 |
| 40 | 395.00 | Laboratory Equipment | (16,420) | 56,804 | 40,384 |
| 41 | 396.00 | Power Operated Equipment | (634,933) | 1,336,146 | 701,214 |
| 42 | 397.00 | Communication Equipment | 398,063 | (85,331) | 312,733 |
| 43 | 397.02 | Communication Equipment - Fixed Radios | 35,597 | (26,273) | 9,323 |
| 44 | 397.05 | Communication Equipment - Telemetry | 57,644 | (7,124) | 50,520 |
| 45 | 398.00 | Miscellaneous Equipment | 4,516,179 | (959,832) | 3,556,347 |
| 46 | 399.00 | Other Tangible Property | 19,562 | 1,925 | 21,487 |
| 47 | 399.01 | Other Tangible Property - Servers Hardware | 120,674 | 541 | 121,216 |
| 48 | 399.02 | Other Tangible Property - Servers Software | 622,310 | 52,842 | 675,152 |
| 49 | 399.03 | Other Tangible Property - Network Hardware | 13,855 | (980) | 12,875 |
| 50 | 399.06 | Other Tangible Property - PC Hardware | 392,206 | (91,039) | 301,166 |
| 51 | 399.07 | Other Tangible Property - PC Software | 165,483 | 337,950 | 503,432 |
| 52 | RWIP | Retirement Work In Progress | (2,689,475) | - | (2,689,475) |
| 53 | | Total General Plant (Sum Ln 34 through Ln 52) | \$ 10,424,849 | \$ 0 | \$ 10,424,849 |
| 54 | | | | | |
| 55 | | Total APT - Direct (Ln 4 + Ln 17 + Ln 31 + Ln 53) | \$ 480,340,293 | \$ (14) | \$ 480,340,279 |
| 56 | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
COMPONENTS OF RATE BASE - ACCUMULATED DEPRECIATION
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Amount Per Books | Adjustments (1) | Adjusted Amount |
|----------|---|---|---------------------|-----------------|-----------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 57 | <u>SSU General Office (Division 002)</u> | | | | |
| 58 | | <u>General Plant</u> | | | |
| 59 | 390.00 | Structures and Improvements | \$ 408,529 | \$ - | \$ 408,529 |
| 60 | 390.09 | Improvements to Leased Premises | 8,970,747 | (656,369) | 8,314,378 |
| 61 | 391.00 | Office Furniture and Equipment | 5,955,554 | (6,313) | 5,949,240 |
| 62 | 392.00 | Transportation Equipment | 3,546 | - | 3,546 |
| 63 | 393.00 | Stores Equipment | - | - | - |
| 64 | 394.00 | Tools, Shop, and Garage Equipment | 101,081 | - | 101,081 |
| 65 | 395.00 | Laboratory Equipment | - | - | - |
| 66 | 397.00 | Communication Equipment | 1,774,856 | - | 1,774,856 |
| 67 | 398.00 | Miscellaneous Equipment | 36,581 | - | 36,581 |
| 68 | 399.00 | Other Tangible Property | 163,365 | - | 163,365 |
| 69 | 399.01 | Other Tangible Property - Servers Hardware | 17,683,721 | - | 17,683,721 |
| 70 | 399.02 | Other Tangible Property - Servers Software | 14,653,628 | - | 14,653,628 |
| 71 | 399.03 | Other Tangible Property - Network Hardware | 2,036,795 | - | 2,036,795 |
| 72 | 399.06 | Other Tangible Property - PC Hardware | 777,115 | - | 777,115 |
| 73 | 399.07 | Other Tangible Property - PC Software | 236,291 | - | 236,291 |
| 74 | 399.08 | Other Tangible Property - Application Software | 27,059,721 | (532,268) | 26,527,453 |
| 75 | 399.09 | Other Tangible Property - Mainframe Software | 39,956 | - | 39,956 |
| 76 | RWIP | Retirement Work In Progress | - | - | - |
| 77 | | Total General Plant (Sum Ln 59 through Ln 76) | \$ 79,901,486 | \$ (1,194,950) | \$ 78,706,536 |
| 78 | | Allocation Factor (2) | 20.84% | 20.84% | 20.84% |
| 79 | | General Office Allocated to APT (Ln 77 x Ln 78) | \$ 16,651,470 | \$ (249,028) | \$ 16,402,442 |
| 80 | | | | | |
| 81 | <u>SSU - Greenville Data Center</u> | | | | |
| 82 | | <u>General Plant</u> | | | |
| 83 | 390.05 | Structures and Improvements | \$ 2,779,715 | \$ - | \$ 2,779,715 |
| 84 | 391.04 | Office Furniture and Equipment | 27,728 | - | 27,728 |
| 85 | | Total General Plant (Sum of Ln 83 through Ln 84) | \$ 2,807,442 | \$ - | \$ 2,807,442 |
| 86 | | Allocation Factor | 70.13% | 70.13% | 70.13% |
| 87 | | Greenville Data Center Allocated to APT (Ln 85 x Ln 86) | \$ 1,968,887 | \$ - | \$ 1,968,887 |
| 88 | | | | | |
| 89 | <u>SSU - Distribution and Marketing</u> | | | | |
| 90 | 390.20 | Structures and Improvements | \$ (0) | \$ - | \$ (0) |
| 91 | 390.29 | Improvements to Leased Premises | (0) | - | (0) |
| 92 | 391.20 | Office Furniture and Equipment | 83,689 | - | 83,689 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
COMPONENTS OF RATE BASE - ACCUMULATED DEPRECIATION
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Amount Per Books | Adjustments (1) | Adjusted Amount |
|----------|---|---|----------------------|---------------------|----------------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 93 | 394.20 | Tools, Shop, and Garage Equipment | 20,320 | - | 20,320 |
| 94 | 397.20 | Communication Equipment | 2,898 | - | 2,898 |
| 95 | 398.20 | Miscellaneous Equipment | 447 | - | 447 |
| 96 | 399.21 | Other Tangible Property - Servers Hardware | 917,250 | - | 917,250 |
| 97 | 399.22 | Other Tangible Property - Servers Software | 324,978 | - | 324,978 |
| 98 | 399.23 | Other Tangible Property - Network Hardware | 36,123 | - | 36,123 |
| 99 | 399.26 | Other Tangible Property - PC Hardware | 15,134 | - | 15,134 |
| 100 | 399.28 | Other Tangible Property - Application Software | 10,280,108 | - | 10,280,108 |
| 101 | | Total General Plant (Sum of Ln 90 through Ln 100) | <u>\$ 11,680,946</u> | <u>\$ -</u> | <u>\$ 11,680,946</u> |
| 102 | | Allocation Factor | 0.00% | 0.00% | 0.00% |
| 103 | | Distribution and Marketing Allocated to APT (Ln 101 x Ln 102) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 104 | | | | | |
| 105 | <u>SSU - Align Pipe Projects</u> | | | | |
| 106 | | <u>General Plant</u> | | | |
| 107 | 399.31 | Other Tangible Property - Servers Hardware | \$ 10,277 | \$ - | \$ 10,277 |
| 108 | 399.32 | Other Tangible Property - Servers Software | 7,318 | - | 7,318 |
| 109 | 399.38 | Other Tangible Property - Application Software | 917,843 | - | 917,843 |
| 110 | | Total General Plant (Sum of Ln 107 through Ln 109) | <u>\$ 935,438</u> | <u>\$ -</u> | <u>\$ 935,438</u> |
| 111 | | Allocation Factor (3) | 90.95% | 90.95% | 90.95% |
| 112 | | Align Projects Allocated to APT (Ln 110 x Ln 111) | <u>\$ 850,769</u> | <u>\$ -</u> | <u>\$ 850,769</u> |
| 113 | | | | | |
| 114 | | Total SSU General Office Allocated to APT (Ln 79 + Ln 87 + Ln 103 + Ln 112) | <u>\$ 19,471,126</u> | <u>\$ (249,028)</u> | <u>\$ 19,222,098</u> |
| 115 | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
COMPONENTS OF RATE BASE - ACCUMULATED DEPRECIATION
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Amount Per Books | Adjustments (1) | Adjusted Amount |
|----------|---|---|---------------------|-----------------|-----------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 116 | <u>SSU Customer Support (Division 012)</u> | | | | |
| 117 | | General Plant | | | |
| 118 | 389.00 | Land and Land Rights | \$ - | \$ - | \$ - |
| 119 | 390.00 | Structures and Improvements | 1,114,580 | - | 1,114,580 |
| 120 | 390.09 | Improvements to Leased Premises | 1,464,153 | - | 1,464,153 |
| 121 | 391.00 | Office Furniture and Equipment | 661,080 | - | 661,080 |
| 122 | 397.00 | Communication Equipment | 893,350 | - | 893,350 |
| 123 | 398.00 | Miscellaneous Equipment | 8,773 | - | 8,773 |
| 124 | 399.00 | Other Tangible Property | 310,890 | - | 310,890 |
| 125 | 399.01 | Other Tangible Property - Servers Hardware | 3,321,754 | - | 3,321,754 |
| 126 | 399.02 | Other Tangible Property - Servers Software | 855,082 | - | 855,082 |
| 127 | 399.03 | Other Tangible Property - Network Hardware | 261,533 | - | 261,533 |
| 128 | 399.06 | Other Tangible Property - PC Hardware | 384,882 | - | 384,882 |
| 129 | 399.07 | Other Tangible Property - PC Software | 108,878 | - | 108,878 |
| 130 | 399.08 | Other Tangible Property - Application Software | 22,453,469 | - | 22,453,469 |
| 131 | RWIP | Retirement Work In Progress | - | - | - |
| 132 | | Total General Plant (Sum Ln 118 through Ln 131) | \$ 31,838,422 | \$ - | \$ 31,838,422 |
| 133 | | Allocation Factor | 0.00% | 0.00% | 0.00% |
| 134 | | Customer Support Allocated to APT (Ln 132 x Ln 133) | \$ - | \$ - | \$ - |
| 135 | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
COMPONENTS OF RATE BASE - ACCUMULATED DEPRECIATION
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Amount Per Books | Adjustments (1) | Adjusted Amount |
|----------|--|---|------------------------------|----------------------------|------------------------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 136 | <u>SSU - Customer Support Charles K. Vaughn Training Center</u> | | | | |
| 137 | | General Plant | | | |
| 138 | 389.10 | Land and Land Rights | \$ - | \$ - | \$ - |
| 139 | 390.10 | Structures and Improvements | 2,067,332 | - | 2,067,332 |
| 140 | 391.10 | Office Furniture and Equipment | 17,714 | - | 17,714 |
| 141 | 392.10 | Transportation Equipment | 77,650 | - | 77,650 |
| 142 | 394.10 | Tools, Shop, and Garage Equipment | 62,766 | - | 62,766 |
| 143 | 395.10 | Laboratory Equipment | 13,591 | - | 13,591 |
| 144 | 397.10 | Communication Equipment | 123,797 | - | 123,797 |
| 145 | 398.10 | Miscellaneous Equipment | 115,765 | - | 115,765 |
| 146 | 399.10 | Other Tangible Property | 88,548 | - | 88,548 |
| 147 | 399.16 | Other Tangible Property - PC Hardware | 198,147 | - | 198,147 |
| 148 | 399.17 | Other Tangible Property - PC Software | 61,102 | - | 61,102 |
| 149 | 399.18 | Other Tangible Property - Application Software | 8,022 | - | 8,022 |
| 150 | | Total General Plant (Sum of Ln 138 through Ln 149) | <u>\$ 2,834,434</u> | <u>\$ -</u> | <u>\$ 2,834,434</u> |
| 151 | | Allocation Factor | 0.00% | 0.00% | 0.00% |
| 152 | | CKV Training Center Allocated to APT (Ln 150 x Ln 151) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 153 | | | | | |
| 154 | | Total SSU Customer Support Allocated to APT (Ln 134 + Ln 152) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 155 | | | | | |
| 156 | | Total APT Accumulated Depreciation (Ln 55 + Ln 114 + Ln 154) | <u>\$ 499,811,419</u> | <u>\$ (249,041)</u> | <u>\$ 499,562,378</u> |

Notes:

1. Please see relied file, "Schedule C & D_Net Plant Adjustments.xlsx" for details related to adjustments shown in Column (d). The adjustments include reallocation of the APT reserve and the removal of SSU projects previously disallowed in GUD No. 10000 or removed to reduce controversy.
2. Allocation Factor are calculated excluding Atmos Energy Marketing.
3. The allocation factor is based upon volumes.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
CASH WORKING CAPITAL
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Test Year Expenses | Reference | Avg. Daily Expense | Revenue Lag | Expense Lag | Net Lag | Working Capital Requirement |
|----------|--|------------------------------|---------------------------------|--------------------|-------------|-------------|-------------|------------------------------|
| | (a) | (b) | (c) | (d)=(b)/366 | (e) | (f) | (g)=(e)-(f) | (h)=(d)x(g) |
| 1 | Operation & Maintenance | | | | | | | |
| 2 | Adjustment | \$ 30,132,276 | (1), (2) | 82,329 | 38.76 | 35.07 | 3.70 | \$ 304,210 |
| 3 | Other O&M - Non-Labor | 97,278,016 | Ln. 4 minus Ln. 2 | 265,787 | 38.76 | 39.25 | (0.49) | (129,327) |
| 4 | Total Operation & Maintenance | <u>\$ 127,410,291</u> | Schedule F-1, Col. (e), Ln 46 | | | | | <u>\$ 174,883</u> |
| 5 | | | | | | | | |
| 6 | Taxes Other Than Income | | | | | | | |
| 7 | Ad Valorem | \$ 19,560,136 | Schedule F-5, Col. (d), Ln 2 | 53,443 | 38.76 | 201.50 | (162.74) | \$ (8,697,092) |
| 8 | Payroll Taxes | 1,898,221 | Schedule F-5, Col. (d), Ln 3 | 5,186 | 38.76 | 39.28 | (0.51) | (2,655) |
| 9 | Gas Utility PipelineTax | 1,866,252 | Schedule F-5, Col. (d), Ln 9 | 5,099 | 38.76 | 96.25 | (57.49) | (293,123) |
| 10 | | | | | | | | |
| 11 | Allocated Taxes-Shared Services | | | | | | | |
| 12 | Ad Valorem | 150,166 | Schedule F-5.1, Col. (b), Ln 42 | 410 | 38.76 | 189.93 | (151.16) | (62,020) |
| 13 | Payroll Taxes | 491,984 | Schedule F-5.1, Col. (b), Ln 50 | 1,344 | 38.76 | 39.28 | (0.51) | (688) |
| 14 | | | | | | | | |
| 15 | Total Taxes Other Than Income Taxes | <u>\$ 23,966,759</u> | Sum (Ln 7 through Ln 13) | | | | | <u>\$ (9,055,578)</u> |
| 16 | | | | | | | | |
| 17 | State Income Tax ("Gross Margin") | \$ 3,376,820 | Schedule F-6, Col. (b), Ln.2 | 9,226 | 38.76 | (46.58) | 85.34 | 787,409 |
| 18 | Federal Income Tax - Current | - | (3) | - | 38.76 | 38.75 | 0.01 | - |
| 19 | | | | | | | | |
| 20 | Total Cash Working Capital Requirement | <u><u>\$ 154,753,870</u></u> | | | | | | <u><u>\$ (8,093,285)</u></u> |

Notes:

1. Includes APT and SSU labor and APT MIP/VPP (excludes SSU MIP/VPP).
2. WP_F-2.1, Page 2, Col (f), Ln 25 + WP_F-5.1, Col (b) Ln 45 + APT MIP/VPP.
3. If Schedule F-6, Page 1, Col (b), Ln 1 minus WP_E-1, Col (d), Ln 76 plus WP_B-6, Col (d), Ln 78 is less than zero, then zero will be utilized.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ACCUMULATED DEFERRED INCOME TAXES TEST YEAR BEGINNING BALANCE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Deferred Tax Item | Assets / (Liabilities) - Per Book Balances (1) (2) | Adjustments | Assets / (Liabilities) - Adjusted Balances |
|----------|--|--|----------------------|--|
| | (a) | (b) | (c) | (d) = (b) + (c) |
| 1 | <u>APT - Direct</u> | | | |
| 2 | Ad Valorem Taxes | \$ (72,076) | \$ - | \$ (72,076) |
| 3 | Adjustment | 1,465,908 | | 1,465,908 |
| 4 | Self Insurance - Adjustment | - | | - |
| 5 | Worker's Comp Insurance Reserve | 156,142 | | 156,142 |
| 6 | SEBP Adjustment | 1,097,560 | | 1,097,560 |
| 7 | FAS 106 Adjustment | (1,940,325) | | (1,940,325) |
| 8 | CWIP | (6,259,913) | 6,259,913 | - |
| 9 | RWIP | (317,587) | | (317,587) |
| 10 | Fixed Asset Cost Adjustment | (329,040,770) | | (329,040,770) |
| 11 | Depreciation Adjustment | (26,310,606) | | (26,310,606) |
| 12 | Section 481(a) TPR | (10,409,899) | | (10,409,899) |
| 13 | TXU - Goodwill Amortization | (36,541,949) | 36,541,949 | - |
| 14 | UNICAP Section 263A Costs (3) | - | 2,658,793 | 2,658,793 |
| 15 | Allowance for Doubtful Accounts | 16,463 | (16,463) | - |
| 16 | Charitable Contribution Carryover | - | - | - |
| 17 | Prepayments | (208,293) | | (208,293) |
| 18 | Rate Case Accrual | (1,503,945) | 1,503,945 | - |
| 19 | WACOG to FIFO Adjustment (3) | - | 1,216,267 | 1,216,267 |
| 20 | Reg Asset Benefit Accrual | (3,207,020) | | (3,207,020) |
| 21 | Intra Period Tax Allocation | - | - | - |
| 22 | Total APT - Direct (Sum Ln 2 through Ln 21) | \$ (413,076,309) | \$ 48,164,405 | \$ (364,911,905) |
| 23 | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ACCUMULATED DEFERRED INCOME TAXES TEST YEAR BEGINNING BALANCE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Deferred Tax Item | Assets / (Liabilities) - Per Book Balances (1) (2) | Adjustments | Assets / (Liabilities) - Adjusted Balances |
|----------|---|--|--------------|--|
| | (a) | (b) | (c) | (d) = (b) + (c) |
| 24 | <u>SSU - General Office (Div 02)</u> | | | |
| 25 | Directors Deferred Bonus | \$ 140,541 | \$ - | \$ 140,541 |
| 26 | MIP/VPP Accrual | (1,944,142) | 1,944,142 | - |
| 27 | Miscellaneous Accrued | 28,510 | | 28,510 |
| 28 | Self Insurance - Adjustment | 2,386,432 | (2,386,432) | - |
| 29 | Worker's Comp Insurance Reserve | 68,217 | | 68,217 |
| 30 | SEBP Adjustment | 24,888,020 | (24,888,020) | - |
| 31 | Restricted Stock Grant Plan | 6,917,886 | | 6,917,886 |
| 32 | Rabbi Trust | 1,442,650 | (1,442,650) | - |
| 33 | Restricted Stock - MIP | 11,152,323 | (11,152,323) | - |
| 34 | Director's Stock Awards | 4,870,800 | | 4,870,800 |
| 35 | Pension Expense | (35,639,201) | | (35,639,201) |
| 36 | FAS 106 Adjustment | 8,766,482 | | 8,766,482 |
| 37 | CWIP | (2,150,230) | 2,150,230 | - |
| 38 | RWIP | (3,915) | | (3,915) |
| 39 | Fixed Asset Cost Adjustment | (33,282,595) | | (33,282,595) |
| 40 | Depreciation Adjustment | 9,880,161 | | 9,880,161 |
| 41 | Section 481(a) Cushion Gas | 549,284 | (549,284) | - |
| 42 | Section 481(a) Line Pack Gas | 66,648 | (66,648) | - |
| 43 | Deferred Expense Projects | 0 | | 0 |
| 44 | Allowance for Doubtful Accounts | 2 | (2) | - |
| 45 | Clearing Account - Adjustment | 3,409 | | 3,409 |
| 46 | Charitable Contribution Carryover | 11,423,536 | (11,423,536) | - |
| 47 | Prepayments | (3,837,217) | | (3,837,217) |
| 48 | Federal & State Tax Interest | 271,005 | | 271,005 |
| 49 | VA Charitable Contributions | (10,286,479) | 10,286,479 | - |
| 50 | FD - NOL Credit Carryforward - Non Reg | (223,209,326) | 223,209,326 | - |
| 51 | FD - NOL Credit Carryforward - Utility | 530,457,730 | | 530,457,730 |
| 52 | FD - NOL Credit Carryforward - Other | (8,887,801) | 8,887,801 | - |
| 53 | ST - State Net Operating Loss | - | - | - |
| 54 | FD - FAS 115 Adjustment | (2,731,369) | | (2,731,369) |
| 55 | FD - Federal Benefit on State NOL | - | - | - |
| 56 | FD - AMT Minimum Tax Credit | 10,099,286 | | 10,099,286 |
| 57 | ST - Enterprise Zone ITC | 1,166,272 | (1,166,272) | - |
| 58 | FD - Treasury Lock Adjustment - Realized | 10,720,230 | | 10,720,230 |

GUD No. 10580
FINAL ORDER

Date Issued: August 1, 2017

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ACCUMULATED DEFERRED INCOME TAXES TEST YEAR BEGINNING BALANCE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Deferred Tax Item | Assets / (Liabilities) - Per Book Balances (1) (2) | Adjustments | Assets / (Liabilities) - Adjusted Balances |
|----------|--|--|----------------------|--|
| | (a) | (b) | (c) | (d) = (b) + (c) |
| 59 | FD - Treasury Lock Adjustment - Unrealized | 40,346,642 | (40,346,642) | - |
| 60 | FD - Federal Tax on Enterprise ITC | (408,195) | 408,195 | - |
| 61 | Total SSU General Office (Sum Ln 25 through Ln 60) | \$ 353,265,598 | \$ 153,464,363 | \$ 506,729,960 |
| 62 | Allocation Factor | 20.84% | 20.84% | 20.84% |
| 63 | Total SSU General Office Allocated to APT (Ln 61 x Ln 62) | \$ 73,620,551 | \$ 31,981,973 | \$ 105,602,524 |
| 64 | | | | |
| 65 | <u>SSU - Customer Support (Div 12)</u> | | | |
| 66 | MIP/VPP Accrual | \$ 2,696,072 | \$ (2,696,072) | \$ - |
| 67 | Worker's Comp Insurance Reserve | 705 | - | 705 |
| 68 | CWIP | (522,164) | 522,164 | - |
| 69 | RWIP | (745) | - | (745) |
| 70 | Fixed Asset Cost Adjustment | (43,780,403) | - | (43,780,403) |
| 71 | Depreciation Adjustment | 11,859,027 | - | 11,859,027 |
| 72 | Total SSU Customer Support (Sum Ln 66 through Ln 71) | \$ (29,747,509) | \$ (2,173,908) | \$ (31,921,416) |
| 73 | Allocation Factor | 0.00% | 0.00% | 0.00% |
| 74 | Total SSU Customer Support Allocated to APT (Ln 72 x Ln 73) | \$ - | \$ - | \$ - |
| 75 | | | | |
| 76 | Grand Total APT ADIT (Sum Ln 22 + Ln 63 + Ln 74) | \$ (339,455,759) | \$ 80,146,378 | \$ (259,309,381) |

Notes:

1. Includes FERC Accounts 190, 282 and 283.
2. Credit Amounts are in parentheses.
3. Adjustment for Storage Gas ADIT booked on Mid-Tex books per the Mid-Tex Division Final Order in GUD No. 9869 and GUD No. 10000.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | FERC Account | Description | Per Book Amounts | Adjustments | Adjusted Amounts |
|----------|--------------|---|------------------|-------------|------------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 1 | 813 | Other Gas Supply Expenses | \$ 6,592 | \$ - | \$ 6,592 |
| 2 | 814 | Operation Supervision and Engineering | 1,174,488 | (4,917) | 1,169,571 |
| 3 | Adjustment | Wells Expenses | 1,065,398 | (86) | 1,065,312 |
| 4 | 817 | Lines Expenses | 13,783 | (28) | 13,755 |
| 5 | 818 | Compressor Station Expenses | 2,341,351 | (2,662) | 2,338,689 |
| 6 | 820 | Measuring and Regulating Station Expenses | 52,989 | (88) | 52,901 |
| 7 | 821 | Purification Expenses | 34,829 | (39) | 34,791 |
| 8 | 824 | Other Expenses | 730 | - | 730 |
| 9 | 831 | Maintenance of Structures and Improvements | 1,931 | - | 1,931 |
| 10 | 832 | Maintenance of Reservoirs and Wells | - | - | - |
| 11 | 834 | Maintenance of Compressor Station Equipment | 4,158,558 | (1,664) | 4,156,894 |
| 12 | 835 | Maintenance of Measuring and Regulating Station Equipment | 17,696 | (25) | 17,671 |
| 13 | 836 | Maintenance of Purification Equipment | 81,365 | (90) | 81,276 |
| 14 | 850 | Operation Supervision and Engineering | 314,962 | (612) | 314,350 |
| 15 | 851 | System Control and Load Dispatching | 1,731,574 | (3,538) | 1,728,036 |
| 16 | 852 | Communication System Expenses | 1,984,442 | (1,539) | 1,982,902 |
| 17 | 853 | Compressor Station Labor and Expenses | 717,041 | (1,556) | 715,485 |
| 18 | 856 | Mains Expenses | 76,661,589 | 11,190 | 76,672,780 |
| 19 | 857 | Measuring and Regulating Station Expenses | 1,897,131 | (5,469) | 1,891,662 |
| 20 | 858 | Transmission and Compression of Gas by Others | 98,867 | - | 98,867 |
| 21 | 859 | Other Expenses | 33,711 | 0 | 33,711 |
| 22 | 860 | Rents | 141,228 | - | 141,228 |
| 23 | 863 | Maintenance of Mains | 1,667,403 | (1,098) | 1,666,305 |
| 24 | 864 | Maintenance of Compressor Station Equipment | 1,503,134 | (751) | 1,502,383 |
| 25 | 865 | Maintenance of Measuring and Regulating Station Equipment | 625,182 | (277) | 624,905 |
| 26 | 866 | Maintenance of Communication Equipment | 161,160 | (209) | 160,951 |
| 27 | 867 | Maintenance of Other Equipment | 132,082 | (1) | 132,082 |
| 28 | 902 | Meter Reading Expenses | - | - | - |
| 29 | 903 | Customer Records and Collection Expenses | - | - | - |
| 30 | 904 | Uncollectible Accounts | (9,169) | - | (9,169) |
| 31 | 910 | Miscellaneous Customer Service and Informational Expenses | 1,536,911 | (104,896) | 1,432,016 |
| 32 | 911 | Supervision | 108 | - | 108 |
| 33 | 912 | Demonstrating and Selling Expenses | 2,450 | - | 2,450 |
| 34 | 913 | Advertising Expenses | 6 | - | 6 |
| 35 | 916 | Miscellaneous Sales Expenses | 1,352,769 | (2,641) | 1,350,128 |
| 36 | 920 | Administrative and General Salaries | 1,038,364 | (2,235) | 1,036,130 |

GUD No. 10580
FINAL ORDER

Date Issued: August 1, 2017

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | FERC Account | Description | Per Book Amounts | Adjustments | Adjusted Amounts |
|----------|--|---|-----------------------|-----------------------|-----------------------|
| | (a) | (b) | (c) | (d) | (e) = (c) + (d) |
| 37 | 921 | Office Supplies and Expenses | 695,653 | (205,076) | 490,576 |
| 38 | 922 | Administrative Expenses Transferred— Credit | 14,883,550 | 1,475,079 | 16,358,629 |
| 39 | 923 | Outside Services Employed | 1,086,753 | (328) | 1,086,424 |
| 40 | 924 | Property Insurance | 413,805 | 33,055 | 446,860 |
| 41 | 925 | Injuries and Damages | 448,644 | - | 448,644 |
| 42 | 926 | Employee Pensions and Benefits | 10,110,066 | (1,971,710) | 8,138,356 |
| 43 | 930.2 | Miscellaneous General Expenses | 36,814 | (273,761) | (236,947) |
| 44 | 931 | Rents | 260,320 | - | 260,320 |
| 45 | | | | | |
| 46 | Total Operation & Maintenance Expenses (Sum of Ln 1 through Ln 44) | | <u>\$ 128,476,262</u> | <u>\$ (1,065,971)</u> | <u>\$ 127,410,291</u> |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ADJUSTMENTS TO OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | FERC Account | Description | | | Pensions & Medical | | Blank Sheet | Employee Expense | SSU | | Blank Sheet | Rule Compliance | Blank Sheet | Total Adjustments |
|----------|--|---|--------------|---------------------|--------------------------|--------------------|-------------|------------------|-----------------------|---------------------------|----------------|-----------------|-------------|-------------------|
| | | | Base Labor | and Dental Benefits | Retiree Medical Benefits | Property Insurance | | | Service Level Factors | Miscellaneous Adjustments | | | | |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) |
| 1 | 813 | Other Gas Supply Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2 | 814 | Operation Supervision and Engineering | (2,049) | - | - | - | - | - | - | (2,868) | - | - | - | (4,917) |
| 3 | Adjustment | Wells Expenses | (86) | - | - | - | - | - | - | - | - | - | - | (86) |
| 4 | 817 | Lines Expenses | (28) | - | - | - | - | - | - | - | - | - | - | (28) |
| 5 | 818 | Compressor Station Expenses | (2,517) | - | - | - | - | - | - | - | - | (145) | - | (2,662) |
| 6 | 820 | Measuring and Regulating Station Expenses | (88) | - | - | - | - | - | - | - | - | - | - | (88) |
| 7 | 821 | Purification Expenses | (39) | - | - | - | - | - | - | - | - | - | - | (39) |
| 8 | 824 | Other Expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | 831 | Maintenance of Structures and Improvements | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | 832 | Maintenance of Reservoirs and Wells | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | 834 | Maintenance of Compressor Station Equipment | (1,664) | - | - | - | - | - | - | - | - | - | - | (1,664) |
| 12 | 835 | Maintenance of Measuring and Regulating Station Equipment | (25) | - | - | - | - | - | - | - | - | - | - | (25) |
| 13 | 836 | Maintenance of Purification Equipment | (90) | - | - | - | - | - | - | - | - | - | - | (90) |
| 14 | 850 | Operation Supervision and Engineering | (612) | - | - | - | - | - | - | - | - | - | - | (612) |
| 15 | 851 | System Control and Load Dispatching | (3,538) | - | - | - | - | - | - | - | - | - | - | (3,538) |
| 16 | 852 | Communication System Expenses | (1,539) | - | - | - | - | - | - | - | - | - | - | (1,539) |
| 17 | 853 | Compressor Station Labor and Expenses | (1,085) | - | - | - | - | - | - | - | - | (471) | - | (1,556) |
| 18 | 856 | Mains Expenses | (22,151) | - | - | - | - | - | - | 33,342 | - | - | - | 11,190 |
| 19 | 857 | Measuring and Regulating Station Expenses | (2,502) | - | - | - | - | - | - | (2,967) | - | - | - | (5,469) |
| 20 | 858 | Transmission and Compression of Gas by Others | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | 859 | Other Expenses | 0 | - | - | - | - | - | - | - | - | - | - | 0 |
| 22 | 860 | Rents | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | 863 | Maintenance of Mains | (1,098) | - | - | - | - | - | - | - | - | - | - | (1,098) |
| 24 | 864 | Maintenance of Compressor Station Equipment | (751) | - | - | - | - | - | - | - | - | - | - | (751) |
| 25 | 865 | Maintenance of Measuring and Regulating Station Equipment | (277) | - | - | - | - | - | - | - | - | - | - | (277) |
| 26 | 866 | Maintenance of Communication Equipment | (209) | - | - | - | - | - | - | - | - | - | - | (209) |
| 27 | 867 | Maintenance of Other Equipment | (1) | - | - | - | - | - | - | - | - | - | - | (1) |
| 28 | 902 | Meter Reading Expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | 903 | Customer Records and Collection Expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| 30 | 904 | Uncollectible Accounts | - | - | - | - | - | - | - | - | - | - | - | - |
| 31 | 910 | Miscellaneous Customer Service and Informational Expenses | (2,453) | - | - | - | - | - | - | (86,261) | - | (16,182) | - | (104,896) |
| 32 | 911 | Supervision | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | 912 | Demonstrating and Selling Expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| 34 | 913 | Advertising Expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| 35 | 916 | Miscellaneous Sales Expenses | (2,641) | - | - | - | - | - | - | - | - | - | - | (2,641) |
| 36 | 920 | Administrative and General Salaries | (2,235) | - | - | - | - | - | - | - | - | - | - | (2,235) |
| 37 | 921 | Office Supplies and Expenses | - | - | - | - | - | - | - | (205,076) | - | - | - | (205,076) |
| 38 | 922 | Administrative Expenses Transferred— Credit | (56,270) | (18,272) | 499,235 | (85) | - | (44,135) | 1,206,774 | (110,619) | - | (1,548) | - | 1,475,079 |
| 39 | 923 | Outside Services Employed | - | - | - | - | - | - | - | (328) | - | - | - | (328) |
| 40 | 924 | Property Insurance | - | - | - | 33,055 | - | - | - | - | - | - | - | 33,055 |
| 41 | 925 | Injuries and Damages | - | - | - | - | - | - | - | - | - | - | - | - |
| 42 | 926 | Employee Pensions and Benefits | - | 45,635 | (1,076,375) | - | - | - | - | 656,766 | (1,597,736) | - | - | (1,971,710) |
| 43 | 930.2 | Miscellaneous General Expenses | - | - | - | - | - | (264,468) | - | (245) | - | (9,048) | - | (273,761) |
| 44 | 931 | Rents | - | - | - | - | - | - | - | - | - | - | - | - |
| 45 | Total O&M Expense Adjustments (Sum Ln 1 through Ln 44) | | \$ (103,948) | \$ 27,363 | \$ (577,140) | \$ 32,970 | \$ - | \$ (308,602) | \$ 1,206,774 | \$ 281,743 | \$ (1,597,736) | \$ (27,394) | \$ - | \$ (1,065,971) |
| 46 | | | | | | | | | | | | | | |
| 47 | Adjustment Reference: | | WP_F-2.1 | WP_F-2.2 | WP_F-2.3 | WP_F-2.4 | WP_F-2.5 | WP_F-2.6 | WP_F-2.7 | WP_F-2.8 | WP_F-2.9 | WP_F-2.10 | WP_F-2.11 | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
BASE LABOR ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Shared Services - Customer Support | Shared Services - General Office | Shared Services - Total | Mid-Tex Employees Only | APT Employees Only | Total Adjustment |
|----------|--|--|--|-------------------------------|------------------------------|-----------------------|-----------------------|
| | (a) | (b) | (c) | (d) = (b) + (c) | (e) | (f) | (g) = (d) + (e) + (f) |
| 1 | Annualized October 31, 2016 Employee Salaries (1) (5) | \$ 28,791,482 | \$ 38,820,661 | \$ 67,612,143 | \$ 104,635,616 | \$ 6,995,242 | |
| 2 | | | | | | | |
| 3 | Adjustment | 28,184,026 | 39,200,530 | 67,384,556 | 105,117,221 | 6,984,206 | |
| 4 | | | | | | | |
| 5 | Base Labor Adjustment Total (Ln 1 - Ln 3) | \$ 607,456 | \$ (379,869) | \$ 227,587 | \$ (481,605) | \$ 11,036 | |
| 6 | | | | | | | |
| 7 | Allocation Factor (2) (3) | | 20.84% | 20.84% | 28.73% | 80.21% | |
| 8 | | | | | | | |
| 9 | Total Allocated Base Labor Adjustment (Ln 5 times Ln 7) | \$ - | \$ (79,165) | \$ (79,165) | \$ (138,374) | \$ 8,852 | |
| 10 | | | | | | | |
| 11 | O&M Expense Factor (2) (3) | | 71.08% | 71.08% | 38.31% | 60.20% | |
| 12 | | | | | | | |
| 13 | Test Year Base Labor O&M Expense Adjustment (Ln 9 times Ln 11) | \$ - | \$ (56,270) | \$ (56,270) | \$ (53,007) | \$ 5,329 | \$ (103,948) |
| 14 | | | | | | | |
| 15 | Adjustment Summary: | | | | | | |
| 16 | Account 922 | | | \$ (56,270) | \$ - | \$ - | \$ (56,270) |
| 17 | Other O&M Accounts (4) | | | - | (53,007) | 5,329 | (47,678) |
| 18 | Total (Ln 16 + Ln 17) | | | \$ (56,270) | \$ (53,007) | \$ 5,329 | \$ (103,948) |
| 19 | | | | | | | |

Notes:

1. Annual salaries are base labor only and do not include items such as overtime and bonuses.
2. Shared Services based upon FY17 factors, as adjusted for the four-factor formula including Operating Income, and excluding Atmos Energy Marketing. Mid-Tex and APT factors are based upon actual test year ratios.
3. The factors in Col (d) are based upon the General Office Factors only, since Customer Support does not allocate to APT. The General Office factors are used in the calculation of other employee related adjustments.
4. Distribution by account was based upon per book O&M test year labor (See Page 2).
5. SSU amounts exclude cost centers which do not allocate to APT, employee time charged below the line for ratemaking purposes and excludes employees that moved from Cost Center 1227 in General Office to Cost Center 1226 in Customer Support.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
BASE LABOR ADJUSTMENT - DISTRIBUTION OF MID-TEX AND ATMOS PIPELINE TEXAS DIRECT BY FERC ACCOUNT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | FERC Acct | Account Description | Per Book O&M Labor | Ratio of Labor by Account | Base Labor Adjustment Allocated by Account | Adjusted O&M Labor | Functional Labor by FERC Account (1) |
|----------|--------------|---|-----------------------|------------------------------|---|-----------------------|--|
| | (a) | (b) | (c) | (d) | (e) | (f) = (c) + (e) | (g) |
| 1 | 814 | Operation supervision and engineering | \$ 987,332 | 4.30% | \$ (2,049) | \$ 985,283 | |
| 2 | 816 | Wells expenses | 41,331 | 0.18% | (86) | 41,246 | |
| 3 | 817 | Lines expenses | 13,645 | 0.06% | (28) | 13,617 | |
| 4 | 818 | Compressor station expenses | 1,213,229 | 5.28% | (2,517) | 1,210,712 | |
| 5 | 820 | Measuring and regulating station expenses | 42,287 | 0.18% | (88) | 42,199 | |
| 6 | 821 | Purification expenses | 18,557 | 0.08% | (39) | 18,518 | |
| 7 | 834 | Maintenance of compressor station equipment | 802,103 | 3.49% | (1,664) | 800,439 | |
| 8 | 835 | Maintenance of measuring and regulating station equipment | 12,024 | 0.05% | (25) | 11,999 | |
| 9 | 836 | Maintenance of purification equipment | 43,208 | 0.19% | (90) | 43,119 | \$ 3,167,132 |
| 10 | 850 | Operation supervision and engineering | 294,957 | 1.28% | (612) | 294,345 | |
| 11 | 851 | System control and load dispatching | 1,705,351 | 7.42% | (3,538) | 1,701,813 | |
| 12 | 852 | Communication system expenses | 741,896 | 3.23% | (1,539) | 740,357 | |
| 13 | 853 | Compressor station labor and expenses | 523,011 | 2.28% | (1,085) | 521,926 | |
| 14 | 856 | Mains expenses | 10,676,281 | 46.46% | (22,151) | 10,654,130 | |
| 15 | 857 | Measuring and regulating station expenses | 1,206,085 | 5.25% | (2,502) | 1,203,583 | |
| 16 | 859 | Other expenses | (70) | 0.00% | 0 | (70) | |
| 17 | 863 | Maintenance of mains | 529,306 | 2.30% | (1,098) | 528,208 | |
| 18 | 864 | Maintenance of compressor station equipment | 361,968 | 1.58% | (751) | 361,217 | |
| 19 | 865 | Maintenance of measuring and regulating station equipment | 133,425 | 0.58% | (277) | 133,148 | |
| 20 | 866 | Maintenance of communication equipment | 100,904 | 0.44% | (209) | 100,695 | |
| 21 | 867 | Maintenance of other equipment | 253 | 0.00% | (1) | 252 | 16,239,605 |
| 22 | 910 | Miscellaneous customer service and informational expenses | 1,182,308 | 5.15% | (2,453) | 1,179,855 | |
| 23 | 916 | Miscellaneous sales expenses | 1,272,794 | 5.54% | (2,641) | 1,270,153 | |
| 24 | 920 | Administrative and general salaries | 1,077,060 | 4.69% | (2,235) | 1,074,826 | |
| 25 | | Totals (Sum of Ln 1 through Ln 24) | \$ 22,979,248 | 100.00% | \$ (47,678) | \$ 22,931,570 | \$ 19,406,736 |

Note:

1. Column (g) has been added to link the total of certain FERC accounts to the Class Cost of Service Study, Schedule H-1. Column (g), Line 9 is the sum of Column (f) FERC Accounts 814 through 836; Column (g), Line 21 is the sum of Column (f) FERC Accounts 850 through 867. Column (f) FERC Accounts 910 through 920 are not included in the total in Column (g), Line 25; therefore, Column (g), Line 25 does not equal Column (f), Line 25.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
MEDICAL AND DENTAL BENEFITS ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Shared Services | Mid-Tex Direct | APT Direct | Total Adjustment |
|----------|---|-----------------|----------------|-------------|-----------------------|
| | (a) | (b) | (c) | (d) | (e) = (b) + (c) + (d) |
| 1 | Test Year Ended Cost per Average Number of Employees (1) | \$ 12,245 | \$ 12,245 | \$ 12,245 | |
| 2 | | | | | |
| 3 | Adjustment | 971 | 1,704 | 62 | |
| 4 | | | | | |
| 5 | Sub-Total (Ln 1 x Ln 3) | \$ 11,890,100 | \$ 20,865,840 | \$ 759,203 | |
| 6 | | | | | |
| 7 | Test Year Medical and Dental Cost | 12,013,449 | 20,364,208 | 779,037 | |
| 8 | | | | | |
| 9 | Medical and Dental Cost Adjustment (Ln 5 - Ln 7) | \$ (123,349) | \$ 501,632 | \$ (19,834) | |
| 10 | | | | | |
| 11 | Allocation Factor (3) | 20.84% | 28.73% | 80.21% | |
| 12 | | | | | |
| 13 | Allocated Medical and Dental Cost Adjustment (Ln 9 x Ln 11) | \$ (25,706) | \$ 144,128 | \$ (15,909) | |
| 14 | | | | | |
| 15 | Labor Expense Factor (3) | 71.08% | 38.31% | 60.20% | |
| 16 | | | | | |
| 17 | Test Year Medical and Dental Expense Adjustment (Ln 13 x Ln 15) | \$ (18,272) | \$ 55,211 | \$ (9,576) | \$ 27,363 |
| 18 | | | | | |
| 19 | Adjustment Summary: | | | | |
| 20 | Account 922 | \$ (18,272) | \$ - | \$ - | \$ (18,272) |
| 21 | Account 926 | - | 55,211 | (9,576) | 45,635 |
| 22 | Total (Ln 20 + Ln 21) | \$ (18,272) | \$ 55,211 | \$ (9,576) | \$ 27,363 |

24 Notes:

- 25 1. The cost per average employee includes an adjustment to normalize the stop loss premium for 2016 and to include the 2017 premium increase.
- 26 2. SSU amounts exclude cost centers which do not allocate to the Atmos Pipeline - Texas for ratemaking purposes.
- 27 3. Shared Services based upon FY17 factors, as adjusted for the four-factor formula including Operating Income and excluding Atmos Energy Marketing. Mid-Tex and APT factors are based upon actual test year ratios.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS PLAN ADJUSTMENTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Shared Services | | Mid-Tex Direct | | APT Direct | | | Adjustment Total |
|----------|---|----------------------|------------------------------|----------------------|------------------------------|----------------------|-------------------------------------|------------------------------|------------------|
| | | Pension Account Plan | Post-employment Benefit Plan | Pension Account Plan | Post-employment Benefit Plan | Pension Account Plan | Supplemental Executive Benefit Plan | Post-employment Benefit Plan | |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| 1 | Proposed Benefits Benchmark - FY 2017 Willis Towers Watson Report (1) (4) | \$ 4,606,679 | \$ 2,636,253 | \$ 8,234,627 | \$ 4,375,142 | \$ 557,272 | \$ 323,031 | \$ (321,986) | |
| 2 | Adjustment | 71.08% | 71.08% | 38.31% | 38.31% | 60.20% | 100.00% | 60.20% | |
| 3 | Proposed Benefits Benchmark - Expense (Ln 1 x Ln 2) | \$ 3,274,413 | \$ 1,873,840 | \$ 3,154,445 | \$ 1,675,989 | \$ 335,451 | \$ 323,031 | \$ (193,820) | |
| 4 | Allocation Factor (2) (3) | 20.84% | 20.84% | 28.73% | 28.73% | 100.00% | 100.00% | 100.00% | |
| 5 | Allocated Proposed Benefits Benchmark Expense (Ln 3 times Ln 4) | \$ 682,388 | \$ 390,508 | \$ 906,331 | \$ 481,543 | \$ 335,451 | \$ 323,031 | \$ (193,820) | \$ 2,925,432 |
| 6 | | | | | | | | | |
| 7 | Current Benefits O&M Benchmark, GUD 10000 (5) | \$ 283,066 | \$ 290,595 | \$ 957,920 | \$ 1,114,069 | \$ 278,033 | \$ 280,760 | \$ 298,130 | \$ 3,502,572 |
| 8 | | | | | | | | | |
| 9 | Test Year Adjustment (Ln 5 - Ln 7) | \$ 399,321 | \$ 99,914 | \$ (51,589) | \$ (632,526) | \$ 57,419 | \$ 42,271 | \$ (491,950) | \$ (577,140) |
| 10 | | | | | | | | | |
| 11 | Adjustment Summary: | | | | | | | | |
| 12 | | | | | | | | | |
| 13 | Account 922 | \$ 399,321 | \$ 99,914 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 499,235 |
| 14 | Account 926 | - | - | (51,589) | (632,526) | 57,419 | 42,271 | (491,950) | (1,076,375) |
| 15 | Total (Ln 13 + Ln 14) | \$ 399,321 | \$ 99,914 | \$ (51,589) | \$ (632,526) | \$ 57,419 | \$ 42,271 | \$ (491,950) | \$ (577,140) |

Notes:

1. Studies not applicable to APT, Mid-Tex, and Shared Services are omitted.
2. Shared Services' ratios are based upon FY17 factors, as adjusted for the four-factor method including Operating Income, and excluding Atmos Energy Marketing. APT and Mid-Tex factors are based upon actual test year ratios.
3. Mid-Tex Division does not allocate SEBP expense to APT.
4. SSU amounts exclude cost centers which do not allocate to APT for ratemaking purposes.
5. The current benchmark is calculated per TEX. UTIL. CODE § 104.059. The amounts are per GUD No. 10000, Final Order Schedule F-2.3.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS PLAN FOR APPROVAL
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Shared Services | | Mid-Tex Direct | | APT Direct | | | Adjustment Total |
|----------|---|----------------------|------------------------------|----------------------|------------------------------|----------------------|-------------------------------------|------------------------------|------------------|
| | | Pension Account Plan | Post-employment Benefit Plan | Pension Account Plan | Post-employment Benefit Plan | Pension Account Plan | Supplemental Executive Benefit Plan | Post-employment Benefit Plan | |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| 1 | Proposed Benefits Benchmark - FY 2017 Willis Towers Watson Report | \$ 4,606,679 | \$ 2,636,253 | \$ 8,234,627 | \$ 4,375,142 | \$ 557,272 | \$ 323,031 | \$ (321,986) | |
| 2 | Adjustment | 20.84% | 20.84% | 28.73% | 28.73% | 100.00% | 100.00% | 100.00% | |
| 3 | Proposed Benefits Benchmark Costs (Excluding Removed Cost Centers) | | | | | | | | |
| 4 | Allocated to APT (Ln 1 x Ln 2) | \$ 960,032 | \$ 549,395 | \$ 2,365,962 | \$ 1,257,060 | \$ 557,272 | \$ 323,031 | \$ (321,986) | |
| 5 | O&M and Capital Factor | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | |
| 6 | Proposed Benefits Benchmark Costs To Approve (Excluding Removed Cost Centers) (Ln 3 x Ln 4) | \$ 960,032 | \$ 549,395 | \$ 2,365,962 | \$ 1,257,060 | \$ 557,272 | \$ 323,031 | \$ (321,986) | \$ 5,690,766 |
| 7 | | | | | | | | | |
| 8 | Summary of Expense Costs to Approve: | | | | | | | | |
| 9 | | | | | | | | | |
| 10 | | | | | | | | | |
| 11 | O&M Expense Factor (WP_F-2.3, Ln 2) | 71.08% | 71.08% | 38.31% | 38.31% | 60.20% | 100.00% | 60.20% | |
| 12 | | | | | | | | | |
| 13 | Total Pension Account Plan | \$ 682,388 | | \$ 906,331 | | \$ 335,451 | | | \$ 1,924,170 |
| 14 | Total Post-Retirement Medical Plan | | \$ 390,508 | | \$ 481,543 | | | \$ (193,820) | 678,231 |
| 15 | Total Supplemental Executive Benefit Plan | | | | | | \$ 323,031 | | 323,031 |
| 16 | Total (Ln 13 + Ln 14 + Ln 15) | \$ 682,388 | \$ 390,508 | \$ 906,331 | \$ 481,543 | \$ 335,451 | \$ 323,031 | \$ (193,820) | \$ 2,925,432 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
PROPERTY INSURANCE ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Shared Services | APT | Total Adjustment |
|----------|--|-----------------|--------------|------------------|
| | (a) | (b) | (c) | (d) = (b) + (c) |
| 1 | <u>Premium Adjustment:</u> | | | |
| 2 | Annual Premium - Current Policy (TME March 2017) (1) | \$ 158,719 | \$ 1,744,253 | |
| 3 | Adjustment | 160,271 | 1,615,226 | |
| 4 | Subtotal (Ln 2 - Ln 3) | \$ (1,552) | \$ 129,027 | |
| 5 | Allocation Factor (2) | 20.84% | 100.00% | |
| 6 | Allocated Total Adjustment (Ln 4 x Ln 5) | \$ (323) | \$ 129,027 | |
| 7 | O&M Expense Factor (2) | 26.26% | 25.62% | |
| 8 | Premium Adjustment (Ln 6 times Ln 7) | \$ (85) | \$ 33,055 | \$ 32,970 |
| 9 | | | | |
| 10 | <u>Adjustment Summary:</u> | | | |
| 11 | Account 922 | \$ (85) | \$ - | \$ (85) |
| 12 | Account 924 | - | 33,055 | 33,055 |
| 13 | Total (Ln. 11+ Ln. 12) | \$ (85) | \$ 33,055 | \$ 32,970 |
| 14 | | | | |
| 15 | <u>Notes:</u> | | | |
| 16 | 1. The premium amounts include 4.85% tax per TEX. INS. CODE § 226.003 (a). | | | |
| 17 | 2. SSU General Office factors are based upon Cost Center 1915, adjusted to the four-factor formula including Operating Income, and excluding Atmos Energy Marketing. APT factors are based upon actual test year ratios. | | | |

**ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
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TEST YEAR ENDING SEPTEMBER 30, 2016**

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ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
EMPLOYEE EXPENSE ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Shared Services - Customer Support (1) | Shared Services - General Office | APT Direct | Total Adjustment |
|----------|---|---|-------------------------------------|---------------|------------------|
| | (a) | (b) | (c) | (d) | (e) |
| 1 | <u>Twelve Months Ended September 30, 2016:</u> | | | | |
| 2 | Employee Expense Adjustment | \$ 168,422 | \$ 297,945 | \$ 264,468 | |
| 3 | Adjustment | 0.00% | 20.84% | 100.00% | |
| 4 | | | | | |
| 5 | Allocated Employee Expense Totals (Ln 2 x Ln 3) | \$ - | \$ 62,092 | \$ 264,468 | |
| 6 | O&M Expense Factor (2) (3) | 0.00% | 71.08% | 100.00% | |
| 7 | | | | | |
| 8 | Total O&M Expense Adjustment (Ln 5 x Ln 6) | \$ - | \$ 44,135 | \$ 264,468 | \$ 308,602 |
| 9 | | | | | |
| 10 | Adjustment Summary by Account: | | | | |
| 11 | Account 922 | \$ - | \$ (44,135) | \$ - | \$ (44,135) |
| 12 | Account 930.2 | - | - | (264,468) | (264,468) |
| 13 | Totals (Ln 11 + Ln 12) | \$ - | \$ (44,135) | \$ (264,468) | \$ (308,602) |

16 Notes:

- 17 1. Shared Services - Customer Support does not provide services to APT; therefore no adjustment is allocated.
- 18 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.
- 19 3. APT costs are directly charged and not allocated.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SHARED SERVICES ("SSU") SERVICE LEVEL FACTORS ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description (1) | Per Book | | | FY 2017 | | Allocation Factor (2) | Total | SSU Allocated to Capital | Expense Allocated to APT |
|----------|---|-----------------|---------------------|-----------------------|---------------------------------|-------------------------------------|-----------------------|-----------------|--------------------------|--------------------------|
| | | SSU O&M (Labor) | SSU O&M (Non-Labor) | Total SSU O&M Expense | Capitalization Rate (Labor Exp) | Capitalization Rate (Non-Labor Exp) | | | | |
| | (a) | (b) | (c) | (d) = (b) + (c) | (e) | (f) | (g) | (h) = (d) * (g) | (i) = (b*e*g) + (c*f*g) | (j) = (h) - (i) |
| 1 | 1001 SS Dallas President and COO | \$ 529,654 | \$ 1,285,083 | \$ 1,814,737 | 73.74% | 73.74% | 20.84% | \$ 378,191 | \$ 278,867 | \$ 99,324 |
| 2 | djustme SS Dallas Chief Financial Officer | 506,677 | 1,057,461 | 1,564,138 | 73.74% | 73.74% | 20.84% | 325,966 | 240,358 | 85,608 |
| 3 | 1105 SS Dallas Audit | - | 4,682,407 | 4,682,407 | 0.00% | 0.00% | 20.84% | 975,814 | - | 975,814 |
| 4 | 1106 SS Dallas Treasurer | 415,731 | 552,582 | 968,313 | 77.15% | 77.15% | 20.84% | 201,796 | 155,681 | 46,116 |
| 5 | 1107 SS Dallas Treasury | 437,225 | 951,643 | 1,388,868 | 73.74% | 73.74% | 20.84% | 289,440 | 213,425 | 76,016 |
| 6 | 1108 SS Dallas Risk Management | 395,558 | 311,217 | 706,775 | 80.00% | 80.00% | 20.84% | 147,292 | 117,834 | 29,458 |
| 7 | 1110 SS Dallas Procurement | 103,744 | 104,651 | 208,395 | 46.64% | 46.64% | 21.09% | 43,950 | 20,500 | 23,451 |
| 8 | 1112 SS Dallas Mail & Supply | 121,107 | 367,829 | 488,936 | 15.73% | 17.50% | 21.09% | 103,117 | 17,594 | 85,522 |
| 9 | 1114 SS Dallas Vice Pres & Controller | 351,803 | 411,899 | 763,702 | 29.34% | 29.34% | 20.84% | 159,155 | 46,696 | 112,460 |
| 10 | 1116 SS Dallas Taxation | 212,454 | 764,713 | 977,167 | 2.37% | 2.37% | 20.84% | 203,642 | 4,833 | 198,808 |
| 11 | 1117 SS Dallas Acctg Services | 299,522 | 210,931 | 510,453 | 65.19% | 65.19% | 20.84% | 106,378 | 69,351 | 37,028 |
| 12 | 1118 SS Dallas Supply Chain | 417,748 | 299,388 | 717,136 | 46.51% | 46.51% | 21.09% | 151,244 | 70,336 | 80,907 |
| 13 | 1119 SS Dallas General Accounting | 441,384 | 269,260 | 710,644 | 73.74% | 73.74% | 20.84% | 148,098 | 109,203 | 38,895 |
| 14 | 1120 SS Dallas Accounts Payable | 473,004 | 300,093 | 773,097 | 31.54% | 31.54% | 20.84% | 161,113 | 50,817 | 110,297 |
| 15 | 1121 SS Dallas Plant Accounting | 605,281 | 356,590 | 961,871 | 91.20% | 91.20% | 20.84% | 200,454 | 182,819 | 17,635 |
| 16 | 1123 SS Dallas Gas Accounting | 247,139 | 217,215 | 464,353 | 0.00% | 0.00% | 20.92% | 97,143 | - | 97,143 |
| 17 | 1125 SS Dallas Financial Reporting | 809,035 | 755,277 | 1,564,311 | 0.00% | 0.00% | 20.84% | 326,003 | - | 326,003 |
| 18 | 1126 SS Dallas Payroll | 357,501 | 414,809 | 772,310 | 73.74% | 73.74% | 20.84% | 160,949 | 118,679 | 42,270 |
| 19 | 1128 SS Dallas Property & Sales Tax | 1,223,144 | 1,400,894 | 2,624,038 | 2.50% | 2.50% | 20.84% | 546,849 | 13,671 | 533,178 |
| 20 | 1129 SS Dallas Income Tax | 438,723 | 469,236 | 907,960 | 2.00% | 2.00% | 20.84% | 189,219 | 3,784 | 185,434 |
| 21 | 1130 SS Dallas Business Planning and Analysis | 727,864 | 448,323 | 1,176,187 | 56.60% | 56.60% | 20.84% | 245,117 | 138,726 | 106,391 |
| 22 | 1131 SS Dallas Media Relations | 130,425 | 95,525 | 225,950 | 0.00% | 0.00% | 21.09% | 47,653 | - | 47,653 |
| 23 | 1132 SS Dallas Investor Relations (5) | 332,649 | 688,282 | 1,020,931 | 0.00% | 0.00% | 0.00% | - | - | - |
| 24 | 1133 SS Dallas Corporate Communications | 745,721 | 1,483,137 | 2,228,858 | 0.00% | 0.00% | 20.84% | 464,494 | - | 464,494 |
| 25 | 1134 SS Dallas IT | 1,345,597 | 1,428,574 | 2,774,172 | 38.57% | 38.57% | 20.84% | 578,137 | 222,996 | 355,142 |
| 26 | 1135 SS Dallas IT E&O, Corporate Systems | 1,831,640 | 5,316,447 | 7,148,087 | 23.12% | 33.50% | 20.84% | 1,489,661 | 459,420 | 1,030,241 |
| 27 | 1137 SS Dal-IT Engineering & Operations | 3,392,841 | 10,893,256 | 14,286,097 | 24.96% | 36.71% | 20.84% | 2,977,223 | 1,009,877 | 1,967,346 |
| 28 | 1141 SS Dallas Gas Purchase Accounting | 492,741 | 210,137 | 702,878 | 0.00% | 0.00% | 0.00% | - | - | - |
| 29 | 1144 SS Dallas Rate Administration | 693,863 | 310,333 | 1,004,196 | 0.00% | 0.00% | 0.00% | - | - | - |
| 30 | 1145 SS Dallas Revenue Accounting | 266,034 | 161,852 | 427,886 | 0.00% | 0.00% | 0.00% | - | - | - |
| 31 | 1150 SS Dallas Strategic Planning | 400,734 | 601,880 | 1,002,614 | 55.56% | 55.56% | 20.84% | 208,945 | 116,080 | 92,864 |
| 32 | 1153 SS Dallas Distribution Acctg | 613,642 | 284,860 | 898,501 | 0.00% | 0.00% | 0.00% | - | - | - |
| 33 | 1154 SS Dallas Rates & Regulatory | 1,496,541 | 1,240,738 | 2,737,279 | 74.97% | 74.97% | 21.09% | 577,292 | 432,810 | 144,482 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SHARED SERVICES ("SSU") SERVICE LEVEL FACTORS ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description (1) | Per Book | | | FY 2017 | | Allocation Factor (2) | Total | SSU Allocated to Capital | Expense Allocated to APT |
|----------|---|-----------------|---------------------|-----------------------|---------------------------------|-------------------------------------|-----------------------|-----------------|--------------------------|--------------------------|
| | | SSU O&M (Labor) | SSU O&M (Non-Labor) | Total SSU O&M Expense | Capitalization Rate (Labor Exp) | Capitalization Rate (Non-Labor Exp) | | | | |
| | (a) | (b) | (c) | (d) = (b) + (c) | (e) | (f) | (g) | (h) = (d) * (g) | (i) = (b*e*g) + (c*f*g) | (j) = (h) - (i) |
| 34 | 1155 SS Dallas Texas Gas Pipeline Accounting | 84,872 | 39,387 | 124,259 | 0.00% | 0.00% | 97.21% | 120,792 | - | 120,792 |
| 35 | 1156 SS Dal-IT Customer Services Systems | 2,175,341 | 4,503,029 | 6,678,370 | 12.27% | 28.48% | 0.00% | - | - | - |
| 36 | 1158 SS CCC IT Support | - | 2,220,284 | 2,220,284 | 0.00% | 0.00% | 0.00% | - | - | - |
| 37 | 1159 SS Dallas Director Technical Training | 343,646 | 1,831,494 | 2,175,140 | 0.00% | 0.00% | 20.84% | 453,299 | - | 453,299 |
| 38 | 1161 SS Dallas Benefits and Payroll Accounting | 366,804 | 135,961 | 502,765 | 73.74% | 73.74% | 20.84% | 104,776 | 77,259 | 27,517 |
| 39 | 1164 SS Dallas IT Security | 865,631 | 2,174,546 | 3,040,177 | 17.00% | 17.00% | 20.84% | 633,573 | 107,707 | 525,866 |
| 40 | 1167 SS Dal-IT Enterprise Architecture | 448,537 | 193,639 | 642,176 | 20.00% | 60.00% | 21.09% | 135,435 | 43,422 | 92,013 |
| 41 | 1171 SS Regulatory Accounting Services | 172,233 | 69,808 | 242,041 | 74.97% | 74.97% | 21.09% | 51,046 | 38,271 | 12,776 |
| 42 | 1201 SS Dallas President & CEO | 1,063,037 | 3,564,895 | 4,627,932 | 73.74% | 73.74% | 20.84% | 964,461 | 711,165 | 253,296 |
| 43 | 1205 SS Dallas SVP Utility Operations | 371,529 | 758,203 | 1,129,732 | 12.02% | 16.69% | 20.84% | 235,436 | 35,672 | 199,764 |
| 44 | 1209 SS Dallas Safety & Compliance | 343,132 | 1,228,492 | 1,571,625 | 0.00% | 0.00% | 21.09% | 331,456 | - | 331,456 |
| 45 | 1212 SS CSC-Customer Contact Management | 13,926,455 | 7,861,101 | 21,787,556 | 20.86% | 20.86% | 0.00% | - | - | - |
| 46 | 1213 SS Dallas Quality Assurance | 518,351 | 179,868 | 698,219 | 0.00% | 0.00% | 0.00% | - | - | - |
| 47 | 1214 SS Dallas Workforce Management | 539,040 | 237,128 | 776,168 | 0.00% | 0.00% | 0.00% | - | - | - |
| 48 | 1215 SS Dispatch Operations | 4,068,368 | 1,711,946 | 5,780,314 | 0.00% | 0.00% | 0.00% | - | - | - |
| 49 | 1216 SS Dallas CSO Training & Knowledge Manag | 830,193 | 410,670 | 1,240,864 | 0.00% | 0.00% | 0.00% | - | - | - |
| 50 | 1224 SS Dallas CSO Human Resources | 486,757 | 999,523 | 1,486,280 | 0.00% | 0.00% | 0.00% | - | - | - |
| 51 | 1226 SS Dallas Customer Service (7) | 1,110,527 | 2,180,625 | 3,291,152 | 2.43% | 18.32% | 0.00% | - | - | - |
| 52 | 1227 SS Dallas Business Processes & Change Management (7) | 1,996,816 | 1,458,212 | 3,455,028 | 3.90% | 22.93% | 21.09% | 728,665 | 86,919 | 641,746 |
| 53 | 1228 SS Dallas Customer Revenue Management | 7,971,621 | 3,910,348 | 11,881,969 | 0.00% | 0.00% | 0.00% | - | - | - |
| 54 | 1229 SS Dallas Pipeline Safety | 638,850 | 794,883 | 1,433,732 | 30.00% | 30.00% | 21.09% | 302,374 | 90,712 | 211,662 |
| 55 | 1401 SS Dallas Employment & Employee Relations | 544,249 | 562,021 | 1,106,270 | 0.00% | 0.00% | 20.84% | 230,547 | - | 230,547 |
| 56 | 1402 SS Dallas Executive Compensation | - | 465,021 | 465,021 | 0.00% | 0.00% | 20.84% | 96,910 | - | 96,910 |
| 57 | 1403 SS Dallas Human Resources - Vice Pres | 578,599 | 467,267 | 1,045,865 | 0.00% | 0.00% | 20.84% | 217,958 | - | 217,958 |
| 58 | 1405 SS Dallas Compensation & Benefits | 611,813 | 528,558 | 1,140,371 | 0.00% | 0.00% | 20.84% | 237,653 | - | 237,653 |
| 59 | 1407 SS Dallas Facilities | 610,860 | 1,058,689 | 1,669,549 | 29.28% | 29.28% | 20.84% | 347,934 | 101,890 | 246,044 |
| 60 | 1408 SS Dallas Employee Development | 807,017 | 1,097,204 | 1,904,220 | 0.00% | 0.00% | 20.84% | 396,840 | - | 396,840 |
| 61 | 1414 SS Tech Training Delivery | 836,910 | 1,535,579 | 2,372,489 | 0.00% | 0.00% | 21.09% | 500,358 | - | 500,358 |
| 62 | 1415 SS Tech Training Prog & Curriculum | 187,432 | 71,799 | 259,232 | 0.00% | 0.00% | 21.09% | 54,672 | - | 54,672 |
| 63 | 1416 SS Dallas Compensation & HRMS | 779,236 | 578,255 | 1,357,491 | 0.00% | 0.00% | 20.84% | 282,901 | - | 282,901 |
| 64 | 1420 SS Dallas EAPC | - | 68,139 | 68,139 | 0.00% | 0.00% | 20.84% | 14,200 | - | 14,200 |
| 65 | 1463 SS HR Benefit Variance | - | (612,890) | (612,890) | 15.73% | 17.50% | 20.84% | (127,726) | (22,353) | (105,374) |
| 66 | 1501 SS Corporate Legal | 2,785,770 | 2,799,501 | 5,585,271 | 52.29% | 52.29% | 20.84% | 1,163,970 | 608,624 | 555,347 |

GUD No. 10580

FINAL ORDER

Date Issued: August 1, 2017

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SHARED SERVICES ("SSU") SERVICE LEVEL FACTORS ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description (1) | Per Book | | | FY 2017 | | Allocation Factor (2) | Total | SSU Allocated to Capital | Expense Allocated to APT |
|----------|--|-----------------|---------------------|-----------------------|---------------------------------|-------------------------------------|-----------------------|-----------------|--------------------------|--------------------------|
| | | SSU O&M (Labor) | SSU O&M (Non-Labor) | Total SSU O&M Expense | Capitalization Rate (Labor Exp) | Capitalization Rate (Non-Labor Exp) | | | | |
| | (a) | (b) | (c) | (d) = (b) + (c) | (e) | (f) | (g) | (h) = (d) * (g) | (i) = (b*e*g) + (c*f*g) | (j) = (h) - (i) |
| 67 | 1502 SS Corporate Secretary | - | 1,440,659 | 1,440,659 | 0.00% | 0.00% | 20.84% | 300,233 | - | 300,233 |
| 68 | 1503 SS Corporate Governmental Affairs | 360,719 | 392,568 | 753,288 | 0.00% | 0.00% | 21.09% | 158,868 | - | 158,868 |
| 69 | 1504 SS Corporate Central Records | 192,447 | 495,155 | 687,602 | 73.74% | 73.74% | 21.09% | 145,015 | 106,930 | 38,085 |
| 70 | 1505 SS Corporate Gas Contract Administration | 133,262 | 68,759 | 202,022 | 0.00% | 0.00% | 21.09% | 42,606 | - | 42,606 |
| 71 | 1508 SS Corporate Energy Assistance | 462,140 | 390,831 | 852,971 | 0.00% | 0.00% | 0.00% | - | - | - |
| 72 | 1821 SS Gas Supply Executive | 349,313 | 503,647 | 852,959 | 0.00% | 0.00% | 20.92% | 178,439 | - | 178,439 |
| 73 | 1822 SS Dallas-Regional Gas Supply | 246,719 | 128,343 | 375,062 | 0.00% | 0.00% | 0.00% | - | - | - |
| 74 | 1823 SS Dallas Gas Contract Admin | 355,621 | 170,823 | 526,443 | 0.00% | 0.00% | 0.00% | - | - | - |
| 75 | 1825 SS Franklin-Gas Control & Storage | 298,464 | 193,573 | 492,037 | 0.00% | 0.00% | 0.00% | - | - | - |
| 76 | 1826 SS New Orleans Gas Supply & Services | 187,203 | 312,493 | 499,696 | 0.00% | 0.00% | 0.00% | - | - | - |
| 77 | 1827 SS Regional Supply Planning | 423,365 | 303,276 | 726,641 | 0.00% | 0.00% | 0.00% | - | - | - |
| 78 | 1828 SS Jackson-West Region Gas Supply & Servi | 110,512 | 78,035 | 188,546 | 0.00% | 0.00% | 0.00% | - | - | - |
| 79 | 1829 SS Franklin-East Region Gas Supply & Servic | - | 38,887 | 38,887 | 0.00% | 0.00% | 0.00% | - | - | - |
| 80 | 1831 SS Dallas Gas Supply | - | 35,068 | 35,068 | 0.00% | 0.00% | 0.00% | - | - | - |
| 81 | 1833 SS Dallas-Corporate Gas Supply Risk Mgmt | 105,838 | 102,697 | 208,535 | 0.00% | 0.00% | 0.00% | - | - | - |
| 82 | 1835 SS Franklin Gas Control | 958,194 | 619,264 | 1,577,458 | 0.00% | 0.00% | 0.00% | - | - | - |
| 83 | 1836 SS TBS-System Support | 250,219 | 188,378 | 438,597 | 0.00% | 0.00% | 20.92% | 91,754 | - | 91,754 |
| 84 | 1837 SS TBS-Application Support | 688,867 | 280,332 | 969,199 | 0.00% | 0.00% | 20.92% | 202,756 | - | 202,756 |
| 85 | 1838 SS TBS-Technical Support | 573,232 | 330,358 | 903,591 | 0.00% | 0.00% | 20.92% | 189,031 | - | 189,031 |
| 86 | 1839 SS TBS-Transportation & Scheduling | 203,299 | 88,640 | 291,939 | 0.00% | 0.00% | 20.92% | 61,074 | - | 61,074 |
| 87 | 1901 SS Dallas Employee Relocation Exp (Div 02) | 83,695 | 85,275 | 168,970 | 0.00% | 0.00% | 20.84% | 35,213 | - | 35,213 |
| 88 | 1901 SS Dallas Employee Relocation Exp (Div 12) | 14,624 | 5,060 | 19,683 | 0.00% | 0.00% | 0.00% | - | - | - |
| 89 | 1903 SS Dallas Controller - Miscellaneous (3) | - | - | - | 0.00% | 0.00% | 0.00% | - | - | - |
| 90 | 1904 SS Dallas Performance Plan (5) | - | 12,362,821 | 12,362,821 | 30.50% | 30.50% | 0.00% | - | - | - |
| 91 | 1905 SS Outside Director Retirement Cost | - | 2,929,886 | 2,929,886 | 0.00% | 0.00% | 20.84% | 610,588 | - | 610,588 |
| 92 | 1908 SS Dallas SEBP (5) | - | 5,156,431 | 5,156,431 | 0.00% | 73.74% | 0.00% | - | - | - |
| 93 | 1910 SS Dallas Overhead Capitalized (4) | - | (56,473,030) | (56,473,030) | 0.00% | 0.00% | 0.00% | - | - | - |
| 94 | 1913 SS Dallas Fleet and Corporate Sourcing (6) | 541,269 | 171,446 | 712,715 | 46.75% | 46.75% | 21.09% | 150,312 | 70,270 | 80,041 |
| 95 | 1915 SS Dallas Insurance | - | 19,701,748 | 19,701,748 | 0.00% | 73.74% | 20.84% | 4,105,844 | 3,027,529 | 1,078,316 |
| 96 | 1953 SS Dallas Enterprise Team Meeting | - | 69,934 | 69,934 | 0.00% | 0.00% | 20.84% | 14,574 | - | 14,574 |
| 97 | 1954 SS Dallas Culture Council | - | 2,500 | 2,500 | 0.00% | 0.00% | 20.84% | 521 | - | 521 |
| 98 | | | | | | | | | | |
| 99 | Total (Sum of Ln 1 through Ln 97) | \$ 73,459,351 | \$73,603,561 | ##### | | | | \$25,268,699 | \$ 9,178,376 | \$ 16,090,323 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SHARED SERVICES ("SSU") SERVICE LEVEL FACTORS ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description (1) | Per Book | | | FY 2017 | | Allocation Factor (2) | Total | SSU Allocated to Capital (i) = (b*e*g) + (c*f*g) | Expense Allocated to APT (j) = (h) - (i) |
|----------|--|-----------------|---------------------|--|--|--|-----------------------|-----------------|---|---|
| | | SSU O&M (Labor) | SSU O&M (Non-Labor) | Total SSU O&M Expense (d) = (b) + (c) | Capitalization Rate (Labor Exp) (e) | Capitalization Rate (Non-Labor Exp) (f) | | | | |
| | (a) | (b) | (c) | (d) = (b) + (c) | (e) | (f) | (g) | (h) = (d) * (g) | | |
| 100 | | | | | | | | | | |
| 101 | Allocated Shared Services O&M to APT | | | | | | | | | 14,883,550 |
| 102 | | | | | | | | | | |
| 103 | Total Adjustment to Account 922 (Ln 99 - Ln 101) | | | | | | | | | \$ 1,206,774 |
| 104 | | | | | | | | | | |

105 Notes:

- 106 1. See Schedule F-2.7.1 for cost center functions and SSU Division designations.
- 107 2. Based upon FY17 factors adjusted to the four-factor formula including Operating Income, and excluding Atmos Energy Marketing.
- 108 3. \$1,145,383 of Cost Center 1903 was not allocated during the test period.
- 109 4. The Total represents the amount that would be credited from Cost Center 1910.
- 110 5. The four-factor allocation factors were set to 0% for cost centers 1132, 1904, and 1908 to remove these costs from this filing and to align with the Final Order in GUD No. 9762, Finding of Fact Nos. 72, 76, and 78. and GUD No.
- 111 6. Cost Center 1913 includes \$50 recorded to Cost Center 1111. Please see relied file, "WP_F-2.7_FY16 SSU O&M Labor and Non-labor.xlsx" for details.
- 112 7. Eight employees moved from General Office Cost Center 1227 to Customer Support Cost Center 1226 in August 2016.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Division (1) | Cost Center/Description | Cost Center Function |
|----------|--------------|---|---|
| | (a) | (b) | (c) |
| 1 | 002 | 1001 SS Dallas President and COO | Costs associated with the President and Chief Operating Officer |
| 2 | 002 | 1101 SS Dallas Chief Financial Officer | Costs associated with the CFO |
| 3 | Adjustment | 1105 SS Dallas Audit | Costs associated with internal and external audit services. |
| 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 associated with purchasing and mail room activities |
| 8 | 002 | 1112 SS Dallas Mail & Supply | Costs associated with mail services at the Dallas corporate office |
| 9 | 002 | 1114 SS Dallas Vice Pres & Controller | Costs associated with the VP, Controller |
| 10 | 002 | 1116 SS Dallas Taxation | Costs associated with the VP, Tax |
| 11 | 002 | 1117 SS Dallas Acctg Services | Costs associated with management of General Accounting, Accounts Payable, Plant Accounting and Payroll departments |
| 12 | 002 | 1118 SS Dallas Supply Chain | Costs associated with management of products and services for Operations. |
| 13 | 002 | 1119 SS Dallas General Accounting | Costs associated with maintaining the general books and records of the Company |
| 14 | 002 | 1120 SS Dallas Accounts Payable | Costs associated with the processing and payment of the Company's bills |
| 15 | 002 | 1121 SS Dallas Plant Accounting | Costs associated with the recordkeeping for the Company's fixed assets |
| 16 | 002 | 1123 SS Dallas Gas Accounting | Costs associated with the management of utility margin accounting, utility rate administration, and Texas and Louisiana pipeline accounting. |
| 17 | 002 | 1125 SS Dallas Financial Reporting | Costs associated with the preparation and distribution of both internal and external reporting |
| 18 | 002 | 1126 SS Dallas Payroll | Costs associated with paying the Company's employees |
| 19 | 002 | 1128 SS Dallas Property & Sales Tax | Costs associated with the management and handling of the Company's property and sales tax activities |
| 20 | 002 | 1129 SS Dallas Income Tax | Costs associated with the processing of the Company's income taxes |
| 21 | 002 | 1130 SS Dallas Business Planning and Analysis | Costs associated with the planning and budgeting activities of the Company |
| 22 | 002 | 1131 SS Dallas Media Relations | Costs associated with communicating customer service and safety messages to the media, business and industry leaders. Costs associated with crisis communications functions including training staff on media relations, interviews, press conferences, and press queries to better inform the public and our customers in a crisis. Costs associated with video creation and dissemination to the public to educate customers and stakeholders on the environmental and safe and reliable benefits of natural gas. |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Division (1) | Cost Center/Description | Cost Center Function |
|----------|--------------|--|--|
| | (a) | (b) | (c) |
| 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 trade 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.) Prepare and provide all operating divisions, treasurer, risk management, and all SSU departments with a comprehensive presentation explaining the strategy, financial performance, rate and regulatory strategy, etc. to use as a communication tool for all stakeholders. 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> |
| 24 | 002 | 1133 SS Dallas 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, and the direct reports to the CIO. |
| 26 | 002 | 1135 SS Dallas IT E&O, Corporate Systems | Costs associated with the maintenance and support of the Company's information systems (software) |
| 27 | 002 | 1137 SS Dal-IT Engineering & Operations | <p>Costs associated with the maintenance and support of the Company's data center. Operational services include -</p> <ul style="list-style-type: none"> • IT Systems and network engineering • Service desk • Desktop support • Hardware and software maintenance for infrastructure items • Support and administration of our database and SAP Basis environments • The IT Quality Assurance (testing) processes |
| 28 | 002 | 1141 SS Dallas Gas Purchase Accounting | Costs associated with the accounting for the utility's distribution 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 distribution gross margin. |
| 31 | 002 | 1150 SS Dallas Strategic Planning | Costs associated with the VP, Strategic Planning who manages Business Planning & Analysis and Rates & Regulatory Affairs. |
| 32 | 002 | 1153 SS Dallas Distribution Acctg | Costs associated with the accounting for the utility's distribution revenues. |
| 33 | 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' eight 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 base rate case filings or formula mechanisms to manage in order to effect rate changes in its various jurisdictions as well as monthly, quarterly and annual reports to meet reporting requirements. |
| 34 | 002 | 1155 SS Dallas Texas Gas Pipeline Acctg | Costs associated with accounting for the Texas and Louisiana gas pipeline systems. |
| 35 | 012 | 1156 SS Dal-IT Customer Services Systems | Costs associated with developing and supporting Customer Service technologies. Also includes development and support of the interfaces between our internal systems and external vendors; and support and administration of our business intelligence / reporting environment. Costs include labor, software maintenance, and related expenses. |
| 36 | 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 hardware maintenance and software maintenance for call center equipment and software, and telephone access charges (not long distance). |
| 37 | 002 | 1159 SS Dallas VP of Workforce Development | Costs associated with the VP Workforce Development who oversees technical training and employee development activities across the enterprise. |
| 38 | 002 | 1161 SS Dallas Benefits & Payroll Acctg | Costs associated with management of payroll and benefits departments |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Division (1) | Cost Center/Description | Cost Center Function |
|----------|--------------|---|---|
| | (a) | (b) | (c) |
| 39 | 002 | 1164 SS Dallas IT Security | Costs associated with providing the strategic direction for Cyber Security in the organization. Also includes the costs related to providing telecommunications to the corporate office (lines, equipment, etc.), network operations center and security administration. |
| 40 | 002 | 1167 SS Dal-IT Enterprise Architecture | Costs associated with setting the strategic architecture for our information systems and infrastructure. Also includes the Project Management function. |
| 41 | 002 | 1171 SS Dallas Regulatory Accounting | Costs associated with regulatory accounting work on rate cases, special projects and other Commission requests as well as regulatory reporting to utility commissions, government and industry groups. This cost center was created to clearly identify personnel who devote their time to working on the regulatory accounting and reporting side of the business on rate cases, special projects, commission annual reports and other commission requests such as documenting the Company's cost allocation methodologies and capitalized overhead study. |
| 42 | 002 | 1201 SS Dallas Chief Executive Officer | Costs associated with the CEO |
| 43 | 002 | 1205 SS Dallas SVP Safety and Enterprise Services | Costs associated with the SVP Safety and Enterprise Services. |
| 44 | 002 | 1209 SS Dallas Safety & Compliance | Costs associated with safety compliance and security |
| 45 | 012 | 1212 SS CSC-Customer Contact Management | Costs associated with both the Waco and Amarillo Customer Support Centers. |
| 46 | 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. |
| 47 | 012 | 1214 SS Dallas Workforce Management | Costs associated with forecasting call volume and scheduling agents to ensure we have people available to answer calls |
| 48 | 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. |
| 49 | 012 | 1216 SS Dallas CSO Training & Knowledge Mgmt | Cost associated with the training of CSO employees. |
| 50 | 012 | 1224 SS Dallas CSO Human Resources | Costs associated with Human Resources in the Customer Service Organization. |
| 51 | 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 (excluding Human Resources which is included in CC1224) and Regulated Operations initiatives. CSO management provides support to the contact centers as well as other CSO departments. |
| 52 | 002 | 1227 SS Dallas Business Processes and Change Management | Define and implement business solutions and help employees understand, prepare for, and at on changes necessary to operate our business exceptionally well. |
| 53 | 012 | 1228 SS Dallas Customer Revenue Management | Costs associated with managing customer revenue functions of billing, payment applications and collections. This center provides day-to-day support and transaction processing for customers in all states served by Atmos. Also includes the outside vendor costs of bill printing, accepting payments and collection agency fees. |
| 54 | 002 | 1229 SS Dallas Pipeline Safety | Costs associated with the oversight of pipe replacement activities, pipeline safety, employee safety and technical training activities. |
| 55 | 002 | 1401 SS Dallas Employment & Employee Relations | Costs associated with recruiting, staffing and onboarding, as well as HR compliance processes, operations, audits, investigations and risk management. Purpose is to develop, implement and administer employment related activities including: employee relations, corporate compliance, AA/EEO plans and reporting, responses to regulatory and legal inquiries (EEOC, OFCCP, Drug and Alcohol, MVR's, Vets 100, etc.) selection, hiring and onboarding. Costs charged to this cost center include labor and related expenses, professional association dues, contract labor, legal fees and professional reference books. These costs are a necessary component in providing human resource services to our employees. |
| 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 Benefits | Costs associated with the management of the Company's benefit plans. The purpose is to ensure Atmos provides its employees the most cost effective benefit plans that are 1) competitive within the utility sector and general industry overall, and 2) consistently applied to all employees. Specifically, this cost center is accountable for: Group Medical Plan and Retiree Medical Plan; Group Dental Plan; Group Vision Plan; Wellness Plans (Compass, Advance Medical and Naturally Slim); Employee Assistance Plan; Group Life Insurance Plan; Optional Life Insurance Coverage (Group Variable Universal Life and Supplemental Term life for employee, dependent spouse and child(ren)); Flexible Benefits Plan; Health Savings Account; Business Travel & Accident Insurance; Service Awards Program; Defined Contribution Plan; Defined Benefit Plan; The Master Trust (holds assets of the defined benefit plan); Taxable and Tax Exempt VEBAs; Pension Payments to 1,500 retirees; Collection of Retiree Medical Contributions; Workers' Compensation; Neuromuscular Corporate Solutions; Group Long-Term Disability Plan; Short-Term Disability; Family Medical Leave; and Supplemental Benefits Plan (executive). |
| 59 | 002 | 1407 SS Dallas Facilities | Costs associated with the management of the Company's facilities (offices) |
| 60 | 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. |
| 61 | 002 | 1414 SS Tech Training Delivery | Costs associated with technical training delivery |
| 62 | 002 | 1415 SS Tech Training Prog & Curriculum | Costs associated with the technical training curriculum and program development |
| 63 | 002 | 1416 SS Dallas Compensation and HRMS | Costs associated with the management of the Company's compensation plans and maintenance of HR employee database. The purpose is to ensure Atmos provides its employees the most cost effective pay plans that are competitive within the utility and pipeline sector and general industry overall. Costs charged to this cost center include labor and related expenses, software maintenance, salary surveys, professional association dues and contract labor. These costs are a necessary component in providing human resources services to our employees. |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Division (1) | Cost Center/Description | Cost Center Function |
|----------|--------------|--|---|
| | (a) | (b) | (c) |
| 64 | 002 | 1420 SS Dallas EAPC | 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 Corporate Legal | Costs associated with the Corporate Legal department, which includes the SVP, General Counsel & Corporate Secretary |
| 67 | 002 | 1502 SS Dallas Corporate Secretary | Costs associated with the Board of Directors and shareholders. 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 Corporate Governmental Affairs | Costs associated with governmental relations |
| 69 | 002 | 1504 SS Corporate Records Management | Costs associated with the storage and maintenance of Company records |
| 70 | 002 | 1505 SS Corporate Gas Contract Administration | Costs associated with maintaining and administering the Company's gas contracts |
| 71 | 002 | 1508 SS Corporate Energy Assistance | Costs associated with planning, organizing, developing, monitoring and overseeing all aspects of the company's Energy Assistance and Customer Advocacy Program. |
| 72 | 002 | 1821 SS Gas Supply Executive | Costs associated with the VP, Gas Supply & Services |
| 73 | 002 | 1822 SS Dallas-Regional Gas Supply | Costs associated with the management of the Regional Supply department for West Texas and Mid-Tex. |
| 74 | 002 | 1823 SS Dallas Gas Contract Admin | Costs associated with maintaining and administering the Company's gas contracts for the entire utility operations. |
| 75 | 002 | 1825 SS Franklin-Gas Control & Storage | Costs associated with supporting Franklin Gas Control and Atmos Energy Storage Operations for all utility areas excluding Mid-Tex. |
| 76 | 002 | 1826 SS New Orleans Gas Supply & Services | Costs associated with the Director of all the Gas Supply, Planning & Hedging departments. |
| 77 | 002 | 1827 SS Regional Supply Planning | Costs associated with the management of the Gas Supply Planning department for all utility divisions. |
| 78 | 002 | 1828 SS Jackson-West Region Gas Supply & Services | Costs associated with the management of the Jackson Gas Supply and Services department which includes the regions of Mississippi, Louisiana, Colorado and Kansas. |
| 79 | 002 | 1829 SS Franklin-East Region Gas Supply & Services | Costs associated with the management of the Franklin Gas Supply and Services department which includes the regions of Kentucky, Tennessee and Virginia. |
| 80 | 002 | 1831 SS Dallas Gas Supply | Costs associated with the management of the Gas Supply department related to the Mid-Tex Division. |
| 81 | 002 | 1833 SS Dallas-Corporate Gas Supply Risk Mgmt | Costs associated with the management of the Company's hedging program. The timing of the fixed physical purchases, and support for fixed purchase plans are services provided by this cost center. |
| 82 | 002 | 1835 SS Franklin Gas Control | Costs associated with operating the gas control system in Franklin, Tennessee for all areas except Mid-Tex |
| 83 | 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. |
| 84 | 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. |
| 85 | 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. |
| 86 | 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. |
| 87 | 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. |
| 88 | 002 | 1903 SS Dallas Controller – Misc. | Used to accumulate costs which do not specifically relate to another Shared Services Cost Center |
| 89 | 002 | 1904 SS Dallas Performance Plan | Costs of the Management Incentive Plan ("MIP") and Variable Payment Plan ("VPP") for individuals in Shared Services 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. |

ATMOS ENERGY CORPORATION
 ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
 SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
 TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Division (1) | Cost Center/Description | Cost Center Function |
|----------|--------------|--|---|
| | (a) | (b) | (c) |
| 90 | 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 ASC 718 Compensation - Stock Compensation (formerly SFAS No. 123R)). 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. |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Division (1) | Cost Center/Description | Cost Center Function |
|----------|--------------|---|--|
| | (a) | (b) | (c) |
| 91 | 002 | 1908 SS Dallas SEBP | <p>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.</p> <p>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 (now ASC 715) 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.</p> <p>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.</p> |
| 92 | 002 | 1910 SS Corporate Overhead Capitalized | Represents the portion of Shared Services costs that are capitalized through the overhead pool throughout the year. Capitalization rates are based on estimated support of capital activities by each cost center. |
| 93 | 002 | 1913 SS Dallas Fleet and Corporate Sourcing | Costs associated with managing Atmos' vehicle fleet |
| 94 | 002 | 1915 SS Dallas Insurance | Used for booking insurance costs related to Shared Services. |
| 95 | 002 | 1953 SS Dallas Enterprise Team Meeting | Used to record expenses related to the Enterprise Team Meeting. |
| 96 | 002 | 1954 SS Dallas Culture Council | This cost center is used to record expenses related to the company's Culture Council. The purpose of the Culture Council is to sustain and strengthen a unified culture at Atmos Energy. The Culture Council is currently made up of leaders across the company that meet throughout the year to discuss and develop ways of sustaining and strengthening our company culture. |

Note:

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

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
MISCELLANEOUS ADJUSTMENTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Footnote Reference | FERC Account | Total Adjustment |
|----------|---|--------------------|--------------|--------------------------|
| | (a) | (b) | (c) | (d) |
| 1 | <u>APT - Direct</u> | | | |
| 2 | Employee-related Expenses - 5400 Subaccount Series | 1 | 814 | \$ (2,868) |
| 3 | Adjustment | 1 | 856 | (24,074) |
| 4 | Employee-related Expenses - 5400 Subaccount Series | 1 | 857 | (2,967) |
| 5 | Employee-related Expenses - 5400 Subaccount Series | 1 | 910 | (14,412) |
| 6 | Employee-related Expenses - 5400 Subaccount Series | 1 | 921 | (188,182) |
| 7 | Total 5400 Series Adjustment (Sum of Ln 2 through Ln 6) | | | <u>\$ (232,504)</u> |
| 8 | | | | |
| 9 | Employee-related Expenses - 900 Account Series | 2 | 910 | \$ (71,849) |
| 10 | Employee-related Expenses - 900 Account Series | 2 | 921 | (16,894) |
| 11 | Employee-related Expenses - 900 Account Series | 2 | 923 | (328) |
| 12 | Employee-related Expenses - 900 Account Series | 2 | 930.2 | (245) |
| 13 | Total 900 Account Series Adjustment (Sum of Ln 9 through Ln 12) | | | <u>\$ (89,316)</u> |
| 14 | | | | |
| 15 | Pension and Other Postemployment Benefits Regulatory Asset Amortization | 3 | 926 | \$ 656,766 |
| 16 | | | | |
| 17 | Line Locate Contract Rate Change | 4 | 856 | \$ 57,416 |
| 18 | | | | |
| 19 | Severance Pay Adjustment | | 856 | \$ (8,231) |
| 20 | | | | |
| 21 | Total APT Direct Miscellaneous Adjustments (Ln 7 + Ln 13 + Ln 15 + Ln 17) | | | <u><u>\$ 384,131</u></u> |
| 22 | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
MISCELLANEOUS ADJUSTMENTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Footnote Reference | FERC Account | Total Adjustment |
|----------|---|--------------------|--------------|--------------------------|
| | (a) | (b) | (c) | (d) |
| 23 | <u>Shared Services General Office (Division 002)</u> | | | |
| 24 | Employee-related Expenses - 5400 Subaccount Series | 1 | 922 | \$ (8,299) |
| 25 | Employee-related Expenses - 900 Account Series | 2 | 922 | (46,795) |
| 26 | Total 5400 and 900 Account Series Adjustment (Ln 22 + Ln 23) | | | <u>\$ (55,094)</u> |
| 27 | | | | |
| 28 | SSU MIP\VPP in Cost Centers other than 1904 | 5 | 922 | \$ (11,847) |
| 29 | SSU SEBP\SERP in Cost Centers other than 1908 | 6 | 922 | (222) |
| 30 | Severance Pay Adjustment | | 922 | <u>(43,456)</u> |
| 30 | Total Other Miscellaneous Adjustments (Ln 26 + Ln 27) | | | <u>\$ (55,526)</u> |
| 31 | | | | |
| 32 | Total SSU (Division 002) Miscellaneous Adjustments (Ln 24 + Ln 28) | | | <u>\$ (110,619)</u> |
| 33 | | | | |
| 34 | Total Miscellaneous Adjustments (Ln 19 + Ln 30) | | | <u><u>\$ 273,512</u></u> |
| 35 | | | | |
| 36 | <u>Notes:</u> | | | |
| 37 | 1. O&M expenses recorded in sub accounts 05400-05499 and 07590 that are being voluntarily removed by the Company, include items such as alcohol and meals greater than \$25. Any adjustments in sub accounts 05415, 05416, 05417, and 07510 are reflected on WP_F-2.10. | | | |
| 38 | 2. O&M expenses recorded to FERC accounts 902 through 931 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. | | | |
| 39 | 3. Adjustment to include the annual amortization of the Pension and Other Postemployment Benefits Regulatory Asset. Please see WP_B-7. | | | |
| 40 | 4. Adjustment to reflect the increase in the rate per line locate effective in April 2016. | | | |
| 41 | 5. Adjustment to remove MIP\VPP expense recorded in Cost Centers other than 1904, which is removed on WP_F-2.7. | | | |
| 42 | 6. Adjustment to remove SEBP\SERP expense recorded in Cost Centers other than 1908, which is removed on WP_F-2.7. | | | |

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TEST YEAR ENDING SEPTEMBER 30, 2016**

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ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
RULE COMPLIANCE ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Rule (1) | FERC Account | Cost Center | Adjustment Amount |
|----------|--|----------------|------------------|-------------|--------------------|
| | (a) | (b) | (c) | (d) | (e) |
| 1 | <u>APT - Direct</u> | | | | |
| 2 | Nondeductible Dues/Donations | 7.5414 | 818 | | \$ (145) |
| 3 | Adjustment | 7.5414 | 853 | | (471) |
| 4 | Nondeductible Dues/Donations | 7.5414 | 910 | | (16,182) |
| 5 | Nondeductible Dues/Donations | 7.5414 | 930.2 | | (9,048) |
| 6 | Total (Sum of Ln 2 through Ln 5) | | | | <u>\$ (25,846)</u> |
| 7 | | | | | |
| 8 | <u>Shared Services General Office (Division 002)</u> | | | | |
| 9 | Nondeductible Dues/Donations | 7.5414 | 922 | 1118 | \$ (604) |
| 10 | Nondeductible Dues/Donations | 7.5414 | 922 | 1150 | (695) |
| 11 | Nondeductible Dues/Donations | 7.5414 | 922 | 1164 | (19) |
| 12 | Nondeductible Dues/Donations | 7.5414 | 922 | 1401 | (57) |
| 13 | Nondeductible Dues/Donations | 7.5414 | 922 | 1503 | (174) |
| 14 | Total (Sum of Ln 9 through Ln 13) | | | | <u>\$ (1,548)</u> |
| 15 | | | | | |
| 16 | Total Rule Compliance (Ln 6 + Ln 14) | | | | <u>\$ (27,394)</u> |
| 17 | | | | | |
| 18 | <u>Notes:</u> | | | | |
| 19 | 1. In compliance with TEX. ADMIN. CODE § 7.5414, the test year expenses removed are from sub-accounts 05415, 05416, 05417 and 07510. | | | | |
| 20 | 2. In compliance with TEX. ADMIN. CODE § 7.501, the Company advises the following Legislative Advocacy expenses were incurred and booked to Account 426.4. | | | | |
| 21 | | | | | |
| 22 | | <u>CY 2015</u> | <u>Test Year</u> | | |
| 23 | Shared Services | \$ 576,301 | \$ 581,827 | | |
| 24 | Atmos Pipeline - Texas | \$ 205,974 | \$ 220,396 | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
RULE COMPLIANCE 7.5414, ADJUSTMENT CALCULATION FOR ADVERTISING LIMITATION
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | FERC Account | Per Book Amounts | Adjustment Amount (1) |
|----------|--|--------------|-----------------------|-----------------------|
| | (a) | (b) | (c) | (d) |
| 1 | Miscellaneous Customer Service and Informational Expenses | 910 | \$ 354,603 | \$ - |
| 2 | Supervision | 911 | 108 | - |
| 3 | Demonstrating and Selling Expenses | 912 | 2,450 | - |
| 4 | Advertising Expenses | 913 | 6 | - |
| 5 | Miscellaneous Sales Expenses | 916 | 79,975 | - |
| 6 | | | | |
| 7 | Total Advertising (Sum of Ln 1 through Ln 5) | | <u>\$ 437,142</u> | <u>\$ -</u> |
| 8 | | | | |
| 9 | Total Operating Revenue | 480-495 | \$ 408,832,567 | |
| 10 | Less: Uncollectible Accounts | 904 | (9,169) | |
| 11 | | | | |
| 12 | Total Gross Receipts (Ln 9 - Ln 10) | | <u>\$ 408,841,736</u> | |
| 13 | | | | |
| 14 | Allowable Percentage for Advertising per Substantive Rule 7.5414 | | 0.500% | |
| 15 | | | | |
| 16 | Calculated Allowable Advertising Expense (Ln 12 times Ln 14) | | <u>\$ 2,044,209</u> | |
| 17 | | | | |
| 18 | Total Advertising Expense Allowed (2) | | <u>\$ 437,142</u> | |
| 19 | | | | |
| 20 | Adjustment Amount (3) | | | <u>\$ -</u> |
| 21 | | | | |
| 22 | | | | |
| 23 | <u>Notes:</u> | | | |
| 24 | 1. An adjustment, if applicable, is allocated to accounts based upon the relative per book amounts. | | | |
| 25 | 2. The lesser amount of Ln. 7 Col (c) or Ln. 16 Col (c) | | | |
| 26 | 3. An adjustment is required if the amount shown on Line 7, Column (c), exceeds the amount shown on Line 16, Column (c). If the amount shown on Line 7, Column (c), is less than Line 16 then no adjustment is required. | | | |
| 27 | 4. The above information is provided per TEX. ADMIN. CODE § 7.5414. | | | |

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ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
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TEST YEAR ENDING SEPTEMBER 30, 2016**

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ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Total Adjusted Plant Balance | Non-depreciable and Fully Depreciated Plant | Depreciable Plant | Proposed Rate | Proposed Depreciation Expense |
|----------|---------------------------|--|---------------------------------|--|----------------------|---------------|-------------------------------------|
| | (a) | (b) | (c) | (d) | (e) = (c) - (d) | (f) | (g) = (e) * (f) |
| 1 | APT - Direct | | | | | | |
| 2 | <u>Intangible Plant</u> | | | | | | |
| 3 | Adjustmen | Miscellaneous Intangible Plant | \$ 6,238,271 | \$ 6,238,271 | \$ - | 0.00% | \$ - |
| 4 | | Total Intangible Plant (Ln 3) | \$ 6,238,271 | \$ 6,238,271 | \$ - | | \$ - |
| 5 | | | | | | | |
| 6 | <u>Storage Plant</u> | | | | | | |
| 7 | 350.00 | Land and Land Rights | \$ - | \$ - | \$ - | 0.00% | \$ - |
| 8 | 350.10 | Land | 5,515,389 | 5,515,389 | - | 0.00% | - |
| 9 | 350.20 | Rights-of-Way | 32,592 | - | 32,592 | 2.23% | 727 |
| 10 | 351.00 | Structures and Improvements | 24,635,344 | - | 24,635,344 | 2.39% | 589,499 |
| 11 | 352.00 | Wells | 78,403,027 | - | 78,403,027 | 3.27% | 2,563,487 |
| 12 | 353.00 | Lines | 13,256,043 | - | 13,256,043 | 3.66% | 485,446 |
| 13 | 354.00 | Compressor Station Equipment | 88,256,841 | - | 88,256,841 | 3.36% | 2,961,515 |
| 14 | 355.00 | M&R Equipment | 50,663,680 | - | 50,663,680 | 4.59% | 2,325,574 |
| 15 | 356.00 | Purification Equipment | 49,947,598 | - | 49,947,598 | 2.20% | 1,098,810 |
| 16 | 357.00 | Other Equipment | 621,183 | - | 621,183 | 3.12% | 19,364 |
| 17 | | Total Storage Plant (Sum Ln 7 through Ln 16) | \$ 311,331,697 | \$ 5,515,389 | \$ 305,816,308 | | \$ 10,044,423 |
| 18 | | | | | | | |
| 19 | <u>Transmission Plant</u> | | | | | | |
| 20 | 365.00 | Land | \$ 1,232,270 | \$ 1,232,270 | \$ - | 0.00% | \$ - |
| 21 | 365.10 | ROW - Trans Comp Stat | - | - | - | 1.31% | - |
| 22 | 365.20 | ROW - City Gate | 18,983,795 | - | 18,983,795 | 1.31% | 248,780 |
| 23 | 366.00 | Structures and Improvements | 11,472,463 | - | 11,472,463 | 4.06% | 465,707 |
| 24 | 367.00 | Mains - Cathodic Protection | 200,439,413 | - | 200,439,413 | 2.83% | 5,668,555 |
| 25 | 367.01 | Mains - Steel | 1,431,528,224 | - | 1,431,528,224 | 2.83% | 40,484,537 |
| 26 | 367.02 | Mains - Plastic | 11,591,352 | - | 11,591,352 | 2.83% | 327,811 |
| 27 | 368.00 | Compressor Station Equipment | 150,061,066 | - | 150,061,066 | 4.40% | 6,602,985 |
| 28 | 369.00 | M&R Station Equipment | 228,773,444 | - | 228,773,444 | 4.82% | 11,028,850 |
| 29 | 370.00 | Communication Equipment | 14,144,928 | - | 14,144,928 | 5.47% | 774,194 |
| 30 | 371.00 | Other Equipment | 4,923,427 | - | 4,923,427 | 3.61% | 177,761 |
| 31 | | Total Transmission Plant (Sum Ln 20 through Ln 30) | \$ 2,073,150,383 | \$ 1,232,270 | \$ 2,071,918,113 | | \$ 65,779,181 |
| 32 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account (a) | Account Description (b) | Total Adjusted Plant Balance (c) | Non-depreciable and Fully Depreciated Plant (d) | Depreciable Plant (e) = (c) - (d) | Proposed Rate (f) | Proposed Depreciation Expense (g) = (e) * (f) |
|----------|---------------------------|---|--|---|---|----------------------|--|
| 33 | | <u>General Plant</u> | | | | | |
| 34 | 389.00 | Land and Land Rights | \$ 124,981 | \$ 124,981 | \$ - | 0.00% | \$ - |
| 35 | 390.00 | Structures and Improvements | 6,285,064 | - | 6,285,064 | 3.38% | 212,530 |
| 36 | 391.00 | Office Furniture and Equipment | 4,878,716 | - | 4,878,716 | 4.17% | 203,280 |
| 37 | 392.00 | Transportation Equipment (1) | 1,562,956 | - | 1,562,956 | 13.28% | 62,272 |
| 38 | 393.00 | Stores Equipment | - | - | - | 4.00% | - |
| 39 | 394.00 | Tools, Shop, and Garage Equipment (1) | 9,846,323 | - | 9,846,323 | 5.00% | 147,695 |
| 40 | 395.00 | Laboratory Equipment (1) | 172,645 | - | 172,645 | 4.76% | 2,466 |
| 41 | 396.00 | Power Operated Equipment (1) | 3,054,342 | - | 3,054,342 | 6.98% | 4,264 |
| 42 | 397.00 | Communication Equipment | 736,092 | - | 736,092 | 4.55% | 33,459 |
| 43 | 397.02 | Communication Equipment - Fixed Radios | 80,513 | - | 80,513 | 4.55% | 3,660 |
| 44 | 397.05 | Communication Equipment - Telemetry | 114,680 | - | 114,680 | 4.55% | 5,213 |
| 45 | 398.00 | Miscellaneous Equipment | 8,193,622 | - | 8,193,622 | 3.13% | 256,051 |
| 46 | 399.00 | Other Tangible Property | 71,172 | - | 71,172 | 14.29% | 10,167 |
| 47 | 399.01 | Other Tangible Property - Servers Hardware | 612,444 | - | 612,444 | 10.00% | 61,244 |
| 48 | 399.02 | Other Tangible Property - Servers Software | 1,408,668 | - | 1,408,668 | 10.00% | 140,867 |
| 49 | 399.03 | Other Tangible Property - Network Hardware | 71,397 | - | 71,397 | 10.00% | 7,140 |
| 50 | 399.06 | Other Tangible Property - PC Hardware | 793,661 | - | 793,661 | 20.00% | 158,732 |
| 51 | 399.07 | Other Tangible Property - PC Software | 794,975 | - | 794,975 | 20.00% | 158,995 |
| 52 | | Total General Plant (Sum Ln 34 through Ln 51) | \$ 38,802,253 | \$ 124,981 | \$ 38,677,272 | | \$ 1,468,034 |
| 53 | | Accrual For Reserve Deficiency (2) | | | | | 568,485 |
| 54 | | Total APT - Direct (Ln 4 + Ln 17 + Ln 31 + Ln 52 + Ln 53) | | | | | \$ 77,860,123 |
| 55 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account (a) | Account Description (b) | Total Adjusted Plant Balance (c) | Non-depreciable and Fully Depreciated Plant (d) | Depreciable Plant (e) = (c) - (d) | Proposed Rate (f) | Proposed Depreciation Expense (g) = (e) * (f) |
|----------|---|--|--|---|---|----------------------|--|
| 56 | <u>SSU General Office (Division 002)</u> | | | | | | |
| 57 | <u>General Plant</u> | | | | | | |
| 58 | 390.00 | Structures and Improvements | \$ 1,411,378 | \$ - | \$ 1,411,378 | 3.01% | \$ 42,508 |
| 59 | 390.09 | Improvements to Leased Premises | 8,311,748 | 8,311,748 | - | 3.25% | - |
| 60 | 391.00 | Office Furniture and Equipment | 9,319,747 | - | 9,319,747 | 3.96% | 369,499 |
| 61 | 392.00 | Transportation Equipment | 7,125 | - | 7,125 | 8.34% | 594 |
| 62 | 393.00 | Stores Equipment | - | - | - | 10.32% | - |
| 63 | 394.00 | Tools, Shop, and Garage Equipment | 160,005 | - | 160,005 | 8.37% | 13,389 |
| 64 | 395.00 | Laboratory Equipment | - | - | - | 10.05% | - |
| 65 | 397.00 | Communication Equipment | 2,429,872 | - | 2,429,872 | 5.85% | 142,184 |
| 66 | 398.00 | Miscellaneous Equipment | 136,510 | - | 136,510 | 5.29% | 7,219 |
| 67 | 399.00 | Other Tangible Property | 162,268 | 162,268 | - | 13.06% | - |
| 68 | 399.01 | Other Tangible Property - Servers Hardware | 31,625,506 | - | 31,625,506 | 9.48% | 2,999,541 |
| 69 | 399.02 | Other Tangible Property - Servers Software | 18,988,317 | - | 18,988,317 | 8.93% | 1,696,385 |
| 70 | 399.03 | Other Tangible Property - Network Hardware | 3,248,234 | - | 3,248,234 | 6.99% | 227,152 |
| 71 | 399.06 | Other Tangible Property - PC Hardware | 1,807,627 | - | 1,807,627 | 10.49% | 189,578 |
| 72 | 399.07 | Other Tangible Property - PC Software | 534,105 | - | 534,105 | 6.63% | 35,386 |
| 73 | 399.08 | Other Tangible Property - Application Software | 53,639,657 | - | 53,639,657 | 6.52% | 3,495,116 |
| 74 | 399.09 | Other Tangible Property - Mainframe Software | 39,252 | 39,252 | - | 15.89% | - |
| 75 | Total General Plant (Sum Ln 58 through Ln 74) | | \$ 131,821,351 | \$ 8,513,268 | \$ 123,308,083 | | \$ 9,218,552 |
| 76 | Allocation Factor | | | | | | 20.84% |
| 77 | Total General Office Allocated to APT (Ln 75 x Ln 76) | | | | | | \$ 1,921,146 |
| 78 | | | | | | | |
| 79 | <u>SSU - Greenville Data Center</u> | | | | | | |
| 80 | <u>General Plant</u> | | | | | | |
| 81 | 390.05 | Structures and Improvements | \$ 9,133,015 | \$ - | \$ 9,133,015 | 3.01% | \$ 275,070 |
| 82 | 391.04 | Office Furniture and Equipment | 63,741 | - | 63,741 | 3.96% | 2,527 |
| 83 | Total General Plant (Sum of Ln 81 through Ln 82) | | \$ 9,196,755 | \$ - | \$ 9,196,755 | | \$ 277,597 |
| 84 | Allocation Factor | | | | | | 70.13% |
| 85 | Total Greenville Data Center Allocated to APT (Ln 83 x Ln 84) | | | | | | \$ 194,682 |
| 86 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Total Adjusted Plant Balance | Non-depreciable and Fully Depreciated Plant | Depreciable Plant | Proposed Rate | Proposed Depreciation Expense |
|----------|--|---|---------------------------------|--|----------------------|---------------|-------------------------------------|
| | (a) | (b) | (c) | (d) | (e) = (c) - (d) | (f) | (g) = (e) * (f) |
| 87 | <u>SSU - Distribution and Marketing</u> | | | | | | |
| 88 | <u>General Plant</u> | | | | | | |
| 89 | 390.20 | Structures and Improvements | \$ - | \$ - | \$ - | 3.01% | \$ - |
| 90 | 390.29 | Improvements to Leased Premises | - | - | - | 3.25% | - |
| 91 | 391.20 | Office Furniture and Equipment | 263,338 | - | 263,338 | 3.96% | 10,441 |
| 92 | 394.20 | Tools, Shop, and Garage Equipment | 39,435 | - | 39,435 | 8.37% | 3,300 |
| 93 | 397.20 | Communication Equipment | 8,824 | - | 8,824 | 5.85% | 516 |
| 94 | 398.20 | Miscellaneous Equipment | 7,388 | - | 7,388 | 5.29% | 391 |
| 95 | 399.21 | Other Tangible Property - Servers Hardware | 1,628,900 | - | 1,628,900 | 9.48% | 154,494 |
| 96 | 399.22 | Other Tangible Property - Servers Software | 961,256 | - | 961,256 | 8.93% | 85,877 |
| 97 | 399.23 | Other Tangible Property - Network Hardware | 37,965 | - | 37,965 | 6.99% | 2,655 |
| 98 | 399.26 | Other Tangible Property - PC Hardware | 75,783 | - | 75,783 | 10.49% | 7,948 |
| 99 | 399.28 | Other Tangible Property - Application Software | 18,947,146 | - | 18,947,146 | 6.52% | 1,234,580 |
| 100 | | Total General Plant (Sum of Ln 89 through Ln 99) | \$ 21,970,034 | \$ - | \$ 21,970,034 | | \$ 1,500,202 |
| 101 | | Allocation Factor | | | | | 0.00% |
| 102 | | Total Distribution and Marketing Allocated to APT (Ln 100 x Ln 101) | | | | | \$ - |
| 103 | | | | | | | |
| 104 | <u>SSU - Align Pipe Projects</u> | | | | | | |
| 105 | <u>General Plant</u> | | | | | | |
| 106 | 399.31 | Other Tangible Property - Servers Hardware | \$ 290,843 | \$ - | \$ 290,843 | 9.48% | \$ 27,585 |
| 107 | 399.32 | Other Tangible Property - Servers Software | 337,635 | - | 337,635 | 8.93% | 30,164 |
| 108 | 399.38 | Other Tangible Property - Application Software | 17,009,382 | - | 17,009,382 | 6.52% | 1,108,317 |
| 109 | | Total General Plant (Sum of Ln 106 through Ln 108) | \$ 17,637,860 | \$ - | \$ 17,637,860 | | \$ 1,166,066 |
| 110 | | Allocation Factor | | | | | 90.95% |
| 111 | | Align Projects Allocated to APT (Ln 109 x Ln 110) | | | | | \$ 1,060,523 |
| 112 | | | | | | | |
| 113 | | Total SSU General Office Allocated to APT (Ln 77 + Ln 85 + Ln 102 + Ln 111) | | | | | \$ 3,176,350 |
| 114 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Total Adjusted Plant Balance | Non-depreciable and Fully Depreciated Plant | Depreciable Plant | Proposed Rate | Proposed Depreciation Expense |
|----------|---|---|---------------------------------|--|----------------------|---------------|-------------------------------------|
| | (a) | (b) | (c) | (d) | (e) = (c) - (d) | (f) | (g) = (e) * (f) |
| 115 | <u>SSU Customer Support (Division 012)</u> | | | | | | |
| 116 | | <u>General Plant</u> | | | | | |
| 117 | 389.00 | Land and Land Rights | \$ 2,874,240 | \$ 2,874,240 | \$ - | 0.00% | \$ - |
| 118 | 390.00 | Structures and Improvements | 12,620,665 | - | 12,620,665 | 3.01% | 380,112 |
| 119 | 390.09 | Improvements to Leased Premises | 2,820,614 | - | 2,820,614 | 3.25% | 91,614 |
| 120 | 391.00 | Office Furniture and Equipment | 2,295,208 | - | 2,295,208 | 3.96% | 90,998 |
| 121 | 397.00 | Communication Equipment | 1,962,785 | - | 1,962,785 | 5.85% | 114,852 |
| 122 | 398.00 | Miscellaneous Equipment | 51,379 | - | 51,379 | 5.29% | 2,717 |
| 123 | 399.00 | Other Tangible Property | 629,166 | - | 629,166 | 13.06% | 82,183 |
| 124 | 399.01 | Other Tangible Property - Servers Hardware | 8,903,052 | - | 8,903,052 | 9.48% | 844,416 |
| 125 | 399.02 | Other Tangible Property - Servers Software | 1,818,284 | - | 1,818,284 | 8.93% | 162,442 |
| 126 | 399.03 | Other Tangible Property - Network Hardware | 629,226 | - | 629,226 | 6.99% | 44,002 |
| 127 | 399.06 | Other Tangible Property - PC Hardware | 813,065 | - | 813,065 | 10.49% | 85,272 |
| 128 | 399.07 | Other Tangible Property - PC Software | 190,247 | - | 190,247 | 6.63% | 12,604 |
| 129 | 399.08 | Other Tangible Property - Application Software | 89,487,465 | - | 89,487,465 | 6.52% | 5,830,930 |
| 130 | | Total General Plant (Sum Ln 117 through Ln 129) | \$ 125,095,393 | \$ 2,874,240 | \$ 122,221,153 | | \$ 7,742,142 |
| 131 | | Allocation Factor | | | | | 0.00% |
| 132 | | Total Customer Support Allocated to APT (Ln 130 x Ln 131) | | | | | \$ - |
| 133 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEPRECIATION AND AMORTIZATION EXPENSE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account (a) | Account Description (b) | Total Adjusted Plant Balance (c) | Non-depreciable and Fully Depreciated Plant (d) | Depreciable Plant (e) = (c) - (d) | Proposed Rate (f) | Proposed Depreciation Expense (g) = (e) * (f) |
|----------|--|---|--|---|---|----------------------|--|
| 134 | <u>SSU - Customer Support Charles K. Vaughn Training Center</u> | | | | | | |
| 135 | | <u>General Plant</u> | | | | | |
| 136 | 389.10 | Land and Land Rights | \$ 1,887,123 | \$ 1,887,123 | \$ - | 0.00% | \$ - |
| 137 | 390.10 | Structures and Improvements | 11,239,300 | - | 11,239,300 | 3.01% | 338,507 |
| 138 | 391.10 | Office Furniture and Equipment | 204,636 | - | 204,636 | 3.96% | 8,113 |
| 139 | 392.10 | Transportation Equipment | 96,290 | - | 96,290 | 8.34% | 8,028 |
| 140 | 394.10 | Tools, Shop, and Garage Equipment | 347,775 | - | 347,775 | 8.37% | 29,101 |
| 141 | 395.10 | Laboratory Equipment | 23,632 | - | 23,632 | 10.05% | 2,374 |
| 142 | 397.10 | Communication Equipment | 294,319 | - | 294,319 | 5.85% | 17,222 |
| 143 | 398.10 | Miscellaneous Equipment | 509,283 | - | 509,283 | 5.29% | 26,934 |
| 144 | 399.10 | Other Tangible Property | 113,831 | - | 113,831 | 13.06% | 14,869 |
| 145 | 399.16 | Other Tangible Property - PC Hardware | 228,123 | - | 228,123 | 10.49% | 23,925 |
| 146 | 399.17 | Other Tangible Property - PC Software | 102,576 | - | 102,576 | 6.63% | 6,796 |
| 147 | 399.18 | Other Tangible Property - Application Software | 20,560 | - | 20,560 | 6.52% | 1,340 |
| 148 | | Total General Plant (Sum of Ln 136 through Ln 147) | <u>\$ 15,067,448</u> | <u>\$ 1,887,123</u> | <u>\$ 13,180,325</u> | | <u>\$ 477,208</u> |
| 149 | | Allocation Factor | | | | | 0.00% |
| 150 | | Total CKV Training Center Allocated to APT (Ln 148 x Ln 149) | | | | | <u>\$ -</u> |
| 151 | | | | | | | |
| 152 | | Total SSU Customer Support (Ln 132 + Ln 150) | | | | | <u>\$ -</u> |
| 153 | | | | | | | |
| 154 | | Total APT Depreciation Expense (Ln 54 + Ln 113 + Ln 152) | | | | | <u>\$ 81,036,473</u> |
| 155 | | | | | | | |
| 156 | | <u>Notes:</u> | | | | | |
| 157 | | 1. Depreciation Expense has been reduced by the percent of depreciation that is capitalized for each account. | | | | | |
| 158 | | 2. Please see Direct Testimony of APT Witness Dane Watson, Exhibit DAW-2, Appendix B for reserve deficit calculation and details. | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEPRECIATION RATE SUMMARY
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Current | Proposed (1) | Dallas Proposed |
|----------|----------------------------|--------------------------------|---------|--------------|--------------------|
| | (a) | (b) | (c) | (d) | |
| 1 | <u>APT - Direct</u> | | | | |
| 2 | | <u>Intangible Plant</u> | | | |
| 3 | Adjustment | Miscellaneous Intangible Plant | 0.00% | 0.00% | 0.00 |
| 4 | | | | | |
| 5 | | <u>Storage Plant</u> | | | |
| 6 | 350.00 | Land and Land Rights | 0.00% | 0.00% | 0.00 |
| 7 | 350.10 | Land | 0.00% | 0.00% | 0.00 |
| 8 | 350.20 | Rights-of-Way | 2.03% | 2.23% | 2.13% |
| 9 | 351.00 | Structures and Improvements | 2.36% | 2.39% | 1.37% |
| 10 | 352.00 | Wells | 2.24% | 3.27% | 1.89% |
| 11 | 353.00 | Lines | 2.96% | 3.66% | 2.31% |
| 12 | 354.00 | Compressor Station Equipment | 3.38% | 3.36% | 2.47% |
| 13 | 355.00 | M&R Equipment | 2.90% | 4.59% | 2.47% |
| 14 | 356.00 | Purification Equipment | 2.62% | 2.20% | 1.39% |
| 15 | 357.00 | Other Equipment | 2.75% | 3.12% | 2.69% |
| 16 | | | | | |
| 17 | | <u>Transmission Plant</u> | | | |
| 18 | 365.00 | Land | 0.00% | 0.00% | 0.00 |
| 19 | 365.10 | ROW - Trans Comp Stat | 1.17% | 1.31% | 0.00 |
| 20 | 365.20 | ROW - City Gate | 1.17% | 1.31% | 1.23% |
| 21 | 366.00 | Structures and Improvements | 3.30% | 4.06% | 2.39% |
| 22 | 367.00 | Mains - Cathodic Protection | 2.03% | 2.83% | 1.52% |
| 23 | 367.01 | Mains - Steel | 2.03% | 2.83% | 1.52% |
| 24 | 367.02 | Mains - Plastic | 2.03% | 2.83% | 1.52% |
| 25 | 368.00 | Compressor Station Equipment | 4.05% | 4.40% | 2.75% |
| 26 | 369.00 | M&R Station Equipment | 3.60% | 4.82% | 2.80% |
| 27 | 370.00 | Communication Equipment | 4.96% | 5.47% | 3.50% |
| 28 | 371.00 | Other Equipment | 2.80% | 3.61% | 2.51% |
| 29 | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEPRECIATION RATE SUMMARY
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility Account | Account Description | Current | Proposed (1) | Dallas Proposed | |
|----------|--------------------|--|---------|--------------|--------------------|------|
| | (a) | (b) | (c) | (d) | | |
| 30 | | General Plant | | | | |
| 31 | 389.00 | Land and Land Rights | 0.00% | 0.00% | | 0.00 |
| 32 | 390.00 | Structures and Improvements | 2.97% | 3.38% | 2.55% | 0.00 |
| 33 | 391.00 | Office Furniture and Equipment | 2.93% | 4.17% | | 0.00 |
| 34 | 392.00 | Transportation Equipment | 4.65% | 13.28% | 10.40% | 0.00 |
| 35 | 393.00 | Stores Equipment | 0.00% | 4.00% | | 0.00 |
| 36 | 394.00 | Tools, Shop, and Garage Equipment | 4.93% | 5.00% | | 0.00 |
| 37 | 395.00 | Laboratory Equipment | 4.96% | 4.76% | | 0.00 |
| 38 | 396.00 | Power Operated Equipment | 1.98% | 6.98% | 5.49% | 0.00 |
| 39 | 397.00 | Communication Equipment | 3.81% | 4.55% | | 0.00 |
| 40 | 397.02 | Communication Equipment - Fixed Radios | 3.81% | 4.55% | | 0.00 |
| 41 | 397.05 | Communication Equipment - Telemetry | 3.81% | 4.55% | | 0.00 |
| 42 | 398.00 | Miscellaneous Equipment | 2.59% | 3.13% | | 0.00 |
| 43 | 399.00 | Other Tangible Property | 11.43% | 14.29% | | 0.00 |
| 44 | 399.01 | Other Tangible Property - Servers Hardware | 8.38% | 10.00% | | 0.00 |
| 45 | 399.02 | Other Tangible Property - Servers Software | 8.19% | 10.00% | | 0.00 |
| 46 | 399.03 | Other Tangible Property - Network Hardware | 8.61% | 10.00% | | 0.00 |
| 47 | 399.06 | Other Tangible Property - PC Hardware | 16.72% | 20.00% | | 0.00 |
| 48 | 399.07 | Other Tangible Property - PC Software | 18.26% | 20.00% | | 0.00 |
| 49 | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEPRECIATION RATE SUMMARY
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility | Account Description | Current | Proposed (1) | Dallas Proposed |
|----------|---|--|---------|--------------|--------------------|
| | Account | | | | |
| | (a) | (b) | (c) | (d) | |
| 50 | <u>SSU - General Office (Division 002)</u> | | | | |
| 51 | | <u>General Plant</u> | | | |
| 52 | 390.00 | Structures and Improvements | 9.10% | 3.01% | 0.00 |
| 53 | 390.09 | Improvements to Leased Premises | 9.10% | 3.25% | 0.00 |
| 54 | 391.00 | Office Furniture and Equipment | 2.13% | 3.96% | 0.00 |
| 55 | 392.00 | Transportation Equipment | 10.32% | 8.34% | 0.00 |
| 56 | 393.00 | Stores Equipment | 10.32% | 10.32% | 0.00 |
| 57 | 394.00 | Tools, Shop, and Garage Equipment | 10.32% | 8.37% | 0.00 |
| 58 | 395.00 | Laboratory Equipment | 10.32% | 10.05% | 0.00 |
| 59 | 397.00 | Communication Equipment | 8.45% | 5.85% | 0.00 |
| 60 | 398.00 | Miscellaneous Equipment | 8.15% | 5.29% | 0.00 |
| 61 | 399.00 | Other Tangible Property | 4.51% | 13.06% | 0.00 |
| 62 | 399.01 | Other Tangible Property - Servers Hardware | 6.95% | 9.48% | 0.00 |
| 63 | 399.02 | Other Tangible Property - Servers Software | 4.00% | 8.93% | 0.00 |
| 64 | 399.03 | Other Tangible Property - Network Hardware | 9.30% | 6.99% | 0.00 |
| 65 | 399.06 | Other Tangible Property - PC Hardware | 14.86% | 10.49% | 0.00 |
| 66 | 399.07 | Other Tangible Property - PC Software | 9.02% | 6.63% | 0.00 |
| 67 | 399.08 | Other Tangible Property - Application Software | 11.11% | 6.52% | 0.00 |
| 68 | 399.09 | Other Tangible Property - Mainframe Software | 15.89% | 15.89% | 0.00 |
| 69 | | | | | |
| 70 | <u>SSU - Greenville Data Center (Division 002)</u> | | | | |
| 71 | | <u>General Plant</u> | | | |
| 72 | 390.05 | Structures and Improvements | 9.10% | 3.01% | 0.00 |
| 73 | 391.04 | Office Furniture and Equipment | 2.13% | 3.96% | 0.00 |
| 74 | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEPRECIATION RATE SUMMARY
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility | Account Description | Current | Proposed (1) | Dallas Proposed |
|----------|--|--|---------|--------------|--------------------|
| | Account | | | | |
| | (a) | (b) | (c) | (d) | |
| 75 | <u>SSU - Distribution and Marketing Projects (Division 002)</u> | | | | |
| 76 | | <u>General Plant</u> | | | |
| 77 | 390.20 | Structures and Improvements | 9.10% | 3.01% | 0.00 |
| 78 | 390.29 | Improvements to Leased Premises | 9.10% | 3.25% | 0.00 |
| 79 | 391.20 | Office Furniture and Equipment | 2.13% | 3.96% | 0.00 |
| 80 | 394.20 | Tools, Shop, and Garage Equipment | 10.32% | 8.37% | 0.00 |
| 81 | 397.20 | Communication Equipment | 8.45% | 5.85% | 0.00 |
| 82 | 398.20 | Miscellaneous Equipment | 8.15% | 5.29% | 0.00 |
| 83 | 399.21 | Other Tangible Property - Servers Hardware | 6.95% | 9.48% | 0.00 |
| 84 | 399.22 | Other Tangible Property - Servers Software | 4.00% | 8.93% | 0.00 |
| 85 | 399.23 | Other Tangible Property - Network Hardware | 9.30% | 6.99% | 0.00 |
| 86 | 399.26 | Other Tangible Property - PC Hardware | 14.86% | 10.49% | 0.00 |
| 87 | 399.28 | Other Tangible Property - Application Software | 11.11% | 6.52% | 0.00 |
| 88 | | | | | |
| 89 | <u>SSU - Align Pipe Projects (Division 002)</u> | | | | |
| 90 | | <u>General Plant</u> | | | |
| 91 | 399.31 | Other Tangible Property - Servers Hardware | 6.95% | 9.48% | 0.00 |
| 92 | 399.32 | Other Tangible Property - Servers Software | 4.00% | 8.93% | 0.00 |
| 93 | 399.38 | Other Tangible Property - Application Software | 11.11% | 6.52% | 0.00 |
| 94 | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEPRECIATION RATE SUMMARY
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility | Account Description | Current | Proposed (1) | Dallas Proposed |
|----------|---|--|---------|--------------|--------------------|
| | Account | | | | |
| | (a) | (b) | (c) | (d) | |
| 95 | <u>SSU - Customer Support (Division 012)</u> | | | | |
| 96 | | <u>General Plant</u> | | | |
| 97 | 389.00 | Land and Land Rights | 0.00% | 0.00% | 0.00 |
| 98 | 390.00 | Structures and Improvements | 9.10% | 3.01% | 0.00 |
| 99 | 390.09 | Improvements to Leased Premises | 9.10% | 3.25% | 0.00 |
| 100 | 391.00 | Office Furniture and Equipment | 2.13% | 3.96% | 0.00 |
| 101 | 397.00 | Communication Equipment | 8.45% | 5.85% | 0.00 |
| 102 | 398.00 | Miscellaneous Equipment | 8.15% | 5.29% | 0.00 |
| 103 | 399.00 | Other Tangible Property | 4.51% | 13.06% | 0.00 |
| 104 | 399.01 | Other Tangible Property - Servers Hardware | 6.95% | 9.48% | 0.00 |
| 105 | 399.02 | Other Tangible Property - Servers Software | 4.00% | 8.93% | 0.00 |
| 106 | 399.03 | Other Tangible Property - Network Hardware | 9.30% | 6.99% | 0.00 |
| 107 | 399.06 | Other Tangible Property - PC Hardware | 14.86% | 10.49% | 0.00 |
| 108 | 399.07 | Other Tangible Property - PC Software | 9.02% | 6.63% | 0.00 |
| 109 | 399.08 | Other Tangible Property - Application Software | 11.11% | 6.52% | 0.00 |
| 110 | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEPRECIATION RATE SUMMARY
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Utility | Account Description | Current | Proposed (1) | Dallas Proposed |
|----------|--|--|---------|--------------|--------------------|
| | Account | | | | |
| | (a) | (b) | (c) | (d) | |
| 111 | <u>SSU - Charles K. Vaughn Training Center (Division 012)</u> | | | | |
| 112 | | <u>General Plant</u> | | | |
| 113 | 389.10 | Land and Land Rights | 0.00% | 0.00% | 0.00 |
| 114 | 390.10 | Structures and Improvements | 9.10% | 3.01% | 0.00 |
| 115 | 391.10 | Office Furniture and Equipment | 2.13% | 3.96% | 0.00 |
| 116 | 392.10 | Transportation Equipment | 10.32% | 8.34% | 0.00 |
| 117 | 394.10 | Tools, Shop, and Garage Equipment | 10.32% | 8.37% | 0.00 |
| 118 | 395.10 | Laboratory Equipment | 10.32% | 10.05% | 0.00 |
| 119 | 397.10 | Communication Equipment | 8.45% | 5.85% | 0.00 |
| 120 | 398.10 | Miscellaneous Equipment | 8.15% | 5.29% | 0.00 |
| 121 | 399.10 | Other Tangible Property | 4.51% | 13.06% | 0.00 |
| 122 | 399.16 | Other Tangible Property - PC Hardware | 14.86% | 10.49% | 0.00 |
| 123 | 399.17 | Other Tangible Property - PC Software | 9.02% | 6.63% | 0.00 |
| 124 | 399.18 | Other Tangible Property - Application Software | 11.11% | 6.52% | 0.00 |
| 125 | | | | | |
| 126 | <u>Note:</u> | | | | |
| 127 | 1. Please see the APT and SSU Depreciation Studies provided in APT Witness Dane Watson's direct testimony as Exhibits DAW-2 and DAW-3, respectively. | | | | |

Data Source:
Schedule F-4_Depreciation Rates.xlsx

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TAXES OTHER THAN INCOME TAX
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Per Book Amounts (1) | Adjustments | Adjusted Amounts |
|----------|--|----------------------|---------------------|----------------------|
| | (a) | (b) | (c) | (d) = (b) + (c) |
| 1 | <u>Non Revenue - Related</u> | | | |
| 2 | Ad Valorem Tax | \$ 17,070,024 | \$ 2,490,112 | \$ 19,560,136 |
| 3 | Adjustment | 1,901,869 | (3,647) | 1,898,221 |
| 4 | Pipeline User Fees | 1,819,798 | 39,788 | 1,859,586 |
| 5 | Taxes Allocated from Shared Services | 701,759 | (39,696) | 662,063 |
| 6 | Total Taxes Other Than Income Taxes (Sum of Ln 2 through Ln 5) | <u>\$ 21,493,449</u> | <u>\$ 2,486,556</u> | <u>\$ 23,980,006</u> |
| 7 | | | | |
| 8 | Gas Utility Pipeline Tax | \$ 2,003,521 | \$ (137,268) | \$ 1,866,252 |
| 9 | | | | |
| 10 | <u>Notes:</u> | | | |
| 11 | 1. Per FERC Account 408.1. | | | |
| 12 | 2. Gas Utility Pipeline Tax used in the calculation of Cash Working Capital and Other Revenue. | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TAXES OTHER THAN INCOME TAX WORKPAPER
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description (a) | Amounts (b) |
|-------------|--|----------------------|
| 1 | <u>APT Direct:</u> | |
| 2 | <u>Adjustment</u> | |
| 3 | APT Property Taxes | \$ 19,010,193 |
| 4 | Capitalized Property Taxes | (104,973) |
| 5 | Storage Gas Property Tax (1) | 1,262,500 |
| 6 | North Side Loop Tax Reimbursement | (607,584) |
| 7 | Total APT Ad Valorem Tax (Sum of Ln 3 through Ln 6) | <u>\$ 19,560,136</u> |
| 8 | | |
| 9 | <u>Payroll Tax</u> | |
| 10 | Base Labor Adjustment for APT (WP_F-2.1) | \$ (47,678) |
| 11 | Statutory Tax Rate | 7.65% |
| 12 | Direct Payroll Tax Expense for Base Labor Adjustment (Ln 10 times Ln 11) | <u>\$ (3,647)</u> |
| 13 | | |
| 14 | Direct Payroll Tax Expense for test period | \$ 1,901,869 |
| 15 | Total Proposed Payroll Tax (Ln 12 + Ln 14) | <u>\$ 1,898,221</u> |
| 16 | | |
| 17 | <u>Pipeline User Fees</u> | |
| 18 | Total 2017 Estimated Pipeline User Fees | <u>\$ 1,859,586</u> |
| 19 | | |
| 20 | <u>Other Taxes</u> | |
| 21 | Total Operating Revenues Per Book (Accts 4892 - 4950) | \$ 408,832,567 |
| 22 | | |
| 23 | <u>Determination of Tax Rates</u> | |
| 24 | Gas Utility Pipeline Tax Expense Per Book (4081-30112) | <u>\$ 2,003,521</u> |
| 25 | Ratio to Total Operating Revenues (Ln 24 divided by Ln 21) | <u>0.4901%</u> |
| 26 | | |
| 27 | <u>Gas Utility Pipeline Tax</u> | |
| 28 | Revenue Requirement (Schedule A, Col (f), Ln 27) | \$ 380,821,971 |
| 29 | Effective Tax Rate (Ln 25) | 0.4901% |
| 30 | Proposed Gas Utility Pipeline Tax at Projected Rates (Ln 28 times Ln 29) | <u>\$ 1,866,252</u> |
| 31 | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TAXES OTHER THAN INCOME TAX WORKPAPER
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description (a) | Amounts (b) |
|-------------|--|-------------------|
| 32 | <u>SSU:</u> | |
| 33 | <u>Ad Valorem Tax Allocated to Pipeline</u> | |
| 34 | Shared Services General Office Property Taxes | \$ 720,567 |
| 35 | Allocation Factor | 20.84% |
| 36 | General Office Ad Valorem Tax Expense Allocated to APT (Ln 34 times Ln 35) | <u>\$ 150,166</u> |
| 37 | | |
| 38 | Shared Services Customer Support Property Taxes | \$ 548,470 |
| 39 | Allocation Factor | 0.00% |
| 40 | Customer Support Ad Valorem Tax Expense Allocated to APT (Ln 38 times Ln 39) | <u>\$ -</u> |
| 41 | | |
| 42 | Proposed Ad Valorem Tax Expense Allocated to APT (Ln 36 + Ln 40) | <u>\$ 150,166</u> |
| 43 | | |
| 44 | <u>Payroll Tax Allocated to APT</u> | |
| 45 | Adjusted Labor Expense Allocated to APT (WP_F-5.2, Col (g), Ln 102) | \$ 5,306,215 |
| 46 | Statutory Tax Rate | 7.65% |
| 47 | Payroll Tax Expense Allocated to APT (Ln 45 times Ln 46) | <u>\$ 405,925</u> |
| 48 | Add: Benefit-Related Payroll Tax Expense Allocated to APT | 72,039 |
| 49 | Add: Payroll Tax for FUTA & SUTA Allocated to APT (Per Book) | 14,020 |
| 50 | Total Proposed Payroll Tax Expense Allocated to APT (Sum of Ln 47 though Ln 49) | <u>\$ 491,984</u> |
| 51 | | |
| 52 | <u>Other Tax Allocated to APT</u> | |
| 53 | Excise Tax (Test Year Amount) | \$ 95,554 |
| 54 | Allocation Factor | 20.84% |
| 55 | Total Proposed Excise Tax Expense Allocated to APT (Ln 53 times Ln 54) | <u>\$ 19,913</u> |
| 56 | | |
| 57 | Proposed Total Taxes Allocated from SSU (Ln 42 + Ln 50 + Ln 55) | <u>\$ 662,063</u> |
| 58 | | |
| 59 | <u>Note:</u> | |
| 60 | 1. Working Gas in Storage (FERC Account 164.1) was moved from Mid-Tex to APT to reflect GUD 9400 and GUD 10000 Final Order classification for rate purposes. | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO PIPELINE FOR PAYROLL TAX CALCULATION
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Per Book SSU O&M Labor | FY17 Capitalization Rate (1) | Allocation Factor (1), (2) | Total | SSU Capital Allocated to APT | SSU Expense Allocated to APT |
|----------|---|------------------------|------------------------------|----------------------------|-----------------|------------------------------|------------------------------|
| | (a) | (b) | (c) | (d) | (e) = (b) * (d) | (f) = (c) * (e) | (g) = (e) - (f) |
| 1 | 1001 SS Dallas President and COO | \$ 529,654 | 73.74% | 20.84% | \$ 110,380 | \$ 81,391 | \$ 28,989 |
| 2 | 1101 SS Dallas Chief Financial Officer | 506,677 | 73.74% | 20.84% | 105,592 | 77,860 | 27,731 |
| 3 | adjustmer SS Dallas Audit | - | 0.00% | 20.84% | - | - | - |
| 4 | 1106 SS Dallas Treasurer | 415,731 | 77.15% | 20.84% | 86,638 | 66,839 | 19,799 |
| 5 | 1107 SS Dallas Treasury | 437,225 | 73.74% | 20.84% | 91,118 | 67,188 | 23,930 |
| 6 | 1108 SS Dallas Risk Management | 395,558 | 80.00% | 20.84% | 82,434 | 65,947 | 16,487 |
| 7 | 1110 SS Dallas Procurement | 103,744 | 46.64% | 21.09% | 21,880 | 10,205 | 11,674 |
| 8 | 1112 SS Dallas Mail & Supply | 121,107 | 15.73% | 21.09% | 25,541 | 4,018 | 21,523 |
| 9 | 1114 SS Dallas Vice Pres & Controller | 351,803 | 29.34% | 20.84% | 73,316 | 21,511 | 51,805 |
| 10 | 1116 SS Dallas Taxation | 212,454 | 2.37% | 20.84% | 44,275 | 1,051 | 43,224 |
| 11 | 1117 SS Dallas Acctg Services | 299,522 | 65.19% | 20.84% | 62,420 | 40,693 | 21,727 |
| 12 | 1118 SS Dallas Supply Chain | 417,748 | 46.51% | 21.09% | 88,103 | 40,973 | 47,130 |
| 13 | 1119 SS Dallas General Accounting | 441,384 | 73.74% | 20.84% | 91,984 | 67,827 | 24,158 |
| 14 | 1120 SS Dallas Accounts Payable | 473,004 | 31.54% | 20.84% | 98,574 | 31,091 | 67,483 |
| 15 | 1121 SS Dallas Plant Accounting | 605,281 | 91.20% | 20.84% | 126,141 | 115,043 | 11,097 |
| 16 | 1123 SS Dallas Gas Accounting | 247,139 | 0.00% | 20.92% | 51,701 | - | 51,701 |
| 17 | 1125 SS Dallas Financial Reporting | 809,035 | 0.00% | 20.84% | 168,603 | - | 168,603 |
| 18 | 1126 SS Dallas Payroll | 357,501 | 73.74% | 20.84% | 74,503 | 54,936 | 19,567 |
| 19 | 1128 SS Dallas Property & Sales Tax | 1,223,144 | 2.50% | 20.84% | 254,903 | 6,373 | 248,531 |
| 20 | 1129 SS Dallas Income Tax | 438,723 | 2.00% | 20.84% | 91,430 | 1,829 | 89,601 |
| 21 | 1130 SS Dallas Business Planning and Analysis | 727,864 | 56.60% | 20.84% | 151,687 | 85,849 | 65,838 |
| 22 | 1131 SS Dallas Media Relations | 130,425 | 0.00% | 21.09% | 27,507 | - | 27,507 |
| 23 | 1132 SS Dallas Investor Relations (3) | 332,649 | 0.00% | 0.00% | - | - | - |
| 24 | 1133 SS Dallas Corporate Communications | 745,721 | 0.00% | 20.84% | 155,408 | - | 155,408 |
| 25 | 1134 SS Dallas IT | 1,345,597 | 38.57% | 20.84% | 280,422 | 108,163 | 172,260 |
| 26 | 1135 SS Dallas IT E&O, Corporate Systems | 1,831,640 | 23.12% | 20.84% | 381,714 | 88,258 | 293,456 |
| 27 | 1137 SS Dal-IT Engineering & Operations | 3,392,841 | 24.96% | 20.84% | 707,068 | 176,491 | 530,577 |
| 28 | 1141 SS Dallas Gas Purchase Accounting | 492,741 | 0.00% | 0.00% | - | - | - |
| 29 | 1144 SS Dallas Rate Administration | 693,863 | 0.00% | 0.00% | - | - | - |
| 30 | 1145 SS Dallas Revenue Accounting | 266,034 | 0.00% | 0.00% | - | - | - |
| 31 | 1150 SS Dallas Strategic Planning | 400,734 | 55.56% | 20.84% | 83,513 | 46,396 | 37,117 |
| 32 | 1153 SS Dallas Distribution Acctg | 613,642 | 0.00% | 0.00% | - | - | - |
| 33 | 1154 SS Dallas Rates & Regulatory | 1,496,541 | 74.97% | 21.09% | 315,621 | 236,628 | 78,992 |
| 34 | 1155 SS Dallas Texas Gas Pipeline Accounting | 84,872 | 0.00% | 97.21% | 82,504 | - | 82,504 |
| 35 | 1156 SS Dal-IT Customer Services Systems | 2,175,341 | 12.27% | 0.00% | - | - | - |
| 36 | 1158 SS CCC IT Support | - | 0.00% | 0.00% | - | - | - |
| 37 | 1159 SS Dallas Director Technical Training | 343,646 | 0.00% | 20.84% | 71,616 | - | 71,616 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO PIPELINE FOR PAYROLL TAX CALCULATION
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Per Book SSU O&M Labor | FY17 Capitalization Rate (1) | Allocation Factor (1), (2) | Total | SSU Capital Allocated to APT | SSU Expense Allocated to APT |
|----------|---|------------------------|------------------------------|----------------------------|-----------------|------------------------------|------------------------------|
| | (a) | (b) | (c) | (d) | (e) = (b) * (d) | (f) = (c) * (e) | (g) = (e) - (f) |
| 38 | 1161 SS Dallas Benefits and Payroll Accounting | 366,804 | 73.74% | 20.84% | 76,442 | 56,366 | 20,076 |
| 39 | 1164 SS Dallas IT Security | 865,631 | 17.00% | 20.84% | 180,398 | 30,668 | 149,730 |
| 40 | 1167 SS Dal-IT Enterprise Architecture | 448,537 | 20.00% | 21.09% | 94,596 | 18,919 | 75,677 |
| 41 | 1171 SS Regulatory Accounting Services | 172,233 | 74.97% | 21.09% | 36,324 | 27,233 | 9,091 |
| 42 | 1201 SS Dallas President & CEO | 1,063,037 | 73.74% | 20.84% | 221,537 | 163,355 | 58,182 |
| 43 | 1205 SS Dallas SVP Utility Operations | 371,529 | 12.02% | 20.84% | 77,427 | 9,306 | 68,121 |
| 44 | 1209 SS Dallas Safety & Compliance | 343,132 | 0.00% | 21.09% | 72,367 | - | 72,367 |
| 45 | 1212 SS CSC-Customer Contact Management | 13,926,455 | 20.86% | 0.00% | - | - | - |
| 46 | 1213 SS Dallas Quality Assurance | 518,351 | 0.00% | 0.00% | - | - | - |
| 47 | 1214 SS Dallas Workforce Management | 539,040 | 0.00% | 0.00% | - | - | - |
| 48 | 1215 SS Dispatch Operations | 4,068,368 | 0.00% | 0.00% | - | - | - |
| 49 | 1216 SS Dallas CSO Training & Knowledge Management | 830,193 | 0.00% | 0.00% | - | - | - |
| 50 | 1224 SS Dallas CSO Human Resources | 486,757 | 0.00% | 0.00% | - | - | - |
| 51 | 1226 SS Dallas Customer Service | 1,110,527 | 2.43% | 0.00% | - | - | - |
| 52 | 1227 SS Dallas Business Processes & Change Management | 1,996,816 | 3.90% | 21.09% | 421,129 | 16,415 | 404,713 |
| 53 | 1228 SS Dallas Customer Revenue Management | 7,971,621 | 0.00% | 0.00% | - | - | - |
| 54 | 1229 SS Dallas Pipeline Safety | 638,850 | 30.00% | 21.09% | 134,733 | 40,420 | 94,313 |
| 55 | 1401 SS Dallas Employment & Employee Relations | 544,249 | 0.00% | 20.84% | 113,421 | - | 113,421 |
| 56 | 1402 SS Dallas Executive Compensation | - | 0.00% | 20.84% | - | - | - |
| 57 | 1403 SS Dallas Human Resources - Vice Pres | 578,599 | 0.00% | 20.84% | 120,580 | - | 120,580 |
| 58 | 1405 SS Dallas Compensation & Benefits | 611,813 | 0.00% | 20.84% | 127,502 | - | 127,502 |
| 59 | 1407 SS Dallas Facilities | 610,860 | 29.28% | 20.84% | 127,303 | 37,280 | 90,023 |
| 60 | 1408 SS Dallas Employee Development | 807,017 | 0.00% | 20.84% | 168,182 | - | 168,182 |
| 61 | 1414 SS Tech Training Delivery | 836,910 | 0.00% | 21.09% | 176,504 | - | 176,504 |
| 62 | 1415 SS Tech Training Prog & Curriculum | 187,432 | 0.00% | 21.09% | 39,529 | - | 39,529 |
| 63 | 1416 SS Dallas Compensation & HRMS | 779,236 | 0.00% | 20.84% | 162,393 | - | 162,393 |
| 64 | 1420 SS Dallas EAPC | - | 0.00% | 20.84% | - | - | - |
| 65 | 1463 SS HR Benefit Variance | - | 15.73% | 20.84% | - | - | - |
| 66 | 1501 SS Corporate Legal | 2,785,770 | 52.29% | 20.84% | 580,554 | 303,564 | 276,991 |
| 67 | 1502 SS Corporate Secretary | - | 0.00% | 20.84% | - | - | - |
| 68 | 1503 SS Corporate Governmental Affairs | 360,719 | 0.00% | 21.09% | 76,076 | - | 76,076 |
| 69 | 1504 SS Corporate Central Records | 192,447 | 73.74% | 21.09% | 40,587 | 29,928 | 10,659 |
| 70 | 1505 SS Corporate Gas Contract Administration | 133,262 | 0.00% | 21.09% | 28,105 | - | 28,105 |
| 71 | 1508 SS Corporate Energy Assistance | 462,140 | 0.00% | 0.00% | - | - | - |
| 72 | 1821 SS Gas Supply Executive | 349,313 | 0.00% | 20.92% | 73,076 | - | 73,076 |
| 73 | 1822 SS Dallas-Regional Gas Supply | 246,719 | 0.00% | 0.00% | - | - | - |
| 74 | 1823 SS Dallas Gas Contract Admin | 355,621 | 0.00% | 0.00% | - | - | - |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO PIPELINE FOR PAYROLL TAX CALCULATION
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Per Book SSU O&M Labor | FY17 Capitalization Rate (1) | Allocation Factor (1), (2) | Total | SSU Capital Allocated to APT | SSU Expense Allocated to APT |
|----------|--|------------------------|------------------------------|----------------------------|---------------------|------------------------------|------------------------------|
| | (a) | (b) | (c) | (d) | (e) = (b) * (d) | (f) = (c) * (e) | (g) = (e) - (f) |
| 75 | 1825 SS Franklin-Gas Control & Storage | 298,464 | 0.00% | 0.00% | - | - | - |
| 76 | 1826 SS New Orleans Gas Supply & Services | 187,203 | 0.00% | 0.00% | - | - | - |
| 77 | 1827 SS Regional Supply Planning | 423,365 | 0.00% | 0.00% | - | - | - |
| 78 | 1828 SS Jackson-West Region Gas Supply & Services | 110,512 | 0.00% | 0.00% | - | - | - |
| 79 | 1829 SS Franklin-East Region Gas Supply & Services | - | 0.00% | 0.00% | - | - | - |
| 80 | 1831 SS Dallas Gas Supply | - | 0.00% | 0.00% | - | - | - |
| 81 | 1833 SS Dallas-Corporate Gas Supply Risk Mgmt | 105,838 | 0.00% | 0.00% | - | - | - |
| 82 | 1835 SS Franklin Gas Control | 958,194 | 0.00% | 0.00% | - | - | - |
| 83 | 1836 SS TBS-System Support | 250,219 | 0.00% | 20.92% | 52,346 | - | 52,346 |
| 84 | 1837 SS TBS-Application Support | 688,867 | 0.00% | 20.92% | 144,111 | - | 144,111 |
| 85 | 1838 SS TBS-Technical Support | 573,232 | 0.00% | 20.92% | 119,920 | - | 119,920 |
| 86 | 1839 SS TBS-Transportation & Scheduling | 203,299 | 0.00% | 20.92% | 42,530 | - | 42,530 |
| 87 | 1901 SS Dallas Employee Relocation Exp (Div 02) | 83,695 | 0.00% | 20.84% | 17,442 | - | 17,442 |
| 88 | 1901 SS Dallas Employee Relocation Exp (Div 12) | 14,624 | 0.00% | 0.00% | - | - | - |
| 89 | 1903 SS Dallas Controller - Miscellaneous | - | 0.00% | 0.00% | - | - | - |
| 90 | 1904 SS Dallas Performance Plan (3) | - | 30.50% | 0.00% | - | - | - |
| 91 | 1905 SS Outside Director Retirement Cost | - | 0.00% | 20.84% | - | - | - |
| 92 | 1908 SS Dallas SEBP (3) | - | 0.00% | 0.00% | - | - | - |
| 93 | 1910 SS Dallas Overhead Capitalized | - | 0.00% | 0.00% | - | - | - |
| 94 | 1913 SS Dallas Fleet and Corporate Sourcing | 541,269 | 46.75% | 21.09% | 114,154 | 53,366 | 60,787 |
| 95 | 1915 SS Dallas Insurance | - | 0.00% | 20.84% | - | - | - |
| 96 | 1953 SS Dallas Enterprise Team Meeting | - | 0.00% | 20.84% | - | - | - |
| 97 | 1954 SS Dallas Culture Council | - | 0.00% | 20.84% | - | - | - |
| 98 | TOTAL (Sum of Ln 1 through Ln 97) | <u>\$ 73,459,351</u> | | | <u>\$ 7,645,864</u> | <u>\$ 2,283,380</u> | <u>\$ 5,362,485</u> |
| 99 | | | | | | | |
| 100 | Add: SSU Labor Adjustment (WP_F-2.1, Col (g), Ln 16) | | | | | | (56,270) |
| 101 | | | | | | | |
| 102 | Total Adjusted SSU Labor Allocated to APT Account 922 (Ln 98 + Ln 100) | | | | | | <u>\$ 5,306,215</u> |
| 103 | | | | | | | |

Notes:

1. Factors are displayed only if applicable to APT.
2. Based upon FY17 factors, adjusted to the four-factor formula including Operating Income.
3. The four-factor allocation factors were set to 0% for cost centers 1132, 1904, and 1908 to remove these costs from this filing and to align with the Final Order in GUD No. 9762, Finding of Fact Nos. 72, 76, and 78. and GUD No. 10000.

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TOTAL INCOME TAXES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description (a) | Amount (b) |
|-------------|---|----------------------|
| 1 | Federal Income Tax (Page 2, Col (b), Ln 12) | \$ 57,616,650 |
| 2 | State Income Tax (Page 3, Col (c), Ln 7) | 3,376,820 |
| 3 | Adjustment | |
| 4 | Total Income Tax (Ln 1 + Ln 2) | <u>\$ 60,993,470</u> |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FEDERAL INCOME TAX
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description (a) | Amount (b) |
|-------------|--|----------------------|
| 1 | Return on Rate Base (Schedule G, Col (b), Ln 6) | \$ 156,813,317 |
| 2 | | |
| 3 | Interest Expense: | |
| 4 | Rate Base (Schedule B, Col (e), Ln 23) | \$ 1,767,599,981 |
| 5 | Weighted Cost of Debt (Schedule G, Col (b), Ln 17) | 2.82% |
| 6 | Total (Ln 4 times Ln 5) | <u>\$ 49,810,967</u> |
| 7 | | |
| 8 | Taxable component of return (Ln 1 - Ln 6) | \$ 107,002,350 |
| 9 | | |
| 10 | Tax factor (1 / .65) * (.35) | <u>53.85%</u> |
| 11 | | |
| 12 | Federal Income Taxes (Ln 10 times Ln 8) | <u>\$ 57,616,650</u> |
| 13 | | |
| 14 | <u>Note:</u> | |
| 15 | 1. Federal Income Taxes are calculated at the statutory rate based on TEX. UTIL. CODE § 104.055 (c). | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
STATE FRANCHISE ("GROSS MARGIN") TAX
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Account | Amount |
|----------|---|---------|----------------|
| | (a) | (b) | (c) |
| 1 | Total Proposed Operating Revenues (Schedule A, Col (d), Ln 25) | 480-495 | \$ 452,099,810 |
| 2 | Less: | | |
| 3 | Taxes Other Than Federal Income Tax- Revenue Related (Schedule F-5, Col (d), Ln 10) | 408.1 | 1,866,252 |
| 4 | Bad Debt Expense, not included in Purchased Gas Costs | 904 | (9,169) |
| 5 | Gross Profit (Ln 1 - Ln 3 - Ln 4) | | \$ 450,242,726 |
| 6 | Tax Rate | | 0.75% |
| 7 | Tax Due (Ln 5 times Ln 6) | 409.1 | \$ 3,376,820 |
| 8 | | | |
| 9 | <u>Note:</u> | | |
| 10 | 1. State Income Tax is the State Franchise ("Gross Margin") Tax and is calculated at the statutory rate based on TEX. UTIL. CODE § 171.002. | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SUMMARY OF RETURN
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Proposed Rates | |
|----------|---|----------------|----------------------|
| | (a) | (b) | |
| 1 | <u>Net Operating Income/Return</u> | | |
| 2 | | | |
| 3 | Adjustment | 5.95% | \$ 49,809,885 |
| 4 | Cost of Equity | 11.50% | \$ 107,003,432 |
| 5 | Cost of Short-Term Debt | 0.00% | \$ - |
| 6 | | | |
| 7 | Total Return on Rate Base | \$ | <u>156,813,317</u> |
| 8 | | | |
| 9 | <u>Rate Base - Capitalization Structure</u> | | |
| 10 | | | |
| 11 | Long-Term Debt | 47.36% | \$ 837,135,351 |
| 12 | Equity | 52.64% | \$ 930,464,630 |
| 13 | Short-Term Debt | 0.00% | \$ - |
| 14 | | | |
| 15 | Rate Base | \$ | <u>1,767,599,981</u> |
| 16 | | | |
| 17 | <u>Percent Return - After Tax</u> | | |
| 18 | | | |
| 19 | Cost of Long-Term Debt | | 2.82% |
| 20 | Return on Equity | | <u>6.05%</u> |
| 21 | Cost of Short-Term Debt | | 0.000% |
| 22 | | | |
| 23 | Percent Return - After Tax | | <u>8.872%</u> |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
CLASS COST OF SERVICE SUMMARY
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | | Total System | Total City Gate | Total Pipeline Transport | Total Mid-Tex WGIS |
|----------|--|--------|-------------------------|-------------------------|--------------------------------|--------------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | Adjustment | | | | | |
| 2 | Debt Cost | 47.36% | \$ 837,135,351 | \$ 761,677,725 | \$ 25,237,969 | \$ 50,219,657 |
| 3 | Common Equity | 52.64% | 930,464,630 | 846,594,499 | 28,051,661 | 55,818,470 |
| 4 | Total Invested Capital (Ln 2 + Ln 3) | | \$ 1,767,599,981 | \$ 1,608,272,224 | \$ 53,289,630 | \$ 106,038,127 |
| 5 | | | | | | |
| 6 | Return Required | | | | | |
| 7 | Debt Cost | 5.95% | \$ 49,809,885 | \$ 45,320,126 | \$ 1,501,669 | \$ 2,988,089 |
| 8 | Common Equity | 11.50% | 107,003,432 | 97,358,367 | 3,225,941 | 6,419,124 |
| 9 | Total Return Required (Ln 7 + Ln 8) | | \$ 156,813,317 | \$ 142,678,493 | \$ 4,727,610 | \$ 9,407,214 |
| 10 | | | | | | |
| 11 | Operating Revenue | | | | | |
| 12 | Transportation Revenue | | \$ 380,821,971 | \$ 354,428,073 | \$ 12,065,193 | \$ 14,328,705 |
| 13 | Transportation Revenue - Other | | 69,411,586 | 67,126,514 | 2,285,073 | - |
| 14 | Total Operating Revenue (Ln 12 + Ln 13) | | \$ 450,233,557 | \$ 421,554,586 | \$ 14,350,266 | \$ 14,328,705 |
| 15 | | | | | | |
| 16 | Operating Expenses | | | | | |
| 17 | Other Gas Supply Expenses | | \$ 6,592 | \$ 6,380 | \$ 212 | \$ - |
| 18 | Underground Storage Expenses - Operation | | 4,675,749 | 4,587,424 | 88,325 | - |
| 19 | Underground Storage Expenses - Maintenance | | 4,257,772 | 4,104,963 | 152,810 | - |
| 20 | Transmission Expenses - Operation | | 83,579,021 | 80,592,450 | 2,986,571 | - |
| 21 | Transmission Expenses - Maintenance | | 4,086,626 | 3,844,061 | 242,564 | - |
| 22 | Customer Accounts Expense | | 2,775,538 | 2,686,034 | 89,504 | - |
| 23 | Administrative and General Expenses | | 28,028,993 | 27,145,501 | 883,492 | - |
| 24 | Depreciation Expense | | 81,036,473 | 78,431,343 | 2,605,130 | - |
| 25 | Property-Related Taxes (Ad Valorem) | | 19,560,136 | 17,709,410 | 588,226 | 1,262,500 |
| 26 | Property-Related Taxes (Shared Services) | | 662,063 | 640,779 | 21,284 | - |
| 27 | Property-Related Taxes (DOT Pipeline Fee) | | 1,859,586 | 1,793,694 | 65,892 | - |
| 28 | Payroll Related Taxes | | 1,898,221 | 1,838,407 | 59,814 | - |
| 29 | Total Operating Expenses Before FIT (Sum Ln 17 through Ln 28) | | \$ 232,426,770 | \$ 223,380,447 | \$ 7,783,824 | \$ 1,262,500 |
| 30 | State and Federal Income Taxes | | 60,993,470 | 55,495,646 | 1,838,832 | 3,658,992 |
| 31 | Total Operating Expenses (Ln 29 + Ln 30) | | \$ 293,420,240 | \$ 278,876,093 | \$ 9,622,656 | \$ 4,921,492 |
| 32 | | | | | | |
| 33 | Total Return at Recommended Rates | | \$ 156,813,317 | \$ 142,678,493 | \$ 4,727,610 | \$ 9,407,214 |
| 34 | Total Rate Base | | 1,767,599,981 | 1,608,272,224 | 53,289,630 | 106,038,127 |
| 35 | Rate of Return at Recommended Rates (Ln 33 / Ln 34) | | 8.87% | 8.87% | 8.87% | 8.87% |

GUD No. 10580
FINAL ORDER

ATMOS ENERGY CORPORATION
 ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
 CLASS COST OF SERVICE SUMMARY
 TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Total System | Total City Gate | Total Pipeline Transport | Total Mid-Tex WGIS | |
|----------|---|-----------------------|-----------------------|--------------------------|----------------------|-----|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 36 | | | | | | |
| 37 | Total Revenue Requirement (Ln 31 + Ln 33) | \$ 450,233,557 | \$ 421,554,586 | \$ 14,350,266 | \$ 14,328,705 | |
| 38 | Less: Other Transportation Revenue | 69,411,586 | 67,126,514 | 2,285,073 | - | |
| 39 | Total Revenue Requirement Excl Other Transport Rev (Ln 37 - Ln 38) | <u>\$ 380,821,971</u> | <u>\$ 354,428,073</u> | <u>\$ 12,065,193</u> | <u>\$ 14,328,705</u> | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|---------------------------------------|--|-------------------------|----------|------------|-------------------------|-----------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1 | INVESTED CAPITAL - GROSS PLANT | | | | | | | |
| 2 | Adjustment | | | | | | | |
| 3 | STORAGE PLANT | | | | | | | |
| 4 | 350.00 | Land and Land Rights | \$ - | STORAG | | \$ - | \$ - | \$ - |
| 5 | 350.10 | Land | 5,515,389 | STORAG | | - | 5,515,389 | - |
| 6 | 350.20 | Rights-of-Way | 32,592 | STORAG | | - | 32,592 | - |
| 7 | 351.00 | Structures and Improvements | 24,635,344 | STORAG | | - | 24,635,344 | - |
| 8 | 352.00 | Wells | 78,403,027 | STORAG | | - | 78,403,027 | - |
| 9 | 353.00 | Lines | 13,256,043 | STORAG | | - | 13,256,043 | - |
| 10 | 354.00 | Compressor Station Equipment | 88,256,841 | STORAG | | - | 88,256,841 | - |
| 11 | 355.00 | M&R Equipment | 50,663,680 | STORAG | | - | 50,663,680 | - |
| 12 | 356.00 | Purification Equipment | 49,947,598 | STORAG | | - | 49,947,598 | - |
| 13 | 357.00 | Other Equipment | 621,183 | STORAG | | - | 621,183 | - |
| 14 | | Subtotal (Sum Ln 4 through Ln 13) | \$ 311,331,697 | | | \$ - | \$ 311,331,697 | \$ - |
| 15 | | | | | | | | |
| 16 | TRANSMISSION PLANT | | | | | | | |
| 17 | 365.00 | Land | \$ 1,232,270 | TRANS | | \$ 1,232,270 | \$ - | \$ - |
| 18 | 365.10 | ROW - Trans Comp Stat | - | TRANS | | - | - | - |
| 19 | 365.20 | ROW - City Gate | 18,983,795 | TRANS | | 18,983,795 | - | - |
| 20 | 366.00 | Structures and Improvements | 11,472,463 | TRANS | | 11,472,463 | - | - |
| 21 | 367.00 | Mains - Cathodic Protection | 200,439,413 | TRANS | | 200,439,413 | - | - |
| 22 | 367.01 | Mains - Steel | 1,431,528,224 | TRANS | | 1,431,528,224 | - | - |
| 23 | 367.02 | Mains - Plastic | 11,591,352 | TRANS | | 11,591,352 | - | - |
| 24 | 368.00 | Compressor Station Equipment | 150,061,066 | TRANS | | 150,061,066 | - | - |
| 25 | 369.00 | M&R Station Equipment | 228,773,444 | TRANS | | 228,773,444 | - | - |
| 26 | 370.00 | Communication Equipment | 14,144,928 | TRANS | | 14,144,928 | - | - |
| 27 | 371.00 | Other Equipment | 4,923,427 | TRANS | | 4,923,427 | - | - |
| 28 | | Subtotal (Sum Ln 17 through Ln 27) | \$ 2,073,150,383 | | | \$ 2,073,150,383 | \$ - | \$ - |
| 29 | | | | | | | | |
| 30 | | Total Functional Plant in Service (Ln 14 + Ln 28) | \$ 2,384,482,080 | | | \$ 2,073,150,383 | \$ 311,331,697 | \$ - |
| 31 | | | | | | | | |
| 32 | INTANGIBLE PLANT | | | | | | | |
| 33 | 303.00 | Miscellaneous Intangible Plant | \$ 6,238,271 | FPLANT | | \$ 5,385,531 | \$ 852,740 | \$ - |
| 34 | | Subtotal (Ln 33) | \$ 6,238,271 | | | \$ 5,385,531 | \$ 852,740 | \$ - |
| 35 | | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|----------------|--|------------------------|----------|------------|------------------------|-----------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 36 | | GENERAL PLANT | | | | | | |
| 37 | 389.00 | Land and Land Rights | \$ 124,981 | FPLANT | | \$ 107,897 | \$ 17,084 | \$ - |
| 38 | 390.00 | Structures and Improvements | 6,285,064 | FPLANT | | 5,425,928 | 859,136 | - |
| 39 | 391.00 | Office Furniture and Equipment | 4,878,716 | FPLANT | | 4,211,821 | 666,896 | - |
| 40 | 392.00 | Transportation Equipment | 1,562,956 | FPLANT | | 1,349,308 | 213,648 | - |
| 41 | 393.00 | Stores Equipment | - | FPLANT | | - | - | - |
| 42 | 394.00 | Tools, Shop, and Garage Equipment | 9,846,323 | FPLANT | | 8,500,381 | 1,345,942 | - |
| 43 | 395.00 | Laboratory Equipment | 172,645 | FPLANT | | 149,045 | 23,600 | - |
| 44 | 396.00 | Power Operated Equipment | 3,054,342 | FPLANT | | 2,636,829 | 417,513 | - |
| 45 | 397.00 | Communication Equipment | 736,092 | FPLANT | | 635,472 | 100,620 | - |
| 46 | 397.02 | Communication Equipment - Fixed Radios | 80,513 | FPLANT | | 69,508 | 11,006 | - |
| 47 | 397.05 | Communication Equipment - Telemetry | 114,680 | FPLANT | | 99,004 | 15,676 | - |
| 48 | 398.00 | Miscellaneous Equipment | 8,193,622 | FPLANT | | 7,073,595 | 1,120,026 | - |
| 49 | 399.00 | Other Tangible Property | 71,172 | FPLANT | | 61,443 | 9,729 | - |
| 50 | 399.01 | Other Tangible Property - Servers Hardware | 612,444 | FPLANT | | 528,726 | 83,718 | - |
| 51 | 399.02 | Other Tangible Property - Servers Software | 1,408,668 | FPLANT | | 1,216,110 | 192,558 | - |
| 52 | 399.03 | Other Tangible Property - Network Hardware | 71,397 | FPLANT | | 61,638 | 9,760 | - |
| 53 | 399.06 | Other Tangible Property - PC Hardware | 793,661 | FPLANT | | 685,172 | 108,489 | - |
| 54 | 399.07 | Other Tangible Property - PC Software | 794,975 | FPLANT | | 686,306 | 108,669 | - |
| 55 | | Shared Services General Office | 27,471,570 | FPLANT | | 23,716,346 | 3,755,223 | - |
| 56 | | Shared Services Greenville Data Center | 6,449,777 | FPLANT | | 5,568,125 | 881,651 | - |
| 57 | | Shared Services Align Pipe Projects | 16,041,414 | FPLANT | | 13,848,634 | 2,192,779 | - |
| 58 | | Subtotal (Sum Ln 37 through Ln 57) | \$ 88,765,013 | | | \$ 76,631,289 | \$ 12,133,724 | \$ - |
| 59 | | | | | | | | |
| 60 | | Total APT Gross Plant (Ln 30 + Ln 34 + Ln 58) | \$2,479,485,364 | | | \$2,155,167,204 | \$ 324,318,160 | \$ - |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|--|--|-----------------------|----------|------------|-----------------------|----------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1 | INVESTED CAPITAL - ACCUMULATED DEPRECIATION | | | | | | | |
| 2 | | | | | | | | |
| 3 | | STORAGE PLANT | | | | | | |
| 4 | 350.00 | Land and Land Rights | \$ - | STORAG | | \$ - | \$ - | \$ - |
| 5 | 350.10 | Land | - | STORAG | | - | - | - |
| 6 | 350.20 | Rights-of-Way | 14,767 | STORAG | | - | 14,767 | - |
| 7 | 351.00 | Structures and Improvements | 5,855,602 | STORAG | | - | 5,855,602 | - |
| 8 | 352.00 | Wells | 14,298,665 | STORAG | | - | 14,298,665 | - |
| 9 | 353.00 | Lines | 3,699,870 | STORAG | | - | 3,699,870 | - |
| 10 | 354.00 | Compressor Station Equipment | 18,665,963 | STORAG | | - | 18,665,963 | - |
| 11 | 355.00 | M&R Equipment | 7,776,600 | STORAG | | - | 7,776,600 | - |
| 12 | 356.00 | Purification Equipment | 7,059,844 | STORAG | | - | 7,059,844 | - |
| 13 | 357.00 | Other Equipment | 206,980 | STORAG | | - | 206,980 | - |
| 14 | | Subtotal (Sum Ln 4 through Ln 13) | \$ 57,578,292 | | | \$ - | \$ 57,578,292 | \$ - |
| 15 | | | | | | | | |
| 16 | | TRANSMISSION PLANT | | | | | | |
| 17 | 365.00 | Land | \$ - | TRANS | | \$ - | \$ - | \$ - |
| 18 | 365.10 | ROW - Trans Comp Stat | - | TRANS | | - | - | - |
| 19 | 365.20 | ROW - City Gate | 5,589,104 | TRANS | | 5,589,104 | - | - |
| 20 | 366.00 | Structures and Improvements | 3,140,237 | TRANS | | 3,140,237 | - | - |
| 21 | 367.00 | Mains - Cathodic Protection | 52,390,846 | TRANS | | 52,390,846 | - | - |
| 22 | 367.01 | Mains - Steel | 238,931,308 | TRANS | | 238,931,308 | - | - |
| 23 | 367.02 | Mains - Plastic | 1,485,678 | TRANS | | 1,485,678 | - | - |
| 24 | 368.00 | Compressor Station Equipment | 42,356,758 | TRANS | | 42,356,758 | - | - |
| 25 | 369.00 | M&R Station Equipment | 55,590,538 | TRANS | | 55,590,538 | - | - |
| 26 | 370.00 | Communication Equipment | 4,671,498 | TRANS | | 4,671,498 | - | - |
| 27 | 371.00 | Other Equipment | 1,942,900 | TRANS | | 1,942,900 | - | - |
| 28 | | Subtotal (Sum Ln 17 through Ln 27) | \$ 406,098,867 | | | \$ 406,098,867 | \$ - | \$ - |
| 29 | | | | | | | | |
| 30 | | Total Functional Plant in Service (Ln 14 + Ln 28) | \$ 463,677,159 | | | \$ 406,098,867 | \$ 57,578,292 | \$ - |
| 31 | | | | | | | | |
| 32 | | INTANGIBLE PLANT | | | | | | |
| 33 | 303.00 | Miscellaneous Intangible Plant | \$ 6,238,271 | FPLANT | | \$ 5,385,531 | \$ 852,740 | \$ - |
| 34 | | Subtotal (Ln 33) | \$ 6,238,271 | | | \$ 5,385,531 | \$ 852,740 | \$ - |
| 35 | | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|----------------|--|-----------------------|---------------|------------|-----------------------|----------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 36 | | GENERAL PLANT | | | | | | |
| 37 | 389.00 | Land and Land Rights | \$ - | FPLANT | | \$ - | \$ - | \$ - |
| 38 | 390.00 | Structures and Improvements | 1,338,571 | FPLANT | | 1,155,595 | 182,976 | - |
| 39 | 391.00 | Office Furniture and Equipment | 2,724,584 | FPLANT | | 2,352,148 | 372,437 | - |
| 40 | 392.00 | Transportation Equipment | 578,415 | FPLANT | | 499,348 | 79,066 | - |
| 41 | 393.00 | Stores Equipment | - | FPLANT | | - | - | - |
| 42 | 394.00 | Tools, Shop, and Garage Equipment | 2,166,906 | FPLANT | | 1,870,701 | 296,205 | - |
| 43 | 395.00 | Laboratory Equipment | 40,384 | FPLANT | | 34,864 | 5,520 | - |
| 44 | 396.00 | Power Operated Equipment | 701,214 | FPLANT | | 605,361 | 95,852 | - |
| 45 | 397.00 | Communication Equipment | 312,733 | FPLANT | | 269,984 | 42,749 | - |
| 46 | 397.02 | Communication Equipment - Fixed Radios | 9,323 | FPLANT | | 8,049 | 1,274 | - |
| 47 | 397.05 | Communication Equipment - Telemetry | 50,520 | FPLANT | | 43,614 | 6,906 | - |
| 48 | 398.00 | Miscellaneous Equipment | 3,556,347 | FPLANT | | 3,070,212 | 486,134 | - |
| 49 | 399.00 | Other Tangible Property | 21,487 | FPLANT | | 18,550 | 2,937 | - |
| 50 | 399.01 | Other Tangible Property - Servers Hardware | 121,216 | FPLANT | | 104,646 | 16,570 | - |
| 51 | 399.02 | Other Tangible Property - Servers Software | 675,152 | FPLANT | | 582,862 | 92,290 | - |
| 52 | 399.03 | Other Tangible Property - Network Hardware | 12,875 | FPLANT | | 11,115 | 1,760 | - |
| 53 | 399.06 | Other Tangible Property - PC Hardware | 301,166 | FPLANT | | 259,999 | 41,168 | - |
| 54 | 399.07 | Other Tangible Property - PC Software | 503,432 | FPLANT | | 434,616 | 68,817 | - |
| 55 | | Shared Services General Office | 16,402,442 | FPLANT | | 14,160,312 | 2,242,130 | - |
| 56 | | Shared Services Greenville Data Center | 1,968,887 | FPLANT | | 1,699,751 | 269,137 | - |
| 57 | | Shared Services Align Pipe Projects | 850,769 | FPLANT | | 734,473 | 116,296 | - |
| 58 | | Subtotal (Sum Ln 37 through Ln 57) | \$ 32,336,423 | | | \$ 27,916,199 | \$ 4,420,224 | \$ - |
| 59 | | | | | | | | |
| 60 | | RWIP | (2,689,475) | FPLANT | | (2,321,837) | (367,637) | - |
| 61 | | | | | | | | |
| 62 | | Total APT Accumulated Depreciation | | | | | | |
| | | (Ln 30 + Ln 34 + Ln 58 + Ln 60) | \$ 499,562,378 | | | \$ 437,078,760 | \$ 62,483,618 | \$ - |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|-------------------------------------|--|-------------------------|----------|------------|-------------------------|-----------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1 | INVESTED CAPITAL - NET PLANT | | | | | | | |
| 2 | | | | | | | | |
| 3 | STORAGE PLANT | | | | | | | |
| 4 | 350.00 | Land and Land Rights | \$ - | STORAG | | \$ - | \$ - | \$ - |
| 5 | 350.10 | Land | 5,515,389 | STORAG | | - | 5,515,389 | - |
| 6 | 350.20 | Rights-of-Way | 17,824 | STORAG | | - | 17,824 | - |
| 7 | 351.00 | Structures and Improvements | 18,779,742 | STORAG | | - | 18,779,742 | - |
| 8 | 352.00 | Wells | 64,104,362 | STORAG | | - | 64,104,362 | - |
| 9 | 353.00 | Lines | 9,556,173 | STORAG | | - | 9,556,173 | - |
| 10 | 354.00 | Compressor Station Equipment | 69,590,878 | STORAG | | - | 69,590,878 | - |
| 11 | 355.00 | M&R Equipment | 42,887,080 | STORAG | | - | 42,887,080 | - |
| 12 | 356.00 | Purification Equipment | 42,887,754 | STORAG | | - | 42,887,754 | - |
| 13 | 357.00 | Other Equipment | 414,203 | STORAG | | - | 414,203 | - |
| 14 | | Subtotal (Sum Ln 4 through Ln 13) | \$ 253,753,405 | | | \$ - | \$ 253,753,405 | \$ - |
| 15 | | | | | | | | |
| 16 | TRANSMISSION PLANT | | | | | | | |
| 17 | 365.00 | Land | \$ 1,232,270 | TRANS | | \$ 1,232,270 | \$ - | \$ - |
| 18 | 365.10 | ROW - Trans Comp Stat | - | TRANS | | - | - | - |
| 19 | 365.20 | ROW - City Gate | 13,394,690 | TRANS | | 13,394,690 | - | - |
| 20 | 366.00 | Structures and Improvements | 8,332,227 | TRANS | | 8,332,227 | - | - |
| 21 | 367.00 | Mains - Cathodic Protection | 148,048,567 | TRANS | | 148,048,567 | - | - |
| 22 | 367.01 | Mains - Steel | 1,192,596,916 | TRANS | | 1,192,596,916 | - | - |
| 23 | 367.02 | Mains - Plastic | 10,105,674 | TRANS | | 10,105,674 | - | - |
| 24 | 368.00 | Compressor Station Equipment | 107,704,308 | TRANS | | 107,704,308 | - | - |
| 25 | 369.00 | M&R Station Equipment | 173,182,906 | TRANS | | 173,182,906 | - | - |
| 26 | 370.00 | Communication Equipment | 9,473,431 | TRANS | | 9,473,431 | - | - |
| 27 | 371.00 | Other Equipment | 2,980,527 | TRANS | | 2,980,527 | - | - |
| 28 | | Subtotal (Sum Ln 17 through Ln 27) | \$ 1,667,051,516 | | | \$ 1,667,051,516 | \$ - | \$ - |
| 29 | | | | | | | | |
| 30 | | Total Functional Plant in Service (Ln 14 + Ln 28) | \$ 1,920,804,921 | | | \$ 1,667,051,516 | \$ 253,753,405 | \$ - |
| 31 | | | | | | | | |
| 32 | INTANGIBLE PLANT | | | | | | | |
| 33 | 303.00 | Miscellaneous Intangible Plant | \$ - | FPLANT | | \$ - | \$ - | \$ - |
| 34 | | Subtotal (Ln 33) | \$ - | | | \$ - | \$ - | \$ - |
| 35 | | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|----------------|--|-------------------------|---------------|------------|-------------------------|-----------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 36 | | GENERAL PLANT | | | | | | |
| 37 | 389.00 | Land and Land Rights | \$ 124,981 | FPLANT | | \$ 107,897 | \$ 17,084 | \$ - |
| 38 | 390.00 | Structures and Improvements | 4,946,493 | FPLANT | | 4,270,333 | 676,160 | - |
| 39 | 391.00 | Office Furniture and Equipment | 2,154,132 | FPLANT | | 1,859,673 | 294,459 | - |
| 40 | 392.00 | Transportation Equipment | 984,541 | FPLANT | | 849,960 | 134,582 | - |
| 41 | 393.00 | Stores Equipment | - | FPLANT | | - | - | - |
| 42 | 394.00 | Tools, Shop, and Garage Equipment | 7,679,417 | FPLANT | | 6,629,680 | 1,049,737 | - |
| 43 | 395.00 | Laboratory Equipment | 132,261 | FPLANT | | 114,182 | 18,079 | - |
| 44 | 396.00 | Power Operated Equipment | 2,353,128 | FPLANT | | 2,031,468 | 321,661 | - |
| 45 | 397.00 | Communication Equipment | 423,359 | FPLANT | | 365,488 | 57,871 | - |
| 46 | 397.02 | Communication Equipment - Fixed Radios | 71,190 | FPLANT | | 61,459 | 9,731 | - |
| 47 | 397.05 | Communication Equipment - Telemetry | 64,160 | FPLANT | | 55,390 | 8,770 | - |
| 48 | 398.00 | Miscellaneous Equipment | 4,637,275 | FPLANT | | 4,003,383 | 633,892 | - |
| 49 | 399.00 | Other Tangible Property | 49,685 | FPLANT | | 42,893 | 6,792 | - |
| 50 | 399.01 | Other Tangible Property - Servers Hardware | 491,229 | FPLANT | | 424,080 | 67,148 | - |
| 51 | 399.02 | Other Tangible Property - Servers Software | 733,516 | FPLANT | | 633,248 | 100,268 | - |
| 52 | 399.03 | Other Tangible Property - Network Hardware | 58,523 | FPLANT | | 50,523 | 8,000 | - |
| 53 | 399.06 | Other Tangible Property - PC Hardware | 492,494 | FPLANT | | 425,173 | 67,321 | - |
| 54 | 399.07 | Other Tangible Property - PC Software | 291,542 | FPLANT | | 251,690 | 39,852 | - |
| 55 | | Shared Services General Office | 11,069,128 | FPLANT | | 9,556,034 | 1,513,093 | - |
| 56 | | Shared Services Greenville Data Center | 4,480,889 | FPLANT | | 3,868,374 | 612,515 | - |
| 57 | | Shared Services Align Pipe Projects | 15,190,645 | FPLANT | | 13,114,161 | 2,076,484 | - |
| 58 | | Subtotal (Sum Ln 37 through Ln 57) | \$ 56,428,590 | | | \$ 48,715,090 | \$ 7,713,500 | \$ - |
| 59 | | | | | | | | |
| 60 | | RWIP | 2,689,475 | FPLANT | | 2,321,837 | 367,637 | - |
| 61 | | | | | | | | |
| 62 | | Total APT Net Plant (Ln 30 + Ln 34 + Ln 58 + Ln 60) | \$ 1,979,922,986 | | | \$ 1,718,088,444 | \$ 261,834,542 | \$ - |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|--|--|-------------------------|----------|------------|-------------------------|-----------------------|-----------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1 | <u>INVESTED CAPITAL SUMMARY</u> | | | | | | | |
| 2 | | | | | | | | |
| 3 | | NET PLANT | | | | | | |
| 4 | | Gross Plant | \$ 2,479,485,364 | | | \$ 2,155,167,204 | \$ 324,318,160 | \$ - |
| 5 | | Accumulated Depreciation | 499,562,378 | | | 437,078,760 | 62,483,618 | - |
| 6 | | Non-Current Gas in Storage | 16,928,914 | | STORAG | - | 16,928,914 | - |
| 7 | | Total Net Plant (Ln 4 - Ln 5 + Ln 6) | \$ 1,996,851,900 | | | \$ 1,718,088,444 | \$ 278,763,456 | \$ - |
| 8 | | | | | | | | |
| 9 | | INVESTMENT ADDITIONS | | | | | | |
| 10 | | Cash Working Capital | \$ (8,093,285) | | FPLANT | \$ (6,986,975) | \$ (1,106,311) | \$ - |
| 11 | | Materials and Supplies | 3,757,677 | | FPLANT | 3,244,022 | 513,655 | - |
| 12 | | Line Pack | 4,385,237 | | TRANS | 4,385,237 | - | - |
| 13 | | Working Gas Stored Underground | 106,038,127 | | MIDTEX | - | - | 106,038,127 |
| 14 | | Prepayments | 6,656,192 | | FPLANT | 5,746,324 | 909,867 | - |
| 15 | | Pension and Other Post Employment Benefits Regulatory Asset | 6,567,664 | | FLABOR | 5,495,837 | 1,071,827 | - |
| 16 | | Total Investment Additions (Sum Ln 10 through Ln 15) | \$ 119,311,611 | | | \$ 11,884,445 | \$ 1,389,038 | \$ 106,038,127 |
| 17 | | | | | | | | |
| 18 | | INVESTMENT DEDUCTIONS | | | | | | |
| 19 | | Injuries and Damages Reserve | \$ 121,434 | | FLABOR | \$ 101,616 | \$ 19,818 | \$ - |
| 20 | | Accumulated Deferred Income Taxes | 344,850,951 | | | 297,573,789 | 47,277,161 | - |
| 21 | | Rate Base Adjustments | 3,591,145 | | FLABOR | 3,005,079 | 586,066 | - |
| 22 | | Total Investment Deductions (Sum Ln 19 through Ln 21) | \$ 348,563,530 | | | \$ 300,680,485 | \$ 47,883,045 | \$ - |
| 23 | | | | | | | | |
| 24 | | Total Invested Capital (Ln 7 + Ln 16 - Ln 22) | \$ 1,767,599,981 | | | \$ 1,429,292,404 | \$ 232,269,449 | \$ 106,038,127 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|----------------|---|---------------------|----------|------------|-----------------|---------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1 | | OPERATING EXPENSES | | | | | | |
| 2 | | | | | | | | |
| 3 | | OTHER GAS SUPPLY EXPENSES | | | | | | |
| 4 | 813 | Other Gas Supply Expenses | \$ 6,592 | FPLANT | FIXED | \$ 5,691 | \$ 901 | \$ - |
| 5 | | Total Other Gas Supply Expenses (Ln 4) | \$ 6,592 | | | \$ 5,691 | \$ 901 | \$ - |
| 6 | | | | | | | | |
| 7 | | UNDERGROUND STORAGE EXPENSES - OPERATION | | | | | | |
| 8 | 814 | Operation Supervision and Engineering | \$ 1,169,571 | STORAG | FIXED | \$ - | \$ 1,169,571 | \$ - |
| 9 | 816 | Wells Expenses | 1,065,312 | STORAG | FIXED | - | 1,065,312 | - |
| 10 | 817 | Lines Expenses | 13,755 | STORAG | FIXED | - | 13,755 | - |
| 11 | 818 | Compressor Station Expenses - FIXED | 1,210,712 | STORAG | FIXED | - | 1,210,712 | - |
| 12 | 818 | Compressor Station Expenses - VARIABLE | 1,127,977 | STORAG | VARIABLE | - | 1,127,977 | - |
| 13 | 820 | Measuring and Regulating Station Expenses | 52,901 | STORAG | FIXED | - | 52,901 | - |
| 14 | 821 | Purification Expenses | 34,791 | STORAG | FIXED | - | 34,791 | - |
| 15 | 824 | Other Expenses | 730 | STORAG | FIXED | - | 730 | - |
| 16 | | Total UG Storage Expenses - Operation | | | | | | |
| | | (Sum Ln 8 through Ln 15) | \$ 4,675,749 | | | \$ - | \$ 4,675,749 | \$ - |
| 17 | | | | | | | | |
| 18 | | UNDERGROUND STORAGE EXPENSES - MAINTENANCE | | | | | | |
| 19 | 831 | Maintenance of Structures and Improvements | \$ 1,931 | STORAG | FIXED | \$ - | \$ 1,931 | \$ - |
| 20 | 832 | Maintenance of Reservoirs and Wells | - | STORAG | FIXED | - | - | - |
| 21 | 834 | Maintenance of Compressor Station Equipment - FIXED | 800,439 | STORAG | FIXED | - | 800,439 | - |
| 22 | 834 | Maintenance of Compressor Station Equipment - VARIABLE | 3,356,455 | STORAG | VARIABLE | - | 3,356,455 | - |
| 23 | 835 | Maintenance of Measuring and Regulating Station Equipment | 17,671 | STORAG | FIXED | - | 17,671 | - |
| 24 | 836 | Maintenance of Purification Equipment | 81,276 | STORAG | FIXED | - | 81,276 | - |
| 25 | | Total UG Storage Expenses - Maintenance | | | | | | |
| | | (Sum Ln 19 through Ln 24) | \$ 4,257,772 | | | \$ - | \$ 4,257,772 | \$ - |
| 26 | | | | | | | | |
| 27 | | Total Storage Expenses (Ln 16 + Ln 25) | \$ 8,933,522 | | | \$ - | \$ 8,933,522 | \$ - |
| 28 | | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|----------------|---|----------------------|----------|------------|----------------------|-------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 29 | | TRANSMISSION EXPENSES - OPERATION | | | | | | |
| 30 | 850 | Operation Supervision and Engineering | \$ 314,350 | TRANS | FIXED | \$ 314,350 | \$ - | \$ - |
| 31 | 851 | System Control and Load Dispatching | 1,728,036 | TRANS | FIXED | 1,728,036 | - | - |
| 32 | 852 | Communication System Expenses | 1,982,902 | TRANS | FIXED | 1,982,902 | - | - |
| 33 | 853 | Compressor Station Labor and Expenses - FIXED | 521,926 | TRANS | FIXED | 521,926 | - | - |
| 34 | 853 | Compressor Station Labor and Expenses - VARIABLE | 193,559 | TRANS | VARIABLE | 193,559 | - | - |
| 35 | 856 | Mains Expenses | 76,672,780 | TRANS | FIXED | 76,672,780 | - | - |
| 36 | 857 | Measuring and Regulating Station Expenses | 1,891,662 | TRANS | FIXED | 1,891,662 | - | - |
| 37 | 858 | Transmission and Compression of Gas by Others | 98,867 | TRANS | VARIABLE | 98,867 | - | - |
| 38 | 859 | Other Expenses | 33,711 | TRANS | FIXED | 33,711 | - | - |
| 39 | 860 | Rents | 141,228 | TRANS | FIXED | 141,228 | - | - |
| | | Total Transmission Expenses - Operation | | | | | | |
| 40 | | (Sum Ln 30 through Ln 39) | \$ 83,579,021 | | | \$ 83,579,021 | \$ - | \$ - |
| 41 | | | | | | | | |
| 42 | | TRANSMISSION EXPENSES - MAINTENANCE | | | | | | |
| 43 | 863 | Maintenance of Mains | \$ 1,666,305 | TRANS | FIXED | \$ 1,666,305 | \$ - | \$ - |
| 44 | 864 | Maintenance of Compressor Station Equipment - FIXED | 361,217 | TRANS | FIXED | 361,217 | - | - |
| 45 | 864 | Maintenance of Compressor Station Equipment - VARIABLE | 1,141,166 | TRANS | VARIABLE | 1,141,166 | - | - |
| 46 | 865 | Maintenance of Measuring and Regulating Station Equipment | 624,905 | TRANS | FIXED | 624,905 | - | - |
| 47 | 866 | Maintenance of Communication Equipment | 160,951 | TRANS | FIXED | 160,951 | - | - |
| 48 | 867 | Maintenance of Other Equipment | 132,082 | TRANS | FIXED | 132,082 | - | - |
| | | Total Transmission Expenses - Maintenance | | | | | | |
| 49 | | (Sum Ln 43 through Ln 48) | \$ 4,086,626 | | | \$ 4,086,626 | \$ - | \$ - |
| 50 | | | | | | | | |
| 51 | | Total Transmission Expenses (Ln 40 + Ln 49) | \$ 87,665,647 | | | \$ 87,665,647 | \$ - | \$ - |
| 52 | | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|----------------|---|-----------------------|----------|------------|-----------------------|----------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 53 | | CUSTOMER ACCOUNTS EXPENSES | | | | | | |
| 54 | 902 | Meter Reading Expenses | \$ - | TRANS | FIXED | \$ - | \$ - | \$ - |
| 55 | 904 | Uncollectible Accounts | (9,169) | TRANS | FIXED | (9,169) | - | - |
| 56 | 910 | Miscellaneous Customer Service and Informational Expenses | 1,432,016 | TRANS | FIXED | 1,432,016 | - | - |
| 57 | 911 | Supervision | 108 | TRANS | FIXED | 108 | - | - |
| 58 | 912 | Demonstrating and Selling Expenses | 2,450 | TRANS | FIXED | 2,450 | - | - |
| 59 | 913 | Advertising Expenses | 6 | TRANS | FIXED | 6 | - | - |
| 60 | 916 | Miscellaneous Sales Expenses | 1,350,128 | TRANS | FIXED | 1,350,128 | - | - |
| 61 | | Total Customer Accounts Expenses | | | | | | |
| | | (Sum Ln 54 through Ln 60) | \$ 2,775,538 | | | \$ 2,775,538 | \$ - | \$ - |
| 62 | | ADMINISTRATIVE AND GENERAL EXPENSES | | | | | | |
| 64 | 920 | Administrative and General Salaries | \$ 1,036,130 | FLABOR | FIXED | \$ 867,036 | \$ 169,094 | \$ - |
| 65 | 921 | Office Supplies and Expenses | 490,576 | FLABOR | FIXED | 410,515 | 80,061 | - |
| 66 | 922 | Administrative Expenses Transferred— Credit | 16,358,629 | FLABOR | FIXED | 13,688,941 | 2,669,688 | - |
| 67 | 923 | Outside Services Employed | 1,086,424 | FLABOR | FIXED | 909,123 | 177,302 | - |
| 68 | 924 | Property Insurance | 446,860 | FPLANT | FIXED | 385,776 | 61,083 | - |
| 69 | 925 | Injuries and Damages | 448,644 | FLABOR | FIXED | 375,427 | 73,218 | - |
| 70 | 926 | Employee Pensions and Benefits | 8,138,356 | FLABOR | FIXED | 6,810,197 | 1,328,160 | - |
| 71 | 930.2 | Miscellaneous General Expenses | (236,947) | FLABOR | FIXED | (198,278) | (38,669) | - |
| 72 | 931 | Rents | 260,320 | FLABOR | FIXED | 217,837 | 42,484 | - |
| 73 | | Total Admin and General Expenses | | | | | | |
| | | (Sum Ln 64 through Ln 72) | \$ 28,028,993 | | | \$ 23,466,573 | \$ 4,562,420 | \$ - |
| 74 | | Total O&M Expense (Ln 5 + Ln 27 + Ln 51 + Ln 61 + Ln 73) | \$ 127,410,291 | | | \$ 113,913,449 | \$ 13,496,843 | \$ - |
| 75 | | Total O&M Expense Excluding A&G (Ln 75 - Ln 73) | \$ 99,381,298 | | | \$ 90,446,876 | \$ 8,934,423 | \$ - |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|--|---|-----------------------|----------|------------|-----------------------|----------------------|---------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1 | DEPRECIATION EXPENSE, OTHER TAX, OPERATING INCOME | | | | | | | |
| 2 | | | | | | | | |
| 3 | | DEPRECIATION EXPENSE | | | | | | |
| 4 | | Transmission, Storage, and General Plant | \$ 81,036,473 | FPLANT | FIXED | \$ 69,959,202 | \$ 11,077,272 | \$ - |
| 5 | | Total Depreciation Expense (Ln 4) | <u>\$ 81,036,473</u> | | | <u>\$ 69,959,202</u> | <u>\$ 11,077,272</u> | <u>\$ -</u> |
| 6 | | | | | | | | |
| 7 | | OTHER TAXES | | | | | | |
| 8 | | Property-Related Taxes (Ad Valorem) | \$ 19,560,136 | FPROPTAX | FIXED | \$ 15,796,442 | \$ 2,501,193 | \$ 1,262,500 |
| 9 | | Property-Related Taxes (Shared Services) | 662,063 | FPLANT | FIXED | 571,562 | 90,501 | - |
| 10 | | Property-Related Taxes (DOT Pipeline Fee) | 1,859,586 | TRANS | FIXED | 1,859,586 | - | - |
| 11 | | Payroll Related Taxes | 1,898,221 | FLABOR | FIXED | 1,588,436 | 309,785 | - |
| 12 | | Total Other Taxes (Sum Ln 8 through Ln 11) | <u>\$ 23,980,006</u> | | | <u>\$ 19,816,027</u> | <u>\$ 2,901,479</u> | <u>\$ 1,262,500</u> |
| 13 | | | | | | | | |
| 14 | | Total Operating Expenses Before FIT | | | | | | |
| 15 | | (Page 10, Ln 75 + Ln 5 + Ln 12) | <u>\$ 232,426,770</u> | | | <u>\$ 203,688,677</u> | <u>\$ 27,475,593</u> | <u>\$ 1,262,500</u> |
| 16 | | Total Fixed O&M | 226,508,746 | | FIXED | 202,255,085 | 22,991,161 | 1,262,500 |
| 17 | | Total Variable O&M | 5,918,024 | | VARIABLE | 1,433,592 | 4,484,432 | - |
| 18 | | | | | | | | |
| 19 | | STATE/FEDERAL INCOME TAX EXPENSE | 60,993,470 | RATEBASE | | 49,319,701 | 8,014,777 | 3,658,992 |
| 20 | | | | | | | | |
| 21 | | Total Operating Expenses | | | | | | |
| | | (Page 10, Ln 75 + Ln 5 + Ln 12 + Ln 19) | <u>\$ 293,420,240</u> | | | <u>\$ 253,008,378</u> | <u>\$ 35,490,370</u> | <u>\$ 4,921,492</u> |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|---|---|--------------|----------|------------|-------|--------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1 | DEVELOPMENT OF LABOR ALLOCATOR | | | | | | | |
| 2 | | | | | | | | |
| 3 | UNDERGROUND STORAGE EXPENSES - OPERATION | | | | | | | |
| 4 | 814 | Operation Supervision and Engineering | \$ 985,283 | STORAG | | \$ - | \$ 985,283 | \$ - |
| 5 | 816 | Wells Expenses | 41,246 | STORAG | | - | 41,246 | - |
| 6 | 817 | Lines Expenses | 13,617 | STORAG | | - | 13,617 | - |
| 7 | 818 | Compressor Station Expenses | 1,210,712 | STORAG | | - | 1,210,712 | - |
| 8 | 820 | Measuring and Regulating Station Expenses | 42,199 | STORAG | | - | 42,199 | - |
| 9 | 821 | Purification Expenses | 18,518 | STORAG | | - | 18,518 | - |
| 10 | 824 | Other Expenses | - | STORAG | | - | - | - |
| 11 | Total UG Storage Expenses - Operation | | | | | | | |
| | (Sum Ln 4 through Ln 10) | | \$ 2,311,575 | | | \$ - | \$ 2,311,575 | \$ - |
| 12 | | | | | | | | |
| 13 | UNDERGROUND STORAGE EXPENSES - MAINTENANCE | | | | | | | |
| 14 | 832 | Maintenance of Reservoirs and Wells | \$ - | STORAG | | \$ - | \$ - | \$ - |
| 15 | 834 | Maintenance of Compressor Station Equipment | 800,439 | STORAG | | - | 800,439 | - |
| 16 | 835 | Maintenance of Measuring and Regulating Station Equipment | 11,999 | STORAG | | - | 11,999 | - |
| 17 | 836 | Maintenance of Purification Equipment | 43,119 | STORAG | | - | 43,119 | - |
| 18 | Total UG Storage Expenses - Maintenance | | | | | | | |
| | (Sum Ln 14 through Ln 17) | | \$ 855,557 | | | \$ - | \$ 855,557 | \$ - |
| 19 | | | | | | | | |
| 20 | Total UG Storage - O&M Labor (Ln 11 + Ln 18) | | \$ 3,167,132 | | | \$ - | \$ 3,167,132 | \$ - |
| 21 | | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|----------------|---|----------------------|----------|------------|----------------------|---------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 22 | | TRANSMISSION EXPENSES - OPERATION | | | | | | |
| 23 | 850 | Operation Supervision and Engineering | \$ 294,345 | TRANS | | \$ 294,345 | \$ - | \$ - |
| 24 | 851 | System Control and Load Dispatching | 1,701,813 | TRANS | | 1,701,813 | - | - |
| 25 | 852 | Communication System Expenses | 740,357 | TRANS | | 740,357 | - | - |
| 26 | 853 | Compressor Station Labor and Expenses | 521,926 | TRANS | | 521,926 | - | - |
| 27 | 854 | Gas for Compressor Station Fuel | - | TRANS | | - | - | - |
| 28 | 855 | Other Fuel and Power for Compressor Stations | - | TRANS | | - | - | - |
| 29 | 856 | Mains Expenses | 10,654,130 | TRANS | | 10,654,130 | - | - |
| 30 | 857 | Measuring and Regulating Station Expenses | 1,203,583 | TRANS | | 1,203,583 | - | - |
| 31 | 858 | Transmission and Compression of Gas by Others | - | TRANS | | - | - | - |
| 32 | 859 | Other Expenses | (70) | TRANS | | (70) | - | - |
| 33 | 860 | Rents | - | TRANS | | - | - | - |
| 34 | | Total Transmission Expenses - Operation | | | | | | |
| | | (Sum Ln 23 through Ln 33) | \$ 15,116,084 | | | \$ 15,116,084 | \$ - | \$ - |
| 35 | | TRANSMISSION EXPENSES - MAINTENANCE | | | | | | |
| 36 | | | | | | | | |
| 37 | 861 | Maintenance Supervision and Engineering | \$ - | TRANS | | \$ - | \$ - | \$ - |
| 38 | 863 | Maintenance of Mains | 528,208 | TRANS | | 528,208 | - | - |
| 39 | 864 | Maintenance of Compressor Station Equipment | 361,217 | TRANS | | 361,217 | - | - |
| 40 | 865 | Maintenance of Measuring and Regulating Station Equipment | 133,148 | TRANS | | 133,148 | - | - |
| 41 | 866 | Maintenance of Communication Equipment | 100,695 | TRANS | | 100,695 | - | - |
| 42 | 867 | Maintenance of Other Equipment | 252 | TRANS | | 252 | - | - |
| 43 | | Total Transmission Expenses - Maintenance | | | | | | |
| | | (Sum Ln 37 through Ln 42) | \$ 1,123,521 | | | \$ 1,123,521 | \$ - | \$ - |
| 44 | | Total Transmission O&M Labor (Ln 34 + Ln 43) | \$ 16,239,605 | | | \$ 16,239,605 | \$ - | \$ - |
| 45 | | | | | | | | |
| 46 | | Total Functional Labor - O&M (Ln 20 + Ln 45) | \$ 19,406,736 | | | \$ 16,239,605 | \$ 3,167,132 | \$ - |
| 47 | | | | | | | | |
| 48 | | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|----------------|--|---------------|----------|------------|---------------|--------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 49 | | CUSTOMER ACCOUNTS EXPENSES | | | | | | |
| 50 | 902 | Meter Reading Expenses | \$ - | TRANS | | \$ - | \$ - | \$ - |
| 51 | 904 | Uncollectible Accounts | - | TRANS | | - | - | - |
| 52 | 910 | Miscellaneous Customer Service and Informational Expenses | 1,179,855 | TRANS | | 1,179,855 | - | - |
| 53 | 911 | Supervision | - | TRANS | | - | - | - |
| 54 | 912 | Demonstrating and Selling Expenses | - | TRANS | | - | - | - |
| 55 | 916 | Miscellaneous Sales Expenses | 1,270,153 | TRANS | | 1,270,153 | - | - |
| 56 | | Total Customer Accounts Expenses | | | | | | |
| | | (Sum Ln 50 through Ln 55) | \$ 2,450,008 | | | \$ 2,450,008 | \$ - | \$ - |
| 57 | | | | | | | | |
| 58 | | ADMINISTRATIVE AND GENERAL EXPENSES | | | | | | |
| 59 | 920 | Administrative and General Salaries | \$ 1,074,826 | FLABOR | | \$ 899,417 | \$ 175,409 | \$ - |
| 60 | 921 | Office Supplies and Expenses | - | FLABOR | | - | - | - |
| 61 | 922 | Administrative Expenses Transferred— Credit | - | FLABOR | | - | - | - |
| 62 | 923 | Outside Services Employed | - | FLABOR | | - | - | - |
| 63 | 924 | Property Insurance | - | FPLANT | | - | - | - |
| 64 | 925 | Injuries and Damages | - | FLABOR | | - | - | - |
| 65 | 926 | Employee Pensions and Benefits | - | FLABOR | | - | - | - |
| 66 | 928 | Regulatory Commission Expenses | - | FLABOR | | - | - | - |
| 67 | 930.2 | Miscellaneous General Expenses | - | FLABOR | | - | - | - |
| 68 | 931 | Rents | - | FLABOR | | - | - | - |
| 69 | 932 | Maintenance of General Plant | - | FPLANT | | - | - | - |
| 70 | | Total Admin and General Expenses | | | | | | |
| | | (Sum Ln 59 through Ln 69) | \$ 1,074,826 | | | \$ 899,417 | \$ 175,409 | \$ - |
| 71 | | | | | | | | |
| 72 | | Total O&M Expense Labor (Sum Ln 47 + Ln 56 + Ln 70) | \$ 22,931,570 | | | \$ 19,589,029 | \$ 3,342,541 | \$ - |
| 73 | | | | | | | | |
| 74 | | Total O&M Expense Labor Excluding A&G | | | | | | |
| | | (Sum Ln 47 + Ln 56) | \$ 21,856,744 | | | \$ 18,689,612 | \$ 3,167,132 | \$ - |
| 75 | | | | | | | | |
| 76 | | Total O&M Direct Labor (Ln 74 - Ln 4 - Ln 23 - Ln 37) | \$ 20,577,116 | | | \$ 18,395,267 | \$ 2,181,849 | \$ - |
| 77 | | | | | | | | |
| 78 | | Total O&M Expense Labor | 18.00% | | | 85.42% | 14.58% | 0.00% |
| 79 | | | | | | | | |
| 80 | | Total O&M Expense Labor Excluding A&G | 21.99% | | | 85.51% | 14.49% | 0.00% |
| 81 | | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONALIZATION AND CLASSIFICATION OF COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total System | AF Label | Classifier | TRANS | STORAGE | MID-TEX WGIS |
|----------|-------------------------------------|----------------------------------|-----------------------|----------|------------|-----------------------|----------------------|----------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1 | <u>RETURN ON RATE BASE</u> | | | | | | | |
| 2 | | | | | | | | |
| 3 | | TOTAL INVESTED CAPITAL | \$ 1,767,599,981 | | | \$ 1,429,292,404 | \$ 232,269,449 | \$ 106,038,127 |
| 4 | | | 8.87% | | | 8.87% | 8.87% | 8.87% |
| 5 | | | <u>\$ 156,821,470</u> | | | <u>\$ 126,806,822</u> | <u>\$ 20,606,946</u> | <u>\$ 9,407,703</u> |
| 6 | | | | | | | | |
| 7 | | TOTAL OPERATING EXPENSE | 232,426,770 | | | 203,688,677 | 27,475,593 | 1,262,500 |
| 8 | | | | | | | | |
| 9 | | INCOME TAX | 60,993,470 | | | 49,319,701 | 8,014,777 | 3,658,992 |
| 10 | | | | | | | | |
| 11 | | TOTAL REVENUE REQUIREMENT | <u>\$ 450,241,710</u> | | | <u>\$ 379,815,200</u> | <u>\$ 56,097,316</u> | <u>\$ 14,329,194</u> |
| 12 | | | | | | | | |
| 13 | <u>FUNCTIONAL ALLOCATORS</u> | | | | | | | |
| 14 | | | | | | | | |
| 15 | | Transmission Function | | TRANS | | 100.00% | 0.00% | 0.00% |
| 16 | | Storage Function | | STORAG | | 0.00% | 100.00% | 0.00% |
| 17 | | Functional Plant Ratios | | FPLANT | | 86.33% | 13.67% | 0.00% |
| 18 | | Functional Labor Ratios | | FLABOR | | 83.68% | 16.32% | 0.00% |
| 19 | | Mid-Tex Working Gas in Storage | | MIDTEX | | 0.00% | 0.00% | 100.00% |
| 20 | | Rate Base | | RATEBASE | | 80.86% | 13.14% | 6.00% |
| 21 | | Functional Property Tax | | FPROPTAX | | 80.76% | 12.79% | 6.45% |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONAL ALLOCATION OF DEFERRED INCOME TAXES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Assets / (Liabilities) - Adjusted Balances | Functional Allocator | TRANS | STORAGE | MID-TEX WGIS |
|----------------------------|--|--|-------------------------|-------------------------|------------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| <u>DEFERRED TAX</u> | | | | | | |
| 1 | Adjustment | \$ (1,361,251) | FPLANT | \$ (1,175,175) | \$ (186,076) | \$ - |
| 2 | MIP/VPP Accrual | 1,331,214 | FPLANT | 1,149,244 | 181,970 | - |
| 3 | Self Insurance - Adjustment | - | FPLANT | - | - | - |
| 4 | Worker's Comp Insurance Reserve | 141,522 | FLABOR | 118,426 | 23,096 | - |
| 5 | SEBP Adjustment | 1,211,376 | FLABOR | 1,013,682 | 197,694 | - |
| 6 | FAS 106 Adjustment | (2,050,380) | FLABOR | (1,715,763) | (334,617) | - |
| 7 | CWIP | - | FPLANT | - | - | - |
| 8 | RWIP | (450,230) | FPLANT | (388,686) | (61,544) | - |
| 9 | Fixed Asset Cost Adjustment | (457,524,372) | FPLANT | (394,983,129) | (62,541,243) | - |
| 10 | Depreciation Adjustment | (30,062,037) | FPLANT | (25,952,710) | (4,109,327) | - |
| 11 | Section 481(a) TPR | - | FPLANT | - | - | - |
| 12 | TXU - Goodwill Amortization | - | FPLANT | - | - | - |
| 13 | Deferred Expense Projects | (24,791) | FPLANT | (21,402) | (3,389) | - |
| 14 | UNICAP Section 263A Costs | 3,593,587 | FPLANT | 3,102,362 | 491,225 | - |
| 15 | Allowance for Doubtful Accounts | - | FPLANT | - | - | - |
| 16 | Prepayments | (242,237) | FPLANT | (209,124) | (33,113) | - |
| 17 | Rate Case Accrual | - | FPLANT | - | - | - |
| 18 | WACOG to FIFO Adjustment | (2,180,659) | FPLANT | (1,882,574) | (298,085) | - |
| 19 | Reg Asset Benefit Accrual | (3,164,472) | FPLANT | (2,731,905) | (432,567) | - |
| 20 | Intra Period Tax Allocation | - | FPLANT | - | - | - |
| 21 | Total Deferred Tax (Sum Ln 1 through Ln 20) | \$ (490,782,730) | | \$ (423,676,754) | \$ (67,105,976) | \$ - |
| 22 | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONAL ALLOCATION OF DEFERRED INCOME TAXES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Assets / (Liabilities) - Adjusted Balances | Functional Allocator | TRANS | STORAGE | MID-TEX WGIS |
|----------|--|--|-------------------------|--------------|-------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 23 | <u>SSU ALLOCATION</u> | | | | | |
| 24 | | | | | | |
| 25 | Directors Deferred Bonus | \$ 166,965 | FPLANT | \$ 144,142 | \$ 22,823 | \$ - |
| 26 | MIP/VPP Accrual | - | FPLANT | - | - | - |
| 27 | Miscellaneous Accrued | - | FPLANT | - | - | - |
| 28 | Self Insurance - Adjustment | - | FPLANT | - | - | - |
| 29 | Worker's Comp Insurance Reserve | 104,671 | FLABOR | 87,589 | 17,082 | - |
| 30 | SEBP Adjustment | - | FPLANT | - | - | - |
| 31 | Restricted Stock Grant Plan | - | FLABOR | - | - | - |
| 32 | Rabbi Trust | - | FPLANT | - | - | - |
| 33 | Restricted Stock - MIP | - | FLABOR | - | - | - |
| 34 | Director's Stock Awards | 5,939,395 | FPLANT | 5,127,510 | 811,885 | - |
| 35 | Pension Expense | (30,651,600) | FLABOR | (25,649,334) | (5,002,266) | - |
| 36 | FAS 106 Adjustment | 8,944,489 | FLABOR | 7,484,770 | 1,459,719 | - |
| 37 | CWIP | - | FPLANT | - | - | - |
| 38 | RWIP | (3,782) | FPLANT | (3,265) | (517) | - |
| 39 | Fixed Asset Cost Adjustment | (42,023,581) | FPLANT | (36,279,172) | (5,744,409) | - |
| 40 | Depreciation Adjustment | 17,524,367 | FPLANT | 15,128,876 | 2,395,491 | - |
| 41 | Section 481(a) Cushion Gas | - | FPLANT | - | - | - |
| 42 | Section 481(a) Line Pack Gas | - | FPLANT | - | - | - |
| 43 | Deferred Expense Projects | - | FPLANT | - | - | - |
| 44 | Allowance for Doubtful Accounts | - | FPLANT | - | - | - |
| 45 | Clearing Account - Adjustment | - | FPLANT | - | - | - |
| 46 | Charitable Contribution Carryover | - | FPLANT | - | - | - |
| 47 | Prepayments | (4,047,588) | FPLANT | (3,494,303) | (553,285) | - |
| 48 | Federal & State Tax Interest | 439,887 | FPLANT | 379,757 | 60,130 | - |
| 49 | VA Charitable Contributions | - | FPLANT | - | - | - |
| 50 | FD - NOL Credit Carryforward - Non Reg | - | FPLANT | - | - | - |
| 51 | FD - NOL Credit Carryforward - Utility | 725,716,695 | FPLANT | 626,514,932 | 99,201,763 | - |
| 52 | FD - NOL Credit Carryforward - Other | - | FPLANT | - | - | - |
| 53 | ST - State Net Operating Loss | - | FPLANT | - | - | - |
| 54 | FD - FAS 115 Adjustment | (2,481,569) | FPLANT | (2,142,351) | (339,218) | - |
| 55 | FD - Federal Benefit on State NOL | - | FPLANT | - | - | - |
| 56 | FD - AMT Minimum Tax Credit | 10,099,286 | FPLANT | 8,718,765 | 1,380,521 | - |
| 57 | ST - Valuation Allow Enterprise Zone ITC | - | FPLANT | - | - | - |

GUD No. 10580

FINAL ORDER

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
FUNCTIONAL ALLOCATION OF DEFERRED INCOME TAXES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Assets / (Liabilities) - Adjusted Balances | Functional Allocator | TRANS | STORAGE | MID-TEX WGIS |
|----------|---|--|-------------------------|-----------------------|----------------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 58 | FD - Valuation Allow Fed Tax Enterprise Zone ITC | - | FPLANT | - | - | - |
| 59 | ST - Enterprise Zone ITC | - | FPLANT | - | - | - |
| 60 | FD - Treasury Lock Adjustment - Realized | 10,520,828 | FPLANT | 9,082,685 | 1,438,143 | - |
| 61 | FD - Treasury Lock Adjustment - Unrealized | - | FPLANT | - | - | - |
| 62 | FD - Federal Tax on Enterprise ITC | - | FPLANT | - | - | - |
| 63 | Total SSU Deferred Tax (Sum Ln 25 through Ln 62) | \$ 700,248,463 | | \$ 605,100,599 | \$ 95,147,864 | \$ - |
| 64 | | | | | | |
| 65 | Allocation Factor | | | 20.84% | 20.84% | 20.84% |
| 66 | | | | | | |
| 67 | SSU Allocation Amount (Ln 63 times Ln 65) | | | \$ 126,102,965 | \$ 19,828,815 | \$ - |
| 68 | | | | | | |
| 69 | Deferred Tax + SSU Allocation Amount (Ln 21 + Ln 67) | | DEF INC TAX | \$ (297,573,789) | \$ (47,277,161) | \$ - |
| 70 | | | | | | |
| 71 | | | Total Plant Related | \$ 200,084,474 | \$ 31,681,181 | \$ - |
| 72 | | | | | | |
| 73 | | | Total Labor Related | \$ (18,660,629) | \$ (3,639,293) | \$ - |
| 74 | | | | | | |
| 75 | | | ALLOCATOR | CGS | PT | |
| 76 | Transmission - Plant Related | \$ 200,084,474 | TPLANT | \$ 192,994,727 | \$ 7,089,747 | |
| 77 | Transmission - Labor Related | (18,660,629) | TLABOR | (17,999,413) | (661,216) | |
| 78 | Total Transmission | <u>\$ 181,423,845</u> | | <u>\$ 174,995,314</u> | <u>\$ 6,428,531</u> | |
| 79 | TDEFDTAX | | | 96.46% | 3.54% | |
| 80 | | | | | | |
| 81 | Storage - Plant Related | \$ 31,681,181 | SPLANT | \$ 31,320,212 | \$ 360,969 | |
| 82 | Storage - Labor Related | (3,639,293) | SLABOR | (3,597,827) | (41,465) | |
| 83 | Total Storage | <u>\$ 28,041,888</u> | | <u>\$ 27,722,385</u> | <u>\$ 319,503</u> | |
| 84 | SDEFDTAX | | | 98.86% | 1.14% | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|--|--|-------------------------|----------|------------|-------------------------|----------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | <u>INVESTED CAPITAL - GROSS PLANT</u> | | | | | | |
| 2 | Adjustment | | | | | | |
| 3 | STORAGE PLANT | | | | | | |
| 4 | 350.00 | Land and Land Rights | \$ - | CONTRACT | | \$ - | \$ - |
| 5 | 350.10 | Land | - | CONTRACT | | - | - |
| 6 | 350.20 | Rights-of-Way | - | CONTRACT | | - | - |
| 7 | 351.00 | Structures and Improvements | - | CONTRACT | | - | - |
| 8 | 352.00 | Wells | - | CONTRACT | | - | - |
| 9 | 353.00 | Lines | - | CONTRACT | | - | - |
| 10 | 354.00 | Compressor Station Equipment | - | CONTRACT | | - | - |
| 11 | 355.00 | M&R Equipment | - | CONTRACT | | - | - |
| 12 | 356.00 | Purification Equipment | - | CONTRACT | | - | - |
| 13 | 357.00 | Other Equipment | - | CONTRACT | | - | - |
| 14 | | Subtotal (Sum Ln 4 through Ln 13) | \$ - | | | \$ - | \$ - |
| 15 | | | | | | | |
| 16 | TRANSMISSION PLANT | | | | | | |
| 17 | 365.00 | Land | \$ 1,232,270 | CONTRACT | | \$ 1,188,606 | \$ 43,664 |
| 18 | 365.10 | ROW - Trans Comp Stat | - | CONTRACT | | - | - |
| 19 | 365.20 | ROW - City Gate | 18,983,795 | CONTRACT | | 18,311,127 | 672,667 |
| 20 | 366.00 | Structures and Improvements | 11,472,463 | CONTRACT | | 11,065,951 | 406,513 |
| 21 | 367.00 | Mains - Cathodic Protection | 200,439,413 | CONTRACT | | 193,337,089 | 7,102,324 |
| 22 | 367.01 | Mains - Steel | 1,431,528,224 | CONTRACT | | 1,380,803,783 | 50,724,441 |
| 23 | 367.02 | Mains - Plastic | 11,591,352 | CONTRACT | | 11,180,627 | 410,725 |
| 24 | 368.00 | Compressor Station Equipment | 150,061,066 | CONTRACT | | 144,743,837 | 5,317,229 |
| 25 | 369.00 | M&R Station Equipment | 228,773,444 | CONTRACT | | 220,667,138 | 8,106,306 |
| 26 | 370.00 | Communication Equipment | 14,144,928 | CONTRACT | | 13,643,720 | 501,208 |
| 27 | 371.00 | Other Equipment | 4,923,427 | CONTRACT | | 4,748,972 | 174,456 |
| 28 | | Subtotal (Sum Ln 17 through Ln 27) | \$ 2,073,150,383 | | | \$ 1,999,690,850 | \$ 73,459,533 |
| 29 | | | | | | | |
| 30 | | Total Functional Plant in Service (Ln 14 + Ln 28) | \$ 2,073,150,383 | | | \$ 1,999,690,850 | \$ 73,459,533 |
| 31 | | | | | | | |
| 32 | INTANGIBLE PLANT | | | | | | |
| 33 | 303.00 | Miscellaneous Intangible Plant | \$ 5,385,531 | CONTRACT | | \$ 5,194,701 | \$ 190,830 |
| 34 | | Subtotal (Ln 33) | \$ 5,385,531 | | | \$ 5,194,701 | \$ 190,830 |
| 35 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|----------------|--|-------------------------|----------|------------|-------------------------|----------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 36 | | GENERAL PLANT | | | | | |
| 37 | 389.00 | Land and Land Rights | \$ 107,897 | CONTRACT | | \$ 104,074 | \$ 3,823 |
| 38 | 390.00 | Structures and Improvements | 5,425,928 | CONTRACT | | 5,233,667 | 192,261 |
| 39 | 391.00 | Office Furniture and Equipment | 4,211,821 | CONTRACT | | 4,062,580 | 149,241 |
| 40 | 392.00 | Transportation Equipment | 1,349,308 | CONTRACT | | 1,301,497 | 47,811 |
| 41 | 393.00 | Stores Equipment | - | CONTRACT | | - | - |
| 42 | 394.00 | Tools, Shop, and Garage Equipment | 8,500,381 | CONTRACT | | 8,199,181 | 301,201 |
| 43 | 395.00 | Laboratory Equipment | 149,045 | CONTRACT | | 143,764 | 5,281 |
| 44 | 396.00 | Power Operated Equipment | 2,636,829 | CONTRACT | | 2,543,396 | 93,433 |
| 45 | 397.00 | Communication Equipment | 635,472 | CONTRACT | | 612,955 | 22,517 |
| 46 | 397.02 | Communication Equipment - Fixed Radios | 69,508 | CONTRACT | | 67,045 | 2,463 |
| 47 | 397.05 | Communication Equipment - Telemetry | 99,004 | CONTRACT | | 95,496 | 3,508 |
| 48 | 398.00 | Miscellaneous Equipment | 7,073,595 | CONTRACT | | 6,822,951 | 250,644 |
| 49 | 399.00 | Other Tangible Property | 61,443 | CONTRACT | | 59,266 | 2,177 |
| 50 | 399.01 | Other Tangible Property - Servers Hardware | 528,726 | CONTRACT | | 509,992 | 18,735 |
| 51 | 399.02 | Other Tangible Property - Servers Software | 1,216,110 | CONTRACT | | 1,173,019 | 43,091 |
| 52 | 399.03 | Other Tangible Property - Network Hardware | 61,638 | CONTRACT | | 59,454 | 2,184 |
| 53 | 399.06 | Other Tangible Property - PC Hardware | 685,172 | CONTRACT | | 660,893 | 24,278 |
| 54 | 399.07 | Other Tangible Property - PC Software | 686,306 | CONTRACT | | 661,988 | 24,318 |
| 55 | | Shared Services General Office | 23,716,346 | CONTRACT | | 22,875,987 | 840,360 |
| 56 | | Shared Services Greenville Data Center | 5,568,125 | CONTRACT | | 5,370,825 | 197,300 |
| 57 | | Shared Services Align Pipe Projects | 13,848,634 | CONTRACT | | 13,357,925 | 490,709 |
| 58 | | Subtotal (Sum Ln 37 through Ln 57) | \$ 76,631,289 | | | \$ 73,915,954 | \$ 2,715,335 |
| 59 | | | | | | | |
| 60 | | Total APT Gross Plant (Ln 30 + Ln 34 + Ln 58) | \$ 2,155,167,204 | | | \$ 2,078,801,505 | \$ 76,365,698 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|---|--|-----------------------|----------|------------|-----------------------|----------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | <u>INVESTED CAPITAL - ACCUMULATED DEPRECIATION</u> | | | | | | |
| 2 | | | | | | | |
| 3 | STORAGE PLANT | | | | | | |
| 4 | 350.00 | Land and Land Rights | \$ - | CONTRACT | | \$ - | \$ - |
| 5 | 350.10 | Land | - | CONTRACT | | - | - |
| 6 | 350.20 | Rights-of-Way | - | CONTRACT | | - | - |
| 7 | 351.00 | Structures and Improvements | - | CONTRACT | | - | - |
| 8 | 352.00 | Wells | - | CONTRACT | | - | - |
| 9 | 353.00 | Lines | - | CONTRACT | | - | - |
| 10 | 354.00 | Compressor Station Equipment | - | CONTRACT | | - | - |
| 11 | 355.00 | M&R Equipment | - | CONTRACT | | - | - |
| 12 | 356.00 | Purification Equipment | - | CONTRACT | | - | - |
| 13 | 357.00 | Other Equipment | - | CONTRACT | | - | - |
| 14 | | Subtotal (Sum Ln 4 through Ln 13) | \$ - | | | \$ - | \$ - |
| 15 | | | | | | | |
| 16 | TRANSMISSION PLANT | | | | | | |
| 17 | 365.00 | Land | \$ - | CONTRACT | | \$ - | \$ - |
| 18 | 365.10 | ROW - Trans Comp Stat | - | CONTRACT | | - | - |
| 19 | 365.20 | ROW - City Gate | 5,589,104 | CONTRACT | | 5,391,061 | 198,043 |
| 20 | 366.00 | Structures and Improvements | 3,140,237 | CONTRACT | | 3,028,966 | 111,270 |
| 21 | 367.00 | Mains - Cathodic Protection | 52,390,846 | CONTRACT | | 50,534,441 | 1,856,405 |
| 22 | 367.01 | Mains - Steel | 238,931,308 | CONTRACT | | 230,465,071 | 8,466,237 |
| 23 | 367.02 | Mains - Plastic | 1,485,678 | CONTRACT | | 1,433,035 | 52,643 |
| 24 | 368.00 | Compressor Station Equipment | 42,356,758 | CONTRACT | | 40,855,898 | 1,500,860 |
| 25 | 369.00 | M&R Station Equipment | 55,590,538 | CONTRACT | | 53,620,756 | 1,969,782 |
| 26 | 370.00 | Communication Equipment | 4,671,498 | CONTRACT | | 4,505,969 | 165,529 |
| 27 | 371.00 | Other Equipment | 1,942,900 | CONTRACT | | 1,874,056 | 68,844 |
| 28 | | Subtotal (Sum Ln 17 through Ln 27) | \$ 406,098,867 | | | \$ 391,709,254 | \$ 14,389,614 |
| 29 | | | | | | | |
| 30 | | Total Functional Plant in Service (Ln 14 + Ln 28) | \$ 406,098,867 | | | \$ 391,709,254 | \$ 14,389,614 |
| 31 | | | | | | | |
| 32 | INTANGIBLE PLANT | | | | | | |
| 33 | 303.00 | Miscellaneous Intangible Plant | \$ 5,385,531 | TPLANT | | \$ 5,194,701 | \$ 190,830 |
| 34 | | Subtotal (Ln 33) | \$ 5,385,531 | | | \$ 5,194,701 | \$ 190,830 |
| 35 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|----------------|--|-----------------------|---------------|------------|-----------------------|----------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 36 | | GENERAL PLANT | | | | | |
| 37 | 389.00 | Land and Land Rights | \$ - | TPLANT | | \$ - | \$ - |
| 38 | 390.00 | Structures and Improvements | 1,155,595 | TPLANT | | 1,114,648 | 40,947 |
| 39 | 391.00 | Office Furniture and Equipment | 2,352,148 | TPLANT | | 2,268,802 | 83,345 |
| 40 | 392.00 | Transportation Equipment | 499,348 | TPLANT | | 481,654 | 17,694 |
| 41 | 393.00 | Stores Equipment | - | TPLANT | | - | - |
| 42 | 394.00 | Tools, Shop, and Garage Equipment | 1,870,701 | TPLANT | | 1,804,415 | 66,286 |
| 43 | 395.00 | Laboratory Equipment | 34,864 | TPLANT | | 33,628 | 1,235 |
| 44 | 396.00 | Power Operated Equipment | 605,361 | TPLANT | | 583,911 | 21,450 |
| 45 | 397.00 | Communication Equipment | 269,984 | TPLANT | | 260,417 | 9,567 |
| 46 | 397.02 | Communication Equipment - Fixed Radios | 8,049 | TPLANT | | 7,764 | 285 |
| 47 | 397.05 | Communication Equipment - Telemetry | 43,614 | TPLANT | | 42,069 | 1,545 |
| 48 | 398.00 | Miscellaneous Equipment | 3,070,212 | TPLANT | | 2,961,423 | 108,789 |
| 49 | 399.00 | Other Tangible Property | 18,550 | TPLANT | | 17,893 | 657 |
| 50 | 399.01 | Other Tangible Property - Servers Hardware | 104,646 | TPLANT | | 100,938 | 3,708 |
| 51 | 399.02 | Other Tangible Property - Servers Software | 582,862 | TPLANT | | 562,209 | 20,653 |
| 52 | 399.03 | Other Tangible Property - Network Hardware | 11,115 | TPLANT | | 10,721 | 394 |
| 53 | 399.06 | Other Tangible Property - PC Hardware | 259,999 | TPLANT | | 250,786 | 9,213 |
| 54 | 399.07 | Other Tangible Property - PC Software | 434,616 | TPLANT | | 419,216 | 15,400 |
| 55 | | Shared Services General Office | 14,160,312 | TPLANT | | 13,658,559 | 501,753 |
| 56 | | Shared Services Greenville Data Center | 1,699,751 | TPLANT | | 1,639,522 | 60,229 |
| 57 | | Shared Services Align Pipe Projects | 734,473 | TPLANT | | 708,448 | 26,025 |
| 58 | | Subtotal (Sum Ln 37 through Ln 57) | \$ 27,916,199 | | | \$ 26,927,023 | \$ 989,176 |
| 59 | | | | | | | |
| 60 | | RWIP | (2,321,837) | TPLANT | | (2,239,566) | (82,271) |
| 61 | | | | | | | |
| 62 | | Total APT Accumulated Depreciation | | | | | |
| | | (Ln 30 + Ln 34 + Ln 58 + Ln 60) | \$ 437,078,760 | | | \$ 421,591,412 | \$ 15,487,348 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|--|--|-------------------------|----------|------------|-------------------------|----------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | <u>INVESTED CAPITAL - NET PLANT</u> | | | | | | |
| 2 | | | | | | | |
| 3 | STORAGE PLANT | | | | | | |
| 4 | 350.00 | Land and Land Rights | \$ - | CONTRACT | | \$ - | \$ - |
| 5 | 350.10 | Land | - | CONTRACT | | - | - |
| 6 | 350.20 | Rights-of-Way | - | CONTRACT | | - | - |
| 7 | 351.00 | Structures and Improvements | - | CONTRACT | | - | - |
| 8 | 352.00 | Wells | - | CONTRACT | | - | - |
| 9 | 353.00 | Lines | - | CONTRACT | | - | - |
| 10 | 354.00 | Compressor Station Equipment | - | CONTRACT | | - | - |
| 11 | 355.00 | M&R Equipment | - | CONTRACT | | - | - |
| 12 | 356.00 | Purification Equipment | - | CONTRACT | | - | - |
| 13 | 357.00 | Other Equipment | - | CONTRACT | | - | - |
| 14 | | Subtotal (Sum Ln 4 through Ln 13) | \$ - | | | \$ - | \$ - |
| 15 | | | | | | | |
| 16 | TRANSMISSION PLANT | | | | | | |
| 17 | 365.00 | Land | \$ 1,232,270 | CONTRACT | | \$ 1,188,606 | \$ 43,664 |
| 18 | 365.10 | ROW - Trans Comp Stat | - | CONTRACT | | - | - |
| 19 | 365.20 | ROW - City Gate | 13,394,690 | CONTRACT | | 12,920,066 | 474,624 |
| 20 | 366.00 | Structures and Improvements | 8,332,227 | CONTRACT | | 8,036,984 | 295,242 |
| 21 | 367.00 | Mains - Cathodic Protection | 148,048,567 | CONTRACT | | 142,802,648 | 5,245,919 |
| 22 | 367.01 | Mains - Steel | 1,192,596,916 | CONTRACT | | 1,150,338,712 | 42,258,204 |
| 23 | 367.02 | Mains - Plastic | 10,105,674 | CONTRACT | | 9,747,592 | 358,082 |
| 24 | 368.00 | Compressor Station Equipment | 107,704,308 | CONTRACT | | 103,887,939 | 3,816,370 |
| 25 | 369.00 | M&R Station Equipment | 173,182,906 | CONTRACT | | 167,046,382 | 6,136,523 |
| 26 | 370.00 | Communication Equipment | 9,473,431 | CONTRACT | | 9,137,751 | 335,679 |
| 27 | 371.00 | Other Equipment | 2,980,527 | CONTRACT | | 2,874,916 | 105,611 |
| 28 | | Subtotal (Sum Ln 17 through Ln 27) | \$ 1,667,051,516 | | | \$ 1,607,981,597 | \$ 59,069,919 |
| 29 | | | | | | | |
| 30 | | Total Functional Plant in Service (Ln 14 + Ln 28) | \$ 1,667,051,516 | | | \$ 1,607,981,597 | \$ 59,069,919 |
| 31 | | | | | | | |
| 32 | INTANGIBLE PLANT | | | | | | |
| 33 | 303.00 | Miscellaneous Intangible Plant | \$ - | TPLANT | | \$ - | \$ - |
| 34 | | Subtotal (Ln 33) | \$ - | | | \$ - | \$ - |
| 35 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|----------------|--|-------------------------|---------------|------------|-------------------------|----------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 36 | | GENERAL PLANT | | | | | |
| 37 | 389.00 | Land and Land Rights | \$ 107,897 | TPLANT | | \$ 104,074 | \$ 3,823 |
| 38 | 390.00 | Structures and Improvements | 4,270,333 | TPLANT | | 4,119,019 | 151,314 |
| 39 | 391.00 | Office Furniture and Equipment | 1,859,673 | TPLANT | | 1,793,778 | 65,895 |
| 40 | 392.00 | Transportation Equipment | 849,960 | TPLANT | | 819,842 | 30,117 |
| 41 | 393.00 | Stores Equipment | - | TPLANT | | - | - |
| 42 | 394.00 | Tools, Shop, and Garage Equipment | 6,629,680 | TPLANT | | 6,394,766 | 234,915 |
| 43 | 395.00 | Laboratory Equipment | 114,182 | TPLANT | | 110,136 | 4,046 |
| 44 | 396.00 | Power Operated Equipment | 2,031,468 | TPLANT | | 1,959,485 | 71,983 |
| 45 | 397.00 | Communication Equipment | 365,488 | TPLANT | | 352,538 | 12,951 |
| 46 | 397.02 | Communication Equipment - Fixed Radios | 61,459 | TPLANT | | 59,281 | 2,178 |
| 47 | 397.05 | Communication Equipment - Telemetry | 55,390 | TPLANT | | 53,427 | 1,963 |
| 48 | 398.00 | Miscellaneous Equipment | 4,003,383 | TPLANT | | 3,861,528 | 141,855 |
| 49 | 399.00 | Other Tangible Property | 42,893 | TPLANT | | 41,373 | 1,520 |
| 50 | 399.01 | Other Tangible Property - Servers Hardware | 424,080 | TPLANT | | 409,054 | 15,027 |
| 51 | 399.02 | Other Tangible Property - Servers Software | 633,248 | TPLANT | | 610,810 | 22,438 |
| 52 | 399.03 | Other Tangible Property - Network Hardware | 50,523 | TPLANT | | 48,733 | 1,790 |
| 53 | 399.06 | Other Tangible Property - PC Hardware | 425,173 | TPLANT | | 410,108 | 15,065 |
| 54 | 399.07 | Other Tangible Property - PC Software | 251,690 | TPLANT | | 242,772 | 8,918 |
| 55 | | Shared Services General Office | 9,556,034 | TPLANT | | 9,217,428 | 338,606 |
| 56 | | Shared Services Greenville Data Center | 3,868,374 | TPLANT | | 3,731,303 | 137,071 |
| 57 | | Shared Services Align Pipe Projects | 13,114,161 | TPLANT | | 12,649,477 | 464,684 |
| 58 | | Subtotal (Sum Ln 37 through Ln 57) | \$ 48,715,090 | | | \$ 46,988,931 | \$ 1,726,159 |
| 59 | | | | | | | |
| 60 | | RWIP | 2,321,837 | TPLANT | | 2,239,566 | 82,271 |
| 61 | | | | | | | |
| 62 | | Total APT Net Plant (Ln 30 + Ln 34 + Ln 58 + Ln 60) | \$ 1,718,088,444 | | | \$ 1,657,210,093 | \$ 60,878,350 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|--|--|-------------------------|----------|------------|-------------------------|----------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | <u>INVESTED CAPITAL SUMMARY</u> | | | | | | |
| 2 | | | | | | | |
| 3 | | NET PLANT | | | | | |
| 4 | | Gross Plant | \$ 2,155,167,204 | | | \$ 2,078,801,505 | \$ 76,365,698 |
| 5 | | Accumulated Depreciation | 437,078,760 | | | 421,591,412 | 15,487,348 |
| 6 | | Non-Current Gas in Storage | - | TPLANT | | - | - |
| 7 | | Total Net Plant (Ln 4 - Ln 5 + Ln 6) | \$ 1,718,088,444 | | | \$ 1,657,210,093 | \$ 60,878,350 |
| 8 | | | | | | | |
| 9 | | INVESTMENT ADDITIONS | | | | | |
| 10 | | Cash Working Capital | \$ (6,986,975) | TPLANT | | \$ (6,739,400) | \$ (247,575) |
| 11 | | Materials and Supplies | 3,244,022 | TPLANT | | 3,129,074 | 114,948 |
| 12 | | Line Pack | 4,385,237 | TPLANT | | 4,229,851 | 155,385 |
| 13 | | Working Gas Stored Underground | - | TPLANT | | - | - |
| 14 | | Prepayments | 5,746,324 | TPLANT | | 5,542,710 | 203,614 |
| 15 | | Pension and Other Post Employment Benefits Regulatory Asset | 5,495,837 | TPLANT | | 5,301,099 | 194,738 |
| 16 | | Total Investment Additions (Sum Ln 10 through Ln 15) | \$ 11,884,445 | | | \$ 11,463,335 | \$ 421,111 |
| 17 | | | | | | | |
| 18 | | INVESTMENT DEDUCTIONS | | | | | |
| 19 | | Injuries and Damages Reserve | \$ 101,616 | TLABOR | | \$ 98,016 | \$ 3,601 |
| 20 | | Accumulated Deferred Income Taxes | 297,573,789 | TDEFTAX | | 287,029,628 | 10,544,161 |
| 21 | | Rate Base Adjustments | 3,005,079 | RATEBASE | | 2,908,700 | 96,379 |
| 22 | | Total Investment Deductions (Sum Ln 19 through Ln 21) | \$ 300,680,485 | | | \$ 290,036,344 | \$ 10,644,141 |
| 23 | | | | | | | |
| 24 | | Total Invested Capital (Ln 7 + Ln 16 - Ln 22) | \$ 1,429,292,404 | | | \$ 1,378,637,084 | \$ 50,655,320 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|----------------|---|--------------------|----------|------------|-----------------|---------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | | OPERATING EXPENSES | | | | | |
| 2 | | | | | | | |
| 3 | | OTHER GAS SUPPLY EXPENSES | | | | | |
| 4 | 813 | Other Gas Supply Expenses | \$ 5,691 | TPLANT | DEMAND | \$ 5,489 | \$ 202 |
| 5 | | Total Other Gas Supply Expenses (Ln 4) | \$ 5,691 | | | \$ 5,489 | \$ 202 |
| 6 | | | | | | | |
| 7 | | UNDERGROUND STORAGE EXPENSES - OPERATION | | | | | |
| 8 | 814 | Operation Supervision and Engineering | \$ - | TPLANT | DEMAND | \$ - | \$ - |
| 9 | 816 | Wells Expenses | - | TPLANT | DEMAND | - | - |
| 10 | 817 | Lines Expenses | - | TPLANT | DEMAND | - | - |
| 11 | 818 | Compressor Station Expenses - FIXED | - | TPLANT | DEMAND | - | - |
| 12 | 818 | Compressor Station Expenses - VARIABLE | - | THRUPT | USAGE | - | - |
| 13 | 820 | Measuring and Regulating Station Expenses | - | TPLANT | DEMAND | - | - |
| 14 | 821 | Purification Expenses | - | TPLANT | DEMAND | - | - |
| 15 | 824 | Other Expenses | - | TPLANT | DEMAND | - | - |
| 16 | | Total UG Storage Expenses - Operation | | | | | |
| 17 | | (Sum Ln 8 through Ln 15) | \$ - | | | \$ - | \$ - |
| 18 | | UNDERGROUND STORAGE EXPENSES - MAINTENANCE | | | | | |
| 19 | 831 | Maintenance of Structures and Improvements | \$ - | TPLANT | DEMAND | \$ - | \$ - |
| 20 | 832 | Maintenance of Reservoirs and Wells | - | TPLANT | DEMAND | - | - |
| 21 | 834 | Maintenance of Compressor Station Equipment - FIXED | - | TPLANT | DEMAND | - | - |
| 22 | 834 | Maintenance of Compressor Station Equipment - VARIABLE | - | THRUPT | USAGE | - | - |
| 23 | 835 | Maintenance of Measuring and Regulating Station Equipment | - | TPLANT | DEMAND | - | - |
| 24 | 836 | Maintenance of Purification Equipment | - | TPLANT | DEMAND | - | - |
| 25 | | Total UG Storage Expenses - Maintenance | | | | | |
| 26 | | (Sum Ln 19 through Ln 24) | \$ - | | | \$ - | \$ - |
| 27 | | Total Storage Expenses (Ln 16 + Ln 25) | \$ - | | | \$ - | \$ - |
| 28 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|----------------|---|--------------------|----------|------------|---------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 29 | | TRANSMISSION EXPENSES - OPERATION | | | | | |
| 30 | 850 | Operation Supervision and Engineering | \$ 314,350 | LABTRANO | DEMAND | \$ 303,212 | \$ 11,139 |
| 31 | 851 | System Control and Load Dispatching | 1,728,036 | TPLANT | DEMAND | 1,666,805 | 61,231 |
| 32 | 852 | Communication System Expenses | 1,982,902 | TPLANT | DEMAND | 1,912,641 | 70,262 |
| 33 | 853 | Compressor Station Labor and Expenses - FIXED | 521,926 | TPLANT | DEMAND | 503,432 | 18,494 |
| 34 | 853 | Compressor Station Labor and Expenses - VARIABLE | 193,559 | THRUPT | USAGE | 170,119 | 23,440 |
| 35 | 856 | Mains Expenses | 76,672,780 | TPLANT | DEMAND | 73,955,974 | 2,716,806 |
| 36 | 857 | Measuring and Regulating Station Expenses | 1,891,662 | TPLANT | DEMAND | 1,824,633 | 67,029 |
| 37 | 858 | Transmission and Compression of Gas by Others | 98,867 | THRUPT | USAGE | 86,894 | 11,973 |
| 38 | 859 | Other Expenses | 33,711 | TPLANT | DEMAND | 32,517 | 1,195 |
| 39 | 860 | Rents | 141,228 | TPLANT | DEMAND | 136,223 | 5,004 |
| | | Total Transmission Expenses - Operation | | | | | |
| 40 | | (Sum Ln 30 through Ln 39) | \$ 83,579,021 | | | \$ 80,592,450 | \$ 2,986,571 |
| 41 | | | | | | | |
| 42 | | TRANSMISSION EXPENSES - MAINTENANCE | | | | | |
| 43 | 863 | Maintenance of Mains | \$ 1,666,305 | TPLANT | DEMAND | \$ 1,607,261 | \$ 59,043 |
| 44 | 864 | Maintenance of Compressor Station Equipment - FIXED | 361,217 | TPLANT | DEMAND | 348,418 | 12,799 |
| 45 | 864 | Maintenance of Compressor Station Equipment - VARIABLE | 1,141,166 | THRUPT | USAGE | 1,002,970 | 138,196 |
| 46 | 865 | Maintenance of Measuring and Regulating Station Equipment | 624,905 | TPLANT | DEMAND | 602,762 | 22,143 |
| 47 | 866 | Maintenance of Communication Equipment | 160,951 | TPLANT | DEMAND | 155,248 | 5,703 |
| 48 | 867 | Maintenance of Other Equipment | 132,082 | TPLANT | DEMAND | 127,402 | 4,680 |
| | | Total Transmission Expenses - Maintenance | | | | | |
| 49 | | (Sum Ln 43 through Ln 48) | \$ 4,086,626 | | | \$ 3,844,061 | \$ 242,564 |
| 50 | | | | | | | |
| 51 | | Total Transmission Expenses (Ln 40 + Ln 49) | \$ 87,665,647 | | | \$ 84,436,512 | \$ 3,229,135 |
| 52 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|----------------|---|-----------------------|-----------|------------|-----------------------|---------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 53 | | CUSTOMER ACCOUNTS EXPENSES | | | | | |
| 54 | 902 | Meter Reading Expenses | \$ - | CUSTOMERS | DEMAND | \$ - | \$ - |
| 55 | 904 | Uncollectible Accounts | (9,169) | CUNCOL | DEMAND | - | (9,169) |
| 56 | 910 | Miscellaneous Customer Service and Informational Expenses | 1,432,016 | TPLANT | DEMAND | 1,381,274 | 50,742 |
| 57 | 911 | Supervision | 108 | TPLANT | DEMAND | 104 | 4 |
| 58 | 912 | Demonstrating and Selling Expenses | 2,450 | TPLANT | DEMAND | 2,363 | 87 |
| 59 | 913 | Advertising Expenses | 6 | TPLANT | DEMAND | 5 | 0 |
| 60 | 916 | Miscellaneous Sales Expenses | 1,350,128 | TPLANT | DEMAND | 1,302,288 | 47,840 |
| 61 | | Total Customer Accounts Expenses | | | | | |
| | | (Sum Ln 54 through Ln 60) | \$ 2,775,538 | | | \$ 2,686,034 | \$ 89,504 |
| 62 | | | | | | | |
| 63 | | ADMINISTRATIVE AND GENERAL EXPENSES | | | | | |
| 64 | 920 | Administrative and General Salaries | \$ 867,036 | TLABOR | DEMAND | \$ 836,313 | \$ 30,722 |
| 65 | 921 | Office Supplies and Expenses | 410,515 | TLABOR | DEMAND | 395,969 | 14,546 |
| 66 | 922 | Administrative Expenses Transferred— Credit | 13,688,941 | TLABOR | DEMAND | 13,203,890 | 485,051 |
| 67 | 923 | Outside Services Employed | 909,123 | TLABOR | DEMAND | 876,909 | 32,214 |
| 68 | 924 | Property Insurance | 385,776 | TPLANT | DEMAND | 372,107 | 13,670 |
| 69 | 925 | Injuries and Damages | 375,427 | TLABOR | DEMAND | 362,124 | 13,303 |
| 70 | 926 | Employee Pensions and Benefits | 6,810,197 | TLABOR | DEMAND | 6,568,886 | 241,311 |
| 71 | 930.2 | Miscellaneous General Expenses | (198,278) | TLABOR | DEMAND | (191,252) | (7,026) |
| 72 | 931 | Rents | 217,837 | TLABOR | DEMAND | 210,118 | 7,719 |
| 73 | | Total Admin and General Expenses | | | | | |
| | | (Sum Ln 64 through Ln 72) | \$ 23,466,573 | | | \$ 22,635,064 | \$ 831,509 |
| 74 | | | | | | | |
| 75 | | Total O&M Expense (Ln 5 + Ln 27 + Ln 51 + Ln 61 + Ln 73) | \$ 113,913,449 | | | \$ 109,763,099 | \$ 4,150,350 |
| 76 | | | | | | | |
| 77 | | Total O&M Expense Excluding A&G (Ln 75 - Ln 73) | \$ 90,446,876 | | | \$ 87,128,035 | \$ 3,318,841 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|----------------|---|-----------------------|----------|------------|-----------------------|---------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | | <u>DEPRECIATION EXPENSE, OTHER TAX, OPERATING INCOME</u> | | | | | |
| 2 | | | | | | | |
| 3 | | DEPRECIATION EXPENSE | | | | | |
| 4 | | Transmission, Storage, and General Plant | \$ 69,959,202 | TPLANT | DEMAND | \$ 67,480,283 | \$ 2,478,918 |
| 5 | | Total Depreciation Expense (Ln 4) | \$ 69,959,202 | | | \$ 67,480,283 | \$ 2,478,918 |
| 6 | | | | | | | |
| 7 | | OTHER TAXES | | | | | |
| 8 | | Property-Related Taxes (Ad Valorem) | \$ 15,796,442 | TPLANT | DEMAND | \$ 15,236,715 | \$ 559,727 |
| 9 | | Property-Related Taxes (Shared Services) | 571,562 | TPLANT | DEMAND | 551,310 | 20,253 |
| 10 | | Property-Related Taxes (DOT Pipeline Fee) | 1,859,586 | TPLANT | DEMAND | 1,793,694 | 65,892 |
| 11 | | Payroll Related Taxes | 1,588,436 | TPLANT | DEMAND | 1,532,152 | 56,284 |
| 12 | | Total Other Taxes (Sum Ln 8 through Ln 11) | \$ 19,816,027 | | | \$ 19,113,870 | \$ 702,157 |
| 13 | | | | | | | |
| 14 | | Total Operating Expenses Before FIT | | | | | |
| | | (Page 10, Ln 75 + Ln 5 + Ln 12) | \$ 203,688,677 | | | \$ 196,357,253 | \$ 7,331,424 |
| 15 | | | | | | | |
| 16 | | Total Demand O&M | 202,255,085 | | DEMAND | 195,097,269 | 7,157,816 |
| 17 | | Total Variable O&M | 1,433,592 | | USAGE | 1,259,984 | 173,609 |
| 18 | | | | | | | |
| 19 | | STATE/FEDERAL INCOME TAX EXPENSE | 49,319,701 | RATEBASE | DEMAND | \$ 47,737,919 | \$ 1,581,782 |
| 20 | | | | | | | |
| 21 | | Total Operating Expenses | | | | | |
| | | (Page 10, Ln 75 + Ln 5 + Ln 12 + Ln 19) | \$ 253,008,378 | | | \$ 244,095,172 | \$ 8,913,206 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|----------------|---|--------------------|----------|------------|------|------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | | DEVELOPMENT OF LABOR ALLOCATOR | | | | | |
| 2 | | | | | | | |
| 3 | | UNDERGROUND STORAGE EXPENSES - OPERATION | | | | | |
| 4 | 814 | Operation Supervision and Engineering | \$ - | TPLANT | | \$ - | \$ - |
| 5 | 816 | Wells Expenses | - | TPLANT | | - | - |
| 6 | 817 | Lines Expenses | - | TPLANT | | - | - |
| 7 | 818 | Compressor Station Expenses | - | TPLANT | | - | - |
| 8 | 820 | Measuring and Regulating Station Expenses | - | TPLANT | | - | - |
| 9 | 821 | Purification Expenses | - | TPLANT | | - | - |
| 10 | 824 | Other Expenses | - | TPLANT | | - | - |
| 11 | | Total UG Storage Expenses - Operation | | | | | |
| 12 | | (Sum Ln 4 through Ln 10) | \$ - | | | \$ - | \$ - |
| 13 | | UNDERGROUND STORAGE EXPENSES - MAINTENANCE | | | | | |
| 14 | 832 | Maintenance of Reservoirs and Wells | \$ - | TPLANT | | \$ - | \$ - |
| 15 | 834 | Maintenance of Compressor Station Equipment | - | TPLANT | | - | - |
| 16 | 835 | Maintenance of Measuring and Regulating Station Equipment | - | TPLANT | | - | - |
| 17 | 836 | Maintenance of Purification Equipment | - | TPLANT | | - | - |
| 18 | | Total UG Storage Expenses - Maintenance | | | | | |
| 19 | | (Sum Ln 14 through Ln 17) | \$ - | | | \$ - | \$ - |
| 20 | | Total UG Storage - O&M Expense (Ln 11 + Ln 18) | \$ - | | | \$ - | \$ - |
| 21 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|----------------|--|--------------------|-----------|------------|---------------|------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 22 | | TRANSMISSION EXPENSES - OPERATION | | | | | |
| 23 | 850 | Operation Supervision and Engineering | \$ 294,345 | LABTRANO | | \$ 283,916 | \$ 10,430 |
| 24 | 851 | System Control and Load Dispatching | 1,701,813 | TPLANT | | 1,641,511 | 60,302 |
| 25 | 852 | Communication System Expenses | 740,357 | TPLANT | | 714,123 | 26,234 |
| 26 | 853 | Compressor Station Labor and Expenses | 521,926 | TPLANT | | 503,432 | 18,494 |
| 27 | 854 | Gas for Compressor Station Fuel | - | TPLANT | | - | - |
| 28 | 855 | Other Fuel and Power for Compressor Stations | - | TPLANT | | - | - |
| 29 | 856 | Mains Expenses | 10,654,130 | TPLANT | | 10,276,614 | 377,516 |
| 30 | 857 | Measuring and Regulating Station Expenses | 1,203,583 | TPLANT | | 1,160,936 | 42,647 |
| 31 | 858 | Transmission and Compression of Gas by Others | - | TPLANT | | - | - |
| 32 | 859 | Other Expenses | (70) | TPLANT | | (67) | (2) |
| 33 | 860 | Rents | - | TPLANT | | - | - |
| 34 | | Total Transmission Expenses - Operation | | | | | |
| | | (Sum Ln 23 through Ln 33) | \$ 15,116,084 | | | \$ 14,580,464 | \$ 535,620 |
| 35 | | TRANSMISSION EXPENSES - MAINTENANCE | | | | | |
| 36 | | | | | | | |
| 37 | 861 | Maintenance Supervision and Engineering | \$ - | LABTRANM | | \$ - | \$ - |
| 38 | 863 | Maintenance of Mains | 528,208 | TPLANT | | 509,492 | 18,716 |
| 39 | 864 | Maintenance of Compressor Station Equipment | 361,217 | TPLANT | | 348,418 | 12,799 |
| 40 | 865 | Maintenance of Measuring and Regulating Station Equipment | 133,148 | TPLANT | | 128,430 | 4,718 |
| 41 | 866 | Maintenance of Communication Equipment | 100,695 | TPLANT | | 97,127 | 3,568 |
| 42 | 867 | Maintenance of Other Equipment | 252 | TPLANT | | 243 | 9 |
| 43 | | Total Transmission Expenses - Maintenance | | | | | |
| | | (Sum Ln 37 through Ln 42) | \$ 1,123,521 | | | \$ 1,083,710 | \$ 39,811 |
| 44 | | Total Transmission Expenses - O&M (Ln 34 + Ln 43) | | | | | |
| 45 | | | \$ 16,239,605 | | | \$ 15,664,174 | \$ 575,430 |
| 46 | | Total Functional Labor - O&M (Ln 20 + Ln 45) | | | | | |
| 47 | | | \$ 16,239,605 | | | \$ 15,664,174 | \$ 575,430 |
| 48 | | | | | | | |
| 49 | | CUSTOMER ACCOUNTS EXPENSES | | | | | |
| 50 | 902 | Meter Reading Expenses | \$ - | CUSTOMERS | | \$ - | \$ - |
| 51 | 904 | Uncollectible Accounts | - | CUNCOL | | - | - |
| 52 | 910 | Miscellaneous Customer Service and Informational Expenses | 1,179,855 | TPLANT | | 1,138,048 | 41,807 |
| 53 | 911 | Supervision | - | TPLANT | | - | - |
| 54 | 912 | Demonstrating and Selling Expenses | - | TPLANT | | - | - |
| 55 | 916 | Miscellaneous Sales Expenses | 1,270,153 | TPLANT | | 1,225,147 | 45,006 |
| 56 | | Total Customer Accounts Expenses | | | | | |
| | | (Sum Ln 50 through Ln 55) | \$ 2,450,008 | | | \$ 2,363,195 | \$ 86,813 |
| 57 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|----------------|--|----------------------|----------|------------|----------------------|-------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 58 | | ADMINISTRATIVE AND GENERAL EXPENSES | | | | | |
| 59 | 920 | Administrative and General Salaries | \$ 899,417 | TLABXAG | | \$ 867,547 | \$ 31,870 |
| 60 | 921 | Office Supplies and Expenses | - | TLABXAG | | - | - |
| 61 | 922 | Administrative Expenses Transferred— Credit | - | TLABXAG | | - | - |
| 62 | 923 | Outside Services Employed | - | TLABXAG | | - | - |
| 63 | 924 | Property Insurance | - | TPLANT | | - | - |
| 64 | 925 | Injuries and Damages | - | TLABXAG | | - | - |
| 65 | 926 | Employee Pensions and Benefits | - | TLABXAG | | - | - |
| 66 | 928 | Regulatory Commission Expenses | - | TLABXAG | | - | - |
| 67 | 930.2 | Miscellaneous General Expenses | - | TLABXAG | | - | - |
| 68 | 931 | Rents | - | TLABXAG | | - | - |
| 69 | 932 | Maintenance of General Plant | - | TPLANT | | - | - |
| 70 | | Total Admin and General Expenses (Sum Ln 59 through Ln 69) | \$ 899,417 | | | \$ 867,547 | \$ 31,870 |
| 71 | | | | | | | |
| 72 | | Total O&M Expense Labor (Sum Ln 47 + Ln 56 + Ln 70) | \$ 19,589,029 | | | \$ 18,894,916 | \$ 694,113 |
| 73 | | | | | | | |
| 74 | | Total O&M Expense Labor Excluding A&G (Sum Ln 47 + Ln 56) | \$ 18,689,612 | | | \$ 18,027,369 | \$ 662,243 |
| 75 | | | | | | | |
| 76 | | Total O&M Direct Labor (Ln 74 - Ln 4 - Ln 23 - Ln 37) | \$ 18,395,267 | | | \$ 17,743,453 | \$ 651,814 |
| 77 | | | | | | | |
| 78 | | Total Transmission O&M Expense Labor | 17.20% | | | 96.46% | 3.54% |
| 79 | | | | | | | |
| 80 | | Total Transmission O&M Expense Labor Excluding A&G | 20.66% | | | 96.46% | 3.54% |
| 81 | | | | | | | |
| 82 | | Total Transmission O&M Direct Labor | 20.41% | | | 96.46% | 3.54% |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF TRANSMISSION COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Transmission | AF Label | Classifier | CGS | PT |
|----------|-----------------------------------|---------------------------|-----------------------|-------------|------------|-----------------------|----------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | <u>RETURN ON RATE BASE</u> | | | | | | |
| 2 | | | | | | | |
| 3 | | TOTAL INVESTED CAPITAL | \$ 1,429,292,404 | | | \$ 1,378,637,084 | \$ 50,655,320 |
| 4 | | | 8.87% | | | 8.87% | 8.87% |
| 5 | | | <u>\$ 126,806,822</u> | | | <u>\$ 122,312,682</u> | <u>\$ 4,494,140</u> |
| 6 | | | | | | | |
| 7 | | TOTAL OPERATING EXPENSE | 203,688,677 | | | 196,357,253 | 7,331,424 |
| 8 | | | | | | | |
| 9 | | INCOME TAX | 49,319,701 | | | 47,737,919 | 1,581,782 |
| 10 | | | | | | | |
| 11 | | TOTAL REVENUE REQUIREMENT | <u>\$ 379,815,200</u> | | | <u>\$ 366,407,854</u> | <u>\$ 13,407,346</u> |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEVELOPMENT OF CLASS ALLOCATION FACTORS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Allocation Factor | Total | City Gate | Transport | City Gate | Transport | Reference |
|----------|---------------------------------------|-------------------|---------------|---------------|--------------|-----------|-----------|--|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1 | CONTRACT VOLUMES DELIVERED | CONTRACT | \$ 35,695,440 | \$ 34,430,616 | \$ 1,264,824 | 96.46% | 3.54% | Schedule I (75% weight for PT) |
| 2 | Adjustment | TPLANT | 2,155,167,204 | 2,078,801,505 | 76,365,698 | 96.46% | 3.54% | Schedule H-2, Page 2, Line 60 |
| 3 | TRANSMISSION OPERATION & MAINT LABOR | TLABOR | 19,589,029 | 18,894,916 | 694,113 | 96.46% | 3.54% | Schedule H-2, Page 14, Line 72 |
| 4 | TRANSMISSION DEFERRED INCOME TAX | TDEFTAX | 181,423,845 | 174,995,314 | 6,428,531 | 96.46% | 3.54% | Schedule H-1.1, Page 3, Line 78 |
| 5 | TOTAL RATE BASE | RATEBASE | 1,665,152,999 | 1,611,748,194 | 53,404,805 | 96.79% | 3.21% | Schedule H-4, Page 7, Line 7 + Line 16 - Line 19 - Line 20 |
| 6 | VOLUMES DELIVERED | THRUPT | 226,899,801 | 199,422,153 | 27,477,648 | 87.89% | 12.11% | Schedule I, Page 1, Col (g), Line 13 and Line 18 |
| 7 | TRANSMISSION OPERATION LABOR | LABTRANO | 14,821,738 | 14,296,548 | 525,190 | 96.46% | 3.54% | Schedule H-2, Page 13, Line 24 through Line 33 |
| 8 | TRANSMISSION MAINTENANCE LABOR | LABTRANM | 1,123,521 | 1,083,710 | 39,811 | 96.46% | 3.54% | Schedule H-2, Page 13, Line 38 through Line 42 |
| 9 | YEAR END NUMBER OF CUSTOMERS | CUSTOMERS | 79 | 8 | 71 | 10.13% | 89.87% | Schedule I_Billing Determinants Study - Errata.xlsx |
| 10 | UNCOLLECTIBLE ACCOUNTS | CUNCOL | | | | 0.00% | 100.00% | No Uncollectible CGS Accounts |
| 11 | TRANSMISSION O&M LABOR EXCL A&G LABOR | TLABXAG | 18,689,612 | 18,027,369 | 662,243 | 96.46% | 3.54% | Schedule H-2, Page 14, Line 74 |
| 12 | FIXED STORAGE COSTS | SFIX | 43,598,107 | 43,101,360 | 496,747 | 98.86% | 1.14% | Schedule H-3.1, Page 1, Line 23 |
| 13 | TOTAL STORAGE PLANT | SPLANT | 324,318,160 | 320,622,949 | 3,695,212 | 98.86% | 1.14% | Schedule H-3, Page 2, Line 60 |
| 14 | STORAGE OPERATION & MAINT LABOR | SLABOR | 3,342,541 | 3,304,457 | 38,084 | 98.86% | 1.14% | Schedule H-3, Page 14, Line 73 |
| 15 | STORAGE DEFERRED INCOME TAX | SDEFTAX | 28,041,888 | 27,722,385 | 319,503 | 98.86% | 1.14% | Schedule H-1.1, Page 3, Line 83 |
| 16 | VARIABLE STORAGE COSTS | SVAR | 4,484,432 | 4,293,989 | 190,443 | 95.75% | 4.25% | Schedule H-3.1, Page 2, Line 13 |
| 17 | STORAGE O&M LABOR EXCL A&G LABOR | SLABXAG | 3,167,132 | 3,131,046 | 36,086 | 98.86% | 1.14% | Schedule H-3, Page 14, Line 75 |
| 18 | ALL TO CGS | CGS | | | | 100.00% | 0.00% | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|----------------|--|-----------------------|----------|------------|-----------------------|---------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | | INVESTED CAPITAL - GROSS PLANT | | | | | |
| 2 | | Adjustment | | | | | |
| 3 | | STORAGE PLANT | | | | | |
| 4 | 350.00 | Land and Land Rights | \$ - | SFIX | | \$ - | \$ - |
| 5 | 350.10 | Land | 5,515,389 | SFIX | | 5,452,548 | 62,841 |
| 6 | 350.20 | Rights-of-Way | 32,592 | SFIX | | 32,220 | 371 |
| 7 | 351.00 | Structures and Improvements | 24,635,344 | SFIX | | 24,354,654 | 280,690 |
| 8 | 352.00 | Wells | 78,403,027 | SFIX | | 77,509,720 | 893,307 |
| 9 | 353.00 | Lines | 13,256,043 | SFIX | | 13,105,006 | 151,037 |
| 10 | 354.00 | Compressor Station Equipment | 88,256,841 | SFIX | | 87,251,262 | 1,005,580 |
| 11 | 355.00 | M&R Equipment | 50,663,680 | SFIX | | 50,086,429 | 577,251 |
| 12 | 356.00 | Purification Equipment | 49,947,598 | SFIX | | 49,378,506 | 569,092 |
| 13 | 357.00 | Other Equipment | 621,183 | SFIX | | 614,105 | 7,078 |
| 14 | | Subtotal (Sum Ln 4 through Ln 13) | \$ 311,331,697 | | | \$ 307,784,450 | \$ 3,547,247 |
| 15 | | | | | | | |
| 16 | | TRANSMISSION PLANT | | | | | |
| 17 | 365.00 | Land | \$ - | SFIX | | \$ - | \$ - |
| 18 | 365.10 | ROW - Trans Comp Stat | - | SFIX | | - | - |
| 19 | 365.20 | ROW - City Gate | - | SFIX | | - | - |
| 20 | 366.00 | Structures and Improvements | - | SFIX | | - | - |
| 21 | 367.00 | Mains - Cathodic Protection | - | SFIX | | - | - |
| 22 | 367.01 | Mains - Steel | - | SFIX | | - | - |
| 23 | 367.02 | Mains - Plastic | - | SFIX | | - | - |
| 24 | 368.00 | Compressor Station Equipment | - | SFIX | | - | - |
| 25 | 369.00 | M&R Station Equipment | - | SFIX | | - | - |
| 26 | 370.00 | Communication Equipment | - | SFIX | | - | - |
| 27 | 371.00 | Other Equipment | - | SFIX | | - | - |
| 28 | | Subtotal (Sum Ln 17 through Ln 27) | \$ - | | | \$ - | \$ - |
| 29 | | | | | | | |
| 30 | | Total Functional Plant in Service (Ln 14 + Ln 28) | \$ 311,331,697 | | | \$ 307,784,450 | \$ 3,547,247 |
| 31 | | | | | | | |
| 32 | | INTANGIBLE PLANT | | | | | |
| 33 | 303.00 | Miscellaneous Intangible Plant | \$ 852,740 | SFIX | | \$ 843,024 | \$ 9,716 |
| 34 | | Subtotal (Ln 33) | \$ 852,740 | | | \$ 843,024 | \$ 9,716 |
| 35 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|----------------|--|-----------------------|----------|------------|-----------------------|---------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 36 | | GENERAL PLANT | | | | | |
| 37 | 389.00 | Land and Land Rights | \$ 17,084 | SFIX | | \$ 16,890 | \$ 195 |
| 38 | 390.00 | Structures and Improvements | 859,136 | SFIX | | 849,347 | 9,789 |
| 39 | 391.00 | Office Furniture and Equipment | 666,896 | SFIX | | 659,297 | 7,598 |
| 40 | 392.00 | Transportation Equipment | 213,648 | SFIX | | 211,214 | 2,434 |
| 41 | 393.00 | Stores Equipment | - | SFIX | | - | - |
| 42 | 394.00 | Tools, Shop, and Garage Equipment | 1,345,942 | SFIX | | 1,330,607 | 15,335 |
| 43 | 395.00 | Laboratory Equipment | 23,600 | SFIX | | 23,331 | 269 |
| 44 | 396.00 | Power Operated Equipment | 417,513 | SFIX | | 412,756 | 4,757 |
| 45 | 397.00 | Communication Equipment | 100,620 | SFIX | | 99,474 | 1,146 |
| 46 | 397.02 | Communication Equipment - Fixed Radios | 11,006 | SFIX | | 10,880 | 125 |
| 47 | 397.05 | Communication Equipment - Telemetry | 15,676 | SFIX | | 15,498 | 179 |
| 48 | 398.00 | Miscellaneous Equipment | 1,120,026 | SFIX | | 1,107,265 | 12,761 |
| 49 | 399.00 | Other Tangible Property | 9,729 | SFIX | | 9,618 | 111 |
| 50 | 399.01 | Other Tangible Property - Servers Hardware | 83,718 | SFIX | | 82,764 | 954 |
| 51 | 399.02 | Other Tangible Property - Servers Software | 192,558 | SFIX | | 190,364 | 2,194 |
| 52 | 399.03 | Other Tangible Property - Network Hardware | 9,760 | SFIX | | 9,648 | 111 |
| 53 | 399.06 | Other Tangible Property - PC Hardware | 108,489 | SFIX | | 107,253 | 1,236 |
| 54 | 399.07 | Other Tangible Property - PC Software | 108,669 | SFIX | | 107,431 | 1,238 |
| 55 | | Shared Services General Office | 3,755,223 | SFIX | | 3,712,437 | 42,786 |
| 56 | | Shared Services Greenville Data Center | 881,651 | SFIX | | 871,606 | 10,045 |
| 57 | | Shared Services Align Pipe Projects | 2,192,779 | SFIX | | 2,167,795 | 24,984 |
| 58 | | Subtotal (Sum Ln 37 through Ln 57) | \$ 12,133,724 | | | \$ 11,995,475 | \$ 138,249 |
| 59 | | | | | | | |
| 60 | | Total APT Gross Plant (Ln 30 + Ln 34 + Ln 58) | \$ 324,318,160 | | | \$ 320,622,949 | \$ 3,695,212 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|---|--|----------------------|----------|------------|----------------------|-------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | <u>INVESTED CAPITAL - ACCUMULATED DEPRECIATION</u> | | | | | | |
| 2 | | | | | | | |
| 3 | STORAGE PLANT | | | | | | |
| 4 | 350.00 | Land and Land Rights | \$ - | SFIX | | \$ - | \$ - |
| 5 | 350.10 | Land | - | SFIX | | - | - |
| 6 | 350.20 | Rights-of-Way | 14,767 | SFIX | | 14,599 | 168 |
| 7 | 351.00 | Structures and Improvements | 5,855,602 | SFIX | | 5,788,885 | 66,717 |
| 8 | 352.00 | Wells | 14,298,665 | SFIX | | 14,135,749 | 162,916 |
| 9 | 353.00 | Lines | 3,699,870 | SFIX | | 3,657,715 | 42,156 |
| 10 | 354.00 | Compressor Station Equipment | 18,665,963 | SFIX | | 18,453,287 | 212,676 |
| 11 | 355.00 | M&R Equipment | 7,776,600 | SFIX | | 7,687,995 | 88,605 |
| 12 | 356.00 | Purification Equipment | 7,059,844 | SFIX | | 6,979,406 | 80,438 |
| 13 | 357.00 | Other Equipment | 206,980 | SFIX | | 204,622 | 2,358 |
| 14 | | Subtotal (Sum Ln 4 through Ln 13) | \$ 57,578,292 | | | \$ 56,922,257 | \$ 656,035 |
| 15 | | | | | | | |
| 16 | TRANSMISSION PLANT | | | | | | |
| 17 | 365.00 | Land | \$ - | SFIX | | \$ - | \$ - |
| 18 | 365.10 | ROW - Trans Comp Stat | - | SFIX | | - | - |
| 19 | 365.20 | ROW - City Gate | - | SFIX | | - | - |
| 20 | 366.00 | Structures and Improvements | - | SFIX | | - | - |
| 21 | 367.00 | Mains - Cathodic Protection | - | SFIX | | - | - |
| 22 | 367.01 | Mains - Steel | - | SFIX | | - | - |
| 23 | 367.02 | Mains - Plastic | - | SFIX | | - | - |
| 24 | 368.00 | Compressor Station Equipment | - | SFIX | | - | - |
| 25 | 369.00 | M&R Station Equipment | - | SFIX | | - | - |
| 26 | 370.00 | Communication Equipment | - | SFIX | | - | - |
| 27 | 371.00 | Other Equipment | - | SFIX | | - | - |
| 28 | | Subtotal (Sum Ln 17 through Ln 27) | \$ - | | | \$ - | \$ - |
| 29 | | | | | | | |
| 30 | | Total Functional Plant in Service (Ln 14 + Ln 28) | \$ 57,578,292 | | | \$ 56,922,257 | \$ 656,035 |
| 31 | | | | | | | |
| 32 | INTANGIBLE PLANT | | | | | | |
| 33 | 303.00 | Miscellaneous Intangible Plant | \$ 852,740 | SFIX | | \$ 843,024 | \$ 9,716 |
| 34 | | Subtotal (Ln 33) | \$ 852,740 | | | \$ 843,024 | \$ 9,716 |
| 35 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|----------------|--|----------------------|---------------|------------|----------------------|-------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 36 | | GENERAL PLANT | | | | | |
| 37 | 389.00 | Land and Land Rights | \$ - | SFIX | | \$ - | \$ - |
| 38 | 390.00 | Structures and Improvements | 182,976 | SFIX | | 180,891 | 2,085 |
| 39 | 391.00 | Office Furniture and Equipment | 372,437 | SFIX | | 368,193 | 4,243 |
| 40 | 392.00 | Transportation Equipment | 79,066 | SFIX | | 78,165 | 901 |
| 41 | 393.00 | Stores Equipment | - | SFIX | | - | - |
| 42 | 394.00 | Tools, Shop, and Garage Equipment | 296,205 | SFIX | | 292,830 | 3,375 |
| 43 | 395.00 | Laboratory Equipment | 5,520 | SFIX | | 5,457 | 63 |
| 44 | 396.00 | Power Operated Equipment | 95,852 | SFIX | | 94,760 | 1,092 |
| 45 | 397.00 | Communication Equipment | 42,749 | SFIX | | 42,262 | 487 |
| 46 | 397.02 | Communication Equipment - Fixed Radios | 1,274 | SFIX | | 1,260 | 15 |
| 47 | 397.05 | Communication Equipment - Telemetry | 6,906 | SFIX | | 6,827 | 79 |
| 48 | 398.00 | Miscellaneous Equipment | 486,134 | SFIX | | 480,596 | 5,539 |
| 49 | 399.00 | Other Tangible Property | 2,937 | SFIX | | 2,904 | 33 |
| 50 | 399.01 | Other Tangible Property - Servers Hardware | 16,570 | SFIX | | 16,381 | 189 |
| 51 | 399.02 | Other Tangible Property - Servers Software | 92,290 | SFIX | | 91,238 | 1,052 |
| 52 | 399.03 | Other Tangible Property - Network Hardware | 1,760 | SFIX | | 1,740 | 20 |
| 53 | 399.06 | Other Tangible Property - PC Hardware | 41,168 | SFIX | | 40,699 | 469 |
| 54 | 399.07 | Other Tangible Property - PC Software | 68,817 | SFIX | | 68,033 | 784 |
| 55 | | Shared Services General Office | 2,242,130 | SFIX | | 2,216,584 | 25,546 |
| 56 | | Shared Services Greenville Data Center | 269,137 | SFIX | | 266,070 | 3,066 |
| 57 | | Shared Services Align Pipe Projects | 116,296 | SFIX | | 114,971 | 1,325 |
| 58 | | Subtotal (Sum Ln 37 through Ln 57) | \$ 4,420,224 | | | \$ 4,369,861 | \$ 50,363 |
| 59 | | | | | | | |
| 60 | | RWIP | (367,637) | SPLANT | | (363,449) | (4,189) |
| 61 | | | | | | | |
| 62 | | Total APT Accumulated Depreciation | | | | | |
| | | (Ln 30 + Ln 34 + Ln 58 + Ln 60) | \$ 62,483,618 | | | \$ 61,771,693 | \$ 711,925 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|-------------------------------------|--|-----------------------|----------|------------|-----------------------|---------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | INVESTED CAPITAL - NET PLANT | | | | | | |
| 2 | | | | | | | |
| 3 | STORAGE PLANT | | | | | | |
| 4 | 350.10 | Land and Land Rights | \$ - | SFIX | | \$ - | \$ - |
| 5 | 350.10 | Land | 5,515,389 | SFIX | | 5,452,548 | 62,841 |
| 6 | 350.20 | Rights-of-Way | 17,824 | SFIX | | 17,621 | 203 |
| 7 | 351.00 | Structures and Improvements | 18,779,742 | SFIX | | 18,565,770 | 213,972 |
| 8 | 352.00 | Wells | 64,104,362 | SFIX | | 63,373,971 | 730,391 |
| 9 | 353.00 | Lines | 9,556,173 | SFIX | | 9,447,292 | 108,881 |
| 10 | 354.00 | Compressor Station Equipment | 69,590,878 | SFIX | | 68,797,975 | 792,904 |
| 11 | 355.00 | M&R Equipment | 42,887,080 | SFIX | | 42,398,433 | 488,646 |
| 12 | 356.00 | Purification Equipment | 42,887,754 | SFIX | | 42,399,100 | 488,654 |
| 13 | 357.00 | Other Equipment | 414,203 | SFIX | | 409,484 | 4,719 |
| 14 | | Subtotal (Sum Ln 4 through Ln 13) | \$ 253,753,405 | | | \$ 250,862,193 | \$ 2,891,212 |
| 15 | | | | | | | |
| 16 | TRANSMISSION PLANT | | | | | | |
| 17 | 365.00 | Land | \$ - | SFIX | | \$ - | \$ - |
| 18 | 365.10 | ROW - Trans Comp Stat | - | SFIX | | - | - |
| 19 | 365.20 | ROW - City Gate | - | SFIX | | - | - |
| 20 | 366.00 | Structures and Improvements | - | SFIX | | - | - |
| 21 | 367.00 | Mains - Cathodic Protection | - | SFIX | | - | - |
| 22 | 367.01 | Mains - Steel | - | SFIX | | - | - |
| 23 | 367.02 | Mains - Plastic | - | SFIX | | - | - |
| 24 | 368.00 | Compressor Station Equipment | - | SFIX | | - | - |
| 25 | 369.00 | M&R Station Equipment | - | SFIX | | - | - |
| 26 | 370.00 | Communication Equipment | - | SFIX | | - | - |
| 27 | 371.00 | Other Equipment | - | SFIX | | - | - |
| 28 | | Subtotal (Sum Ln 17 through Ln 27) | \$ - | | | \$ - | \$ - |
| 29 | | | | | | | |
| 30 | | Total Functional Plant in Service (Ln 14 + Ln 28) | \$ 253,753,405 | | | \$ 250,862,193 | \$ 2,891,212 |
| 31 | | | | | | | |
| 32 | INTANGIBLE PLANT | | | | | | |
| 33 | 303.00 | Miscellaneous Intangible Plant | \$ - | SFIX | | \$ - | \$ - |
| 34 | | Subtotal (Ln 33) | \$ - | | | \$ - | \$ - |
| 35 | | | | | | | |

ATMOS ENERGY CORPORATION
 ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
 ALLOCATION OF STORAGE COSTS
 TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|----------------|--|-----------------------|---------------|------------|-----------------------|---------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 36 | | GENERAL PLANT | | | | | |
| 37 | 389.00 | Land and Land Rights | \$ 17,084 | SFIX | | \$ 16,890 | \$ 195 |
| 38 | 390.00 | Structures and Improvements | 676,160 | SFIX | | 668,456 | 7,704 |
| 39 | 391.00 | Office Furniture and Equipment | 294,459 | SFIX | | 291,104 | 3,355 |
| 40 | 392.00 | Transportation Equipment | 134,582 | SFIX | | 133,048 | 1,533 |
| 41 | 393.00 | Stores Equipment | - | SFIX | | - | - |
| 42 | 394.00 | Tools, Shop, and Garage Equipment | 1,049,737 | SFIX | | 1,037,777 | 11,960 |
| 43 | 395.00 | Laboratory Equipment | 18,079 | SFIX | | 17,873 | 206 |
| 44 | 396.00 | Power Operated Equipment | 321,661 | SFIX | | 317,996 | 3,665 |
| 45 | 397.00 | Communication Equipment | 57,871 | SFIX | | 57,212 | 659 |
| 46 | 397.02 | Communication Equipment - Fixed Radios | 9,731 | SFIX | | 9,620 | 111 |
| 47 | 397.05 | Communication Equipment - Telemetry | 8,770 | SFIX | | 8,670 | 100 |
| 48 | 398.00 | Miscellaneous Equipment | 633,892 | SFIX | | 626,669 | 7,222 |
| 49 | 399.00 | Other Tangible Property | 6,792 | SFIX | | 6,714 | 77 |
| 50 | 399.01 | Other Tangible Property - Servers Hardware | 67,148 | SFIX | | 66,383 | 765 |
| 51 | 399.02 | Other Tangible Property - Servers Software | 100,268 | SFIX | | 99,125 | 1,142 |
| 52 | 399.03 | Other Tangible Property - Network Hardware | 8,000 | SFIX | | 7,909 | 91 |
| 53 | 399.06 | Other Tangible Property - PC Hardware | 67,321 | SFIX | | 66,554 | 767 |
| 54 | 399.07 | Other Tangible Property - PC Software | 39,852 | SFIX | | 39,398 | 454 |
| 55 | | Shared Services General Office | 1,513,093 | SFIX | | 1,495,853 | 17,240 |
| 56 | | Shared Services Greenville Data Center | 612,515 | SFIX | | 605,536 | 6,979 |
| 57 | | Shared Services Align Pipe Projects | 2,076,484 | SFIX | | 2,052,825 | 23,659 |
| 58 | | Subtotal (Sum Ln 37 through Ln 57) | \$ 7,713,500 | | | \$ 7,625,614 | \$ 87,886 |
| 59 | | | | | | | |
| 60 | | RWIP | 367,637 | SPLANT | | 363,449 | 4,189 |
| 61 | | | | | | | |
| 62 | | Total APT Net Plant (Ln 30 + Ln 34 + Ln 58 + Ln 60) | \$ 261,834,542 | | | \$ 258,851,256 | \$ 2,983,287 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|--|--|-----------------------|----------|------------|-----------------------|---------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | <u>INVESTED CAPITAL SUMMARY</u> | | | | | | |
| 2 | | | | | | | |
| 3 | | NET PLANT | | | | | |
| 4 | | Gross Plant | \$ 324,318,160 | | | \$ 320,622,949 | \$ 3,695,212 |
| 5 | | Accumulated Depreciation | 62,483,618 | | | 61,771,693 | 711,925 |
| 6 | | Non-Current Gas in Storage | 16,928,914 | SPLANT | | 16,736,029 | 192,884 |
| 7 | | Total Net Plant (Ln 4 - Ln 5 + Ln 6) | \$ 278,763,456 | | | \$ 275,587,285 | \$ 3,176,171 |
| 8 | | | | | | | |
| 9 | | INVESTMENT ADDITIONS | | | | | |
| 10 | | Cash Working Capital | \$ (1,106,311) | SPLANT | | \$ (1,093,706) | \$ (12,605) |
| 11 | | Materials and Supplies | 513,655 | SPLANT | | 507,803 | 5,852 |
| 12 | | Line Pack | - | TPLANT | | - | - |
| 13 | | Working Gas Stored Underground | - | SPLANT | | - | - |
| 14 | | Prepayments | 909,867 | SPLANT | | 899,501 | 10,367 |
| 15 | | Pension and Other Post Employment Benefits Regulatory Asset | 1,071,827 | SPLANT | | 1,059,614 | 12,212 |
| 16 | | Total Investment Additions (Sum Ln 10 through Ln 15) | \$ 1,389,038 | | | \$ 1,373,212 | \$ 15,826 |
| 17 | | | | | | | |
| 18 | | INVESTMENT DEDUCTIONS | | | | | |
| 19 | | Injuries and Damages Reserve | \$ 19,818 | SLABOR | | \$ 19,592 | \$ 226 |
| 20 | | Accumulated Deferred Income Taxes | 47,277,161 | SDEFTAX | | 46,738,495 | 538,666 |
| 21 | | Rate Base Adjustments | 586,066 | RATEBASE | | 567,270 | 18,796 |
| 22 | | Total Investment Deductions (Sum Ln 19 through Ln 21) | \$ 47,883,045 | | | \$ 47,325,357 | \$ 557,688 |
| 23 | | | | | | | |
| 24 | | Total Invested Capital (Ln 7 + Ln 16 - Ln 22) | \$ 232,269,449 | | | \$ 229,635,140 | \$ 2,634,309 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|---------------------------|---|---------------------|----------|------------|---------------------|-------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | OPERATING EXPENSES | | | | | | |
| 2 | | | | | | | |
| 3 | | OTHER GAS SUPPLY EXPENSES | | | | | |
| 4 | 813 | Other Gas Supply Expenses | \$ 901 | SFIX | DEMAND | \$ 891 | \$ 10 |
| 5 | | Total Other Gas Supply Expenses (Ln 4) | \$ 901 | | | \$ 891 | \$ 10 |
| 6 | | | | | | | |
| 7 | | UNDERGROUND STORAGE EXPENSES - OPERATION | | | | | |
| 8 | 814 | Operation Supervision and Engineering | \$ 1,169,571 | SLABOR | DEMAND | \$ 1,156,246 | \$ 13,326 |
| 9 | 816 | Wells Expenses | 1,065,312 | SFIX | DEMAND | 1,053,174 | 12,138 |
| 10 | 817 | Lines Expenses | 13,755 | SFIX | DEMAND | 13,598 | 157 |
| 11 | 818 | Compressor Station Expenses - FIXED | 1,210,712 | SFIX | DEMAND | 1,196,918 | 13,795 |
| 12 | 818 | Compressor Station Expenses - VARIABLE | 1,127,977 | SVAR | USAGE | 1,080,074 | 47,902 |
| 13 | 820 | Measuring and Regulating Station Expenses | 52,901 | SFIX | DEMAND | 52,298 | 603 |
| 14 | 821 | Purification Expenses | 34,791 | SFIX | DEMAND | 34,394 | 396 |
| 15 | 824 | Other Expenses | 730 | SFIX | DEMAND | 722 | 8 |
| 16 | | Total UG Storage Expenses - Operation | | | | | |
| | | (Sum Ln 8 through Ln 15) | \$ 4,675,749 | | | \$ 4,587,424 | \$ 88,325 |
| 17 | | | | | | | |
| 18 | | UNDERGROUND STORAGE EXPENSES - MAINTENANCE | | | | | |
| 19 | 831 | Maintenance of Structures and Improvements | \$ 1,931 | SFIX | DEMAND | \$ 1,909 | \$ 22 |
| 20 | 832 | Maintenance of Reservoirs and Wells | - | SFIX | DEMAND | - | - |
| 21 | 834 | Maintenance of Compressor Station Equipment - FIXED | 800,439 | SFIX | DEMAND | 791,319 | 9,120 |
| 22 | 834 | Maintenance of Compressor Station Equipment - VARIABLE | 3,356,455 | SVAR | USAGE | 3,213,915 | 142,540 |
| 23 | 835 | Maintenance of Measuring and Regulating Station Equipment | 17,671 | SFIX | DEMAND | 17,470 | 201 |
| 24 | 836 | Maintenance of Purification Equipment | 81,276 | SFIX | DEMAND | 80,349 | 926 |
| 25 | | Total UG Storage Expenses - Maintenance | | | | | |
| | | (Sum Ln 19 through Ln 24) | \$ 4,257,772 | | | \$ 4,104,963 | \$ 152,810 |
| 26 | | | | | | | |
| 27 | | Total Storage Expenses (Ln 16 + Ln 25) | \$ 8,933,522 | | | \$ 8,692,387 | \$ 241,135 |
| 28 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|----------------|---|---------------|----------|------------|------|------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 29 | | TRANSMISSION EXPENSES - OPERATION | | | | | |
| 30 | 850 | Operation Supervision and Engineering | \$ - | SFIX | DEMAND | \$ - | \$ - |
| 31 | 851 | System Control and Load Dispatching | - | SFIX | DEMAND | - | - |
| 32 | 852 | Communication System Expenses | - | SFIX | DEMAND | - | - |
| 33 | 853 | Compressor Station Labor and Expenses - FIXED | - | SFIX | DEMAND | - | - |
| 34 | 853 | Compressor Station Labor and Expenses - VARIABLE | - | SVAR | USAGE | - | - |
| 35 | 856 | Mains Expenses | - | SFIX | DEMAND | - | - |
| 36 | 857 | Measuring and Regulating Station Expenses | - | SFIX | DEMAND | - | - |
| 37 | 858 | Transmission and Compression of Gas by Others | - | SFIX | USAGE | - | - |
| 38 | 859 | Other Expenses | - | SFIX | DEMAND | - | - |
| 39 | 860 | Rents | - | SFIX | DEMAND | - | - |
| | | Total Transmission Expenses - Operation | | | | | |
| 40 | | (Sum Ln 30 through Ln 39) | \$ - | | | \$ - | \$ - |
| 41 | | | | | | | |
| 42 | | TRANSMISSION EXPENSES - MAINTENANCE | | | | | |
| 43 | 863 | Maintenance of Mains | - | SFIX | DEMAND | - | - |
| 44 | 864 | Maintenance of Compressor Station Equipment - FIXED | - | SFIX | DEMAND | - | - |
| 45 | 864 | Maintenance of Compressor Station Equipment - VARIABLE | - | SVAR | USAGE | - | - |
| 46 | 865 | Maintenance of Measuring and Regulating Station Equipment | - | SFIX | DEMAND | - | - |
| 47 | 866 | Maintenance of Communication Equipment | - | SFIX | DEMAND | - | - |
| 48 | 867 | Maintenance of Other Equipment | - | SFIX | DEMAND | - | - |
| | | Total Transmission Expenses - Maintenance | | | | | |
| 49 | | (Sum Ln 43 through Ln 48) | \$ - | | | \$ - | \$ - |
| 50 | | | | | | | |
| 51 | | Total Transmission Expenses (Ln 40 + Ln 49) | \$ - | | | \$ - | \$ - |
| 52 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|----------------|---|----------------------|-----------|------------|----------------------|-------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 53 | | CUSTOMER ACCOUNTS EXPENSES | | | | | |
| 54 | 902 | Meter Reading Expenses | \$ - | CUSTOMERS | DEMAND | \$ - | \$ - |
| 55 | 904 | Uncollectible Accounts | - | CUNCOL | DEMAND | - | - |
| 56 | 910 | Miscellaneous Customer Service and Informational Expenses | - | SFIX | DEMAND | - | - |
| 57 | 911 | Supervision | - | SFIX | DEMAND | - | - |
| 58 | 912 | Demonstrating and Selling Expenses | - | SFIX | DEMAND | - | - |
| 59 | 913 | Advertising Expenses | - | SFIX | DEMAND | - | - |
| 60 | 916 | Miscellaneous Sales Expenses | - | SFIX | DEMAND | - | - |
| 61 | | Total Customer Accounts Expenses | | | | | |
| | | (Sum Ln 54 through Ln 60) | \$ - | | | \$ - | \$ - |
| 62 | | | | | | | |
| 63 | | ADMINISTRATIVE AND GENERAL EXPENSES | | | | | |
| 64 | 920 | Administrative and General Salaries | \$ 169,094 | SLABOR | DEMAND | \$ 167,167 | \$ 1,927 |
| 65 | 921 | Office Supplies and Expenses | 80,061 | SLABOR | DEMAND | 79,149 | 912 |
| 66 | 922 | Administrative Expenses Transferred— Credit | 2,669,688 | SLABOR | DEMAND | 2,639,270 | 30,418 |
| 67 | 923 | Outside Services Employed | 177,302 | SLABOR | DEMAND | 175,282 | 2,020 |
| 68 | 924 | Property Insurance | 61,083 | SPLANT | DEMAND | 60,387 | 696 |
| 69 | 925 | Injuries and Damages | 73,218 | SLABOR | DEMAND | 72,383 | 834 |
| 70 | 926 | Employee Pensions and Benefits | 1,328,160 | SLABOR | DEMAND | 1,313,027 | 15,133 |
| 71 | 930.2 | Miscellaneous General Expenses | (38,669) | SLABOR | DEMAND | (38,229) | (441) |
| 72 | 931 | Rents | 42,484 | SLABOR | DEMAND | 42,000 | 484 |
| 73 | | Total Admin and General Expenses | | | | | |
| | | (Sum Ln 64 through Ln 72) | \$ 4,562,420 | | | \$ 4,510,437 | \$ 51,983 |
| 74 | | | | | | | |
| 75 | | Total O&M Expense (Ln 5 + Ln 27 + Ln 51 + Ln 61 + Ln 73) | \$ 13,496,843 | | | \$ 13,203,714 | \$ 293,128 |
| 76 | | | | | | | |
| 77 | | Total O&M Expense Excluding A&G (Ln 75 - Ln 73) | \$ 8,934,423 | | | \$ 8,693,278 | \$ 241,145 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|----------------|--|----------------------|----------|------------|----------------------|-------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | | DEPRECIATION EXPENSE, OTHER TAX, OPERATING INCOME | | | | | |
| 2 | | | | | | | |
| 3 | | DEPRECIATION EXPENSE | | | | | |
| 4 | | Transmission, Storage, and General Plant | \$ 11,077,272 | SPLANT | DEMAND | \$ 10,951,060 | \$ 126,212 |
| 5 | | Total Depreciation Expense (Ln 4) | \$ 11,077,272 | | | \$ 10,951,060 | \$ 126,212 |
| 6 | | | | | | | |
| 7 | | OTHER TAXES | | | | | |
| 8 | | Property-Related Taxes (Ad Valorem) | \$ 2,501,193 | SPLANT | DEMAND | \$ 2,472,695 | \$ 28,498 |
| 9 | | Property-Related Taxes (Shared Services) | 90,501 | SPLANT | DEMAND | 89,470 | 1,031 |
| 10 | | Property-Related Taxes (DOT Pipeline Fee) | - | SPLANT | DEMAND | - | - |
| 11 | | Payroll Related Taxes | 309,785 | SPLANT | DEMAND | 306,255 | 3,530 |
| 12 | | Total Other Taxes (Sum Ln 8 through Ln 11) | \$ 2,901,479 | | | \$ 2,868,420 | \$ 33,059 |
| 13 | | | | | | | |
| 14 | | Total Operating Expenses Before FIT | | | | | |
| 15 | | (Page 10, Ln 75 + Ln 5 + Ln 12) | \$ 27,475,593 | | | \$ 27,023,194 | \$ 452,399 |
| 16 | | Total Demand O&M | 22,991,161 | | DEMAND | 22,729,205 | 261,956 |
| 17 | | Total Variable O&M | 4,484,432 | | USAGE | 4,293,989 | 190,443 |
| 18 | | | | | | | |
| 19 | | STATE/FEDERAL INCOME TAX EXPENSE | 8,014,777 | RATEBASE | DEMAND | \$ 7,757,727 | \$ 257,050 |
| 20 | | | | | | | |
| 21 | | Total Operating Expenses | | | | | |
| | | (Page 10, Ln 75 + Ln 5 + Ln 12 + Ln 19) | \$ 35,490,370 | | | \$ 34,780,921 | \$ 709,449 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|---|---|---------------------|----------|------------|---------------------|------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | DEVELOPMENT OF LABOR ALLOCATOR | | | | | | |
| 2 | | | | | | | |
| 3 | UNDERGROUND STORAGE EXPENSES - OPERATION | | | | | | |
| 4 | 814 | Operation Supervision and Engineering | \$ 985,283 | SFIX | | \$ 974,057 | \$ 11,226 |
| 5 | 816 | Wells Expenses | 41,246 | SFIX | | 40,776 | 470 |
| 6 | 817 | Lines Expenses | 13,617 | SFIX | | 13,462 | 155 |
| 7 | 818 | Compressor Station Expenses | 1,210,712 | SFIX | | 1,196,918 | 13,795 |
| 8 | 820 | Measuring and Regulating Station Expenses | 42,199 | SFIX | | 41,718 | 481 |
| 9 | 821 | Purification Expenses | 18,518 | SFIX | | 18,307 | 211 |
| 10 | 824 | Other Expenses | - | SFIX | | - | - |
| 11 | Total UG Storage Expenses - Operation | | | | | | |
| | (Sum Ln 4 through Ln 10) | | \$ 2,311,575 | | | \$ 2,285,237 | \$ 26,338 |
| 12 | | | | | | | |
| 13 | UNDERGROUND STORAGE EXPENSES - MAINTENANCE | | | | | | |
| 14 | 832 | Maintenance of Reservoirs and Wells | \$ - | SFIX | | \$ - | \$ - |
| 15 | 834 | Maintenance of Compressor Station Equipment | 800,439 | SFIX | | 791,319 | 9,120 |
| 16 | 835 | Maintenance of Measuring and Regulating Station Equipment | 11,999 | SFIX | | 11,862 | 137 |
| 17 | 836 | Maintenance of Purification Equipment | 43,119 | SFIX | | 42,628 | 491 |
| 18 | Total UG Storage Expenses - Maintenance | | | | | | |
| | (Sum Ln 14 through Ln 17) | | \$ 855,557 | | | \$ 845,809 | \$ 9,748 |
| 19 | | | | | | | |
| 20 | Total UG Storage - O&M Labor (Ln 11 + Ln 18) | | \$ 3,167,132 | | | \$ 3,131,046 | \$ 36,086 |
| 21 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|----------------|---|---------------|-----------|------------|--------------|-----------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 22 | | TRANSMISSION EXPENSES - OPERATION | | | | | |
| 23 | 850 | Operation Supervision and Engineering | \$ - | SFIX | | \$ - | \$ - |
| 24 | 851 | System Control and Load Dispatching | - | SFIX | | - | - |
| 25 | 852 | Communication System Expenses | - | SFIX | | - | - |
| 26 | 853 | Compressor Station Labor and Expenses | - | SFIX | | - | - |
| 27 | 854 | Gas for Compressor Station Fuel | - | SFIX | | - | - |
| 28 | 855 | Other Fuel and Power for Compressor Stations | - | SFIX | | - | - |
| 29 | 856 | Mains Expenses | - | SFIX | | - | - |
| 30 | 857 | Measuring and Regulating Station Expenses | - | SFIX | | - | - |
| 31 | 858 | Transmission and Compression of Gas by Others | - | SFIX | | - | - |
| 32 | 859 | Other Expenses | - | SFIX | | - | - |
| 33 | 860 | Rents | - | SFIX | | - | - |
| | | Total Transmission Expenses - Operation | | | | | |
| 34 | | (Sum Ln 23 through Ln 33) | \$ - | | | \$ - | \$ - |
| 35 | | TRANSMISSION EXPENSES - MAINTENANCE | | | | | |
| 36 | | | | | | | |
| 37 | 861 | Maintenance Supervision and Engineering | \$ - | SFIX | | \$ - | \$ - |
| 38 | 863 | Maintenance of Mains | - | SFIX | | - | - |
| 39 | 864 | Maintenance of Compressor Station Equipment | - | SFIX | | - | - |
| 40 | 865 | Maintenance of Measuring and Regulating Station Equipment | - | SFIX | | - | - |
| 41 | 866 | Maintenance of Communication Equipment | - | SFIX | | - | - |
| 42 | 867 | Maintenance of Other Equipment | - | SFIX | | - | - |
| | | Total Transmission Expenses - Maintenance | | | | | |
| 43 | | (Sum Ln 37 through Ln 42) | \$ - | | | \$ - | \$ - |
| 44 | | Total Transmission O&M Labor (Ln 34 + Ln 43) | \$ - | | | \$ - | \$ - |
| 45 | | | | | | | |
| 46 | | Total Functional Labor - O&M (Ln 20 + Ln 45) | \$ 3,167,132 | | | \$ 3,131,046 | \$ 36,086 |
| 47 | | | | | | | |
| 48 | | CUSTOMER ACCOUNTS EXPENSES | | | | | |
| 49 | | | | | | | |
| 50 | 902 | Meter Reading Expenses | \$ - | CUSTOMERS | | \$ - | \$ - |
| 51 | 904 | Uncollectible Accounts | - | CUNCOL | | - | - |
| 52 | 910 | Miscellaneous Customer Service and Informational Expenses | - | SFIX | | - | - |
| 53 | 911 | Supervision | - | SFIX | | - | - |
| 54 | 912 | Demonstrating and Selling Expenses | - | SFIX | | - | - |
| 55 | 916 | Miscellaneous Sales Expenses | - | SFIX | | - | - |
| | | Total Customer Accounts Expenses | | | | | |
| 56 | | (Sum Ln 50 through Ln 55) | \$ - | | | \$ - | \$ - |
| 57 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|----------------|--|---------------------|----------|------------|---------------------|------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 58 | | ADMINISTRATIVE AND GENERAL EXPENSES | | | | | |
| 59 | 920 | Administrative and General Salaries | \$ 175,409 | SLABXAG | | \$ 173,410 | \$ 1,999 |
| 60 | 921 | Office Supplies and Expenses | - | SLABXAG | | - | - |
| 61 | 922 | Administrative Expenses Transferred— Credit | - | SLABXAG | | - | - |
| 62 | 923 | Outside Services Employed | - | SLABXAG | | - | - |
| 63 | 924 | Property Insurance | - | SPLANT | | - | - |
| 64 | 925 | Injuries and Damages | - | SLABXAG | | - | - |
| 65 | 926 | Employee Pensions and Benefits | - | SLABXAG | | - | - |
| 66 | 928 | Regulatory Commission Expenses | - | SLABXAG | | - | - |
| 67 | 930.2 | Miscellaneous General Expenses | - | SLABXAG | | - | - |
| 68 | 931 | Rents | - | SLABXAG | | - | - |
| 69 | 932 | Maintenance of General Plant | - | SPLANT | | - | - |
| 70 | | Total Admin and General Expenses (Sum Ln 59 through Ln 69) | \$ 175,409 | | | \$ 173,410 | \$ 1,999 |
| 71 | | | | | | | |
| 72 | | Total O&M Expense Labor (Sum Ln 47 + Ln 56 + Ln 70) | \$ 3,342,541 | | | \$ 3,304,457 | \$ 38,084 |
| 73 | | | | | | | |
| 74 | | Total O&M Expense Labor Excluding A&G (Sum Ln 47 + Ln 56) | \$ 3,167,132 | | | \$ 3,131,046 | \$ 36,086 |
| 75 | | | | | | | |
| 76 | | Total O&M Direct Labor (Ln 74 - Ln 4 - Ln 23 - Ln 37) | \$ 2,181,849 | | | \$ 2,156,989 | \$ 24,860 |
| 77 | | | | | | | |
| 78 | | Total Storage O&M Expense Labor | 24.77% | | | 25.03% | 12.99% |
| 79 | | | | | | | |
| 80 | | Total Storage O&M Expense Labor Excluding A&G | 35.45% | | | 36.02% | 14.96% |
| 81 | | | | | | | |
| 82 | | Total Storage O&M Direct Labor | 28.10% | | | 28.62% | 10.91% |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ALLOCATION OF STORAGE COSTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Total Storage | AF Label | Classifier | CGS | PT |
|----------|-----------------------------------|---------------------------|----------------------|-------------|------------|----------------------|-------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | <u>RETURN ON RATE BASE</u> | | | | | | |
| 2 | | | | | | | |
| 3 | | TOTAL INVESTED CAPITAL | \$ 232,269,449 | | | \$ 229,635,140 | \$ 2,634,309 |
| 4 | | | 8.87% | | | 8.87% | 8.87% |
| 5 | | | <u>\$ 20,606,946</u> | | | <u>\$ 20,373,230</u> | <u>\$ 233,716</u> |
| 6 | | | | | | | |
| 7 | | TOTAL OPERATING EXPENSE | 27,475,593 | | | 27,023,194 | 452,399 |
| 8 | | | | | | | |
| 9 | | INCOME TAX | 8,014,777 | | | 7,757,727 | 257,050 |
| 10 | | | | | | | |
| 11 | | TOTAL REVENUE REQUIREMENT | <u>\$ 56,097,316</u> | | | <u>\$ 55,154,151</u> | <u>\$ 943,165</u> |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEVELOPMENT OF STORAGE ALLOCATOR
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Classifier | Reference | Amount | (e) | Allocations | (g) | (h) |
|----------|---|------------|--------------------------------|----------------------|--------|---|----------------------------|---------------------|
| | (a) | (b) | (c) | (d) | | (f) | | |
| 1 | <u>ALLOCATOR FOR FIXED STORAGE COSTS</u> | | | | | | | |
| 2 | | | | | | | | |
| 3 | Adjustment | | Schedule H-1, Page 7, Line 24 | \$ 232,269,449 | | | | |
| 4 | Rate of Return | | Schedule G, Line 20 | 8.87% | | | | |
| 5 | Return on Rate Base | | Line 3 x Line 4 | \$ 20,606,946 | | | | |
| 6 | Fixed Storage Expenses | | Schedule H-3, Page 11, Line 17 | 22,991,161 | | | | |
| 7 | Total Fixed Storage Costs | | Sum (Ln 5 + Ln 6) | <u>\$ 43,598,107</u> | | | | |
| 8 | | | | | | | | |
| 9 | | | | | | | | |
| 10 | | | | | | Allocation to System and 3rd Party Storage | | |
| 11 | | | | | | CGS Storage | System & 3rd Party Storage | |
| 12 | <u>Fixed Storage Costs</u> | | | | | | | |
| 13 | Capacity | 0.5 | Line 7 x Classifier | \$ 21,799,053 | 90.51% | \$ 19,729,583 | 9.49% | \$ 2,069,470 |
| 14 | Deliverability | 0.5 | Line 7 x Classifier | 21,799,053 | 90.68% | 19,766,575 | 9.32% | 2,032,479 |
| 15 | Total Fixed Storage Costs | | Sum (Ln 13 + Ln 14) | <u>\$ 43,598,107</u> | | <u>\$ 39,496,158</u> | | <u>\$ 4,101,949</u> |
| 16 | | | | | | | | |
| 17 | | | | | | | | |
| 18 | | | | | | Allocation to Rate Classes | | |
| 19 | | | | | | Allocator | CGS | PT |
| 20 | <u>Allocation of Fixed Storage Costs</u> | | | | | | | |
| 21 | Fixed CGS Storage Cost | | | \$ 39,496,158 | CGS | \$ 39,496,158 | \$ - | |
| 22 | Fixed System & 3rd Party | | | 4,101,949 | THRUPT | 3,605,201 | 496,747 | |
| 23 | Total Fixed Storage Cost | | Sum (Ln 21 + Ln 22) | <u>\$ 43,598,107</u> | | <u>\$ 43,101,360</u> | <u>\$ 496,747</u> | |
| 24 | Fixed Storage Cost Allocator | | | | | 98.86% | 1.14% | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
DEVELOPMENT OF STORAGE ALLOCATOR
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Classifier | Reference | Amount | (e) | Allocations | (g) | (h) |
|----------|---|------------|--------------------------------|---------------------|--------|---|-----------------------------|-----------------------------|
| | (a) | (b) | (c) | (d) | | (f) | | |
| 1 | <u>ALLOCATOR FOR VARIABLE STORAGE COSTS</u> | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | Allocation to System and 3rd Party Storage | | |
| 4 | | | | | | CGS Storage | System & 3rd Party Storage | |
| 5 | Variable Storage Costs | | Schedule H-3, Page 11, Line 18 | \$ 4,484,432 | 64.93% | \$ 2,911,828 | 35.07% | \$ 1,572,604 |
| 6 | | | | | | | | |
| 7 | | | | | | | | |
| 8 | | | | | | Allocation to Rate Classes | | |
| 9 | | | | | | Allocator | CGS | PT |
| 10 | <u>Allocation of Variable Storage Costs</u> | | | | | | | |
| 11 | Variable CGS Storage Cost | | | \$ 2,911,828 | CGS | \$ 2,911,828 | \$ - | |
| 12 | Variable System & 3rd Party | | | 1,572,604 | THRUPT | 1,382,160.90 | 190,442.89 | |
| 13 | Total Variable Storage Cost | | Sum (Ln 11 + Ln 12) | <u>\$ 4,484,432</u> | | <u>\$ 4,293,989</u> | <u>\$ 190,443</u> | |
| 14 | Variable Storage Cost Allocator | | | | | 95.75% | 4.25% | |
| 15 | | | | | | | | |
| 16 | | | | | | | | |
| 17 | <u>SYSTEM STORAGE ALLOCATORS</u> | | | | | | | |
| 18 | | | | | | Working Gas Capacity (1) | Max. Withdrawl Capacity (1) | TY Injection/ Withdrawl (2) |
| 19 | Total Capacity/Usage | | | | | (MMcf) | (MMcf) | (MMBtu) |
| 20 | CGS Capacity/Usage | | | | | 39,243 | 1,434 | 28,715,859 |
| 21 | Net of CGS Capacity/Usage | | Ln 19 - Ln 20 | | | 35,518 | 1,300 | 18,645,761 |
| 22 | System and 3rd Party % of Capacity | | Ln 21 / Ln 19 | | | 3,726 | 134 | 10,070,098 |
| 23 | | | | | | 9.49% | 9.32% | 35.07% |
| 24 | <u>Notes:</u> | | | | | | | |
| 25 | 1. Per Relied File, "Schedule I_Billing Determinants Study". | | | | | | | |
| 26 | 2. Per Relied File, "FY16 Class Cost of Service Workpapers.xlsx". | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TOTAL ALLOCATED COST
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Classified | TOTAL PIPELINE | TOTAL CGS | TOTAL PT | TOTAL MID-TEX WGIS |
|----------|--|--|------------|-------------------------|-------------------------|----------------------|--------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | <u>INVESTED CAPITAL - GROSS PLANT</u> | | | | | | |
| 2 | Adjustment | | | | | | |
| 3 | STORAGE PLANT | | | | | | |
| 4 | 350.00 | Land and Land Rights | | \$ - | \$ - | \$ - | \$ - |
| 5 | 350.10 | Land | | 5,515,389 | 5,452,548 | 62,841 | - |
| 6 | 350.20 | Rights-of-Way | | 32,592 | 32,220 | 371 | - |
| 7 | 351.00 | Structures and Improvements | | 24,635,344 | 24,354,654 | 280,690 | - |
| 8 | 352.00 | Wells | | 78,403,027 | 77,509,720 | 893,307 | - |
| 9 | 353.00 | Lines | | 13,256,043 | 13,105,006 | 151,037 | - |
| 10 | 354.00 | Compressor Station Equipment | | 88,256,841 | 87,251,262 | 1,005,580 | - |
| 11 | 355.00 | M&R Equipment | | 50,663,680 | 50,086,429 | 577,251 | - |
| 12 | 356.00 | Purification Equipment | | 49,947,598 | 49,378,506 | 569,092 | - |
| 13 | 357.00 | Other Equipment | | 621,183 | 614,105 | 7,078 | - |
| 14 | | Subtotal (Sum Ln 4 through Ln 13) | | \$ 311,331,697 | \$ 307,784,450 | \$ 3,547,247 | \$ - |
| 15 | | | | | | | |
| 16 | TRANSMISSION PLANT | | | | | | |
| 17 | 365.00 | Land | | \$ 1,232,270 | \$ 1,188,606 | \$ 43,664 | \$ - |
| 18 | 365.10 | ROW - Trans Comp Stat | | - | - | - | - |
| 19 | 365.20 | ROW - City Gate | | 18,983,795 | 18,311,127 | 672,667 | - |
| 20 | 366.00 | Structures and Improvements | | 11,472,463 | 11,065,951 | 406,513 | - |
| 21 | 367.00 | Mains - Cathodic Protection | | 200,439,413 | 193,337,089 | 7,102,324 | - |
| 22 | 367.01 | Mains - Steel | | 1,431,528,224 | 1,380,803,783 | 50,724,441 | - |
| 23 | 367.02 | Mains - Plastic | | 11,591,352 | 11,180,627 | 410,725 | - |
| 24 | 368.00 | Compressor Station Equipment | | 150,061,066 | 144,743,837 | 5,317,229 | - |
| 25 | 369.00 | M&R Station Equipment | | 228,773,444 | 220,667,138 | 8,106,306 | - |
| 26 | 370.00 | Communication Equipment | | 14,144,928 | 13,643,720 | 501,208 | - |
| 27 | 371.00 | Other Equipment | | 4,923,427 | 4,748,972 | 174,456 | - |
| 28 | | Subtotal (Sum Ln 17 through Ln 27) | | \$ 2,073,150,383 | \$ 1,999,690,850 | \$ 73,459,533 | \$ - |
| 29 | | | | | | | |
| 30 | | Total Functional Plant in Service (Ln 14 + Ln 28) | | \$ 2,384,482,080 | \$ 2,307,475,300 | \$ 77,006,780 | \$ - |
| 31 | | | | | | | |
| 32 | INTANGIBLE PLANT | | | | | | |
| 33 | 303.00 | Miscellaneous Intangible Plant | | \$ 6,238,271 | \$ 6,037,725 | \$ 200,546 | \$ - |
| 34 | | Subtotal (Ln 33) | | \$ 6,238,271 | \$ 6,037,725 | \$ 200,546 | \$ - |
| 35 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TOTAL ALLOCATED COST
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Classified | TOTAL PIPELINE | TOTAL CGS | TOTAL PT | TOTAL MID-TEX WGIS |
|----------|----------------|--|------------|-------------------------|-------------------------|----------------------|--------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 36 | | GENERAL PLANT | | | | | |
| 37 | 389.00 | Land and Land Rights | | \$ 124,981 | \$ 120,964 | \$ 4,018 | \$ - |
| 38 | 390.00 | Structures and Improvements | | 6,285,064 | 6,083,015 | 202,050 | - |
| 39 | 391.00 | Office Furniture and Equipment | | 4,878,716 | 4,721,877 | 156,839 | - |
| 40 | 392.00 | Transportation Equipment | | 1,562,956 | 1,512,711 | 50,245 | - |
| 41 | 393.00 | Stores Equipment | | - | - | - | - |
| 42 | 394.00 | Tools, Shop, and Garage Equipment | | 9,846,323 | 9,529,787 | 316,536 | - |
| 43 | 395.00 | Laboratory Equipment | | 172,645 | 167,095 | 5,550 | - |
| 44 | 396.00 | Power Operated Equipment | | 3,054,342 | 2,956,152 | 98,190 | - |
| 45 | 397.00 | Communication Equipment | | 736,092 | 712,429 | 23,664 | - |
| 46 | 397.02 | Communication Equipment - Fixed Radios | | 80,513 | 77,925 | 2,588 | - |
| 47 | 397.05 | Communication Equipment - Telemetry | | 114,680 | 110,993 | 3,687 | - |
| 48 | 398.00 | Miscellaneous Equipment | | 8,193,622 | 7,930,216 | 263,405 | - |
| 49 | 399.00 | Other Tangible Property | | 71,172 | 68,884 | 2,288 | - |
| 50 | 399.01 | Other Tangible Property - Servers Hardware | | 612,444 | 592,756 | 19,689 | - |
| 51 | 399.02 | Other Tangible Property - Servers Software | | 1,408,668 | 1,363,382 | 45,285 | - |
| 52 | 399.03 | Other Tangible Property - Network Hardware | | 71,397 | 69,102 | 2,295 | - |
| 53 | 399.06 | Other Tangible Property - PC Hardware | | 793,661 | 768,147 | 25,514 | - |
| 54 | 399.07 | Other Tangible Property - PC Software | | 794,975 | 769,418 | 25,557 | - |
| 55 | | Shared Services General Office | | 27,471,570 | 26,588,424 | 883,146 | - |
| 56 | | Shared Services Greenville Data Center | | 6,449,777 | 6,242,432 | 207,345 | - |
| 57 | | Shared Services Aligned Pipe Projects | | 16,041,414 | 15,525,720 | 515,693 | - |
| 58 | | Subtotal (Sum Ln 37 through Ln 57) | | \$ 88,765,013 | \$ 85,911,428 | \$ 2,853,585 | \$ - |
| 59 | | | | | | | |
| 60 | | Total APT Gross Plant (Ln 30 + Ln 34 + Ln 58) | | \$ 2,479,485,364 | \$ 2,399,424,454 | \$ 80,060,910 | \$ - |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TOTAL ALLOCATED COST
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Classified | TOTAL PIPELINE | TOTAL CGS | TOTAL PT | TOTAL MID-TEX WGIS |
|----------|---|--|------------|-----------------------|-----------------------|----------------------|--------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | <u>INVESTED CAPITAL - ACCUMULATED DEPRECIATION</u> | | | | | | |
| 2 | | | | | | | |
| 3 | | STORAGE PLANT | | | | | |
| 4 | 350.00 | Land and Land Rights | | \$ - | \$ - | \$ - | \$ - |
| 5 | 350.10 | Land | | - | - | - | - |
| 6 | 350.20 | Rights-of-Way | | 14,767 | 14,599 | 168 | - |
| 7 | 351.00 | Structures and Improvements | | 5,855,602 | 5,788,885 | 66,717 | - |
| 8 | 352.00 | Wells | | 14,298,665 | 14,135,749 | 162,916 | - |
| 9 | 353.00 | Lines | | 3,699,870 | 3,657,715 | 42,156 | - |
| 10 | 354.00 | Compressor Station Equipment | | 18,665,963 | 18,453,287 | 212,676 | - |
| 11 | 355.00 | M&R Equipment | | 7,776,600 | 7,687,995 | 88,605 | - |
| 12 | 356.00 | Purification Equipment | | 7,059,844 | 6,979,406 | 80,438 | - |
| 13 | 357.00 | Other Equipment | | 206,980 | 204,622 | 2,358 | - |
| 14 | | Subtotal (Sum Ln 4 through Ln 13) | | \$ 57,578,292 | \$ 56,922,257 | \$ 656,035 | \$ - |
| 15 | | | | | | | |
| 16 | | TRANSMISSION PLANT | | | | | |
| 17 | 365.00 | Land | | \$ - | \$ - | \$ - | \$ - |
| 18 | 365.10 | ROW - Trans Comp Stat | | - | - | - | - |
| 19 | 365.20 | ROW - City Gate | | 5,589,104 | 5,391,061 | 198,043 | - |
| 20 | 366.00 | Structures and Improvements | | 3,140,237 | 3,028,966 | 111,270 | - |
| 21 | 367.00 | Mains - Cathodic Protection | | 52,390,846 | 50,534,441 | 1,856,405 | - |
| 22 | 367.01 | Mains - Steel | | 238,931,308 | 230,465,071 | 8,466,237 | - |
| 23 | 367.02 | Mains - Plastic | | 1,485,678 | 1,433,035 | 52,643 | - |
| 24 | 368.00 | Compressor Station Equipment | | 42,356,758 | 40,855,898 | 1,500,860 | - |
| 25 | 369.00 | M&R Station Equipment | | 55,590,538 | 53,620,756 | 1,969,782 | - |
| 26 | 370.00 | Communication Equipment | | 4,671,498 | 4,505,969 | 165,529 | - |
| 27 | 371.00 | Other Equipment | | 1,942,900 | 1,874,056 | 68,844 | - |
| 28 | | Subtotal (Sum Ln 17 through Ln 27) | | \$ 406,098,867 | \$ 391,709,254 | \$ 14,389,614 | \$ - |
| 29 | | | | | | | |
| 30 | | Total Functional Plant in Service (Ln 14 + Ln 28) | | \$ 463,677,159 | \$ 448,631,511 | \$ 15,045,648 | \$ - |
| 31 | | | | | | | |
| 32 | | INTANGIBLE PLANT | | | | | |
| 33 | 303.00 | Miscellaneous Intangible Plant | | \$ 6,238,271 | \$ 6,037,725 | \$ 200,546 | \$ - |
| 34 | | Subtotal (Ln 33) | | \$ 6,238,271 | \$ 6,037,725 | \$ 200,546 | \$ - |
| 35 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TOTAL ALLOCATED COST
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Classified | TOTAL PIPELINE | TOTAL CGS | TOTAL PT | TOTAL MID-TEX WGIS |
|----------|----------------|--|------------|-----------------------|-----------------------|----------------------|--------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 36 | | GENERAL PLANT | | | | | |
| 37 | 389.00 | Land and Land Rights | | \$ - | \$ - | \$ - | \$ - |
| 38 | 390.00 | Structures and Improvements | | 1,338,571 | 1,295,539 | 43,032 | - |
| 39 | 391.00 | Office Furniture and Equipment | | 2,724,584 | 2,636,996 | 87,589 | - |
| 40 | 392.00 | Transportation Equipment | | 578,415 | 559,820 | 18,595 | - |
| 41 | 393.00 | Stores Equipment | | - | - | - | - |
| 42 | 394.00 | Tools, Shop, and Garage Equipment | | 2,166,906 | 2,097,245 | 69,661 | - |
| 43 | 395.00 | Laboratory Equipment | | 40,384 | 39,086 | 1,298 | - |
| 44 | 396.00 | Power Operated Equipment | | 701,214 | 678,671 | 22,542 | - |
| 45 | 397.00 | Communication Equipment | | 312,733 | 302,679 | 10,054 | - |
| 46 | 397.02 | Communication Equipment - Fixed Radios | | 9,323 | 9,024 | 300 | - |
| 47 | 397.05 | Communication Equipment - Telemetry | | 50,520 | 48,896 | 1,624 | - |
| 48 | 398.00 | Miscellaneous Equipment | | 3,556,347 | 3,442,019 | 114,328 | - |
| 49 | 399.00 | Other Tangible Property | | 21,487 | 20,796 | 691 | - |
| 50 | 399.01 | Other Tangible Property - Servers Hardware | | 121,216 | 117,319 | 3,897 | - |
| 51 | 399.02 | Other Tangible Property - Servers Software | | 675,152 | 653,447 | 21,705 | - |
| 52 | 399.03 | Other Tangible Property - Network Hardware | | 12,875 | 12,461 | 414 | - |
| 53 | 399.06 | Other Tangible Property - PC Hardware | | 301,166 | 291,485 | 9,682 | - |
| 54 | 399.07 | Other Tangible Property - PC Software | | 503,432 | 487,248 | 16,184 | - |
| 55 | | Shared Services General Office | | 16,402,442 | 15,875,143 | 527,300 | - |
| 56 | | Shared Services Greenville Data Center | | 1,968,887 | 1,905,592 | 63,295 | - |
| 57 | | Shared Services Align Pipe Projects | | 850,769 | 823,419 | 27,350 | - |
| 58 | | Subtotal (Sum Ln 37 through Ln 57) | | \$ 32,336,423 | \$ 31,296,884 | \$ 1,039,539 | \$ - |
| 59 | | | | | | | |
| 60 | | RWIP | | \$ (2,689,475) | \$ (2,603,015) | \$ (86,460) | \$ - |
| 61 | | | | | | | |
| 62 | | Total APT Accumulated Depreciation | | | | | |
| | | (Ln 30 + Ln 34 + Ln 58 + Ln 60) | | \$ 499,562,378 | \$ 483,363,105 | \$ 16,199,273 | \$ - |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TOTAL ALLOCATED COST
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Classified | TOTAL PIPELINE | TOTAL CGS | TOTAL PT | TOTAL MID-TEX WGIS |
|----------|-------------------------------------|--|------------|-------------------------|-------------------------|----------------------|--------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | INVESTED CAPITAL - NET PLANT | | | | | | |
| 2 | | | | | | | |
| 3 | | STORAGE PLANT | | | | | |
| 4 | 350.00 | Land and Land Rights | | \$ - | \$ - | \$ - | \$ - |
| 5 | 350.10 | Land | | 5,515,389 | 5,452,548 | 62,841 | - |
| 6 | 350.20 | Rights-of-Way | | 17,824 | 17,621 | 203 | - |
| 7 | 351.00 | Structures and Improvements | | 18,779,742 | 18,565,770 | 213,972 | - |
| 8 | 352.00 | Wells | | 64,104,362 | 63,373,971 | 730,391 | - |
| 9 | 353.00 | Lines | | 9,556,173 | 9,447,292 | 108,881 | - |
| 10 | 354.00 | Compressor Station Equipment | | 69,590,878 | 68,797,975 | 792,904 | - |
| 11 | 355.00 | M&R Equipment | | 42,887,080 | 42,398,433 | 488,646 | - |
| 12 | 356.00 | Purification Equipment | | 42,887,754 | 42,399,100 | 488,654 | - |
| 13 | 357.00 | Other Equipment | | 414,203 | 409,484 | 4,719 | - |
| 14 | | Subtotal (Sum Ln 4 through Ln 13) | | \$ 253,753,405 | \$ 250,862,193 | \$ 2,891,212 | \$ - |
| 15 | | | | | | | |
| 16 | | TRANSMISSION PLANT | | | | | |
| 17 | 365.00 | Land | | \$ 1,232,270 | \$ 1,188,606 | \$ 43,664 | \$ - |
| 18 | 365.10 | ROW - Trans Comp Stat | | - | - | - | - |
| 19 | 365.20 | ROW - City Gate | | 13,394,690 | 12,920,066 | 474,624 | - |
| 20 | 366.00 | Structures and Improvements | | 8,332,227 | 8,036,984 | 295,242 | - |
| 21 | 367.00 | Mains - Cathodic Protection | | 148,048,567 | 142,802,648 | 5,245,919 | - |
| 22 | 367.01 | Mains - Steel | | 1,192,596,916 | 1,150,338,712 | 42,258,204 | - |
| 23 | 367.02 | Mains - Plastic | | 10,105,674 | 9,747,592 | 358,082 | - |
| 24 | 368.00 | Compressor Station Equipment | | 107,704,308 | 103,887,939 | 3,816,370 | - |
| 25 | 369.00 | M&R Station Equipment | | 173,182,906 | 167,046,382 | 6,136,523 | - |
| 26 | 370.00 | Communication Equipment | | 9,473,431 | 9,137,751 | 335,679 | - |
| 27 | 371.00 | Other Equipment | | 2,980,527 | 2,874,916 | 105,611 | - |
| 28 | | Subtotal (Sum Ln 17 through Ln 27) | | \$ 1,667,051,516 | \$ 1,607,981,597 | \$ 59,069,919 | \$ - |
| 29 | | | | | | | |
| 30 | | Total Functional Plant in Service (Ln 14 + Ln 28) | | \$ 1,920,804,921 | \$ 1,858,843,790 | \$ 61,961,131 | \$ - |
| 31 | | | | | | | |
| 32 | | INTANGIBLE PLANT | | | | | |
| 33 | 303.00 | Miscellaneous Intangible Plant | | \$ - | \$ - | \$ - | \$ - |
| 34 | | Subtotal (Ln 33) | | \$ - | \$ - | \$ - | \$ - |
| 35 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TOTAL ALLOCATED COST
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Classified | TOTAL PIPELINE | TOTAL CGS | TOTAL PT | TOTAL MID-TEX WGIS |
|----------|----------------|--|------------|-------------------------|-------------------------|----------------------|--------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 36 | | GENERAL PLANT | | | | | |
| 37 | 389.00 | Land and Land Rights | | \$ 124,981 | \$ 120,964 | \$ 4,018 | \$ - |
| 38 | 390.00 | Structures and Improvements | | 4,946,493 | 4,787,475 | 159,018 | - |
| 39 | 391.00 | Office Furniture and Equipment | | 2,154,132 | 2,084,881 | 69,250 | - |
| 40 | 392.00 | Transportation Equipment | | 984,541 | 952,891 | 31,651 | - |
| 41 | 393.00 | Stores Equipment | | - | - | - | - |
| 42 | 394.00 | Tools, Shop, and Garage Equipment | | 7,679,417 | 7,432,542 | 246,875 | - |
| 43 | 395.00 | Laboratory Equipment | | 132,261 | 128,009 | 4,252 | - |
| 44 | 396.00 | Power Operated Equipment | | 2,353,128 | 2,277,481 | 75,647 | - |
| 45 | 397.00 | Communication Equipment | | 423,359 | 409,749 | 13,610 | - |
| 46 | 397.02 | Communication Equipment - Fixed Radios | | 71,190 | 68,901 | 2,289 | - |
| 47 | 397.05 | Communication Equipment - Telemetry | | 64,160 | 62,098 | 2,063 | - |
| 48 | 398.00 | Miscellaneous Equipment | | 4,637,275 | 4,488,197 | 149,077 | - |
| 49 | 399.00 | Other Tangible Property | | 49,685 | 48,088 | 1,597 | - |
| 50 | 399.01 | Other Tangible Property - Servers Hardware | | 491,229 | 475,437 | 15,792 | - |
| 51 | 399.02 | Other Tangible Property - Servers Software | | 733,516 | 709,935 | 23,581 | - |
| 52 | 399.03 | Other Tangible Property - Network Hardware | | 58,523 | 56,641 | 1,881 | - |
| 53 | 399.06 | Other Tangible Property - PC Hardware | | 492,494 | 476,662 | 15,833 | - |
| 54 | 399.07 | Other Tangible Property - PC Software | | 291,542 | 282,170 | 9,372 | - |
| 55 | | Shared Services General Office | | 11,069,128 | 10,713,281 | 355,846 | - |
| 56 | | Shared Services Greenville Data Center | | 4,480,889 | 4,336,839 | 144,050 | - |
| 57 | | Shared Services Align Pipe Projects | | 15,190,645 | 14,702,302 | 488,343 | - |
| 58 | | Subtotal (Sum Ln 37 through Ln 57) | | \$ 56,428,590 | \$ 54,614,545 | \$ 1,814,045 | \$ - |
| 59 | | | | | | | |
| 60 | | RWIP | | \$ 2,689,475 | \$ 2,603,015 | \$ 86,460 | \$ - |
| 61 | | | | | | | |
| 62 | | Total APT Net Plant (Ln 30 + Ln 34 + Ln 58 + Ln 60) | | \$ 1,979,922,986 | \$ 1,916,061,349 | \$ 63,861,637 | \$ - |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TOTAL ALLOCATED COST
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Classified | TOTAL PIPELINE | TOTAL CGS | TOTAL PT | TOTAL MID-TEX WGIS |
|----------|--|--|-----------------|-------------------------|-------------------------|----------------------|-----------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | <u>INVESTED CAPITAL SUMMARY</u> | | | | | | |
| 2 | | | | | | | |
| 3 | | NET PLANT | | | | | |
| 4 | | Gross Plant | | \$ 2,479,485,364 | \$ 2,399,424,454 | \$ 80,060,910 | \$ - |
| 5 | | Accumulated Depreciation | | 499,562,378 | 483,363,105 | 16,199,273 | - |
| 6 | | Non-Current Gas in Storage | | 16,928,914 | 16,736,029 | 192,884 | - |
| 7 | | Total Net Plant (Ln 4 - Ln 5 + Ln 6) | | \$ 1,996,851,900 | \$ 1,932,797,378 | \$ 64,054,521 | \$ - |
| 8 | | | | | | | |
| 9 | | INVESTMENT ADDITIONS | | | | | |
| 10 | | Cash Working Capital | | \$ (8,093,285) | \$ (7,833,105) | \$ (260,180) | \$ - |
| 11 | | Materials and Supplies | | 3,757,677 | 3,636,877 | 120,800 | - |
| 12 | | Line Pack | | 4,385,237 | 4,229,851 | 155,385 | - |
| 13 | | Working Gas Stored Underground | | 106,038,127 | - | - | 106,038,127 |
| 14 | | Prepayments | | 6,656,192 | 6,442,211 | 213,981 | - |
| 15 | | Pension and Other Post Employment Benefits Regulatory Asset | | 6,567,664 | 6,360,713 | 206,950 | - |
| 16 | | Total Investment Additions (Sum Ln 10 through Ln 15) | | \$ 119,311,611 | \$ 12,836,547 | \$ 436,937 | \$ 106,038,127 |
| 17 | | | | | | | |
| 18 | | INVESTMENT DEDUCTIONS | | | | | |
| 19 | | Injuries and Damages Reserve | | \$ 121,434 | \$ 117,608 | \$ 3,826 | \$ - |
| 20 | | Accumulated Deferred Income Taxes | | 344,850,951 | 333,768,124 | 11,082,827 | - |
| 21 | | Rate Base Adjustments | | 3,591,145 | 3,475,970 | 115,175 | - |
| 22 | | Total Investment Deductions (Sum Ln 19 through Ln 21) | | \$ 348,563,530 | \$ 337,361,701 | \$ 11,201,829 | \$ - |
| 23 | | | | | | | |
| 24 | | Total Invested Capital (Ln 7 + Ln 16 - Ln 22) | DEMANDRB | \$ 1,767,599,981 | \$ 1,608,272,224 | \$ 53,289,630 | \$ 106,038,127 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TOTAL ALLOCATED COST
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Classified | TOTAL PIPELINE | TOTAL CGS | TOTAL PT | TOTAL MID-TEX WGIS |
|----------|----------------------------------|---|------------|---------------------|---------------------|-------------------|--------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | <u>OPERATING EXPENSES</u> | | | | | | |
| 2 | | | | | | | |
| 3 | | OTHER GAS SUPPLY EXPENSES | | | | | |
| 4 | 813 | Other Gas Supply Expenses | DEMAND | \$ 6,592 | \$ 6,380 | \$ 212 | \$ - |
| 5 | | Total Other Gas Supply Expenses (Ln 4) | | \$ 6,592 | \$ 6,380 | \$ 212 | \$ - |
| 6 | | | | | | | |
| 7 | | UNDERGROUND STORAGE EXPENSES - OPERATION | | | | | |
| 8 | 814 | Operation Supervision and Engineering | DEMAND | \$ 1,169,571 | \$ 1,156,246 | \$ 13,326 | \$ - |
| 9 | 816 | Wells Expenses | DEMAND | 1,065,312 | 1,053,174 | 12,138 | - |
| 10 | 817 | Lines Expenses | DEMAND | 13,755 | 13,598 | 157 | - |
| 11 | 818 | Compressor Station Expenses - FIXED | DEMAND | 1,210,712 | 1,196,918 | 13,795 | - |
| 12 | 818 | Compressor Station Expenses - VARIABLE | USAGE | 1,127,977 | 1,080,074 | 47,902 | - |
| 13 | 820 | Measuring and Regulating Station Expenses | DEMAND | 52,901 | 52,298 | 603 | - |
| 14 | 821 | Purification Expenses | DEMAND | 34,791 | 34,394 | 396 | - |
| 15 | 824 | Other Expenses | DEMAND | 730 | 722 | 8 | - |
| 16 | | Total UG Storage Expenses - Operation | | | | | |
| | | (Sum Ln 8 through Ln 15) | | \$ 4,675,749 | \$ 4,587,424 | \$ 88,325 | \$ - |
| 17 | | | | | | | |
| 18 | | UNDERGROUND STORAGE EXPENSES - MAINTENANCE | | | | | |
| 19 | 831 | Maintenance of Structures and Improvements | DEMAND | \$ 1,931 | \$ 1,909 | \$ 22 | \$ - |
| 20 | 832 | Maintenance of Reservoirs and Wells | DEMAND | - | - | - | - |
| 21 | 834 | Maintenance of Compressor Station Equipment - FIXED | DEMAND | 800,439 | 791,319 | 9,120 | - |
| 22 | 834 | Maintenance of Compressor Station Equipment - VARIABLE | USAGE | 3,356,455 | 3,213,915 | 142,540 | - |
| 23 | 835 | Maintenance of Measuring and Regulating Station Equipment | DEMAND | 17,671 | 17,470 | 201 | - |
| 24 | 836 | Maintenance of Purification Equipment | DEMAND | 81,276 | 80,349 | 926 | - |
| 25 | | Total UG Storage Expenses - Maintenance | | | | | |
| | | (Sum Ln 19 through Ln 24) | | \$ 4,257,772 | \$ 4,104,963 | \$ 152,810 | \$ - |
| 26 | | | | | | | |
| 27 | | Total Storage Expenses (Ln 16 + Ln 25) | | \$ 8,933,522 | \$ 8,692,387 | \$ 241,135 | \$ - |
| 28 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TOTAL ALLOCATED COST
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Classified | TOTAL PIPELINE | TOTAL CGS | TOTAL PT | TOTAL MID-TEX WGIS |
|----------|----------------|---|------------|----------------|---------------|--------------|--------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 29 | | TRANSMISSION EXPENSES - OPERATION | | | | | |
| 30 | 850 | Operation Supervision and Engineering | DEMAND | \$ 314,350 | \$ 303,212 | \$ 11,139 | \$ - |
| 31 | 851 | System Control and Load Dispatching | DEMAND | 1,728,036 | 1,666,805 | 61,231 | - |
| 32 | 852 | Communication System Expenses | DEMAND | 1,982,902 | 1,912,641 | 70,262 | - |
| 33 | 853 | Compressor Station Labor and Expenses - FIXED | DEMAND | 521,926 | 503,432 | 18,494 | - |
| 34 | 853 | Compressor Station Labor and Expenses - VARIABLE | USAGE | 193,559 | 170,119 | 23,440 | - |
| 35 | 856 | Mains Expenses | DEMAND | 76,672,780 | 73,955,974 | 2,716,806 | - |
| 36 | 857 | Measuring and Regulating Station Expenses | DEMAND | 1,891,662 | 1,824,633 | 67,029 | - |
| 37 | 858 | Transmission and Compression of Gas by Others | USAGE | 98,867 | 86,894 | 11,973 | - |
| 38 | 859 | Other Expenses | DEMAND | 33,711 | 32,517 | 1,195 | - |
| 39 | 860 | Rents | DEMAND | 141,228 | 136,223 | 5,004 | - |
| 40 | | Total Transmission Expenses - Operation | | | | | |
| | | (Sum Ln 30 through Ln 39) | | \$ 83,579,021 | \$ 80,592,450 | \$ 2,986,571 | \$ - |
| 41 | | | | | | | |
| 42 | | TRANSMISSION EXPENSES - MAINTENANCE | | | | | |
| 43 | 863 | Maintenance of Mains | DEMAND | \$ 1,666,305 | \$ 1,607,261 | \$ 59,043 | \$ - |
| 44 | 864 | Maintenance of Compressor Station Equipment - FIXED | DEMAND | 361,217 | 348,418 | 12,799 | - |
| 45 | 864 | Maintenance of Compressor Station Equipment - VARIABLE | USAGE | 1,141,166 | 1,002,970 | 138,196 | - |
| 46 | 865 | Maintenance of Measuring and Regulating Station Equipment | DEMAND | 624,905 | 602,762 | 22,143 | - |
| 47 | 866 | Maintenance of Communication Equipment | DEMAND | 160,951 | 155,248 | 5,703 | - |
| 48 | 867 | Maintenance of Other Equipment | DEMAND | 132,082 | 127,402 | 4,680 | - |
| 49 | | Total Transmission Expenses - Maintenance | | | | | |
| | | (Sum Ln 43 through Ln 48) | | \$ 4,086,626 | \$ 3,844,061 | \$ 242,564 | \$ - |
| 50 | | | | | | | |
| 51 | | Total Transmission Expenses (Ln 40 + Ln 49) | | \$ 87,665,647 | \$ 84,436,512 | \$ 3,229,135 | \$ - |
| 52 | | | | | | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TOTAL ALLOCATED COST
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Classified | TOTAL PIPELINE | TOTAL CGS | TOTAL PT | TOTAL MID-TEX WGIS |
|----------|----------------|---|------------|----------------|----------------|--------------|--------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 53 | | CUSTOMER ACCOUNTS EXPENSES | | | | | |
| 54 | 902 | Meter Reading Expenses | DEMAND | \$ - | \$ - | \$ - | \$ - |
| 55 | 904 | Uncollectible Accounts | DEMAND | (9,169) | - | (9,169) | - |
| 56 | 910 | Miscellaneous Customer Service and Informational Expenses | DEMAND | 1,432,016 | 1,381,274 | 50,742 | - |
| 57 | 911 | Supervision | DEMAND | 108 | 104 | 4 | - |
| 58 | 912 | Demonstrating and Selling Expenses | DEMAND | 2,450 | 2,363 | 87 | - |
| 59 | 913 | Advertising Expenses | DEMAND | 6 | 5 | 0 | - |
| 60 | 916 | Miscellaneous Sales Expenses | DEMAND | 1,350,128 | 1,302,288 | 47,840 | - |
| 61 | | Total Customer Accounts Expenses | | | | | |
| | | (Sum Ln 54 through Ln 60) | | \$ 2,775,538 | \$ 2,686,034 | \$ 89,504 | \$ - |
| 62 | | | | | | | |
| 63 | | ADMINISTRATIVE AND GENERAL EXPENSES | | | | | |
| 64 | 920 | Administrative and General Salaries | DEMAND | \$ 1,036,130 | \$ 1,003,481 | \$ 32,649 | \$ - |
| 65 | 921 | Office Supplies and Expenses | DEMAND | 490,576 | 475,118 | 15,458 | - |
| 66 | 922 | Administrative Expenses Transferred— Credit | DEMAND | 16,358,629 | 15,843,160 | 515,469 | - |
| 67 | 923 | Outside Services Employed | DEMAND | 1,086,424 | 1,052,191 | 34,234 | - |
| 68 | 924 | Property Insurance | DEMAND | 446,860 | 432,494 | 14,365 | - |
| 69 | 925 | Injuries and Damages | DEMAND | 448,644 | 434,507 | 14,137 | - |
| 70 | 926 | Employee Pensions and Benefits | DEMAND | 8,138,356 | 7,881,913 | 256,444 | - |
| 71 | 930.2 | Miscellaneous General Expenses | DEMAND | (236,947) | (229,481) | (7,466) | - |
| 72 | 931 | Rents | DEMAND | 260,320 | 252,118 | 8,203 | - |
| 73 | | Total Admin and General Expenses | | | | | |
| | | (Sum Ln 64 through Ln 72) | | \$ 28,028,993 | \$ 27,145,501 | \$ 883,492 | \$ - |
| 74 | | | | | | | |
| 75 | | Total O&M Expense (Ln 5 + Ln 27 + Ln 51 + Ln 61 + Ln 73) | | \$ 127,410,291 | \$ 122,966,813 | \$ 4,443,478 | \$ - |
| 76 | | | | | | | |
| 77 | | Total O&M Expense Excluding A&G (Ln 75 - Ln 73) | | \$ 99,381,298 | \$ 95,821,313 | \$ 3,559,986 | \$ - |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
TOTAL ALLOCATED COST
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Account Number | Account Description | Classified | TOTAL PIPELINE | TOTAL CGS | TOTAL PT | TOTAL MID-TEX WGIS |
|----------|----------------|--|------------|-----------------------|-----------------------|---------------------|---------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | | DEPRECIATION EXPENSE, OTHER TAX, OPERATING INCOME | | | | | |
| 2 | | | | | | | |
| 3 | | DEPRECIATION EXPENSE | | | | | |
| 4 | | Transmission, Storage, and General Plant | DEMAND | \$ 81,036,473 | \$ 78,431,343 | \$ 2,605,130 | \$ - |
| 5 | | Total Depreciation Expense (Ln 4) | | \$ 81,036,473 | \$ 78,431,343 | \$ 2,605,130 | \$ - |
| 6 | | | | | | | |
| 7 | | OTHER TAXES | | | | | |
| 8 | | Property-Related Taxes (Ad Valorem) | DEMAND | \$ 19,560,136 | \$ 17,709,410 | \$ 588,226 | \$ 1,262,500 |
| 9 | | Property-Related Taxes (Shared Services) | DEMAND | 662,063 | 640,779 | 21,284 | - |
| 10 | | Property-Related Taxes (DOT Pipeline Fee) | DEMAND | 1,859,586 | 1,793,694 | 65,892 | - |
| 11 | | Payroll Related Taxes | DEMAND | 1,898,221 | 1,838,407 | 59,814 | - |
| 12 | | Total Other Taxes (Sum Ln 8 through Ln 11) | | \$ 23,980,006 | \$ 21,982,290 | \$ 735,215 | \$ 1,262,500 |
| 13 | | | | | | | |
| 14 | | Total Operating Expenses Before FIT (Page 10, Ln 75 + Ln 5 + Ln 12) | | \$ 232,426,770 | \$ 223,380,447 | \$ 7,783,824 | \$ 1,262,500 |
| 15 | | | | | | | |
| 16 | | STATE/FEDERAL INCOME TAX EXPENSE | DEMAND | 60,993,470 | 55,495,646 | 1,838,832 | 3,658,992 |
| 17 | | | | | | | |
| 18 | | Total Demand O&M | DEMAND | 287,502,216 | 273,322,120 | 9,258,604 | 4,921,492 |
| 19 | | Total Usage O&M | USAGE | 5,918,024 | 5,553,973 | 364,051 | - |
| 20 | | | | | | | |
| 21 | | Total Operating Expenses (Page 10, Ln 75 + Ln 5 + Ln 12 + Ln 16) | | \$ 293,420,240 | \$ 278,876,093 | \$ 9,622,656 | \$ 4,921,492 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
RRC TAX ALLOCATION
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | TOTAL PIPELINE | TOTAL CITY GATE | TOTAL TRANSPORT | MID-TEX ONLY | Reference |
|----------|---|-------------------|--------------------|--------------------|-----------------|--------------------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | Rate Base | \$ 1,767,599,981 | \$ 1,608,272,224 | \$ 53,289,630 | \$ 106,038,127 | Schedule H-4, Page 7, Line 24 |
| 2 | Adjustment | | 8.872% | 8.872% | 8.872% | Schedule G, Line 20 |
| 3 | Return on Rate Base (Ln 1 times Ln 2) | \$ 156,821,470 | \$ 142,685,912 | \$ 4,727,856 | \$ 9,407,703 | |
| 4 | Total Operating Expenses | 293,420,240 | 278,876,093 | 9,622,656 | 4,921,492 | Schedule H-4, Page 11, Line 23 |
| 5 | Total Revenue Requirement (Ln 3 + Ln 4) | \$ 450,241,710 | \$ 421,562,005 | \$ 14,350,512 | \$ 14,329,194 | |
| 6 | | | 96.71% | 3.29% | | |
| 7 | | | | | | |
| 8 | Less: Other Revenue Credit | 69,411,586 | 67,126,514 | 2,285,073 | - | Schedule K-4, Col (c), Line 11 |
| 9 | Total Costs Excl Revenue Credit (Ln 5 - Ln 8) | 380,830,124 | 354,435,491 | 12,065,439 | 14,329,194 | |
| 10 | | | 93.07% | 3.17% | 3.76% | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
ADJUSTED BILLING DETERMINANTS
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Rate Class | MDQ (12 Month) | | | Volume | | |
|----------|---|----------------|------------|------------|-------------|-------------|-------------|
| | | Base Year | Adjustment | Test Year | Base Year | Adjustment | Test Year |
| 1 | City Gate Service (CGS) | | | | | | |
| 2 | Adjustment | 32,392,056 | 401,244 | 32,793,300 | 171,830,360 | 20,637,688 | 192,468,048 |
| 3 | | | | | | | |
| 4 | Other CGS | | | | | | |
| 5 | Coserv | 1,401,480 | 97,320 | 1,498,800 | 5,721,445 | (33,901) | 5,687,544 |
| 6 | Texas Gas | 90,000 | - | 90,000 | 191,368 | 545,225 | 736,593 |
| 7 | Navasota | 36,000 | - | 36,000 | 489,570 | - | 489,570 |
| 8 | Terra Gas | 5,460 | - | 5,460 | 4,471 | 1,050 | 5,521 |
| 9 | Rising Star | 2,700 | - | 2,700 | 17,414 | - | 17,414 |
| 10 | WTG | 2,280 | - | 2,280 | 6,471 | 18 | 6,489 |
| 11 | Corix Utilities (1) | 2,076 | - | 2,076 | 10,974 | - | 10,974 |
| 12 | | | | | | | |
| 13 | Total CGS | 33,932,052 | 498,564 | 34,430,616 | 178,272,073 | 21,150,080 | 199,422,153 |
| 14 | | | | | | | |
| 15 | Pipeline Transportation (PT) | | | | | | |
| 16 | Industrial (Rate PT) | 1,916,220 | (229,788) | 1,686,432 | 31,178,385 | (3,700,737) | 27,477,648 |
| 17 | | | | | | | |
| 18 | Total PT | 1,916,220 | (229,788) | 1,686,432 | 31,178,385 | (3,700,737) | 27,477,648 |
| 19 | | | | | | | |
| 20 | Total Billing Units | 35,848,272 | 268,776 | 36,117,048 | 209,450,458 | 17,449,343 | 226,899,801 |
| 21 | | | | | | | |
| 22 | <u>For Allocation Purposes Only:</u> | | | | | | |
| 23 | PT Interruptible Adjustment (Ln 18 x 75%) | | 75.0% | 1,264,824 | | | |
| 24 | | | | | | | |

Note:

1. Corix Utilities, formerly Mitchell County, Assignment and Assumption Agreement effective August 23, 2016.

Data Source:

Schedule I_Billing Determinants Study.xlsx

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
RATE DESIGN
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Classified | TOTAL PIPELINE | TOTAL CGS | TOTAL PT | TOTAL MID-TEX WGIS | Reference |
|---------------------------------------|---|------------|-----------------------|-----------------------|----------------------|-----------------------|--------------------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| <u>COSTS</u> | | | | | | | |
| 1 | Adjustment | DEMANDRB | \$ 1,767,599,981 | \$ 1,608,272,224 | \$ 53,289,630 | \$ 106,038,127 | Schedule H-4, Page 7, Line 24 |
| 2 | Overall Rate of Return | | | 8.87% | 8.87% | 8.87% | Schedule H, Line 9 / Line 4 |
| 3 | Demand Return on Rate Base | | \$ 156,813,317 | \$ 142,678,493 | \$ 4,727,610 | \$ 9,407,214 | Line 1 times Line 2 |
| 4 | Demand Expenses | DEMAND | 287,502,216 | 273,322,120 | 9,258,604 | 4,921,492 | Schedule H-4, Page 11, Line 19 |
| 5 | Total Demand Costs | | \$ 444,315,533 | \$ 416,000,613 | \$ 13,986,214 | \$ 14,328,705 | Line 3 + Line 4 |
| 6 | Less: Other Revenue Credit | | 69,411,586 | 67,126,514 | 2,285,073 | - | Schedule H, Line 13 |
| 7 | Total Costs for Demand Charge | | \$ 374,903,946 | \$ 348,874,100 | \$ 11,701,142 | \$ 14,328,705 | Line 5 - Line 6 |
| 8 | | | | | | | |
| 9 | Usage Costs | USAGE | 5,918,024 | 5,553,973 | 364,051 | - | Schedule H-4, Page 11, Line 20 |
| 10 | | | | | | | |
| 11 | Base Revenue Requirement | | \$ 450,233,557 | \$ 421,554,586 | \$ 14,350,266 | \$ 14,328,705 | Line 5 + Line 9 |
| 12 | Less: Other Revenue Credit | | 69,411,586 | 67,126,514 | 2,285,073 | - | Line 6 |
| 13 | Total Revenue Requirement Excl. Other Transport Rev. | | \$ 380,821,971 | \$ 354,428,073 | \$ 12,065,193 | \$ 14,328,705 | Line 11 - Line 12 |
| 14 | | | | | | | |
| 15 | | | | | | | |
| 16 | <u>BILLING UNITS</u> | | | | | | |
| 17 | MMBTU | | 226,899,801 | 199,422,153 | 27,477,648 | 192,468,048 | Schedule K-1 |
| 18 | | | | | | | |
| 19 | Contract MDQ - Annual | | 36,117,048 | 34,430,616 | 1,686,432 | 32,793,300 | Schedule K-1 |
| 20 | | | | | | | |
| 21 | <u>PROPOSED RATES using ATMOS COSS</u> | | | | | | |
| 22 | Capacity Charge | | | \$ 10.13267 | \$ 6.93840 | \$ 0.43694 | Line 7 / Line 19 |
| 23 | | | | | | | |
| 24 | Usage Charge | | | \$ 0.02785 | \$ 0.01325 | \$ - | Line 9 / Line 17 |
| <u>EXAMINERS</u> | | | | | | | |
| System Increase | | | | 8.77% | | | |
| Increase limit at 1.5x system average | | | | 13.2% | | | |
| PT Increase | | | | \$ 3,591,409 | | | |
| PT Increase at 1.5x limit | | | | \$ 1,114,415 | | | |
| Necessary Adjustment | | | | \$ (2,476,994) | | | |
| | | | | | | | |
| | | | | CGS | PT | Mid-Tex WGIS | |
| Adjusted Demand Costs | | | | \$ 351,351,093 | \$ 9,224,148 | | |
| Adjusted Capacity Charge | | | | \$ 10.20461 | \$ 5.46962 | | |
| Adjusted Revenue Requirement | | | | \$ 356,905,066 | \$ 9,588,199 | \$ 14,328,705 | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SUMMARY OF CURRENT AND PROPOSED RATE STRUCTURE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Current | Proposed |
|-----------------|---------------------------|----------------|-----------------|
| | (a) | (b) | (c) |
| 1 | Rate CGS - Mid-Tex | | |
| 2 | Capacity Charge per MDQ | \$ 9.1275 | \$ 10.20461 |
| 3 | Adjustment | \$ 0.8134 | \$ 0.43694 |
| 4 | Usage Charge per MMBtu | \$ 0.0276 | \$ 0.02785 |
| 5 | | | |
| 6 | Rate CGS - Other | | |
| 7 | Capacity Charge per MDQ | \$ 9.1275 | \$ 10.20461 |
| 8 | Usage Charge per MMBtu | \$ 0.0276 | \$ 0.02785 |
| 9 | | | |
| 10 | Rate PT | | |
| 11 | Capacity Charge per MDQ | \$ 4.8331 | \$ 5.46962 |
| 12 | Usage Charge per MMBtu | \$ 0.0163 | \$ 0.01325 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT CURRENT RATES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Total | Reference |
|----------|--|-----------------------|--------------------------|
| | (a) | (b) | (c) |
| 1 | <u>Rate CGS - Mid-Tex</u> | | |
| 2 | | | |
| 3 | <u>Adjustment</u> | | |
| 4 | Capacity Charge | \$ 3.6263 | GUD 10000 |
| 5 | Mid-Tex Working Gas In Storage Charge | 0.8134 | GUD 10000 |
| 6 | Annual Rider REV Adjustment | 0.1392 | GUD 10540 |
| 7 | 2010 Interim Rate Adjustment | 0.4036 | GUD 10078 |
| 8 | 2011 Interim Rate Adjustment | 0.4691 | GUD 10144 |
| 9 | 2012 Interim Rate Adjustment | 0.8507 | GUD 10240 |
| 10 | 2013 Interim Rate Adjustment | 1.3701 | GUD 10338 |
| 11 | 2014 Interim Rate Adjustment | 1.0994 | GUD 10422 |
| 12 | 2015 Interim Rate Adjustment | 1.1691 | GUD 10497 |
| 13 | | | |
| 14 | Capacity Charge per MDQ | \$ 9.9409 | Sum (Ln 4 through Ln 12) |
| 15 | | | |
| 16 | Usage Charge per MMBtu | \$ 0.0276 | GUD 10000 |
| 17 | | | |
| 18 | <u>Billing Units:</u> | | |
| 19 | MDQ Capacity | 32,793,300 | Schedule I |
| 20 | Total MMBtu | 192,468,048 | Schedule I |
| 21 | | | |
| 22 | <u>Present Revenue:</u> | | |
| 23 | Capacity Charges | \$ 325,994,916 | Ln 14 x Ln 19 |
| 24 | Usage Charges | 5,312,118 | Ln 16 x Ln 20 |
| 25 | Less: Rider REV Revenue | 4,564,827 | Ln 6 x Ln 19 |
| 26 | Total Present Revenue Rate CGS - Mid-Tex | <u>\$ 326,742,207</u> | Ln 23 + Ln 24 - Ln 25 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT CURRENT RATES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Total | Reference |
|----------|--|----------------------|--------------------------|
| | (a) | (b) | (c) |
| 1 | <u>Rate CGS - Other</u> | | |
| 2 | | | |
| 3 | <u>Rate Characteristics:</u> | | |
| 4 | Capacity Charge | \$ 3.6263 | GUD 10000 |
| 5 | Annual Rider REV Adjustment | 0.1392 | GUD 10540 |
| 6 | 2010 Interim Rate Adjustment | 0.4036 | GUD 10078 |
| 7 | 2011 Interim Rate Adjustment | 0.4691 | GUD 10144 |
| 8 | 2012 Interim Rate Adjustment | 0.8507 | GUD 10240 |
| 9 | 2013 Interim Rate Adjustment | 1.3701 | GUD 10338 |
| 10 | 2014 Interim Rate Adjustment | 1.0994 | GUD 10422 |
| 11 | 2015 Interim Rate Adjustment | 1.1691 | GUD 10497 |
| 12 | | | |
| 13 | Capacity Charge per MDQ | \$ 9.1275 | Sum (Ln 4 through Ln 11) |
| 14 | | | |
| 15 | Usage Charge per MMBtu | \$ 0.0276 | GUD 10000 |
| 16 | | | |
| 17 | <u>Billing Units:</u> | | |
| 18 | MDQ Capacity | 1,637,316 | Schedule I |
| 19 | Total MMBtu | 6,954,105 | Schedule I |
| 20 | | | |
| 21 | <u>Present Revenue:</u> | | |
| 22 | Capacity Charges | \$ 14,944,602 | Ln 13 x Ln 18 |
| 23 | Usage Charges | 191,933 | Ln 15 x Ln 19 |
| 24 | Less: Rider REV Revenue | 227,914 | Ln 5 x Ln 18 |
| 25 | Total Present Revenue Rate CGS - Other | <u>\$ 14,908,621</u> | Ln 22 + Ln 23 - Ln 24 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT CURRENT RATES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Total | Reference |
|----------|--------------------------------|---------------------|--------------------------|
| | (a) | (b) | (c) |
| 1 | <u>Rate PT</u> | | |
| 2 | | | |
| 3 | <u>Rate Characteristics:</u> | | |
| 4 | Capacity Charge | \$ 2.3061 | GUD 10000 |
| 5 | Annual Rider REV Adjustment | 0.0740 | GUD 10540 |
| 6 | 2010 Interim Rate Adjustment | 0.2454 | GUD 10078 |
| 7 | 2011 Interim Rate Adjustment | 0.2513 | GUD 10144 |
| 8 | 2012 Interim Rate Adjustment | 0.3731 | GUD 10240 |
| 9 | 2013 Interim Rate Adjustment | 0.5932 | GUD 10338 |
| 10 | 2014 Interim Rate Adjustment | 0.4729 | GUD 10422 |
| 11 | 2015 Interim Rate Adjustment | 0.5171 | GUD 10497 |
| 12 | | | |
| 13 | Capacity Charge per MDQ | \$ 4.8331 | Sum (Ln 4 through Ln 11) |
| 14 | | | |
| 15 | Usage Charge per MMBtu | \$ 0.0163 | GUD 10000 |
| 16 | | | |
| 17 | <u>Billing Units:</u> | | |
| 18 | MDQ Capacity | 1,686,432 | Schedule I |
| 19 | Total MMBtu | 27,477,648 | Schedule I |
| 20 | | | |
| 21 | <u>Present Revenue:</u> | | |
| 22 | Capacity Charges | \$ 8,150,694 | Ln 13 x Ln 18 |
| 23 | Usage Charges | 447,886 | Ln 15 x Ln 19 |
| 24 | Less: Rider REV Revenue | 124,796 | Ln 5 x Ln 18 |
| 25 | Total Present Revenue Rate PT | <u>\$ 8,473,784</u> | Ln 22 + Ln 23 - Ln 24 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT PROPOSED RATES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Total | Reference |
|----------|---|-----------------------|-----------------------|
| | (a) | (b) | (c) |
| 1 | <u>Rate CGS - Mid-Tex</u> | | |
| 2 | | | |
| 3 | <u>Adjustment</u> | | |
| 4 | Capacity Charge per MDQ | \$ 10.20461 | Schedule J |
| 5 | Mid-Tex Working Gas In Storage Charge | \$ 0.43694 | Schedule J |
| 6 | | | |
| 7 | Usage Charge per MMBtu | \$ 0.02785 | Schedule J |
| 8 | | | |
| 9 | <u>Billing Units:</u> | | |
| 10 | MDQ Capacity | 32,793,300 | Schedule K-1 |
| 11 | Total MMBtu | 192,468,048 | Schedule K-1 |
| 12 | | | |
| 13 | <u>Proposed Revenue:</u> | | |
| 14 | Capacity Charges | \$ 348,971,623 | (Ln 4 + Ln 5) x Ln 10 |
| 15 | Usage Charges | 5,360,235 | Ln 7 x Ln 11 |
| 16 | Total Proposed Revenue Rate CGS - Mid-Tex | <u>\$ 354,331,858</u> | Ln 14 + Ln 15 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT PROPOSED RATES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Total | Reference |
|-----------------|---|----------------------|------------------|
| | (a) | (b) | (c) |
| 1 | <u>Rate CGS - Other</u> | | |
| 2 | | | |
| 3 | <u>Rate Characteristics:</u> | | |
| 4 | Capacity Charge per MDQ | \$ 10.20461 | Schedule J |
| 5 | | | |
| 6 | Usage Charge per MMBtu | \$ 0.02785 | Schedule J |
| 7 | | | |
| 8 | <u>Billing Units:</u> | | |
| 9 | MDQ Capacity | 1,637,316 | Schedule K-1 |
| 10 | Total MMBtu | 6,954,105 | Schedule K-1 |
| 11 | | | |
| 12 | <u>Proposed Revenue:</u> | | |
| 13 | Capacity Charges | \$ 16,708,175 | Ln 4 x Ln 9 |
| 14 | Usage Charges | 193,672 | Ln 6 x Ln 10 |
| 15 | Total Proposed Revenue Rate CGS - Other | <u>\$ 16,901,847</u> | Ln 13 + Ln 14 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT PROPOSED RATES
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Total | Reference |
|-----------------|--------------------------------|---------------------|------------------|
| | (a) | (b) | (c) |
| 1 | <u>Rate PT</u> | | |
| 2 | | | |
| 3 | <u>Rate Characteristics:</u> | | |
| 4 | Capacity Charge per MDQ | \$ 5.46962 | Schedule J |
| 5 | | | |
| 6 | Usage Charge per MMBtu | \$ 0.01325 | Schedule J |
| 7 | | | |
| 8 | <u>Billing Units:</u> | | |
| 9 | MDQ Capacity | 1,686,432 | Schedule K-1 |
| 10 | Total MMBtu | 27,477,648 | Schedule K-1 |
| 11 | | | |
| 12 | <u>Proposed Revenue:</u> | | |
| 13 | Capacity Charges | \$ 9,224,148 | Ln 4 x Ln 9 |
| 14 | Usage Charges | 364,079 | Ln 6 x Ln 10 |
| 15 | Total Proposed Revenue Rate PT | <u>\$ 9,588,227</u> | Ln 13 + Ln 14 |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
PROPOSED CHANGE IN PRO FORMA REVENUE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Total | Rate PT | Total CGS | Mid-Tex | Other CGS |
|----------|----------------------------------|----------------|----------------|----------------|----------------|---------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | <u>PROFORMA REVENUE</u> | | | | | |
| 2 | Current Rates | \$ 350,124,612 | \$ 8,473,784 | \$ 341,650,827 | \$ 326,742,207 | \$ 14,908,621 |
| 3 | Adjustment | 380,821,932 | 9,588,227 | 371,233,705 | 354,331,858 | 16,901,847 |
| 4 | Rate Increase | \$ 30,697,320 | \$ 1,114,443 | \$ 29,582,877 | \$ 27,589,651 | \$ 1,993,226 |
| 5 | % Change | 8.8% | 13.2% | 8.7% | 8.4% | 13.4% |
| 6 | | | | | | |
| 7 | <u>ALLOCATED COST</u> | | | | | |
| 8 | Total City Gate | | | \$ 354,428,073 | | |
| 9 | Mid-Tex WGIS | | | 14,328,705 | | |
| 10 | Total Rev. Requirement | \$ 380,821,971 | \$ 12,065,193 | \$ 368,756,778 | | |
| 11 | | | | | | |
| 12 | Difference (Ln 3 - Ln 10) | \$ (39) | \$ (2,476,966) | \$ 2,476,927 | | |

ATMOS ENERGY CORPORATION
ATMOS PIPELINE - TEXAS ("APT") STATEMENT OF INTENT
OTHER REVENUE
TEST YEAR ENDING SEPTEMBER 30, 2016

| Line No. | Description | Reference | Amount |
|----------|---|--------------------------|----------------------|
| | (a) | (b) | (c) |
| 1 | Total Other Revenue | (1) | \$ 74,859,733 |
| 2 | | | |
| 3 | Adjustment | (2) | 5,106,314 |
| 4 | | | |
| 5 | Adjusted Other Revenue (Ln. 1 - Ln. 3) | | <u>\$ 69,753,419</u> |
| 6 | | | |
| 7 | Gas Utility Pipeline Tax Rate | WP_F-5.1, Ln 25, Col (b) | 0.4901% |
| 8 | | | |
| 9 | Gas Utility Pipeline Tax | Ln 5 times Ln 7 | <u>\$ 341,833</u> |
| 10 | | | |
| 11 | Adjusted Other Revenue Net of Utility Tax | Ln 5 minus Ln 9 | <u>\$ 69,411,586</u> |
| 12 | | | |
| 13 | <u>Notes:</u> | | |
| 14 | 1. Adjusted Account 489.2 through Account 495. See relied file, "FY16 Detail Trial Balance.xlsx", tab "Revenue". | | |
| 15 | 2. For the adjustment to Other Revenue, please see Confidential Relied File, "Schedule K-4_Other Revenue Adjustment (CONFIDENTIAL).xlsx". | | |