

RAILROAD COMMISSION OF TEXAS

**PETITION FOR DE NOVO REVIEW
BY ATMOS ENERGY CORP., MID-
TEX DIVISION OF THE DENIAL BY
THE CITY OF DALLAS OF THE
DALLAS ANNUAL RATE REVIEW
MECHANISM TARRIFF**

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**GAS UTILITIES
DOCKET NO. 10640**

FINAL ORDER

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

FINDINGS OF FACT

General

1. On May 26, 2017, Atmos Energy Corp., Mid-Tex Division ("Atmos") filed with the Railroad Commission of Texas ("Commission") a Petition for De Novo Review of the Denial of the Dallas Annual Rate Review Mechanism Tariff Filed by Atmos Energy Corp., Mid-Tex Division by the City of Dallas.
2. Atmos filed its petition for review pursuant to the terms of the Dallas Annual Rate Review Tariff ("DARR") and Subtitle A (Gas Utility Regulatory Act) ("GURA") of the Texas Utilities Code, Chapters 102 (Jurisdiction and Powers of Railroad Commission and Other Regulatory Authorities), 103 (Jurisdiction and Powers of Municipality), and 104 (Rates and Services).
3. As the party proposing gas utility rate changes, Atmos has the burden of proving that the rate changes are reasonable and necessary.
4. The DARR Tariff resulted from a negotiated agreement between Atmos and the City of Dallas ("Dallas").
5. The scope of the Commission's review of this case is a limited issue proceeding, rather than a full rate case.
6. Rate case expenses will be determined in GUD No. 10645, the severed rate case expense docket.
7. The deadline for Commission action is December 12, 2017, based on an effective date revised by Atmos.

Parties

8. Atmos Energy Corp., maintains its Regulated Operations through seven operating divisions in eight states. In Texas, Atmos Energy operates two gas distribution utility divisions – Atmos Mid-Tex and Atmos West Texas, as well as Atmos Pipeline – Texas, an intrastate pipeline division.
9. Atmos is a gas utility as that term is defined in the GURA Section 101.003 (Definitions).
10. The City of Dallas (“Dallas”) intervened in this docket.

Notice

11. On February 17, 2017, Atmos provided public notice of its DARR filing to residential and commercial customers by bill insert. Notice to industrial and other non-residential customers was accomplished by direct mail postmarked February 7, 2017.
12. On September 16, 2017, the Notice of Hearing was issued, setting the hearing on the merits to commence on September 26, 2017 (“Notice of Hearing”).
13. On September 15, 2017, the Commission published the Notice of Hearing in *Gas Utilities Information Bulletin No. 1067*.

Hearing, Close of Record and Proposal for Decision

14. The hearing on the merits was held on September 26, 2017.
15. On October 27, 2017, the evidentiary record closed.
16. The Proposal for Decision (“PFD”) was issued on October 30, 2017.

Books and Records

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

Revenue Requirement

18. An overall base revenue requirement of \$619,459,573, for Atmos is reasonable, necessary, and in compliance with the DARR Tariff.

DARR Tariff Overview

19. The DARR is intended to be a collaborative streamlined process designed to provide annual earnings transparency without the necessity of a full rate case.
20. Atmos and Dallas have successfully negotiated rates at the municipal level under the DARR Tariff until the 2017 filing at issue in this docket.
21. The DARR Tariff applies to the following customer classes: Residential, Commercial, Industrial, and Transportation, as reflected in the table below.

Dallas Customers Affected by DARR Rate Adjustment

Municipal Customer Class	Number of Customers
Residential	205,055
Commercial	19,984
Industrial Sales and Transportation	103

22. Atmos files its proposed rate changes annually with Dallas by January 15th of each year as required by the DARR Tariff, with the resulting rate adjustments taking effect on June 1 of the same year.
23. The DARR Tariff contemplates an annual adjustment to rates that is calculated consistent with the precedent established in "the most recent final order establishing the Company's latest effective rates for customers within the City of Dallas."
24. The last effective rate case applicable to this appeal is GUD No. 9869. However, ratemaking methodologies may apply if circumstances arise that were not addressed in GUD No. 9869.
25. The annual DARR filing accounts for changes in expense and investment during a "test period," which is defined as the 12 months ending September 30th of each preceding calendar year.
26. The test period for the 2017 DARR Tariff filing ended September 30, 2016.
27. Calculation of the DARR adjustment is formulaic and is based on Atmos's audited financial data.
28. Commission-approved factors such as rate of return, depreciation rates, and rate design remain constant.
29. Cost of service is calculated by applying these fixed factors to Atmos's rate base, operating expenses, taxes, and interest on customer deposits.

30. The DARR Tariff prescribes the return on equity be maintained at 10.1 percent.
31. The DARR Tariff requires that the long-term cost of debt and capital structure be determined based on the actual 13-month average for the test period.
32. The DARR Tariff limits the capital structure to long-term debt ("LTD") and equity.
33. Depreciation rates approved in GUD No. 10170 are the most recently approved depreciation rates applicable in this docket.
34. Rate adjustments are apportioned between the customer charge and usage charge, with residential and commercial customer charges rounded to the nearest quarter-dollar.
35. The DARR Tariff allows for the recovery of reasonable and necessary operation and maintenance ("O&M") expenses adjusted for known and measurable changes.
36. Atmos is permitted to make adjustments to update and annualize costs for the Rate Effective Period and to account for atypical, unusual or nonrecurring events during the test period.
37. Shared Services allocation factors are recalculated each year based on the test period component factors using the methodology approved in GUD No. 9869.
38. Rate base is calculated using the ratemaking treatments approved in GUD No. 9869, unless changed circumstances justify a departure.
39. Rate base includes the test period ending balances for actual gross plant in service, accumulated depreciation, accumulated deferred income taxes, inventory, working capital, and other rate base components.
40. Cash working capital is calculated using the lead/lag days approved in GUD No. 9869.
41. Atmos has fully complied with the terms of the DARR Tariff and the rate-making treatments in GUD No. 9869.

Incentive Compensation

42. Atmos's treatment of the expensed incentive compensation is inconsistent with the Commission-approved methodology in GUD No. 9869, as the Commission previously found that both the expensed and capitalized portions of Shared

Services Unit ("SSU") incentive compensation were unreasonable.

43. Incentive compensation expense should be limited to the Atmos Mid-Tex direct ("Direct") incentive compensation portion only, excluding the SSU LTI (Long - term incentive compensation ("LTI")) amount of \$2,116,055.
44. The Commission previously found that both the expensed and capitalized portions of SSU incentive compensation were unreasonable.
45. Total expensed incentive compensation of \$995,635, is reasonable, necessary, and consistent with the terms of the DARR Tariff.
46. Atmos's treatment of capitalized incentive compensation is inconsistent with the Commission-approved methodology in GUD No. 9869.
47. The capitalized incentive compensation included in rate base should be limited to the direct portion only, excluding the SSU LTI amount of \$1,977,248, and SSU STI amount of \$1,406,503.
48. Capitalized incentive compensation of \$3,549,342, is reasonable, necessary, and consistent with the terms of the DARR Tariff.

Accumulated Deferred Income Tax and Net Operating Loss Carryforward

49. Accumulated deferred income taxes ("ADIT") arise because Internal Revenue Code ("IRC") timing requirements related to the recognition of tax assets and liabilities differ from the timing requirements established by U.S. Generally Accepted Accounting Procedures ("GAAP").
50. Deferred taxes represent the difference between what is included as income taxes in the ratemaking context and the amount actually paid in federal income taxes.
51. ADIT is the sum of the difference that has accumulated over time.
52. 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.
53. In this docket, Atmos's ADIT balance is a liability that results in a decrease to rate base.
54. Net Operating Loss Carryforward ("NOLC") represents tax deductions that have not yet been used to offset tax, but are available to offset future taxes.

55. Atmos established that its calculation of ADIT NOLC totaling \$277,723,892, is reasonable, necessary, and in compliance with the requirements of the DARR Tariff.
56. Atmos's NOLC treatment is consistent with the Commission-approved methodology in GUD No. 10170 and subsequent cases.
57. A flow-through adjustment to the ADIT calculation included in rate base is warranted to conform with removal of the SSU portion of Atmos's incentive compensation.
58. It is necessary to remove \$4,631,448 from Atmos's ADIT calculation, by removing the SSU-General Office Restricted Stock Grant Plan, to adjust for removing the SSU portion of Atmos's incentive compensation.
59. Atmos's proposed rate base credit of \$504,434,728, should be increased by \$1,773,845, to reflect adjustments to the incentive compensation programs.
60. An ADIT credit to the rate base of \$506,208,573, is reasonable, necessary, and in compliance with the requirements of the DARR Tariff.

Capital Structure

61. Atmos's proposed capital structure comports with the DARR Tariff.
62. Atmos's proposed capital structure is the 13-month average of equity and LTD.
63. Atmos's proposed 58.51 percent equity ratio and 41.49 percent LTD ratio reflects Atmos's actual equity ratio for the test year, is just, reasonable, and consistent with the terms of the DARR.
64. The return on equity ("ROE") should be maintained at 10.1 percent, in conformance with the DARR Tariff.

Cost of Debt

65. Atmos's proposed cost of debt of 5.95 percent is just, reasonable, and consistent with the terms of the DARR.

Payroll Adjustment

66. Atmos adjusted its employee base salaries at the end of the test year to include a 3 percent annual merit increase, which occurred and was effective on October 1, 2016, one day after the test year ended on September 30, 2016.
67. The merit increase adjustment is \$1,793,715.

68. The payroll adjustment is known and measurable in compliance with the DARR Tariff.

Miscellaneous Adjustments Requested by Dallas

69. Atmos's treatment of line locate costs and the amortization of the North Richland Hills incident are reasonable, necessary, and in compliance with the DARR Tariff.

Uncontested Issues

70. Cash Working Capital total deduction from rate base of \$31,159,138, is just, reasonable and in compliance with the DARR Tariff.
71. Atmos established that its proposed Pension and OPEB benchmark amounts and methods used, as reflected in the table below are reasonable, necessary, and in compliance with the DARR Tariff.

Pension Regulatory Asset GURA Section 104.059 Benchmarks

Entity	Pension Account Plan	Post-Employment Benefit Plan	Supplemental Executive Benefit Plan	Total
SSU Allocated to Mid-Tex	\$2,474,844	\$1,416,273	\$0	\$3,891,117
Mid-Tex Direct	\$5,862,161	\$3,114,627	\$194,941	\$9,171,729
Total	\$8,337,005	\$4,530,899	\$194,941	\$13,062,845

72. Atmos established that the services provided to it by Blueflame, an affiliate, are reasonable, necessary, and in compliance with the DARR Tariff.
73. The affiliate expenses of, \$438,190, included in Atmos's filing are reasonable and necessary costs of providing gas utility service, and the prices charged to Atmos by Blueflame are no higher than the prices charged by Blueflame to other affiliates or divisions of Atmos for the same item or class of items.
74. Atmos's 2017 DARR Tariff filing complies with Commission Rule 8.209 and includes rate base amounts related to distribution facilities replacements as prescribed under that rule.
75. Using the depreciation rates approved by the Commission in GUD No. 10170 as the depreciation rates in this docket is reasonable, necessary, and in compliance with the DARR Tariff.

76. Atmos's proposed rate design is reasonable, necessary, and in compliance with the DARR Tariff.

Rate Schedules and Tariffs

77. The proposed rates set out in the table below are just and reasonable.

Charges by Customer Class

Customer Class	Current Customer Charge	Recommended Customer Charge	Current Volumetric Charge (per Ccf)	Recommended Volumetric Charge (per Ccf)
Residential	\$ 21.25	\$ 21.25	\$0.12862	\$0.12596
Commercial	\$ 44.00	\$ 44.00	\$0.08214	\$0.08118
Industrial and Transportation	\$ 809.25	\$ 805.75	\$0.2232 per MMBtu (1-1,500)	\$0.22170 per MMBtu (1-1,500)
			\$0.1623 per MMBtu (next 3,500)	\$0.16120 Per MMBtu (next 3,500)
			\$0.0257 per MMBtu (All MMBtu over 5,000)	\$0.02560 per MMBtu (All MMBtu over 5,000)

78. The tariff rates will allow Atmos to collect an additional \$9,865,187 in annual revenue from Dallas customers.
79. Updates to the Rider Weather Normalization ("WNA") factors for the Dallas weather station as indicated in the table below are reasonable, necessary, and in compliance with the DARR Tariff.

Dallas WNA Factors

Base Use Weather Station	Residential		Commercial	
	Heat Use Ccf	Base use Ccf/HDD	Heat use Ccf	Base Use Ccf
Dallas	14.99	.1996	211.71	.9384

Other Issues

80. The rate case expenses associated with GUD No. 10640 were severed and will be considered in a separate docket, GUD No. 10645.

CONCLUSIONS OF LAW

General & Jurisdiction

1. The Commission has appellate jurisdiction over all matters decided in this docket.
2. Atmos is a gas utility as defined in the GURA Section 101.003 (Definitions).
3. Atmos's Petition for De Novo Review of the Denial of the Dallas Annual Rate Review Mechanism Tariff filed by Atmos Energy Corp., Mid-Tex Division by the City of Dallas, complied with the requirements of DARR Section VII (Reconsideration and Appeal) appeal under Tex. Util. Code § 102.001 (b) (Railroad Commission Jurisdiction) and Tex. Util. Code § 103.021, et seq. (Subchapter B; Rate Determination).

Notice and Procedure

4. 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.
5. 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.

Books and Records

6. 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

7. Atmos did not meet its burden of proving that all its proposed rate changes are just and reasonable.
8. The rate schedules and tariffs reflected in this Order are consistent with the DARR Tariff and applicable GURA and Commission requirements.
9. The revenue, rates, rate design, and service charges reflected in this Order are reasonable, necessary, and in compliance with the DARR Tariff, and Subtitle A (Gas Utility Regulatory Act) ("GURA") of the Texas Utilities Code, Chapters 102 (Jurisdiction and Powers of Railroad Commission and Other Regulatory Authorities), 103 (Jurisdiction and Powers of Municipality), and 104 (Rates and Services).

10. The test-year level of pension-related and other post-employment benefits expenses are consistent the DARR Tariff and with GURA Section 104.059 (Pension and Other Postemployment Benefits).
11. A rate of return of 8.38 percent is consistent with the DARR Tariff.
12. The rates and methods of depreciation, amortization, or depletion reflected in this Order meet the requirements of the DARR Tariff.
13. 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).
14. The rates established in this case comply with the affiliate transaction standards set out in GURA Section 104.055 (Net Income; Allowable Expenses).
15. The operations and maintenance expenses reflected in this Order meet the requirements of the DARR Tariff.
16. 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

17. The rate schedules and tariffs reflected in this Order are consistent with the DARR Tariff, applicable GURA provisions and Commission requirements.
18. 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).

Rate Case Expenses

19. Rate case expenses for GUD No. 10640 will be considered by the Commission in accordance with applicable Texas law in a separate proceeding, GUD No. 10645.

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, as reflected by the language herein and the attachments hereto (Attachment 1—DARR Tariff, Attachment 2—Additional Final Tariffs, and Attachment 3—Final Cost of Service Schedules) are **APPROVED**.

IT IS FURTHER ORDERED that Atmos shall coordinate with the City of Dallas to determine the accurate amount of refund due to Dallas customers. The refund shall be in the form of a one-time bill credit applied to the first possible billing cycle after a final order is rendered in this docket.

IT IS FURTHER ORDERED 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 with the proper regulatory authority.

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 5th day of December, 2017.

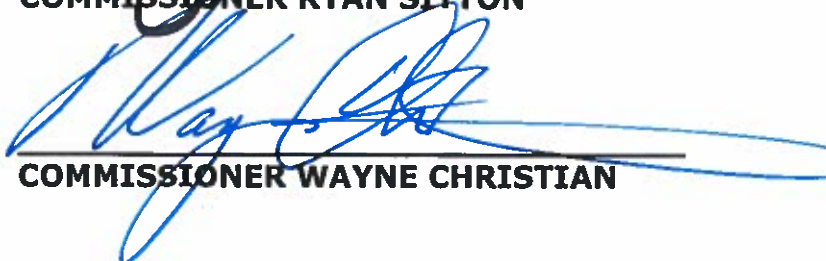
RAILROAD COMMISSION OF TEXAS



CHAIRMAN CHRISTI CRADDICK




COMMISSIONER RYAN SITTON



COMMISSIONER WAYNE CHRISTIAN

ATTEST:

SECRETARY

GUD No. 10640

Final Order

Attachment 1

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	DARR – DALLAS ANNUAL RATE REVIEW	
APPLICABLE TO:	Customers within the City of Dallas	
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right to have its reasonable expenses reimbursed. All calculation methodologies will be those approved in the Final Order except where noted or included in this tariff. In addition, the Company shall exclude from operating and maintenance expense the discretionary costs to be disallowed from Rider DARR filings listed in the DARR Schedules and Information section of this tariff.

- c) Return on Equity (ROE) shall be maintained at 10.1%.
- d) Long-term cost of debt will be the actual thirteen month average for the Test Period. Capital structure will be the actual thirteen month average Test Period ratio of long-term debt and equity.
- e) All applicable accounting adjustments along with all supporting work papers. Such adjustments may include:
 - 1) Pro-forma adjustments to update and annualize costs and revenue billing determinants for the Rate Effective Period.
 - 2) Pro-forma or other adjustments required to properly account for atypical, unusual, or nonrecurring events recorded during the Test Period.
- f) Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Test Period, but the methodology used will be that approved in the Final Order.

IV. Calculation of Rate Adjustment

- a) The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency calculations using the methodology accepted in the Final Order. The result shall be reflected in the proposed new rates to be established for the Rate Effective Period. In calculating the required rate adjustments, such adjustments will be apportioned between the customer charge and usage charge with the Residential and the Commercial customer charges being rounded to the nearest \$0.25.
- b) The Company may also adjust rates for the Rate Effective Period to include recovery of any known and measurable changes to operating and maintenance costs including, but not limited to, payroll and compensation expense, benefit expense, pension expense, insurance costs, materials and supplies, bad debt costs, medical expense, transportation and building and lease costs for the Rate Effective Period. Provided, however, that adjustments may only be made for costs that are reasonable and necessary.
- c) Effective with the Company's DARR filing on January 15, 2013, the Company may include in its rate base calculation all direct, incremental investment and costs associated with its Rider IR steel service line replacement program and request reconciliation of the Rider IR regulatory asset account.
 - 1. Upon implementation of new, final rates that include recovery for all direct, incremental costs and investment associated with the Company's steel service line replacement program, the Company shall cease to charge the Rider IR monthly rate attributable to this program.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

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2. Notwithstanding IV(c)(1), the Company shall be entitled to separately recover the Rider IR monthly rate attributable to its steel service line replacement program until such time as new, final rates reflective of steel service line replacement costs and investment have been established pursuant to either (i) a DARR adjustment or (ii) a Statement of Intent rate case establishing the Company's latest effective rates for customers within the City of Dallas.
 - d) The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall permit the Company to earn a return on that net investment for the Effective Period which shall not be subject to refund if in a subsequent review a portion of the plant is determined to be imprudently incurred.
 - e) The Company shall provide a schedule demonstrating the "proof of revenues" relied upon to calculate the proposed rate for the Rate Effective Period. The proposed rates shall conform as closely as is practicable to the revenue allocation principles approved in the Final Order.

V. Attestation

A sworn statement shall be filed by an Officer of the Mid-Tex Division affirming that the filed schedules are in compliance with the provisions of this mechanism and are true and correct to the best of his/her knowledge, information and belief. No testimony shall be filed, but a brief narrative explanation shall be provided of any changes to corporate structure, accounting methodologies or allocation of common costs.

VI. Evaluation Procedures

The City of Dallas shall have 135 days to review and render a decision on the Company's filed schedules and work papers. The Company will be prepared to provide all supplemental information as may be requested to ensure adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information and such information shall be provided within ten (10) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions.

During the 135 day period, the Company and the regulatory authority will work collaboratively and seek agreement on the proposed adjustments to the Company's schedule and proposed rates. If agreement has been reached by the Company and the regulatory authority, the regulatory authority shall authorize an increase or decrease to the Company's rates so as to achieve the revenue levels indicated for the Rate Effective Period. If, at the end of the 135 day period, the Company and the regulatory authority have not reached agreement on the proposed adjustments, the Company shall have the right to appeal the regulatory authority's action or inaction to the Railroad Commission of Texas. Upon the filing of an appeal of the City's order relating to an annual DARR filing with the Railroad Commission of Texas, the City shall not oppose the implementation of rates subject to refund or advocate the imposition of a 3rd party surety bond by the Company.

VII. Reconsideration and Appeal

Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007).

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	DARR – DALLAS ANNUAL RATE REVIEW	
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VIII. Notice

Notice of this annual DARR filing shall be provided by including the notice, in conspicuous form, in the bill of each directly affected customer no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

- a) a description of the proposed revision of rates and schedules;
- b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer;
- c) the service area or areas in which the proposed rate adjustment would apply;
- d) the date the proposed rate adjustment was filed with the regulatory authority; and
- e) the Company's address, telephone number and website where information concerning the proposed rate adjustment may be obtained.

Company shall notice customers again by bill insert as soon as practical after final DARR rates are ordered by the City and agreed to by the Company if the agreed increase or decrease in rates is materially different than the initial notice.

IX. DARR Schedules and Information

The following types of employee reimbursed expenses and directly incurred costs are to be removed from all expense and rate base amounts included within Rider DARR filings for the Test Period and for the Rate Effective Period:

- Amounts incurred for travel, meals or entertainment of employee spouses, domestic partners, significant others, children and pets.
- Amounts for air travel that exceed published commercial coach air fares.
- Amounts incurred for excessive rates for hotel rooms.
- Amounts for alcoholic beverages.
- Amounts paid for admission to entertainment, sports, art or cultural events, and all event sponsorship costs.
- Amounts for social club dues or fees.

GUD No. 10640

Final Order

Attachment 2

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	Customers within the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2017	PAGE:

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Bill	\$21.25 per month
Commodity Charge – All Ccf	\$ 0.12596 per Ccf

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

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

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Franchise Fees are to be assessed solely to customers within municipal limits. This does not apply to Environs Customers.

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	Customers within the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2017	PAGE

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Bill	\$ 44.00 per month
Commodity Charge - All Ccf	\$ 0.08118 per Ccf

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

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

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Franchise Fees are to be assessed solely to customers within municipal limits. This does not apply to Environs Customers.

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	Customers within the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2017	PAGE

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Meter	\$ 805.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.22170 per MMBtu
Next 3,500 MMBtu	\$ 0.16120 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.02560 per MMBtu

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

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Franchise Fees are to be assessed solely to customers within municipal limits. This does not apply to Environs Customers.

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

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

Curtailment Overpull Fee

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

Replacement Index

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

Agreement

An Agreement for Gas Service may be required.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RRC Tariff No:

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	Customers within the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2017	PAGE

Notice

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

Special Conditions

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

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	Customers within the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2017	PAGE

Curtailment Overpull Fee

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

Replacement Index

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

Agreement

A transportation agreement is required.

Notice

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

Special Conditions

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

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	Customers within the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 06/01/2017	PAGE

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Meter	\$ 805.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.22170 per MMBtu
Next 3,500 MMBtu	\$ 0.16120 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.02560 per MMBtu

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

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

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Franchise Fees are to be assessed solely to customers within municipal limits. This does not apply to Environs Customers.

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

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

Imbalance Fees

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

Monthly Imbalance Fees

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	Customers within the City of Dallas	
EFFECTIVE DATE:	06/01/2017	PAGE

Provisions for Adjustment

The base rate per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The regional weather station is Dallas.

Computation of Weather Normalization Adjustment

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

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

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
- R_i = base rate of temperature sensitive sales for the i^{th} schedule or classification utilized by the Commission in the Relevant Rate Order.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- NDD = billing cycle normal heating degree days
- ADD = billing cycle actual heating degree days
- BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

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

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

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

GUD NO. 10640

Final Order

Attachment 3

**ATMOS ENERGY CORP., MID-TEX DIVISION
DALLAS ANNUAL RATE REVIEW TARIFF APPEAL
TEST YEAR ENDING SEPTEMBER 30, 2016**

Totals may vary due to rounding.

Atmos Energy Corporation, Mid-Tex Division
 2017 DARR - Summary of Adjustments - Original Filing to Appeal
 Test Year Ending September 30, 2016

Line No.	Adjustment Description	Schedule / Workpaper Reference	Adjustment Amount (1)	Amount (2)
	(a)	(b)	(c)	(d)
1	January 13, 2017 DARR Systemwide Filing Amount with the City of Dallas			\$ 66,927,821
2				
3	Remove ADIT related to SSU VPP/MIP:			
4	Line 36 - MIP/VPP Accrual (Div 012)	WP_B-6	\$ 574,777	(640,990)
5	Line 55 - MIP/VPP Accrual (Div 002)	WP_B-6	(1,498,907)	
6	Line 63 - Restricted Stock - MIP (Div 002)	WP_B-6	(12,632,356)	
7				
8	Remove ADIT related to SSU SEBP:			
9	Line 60 - SEBP Adjustment (Div 002)	WP_B-6	(26,316,340)	(1,332,746)
10	Line 62 - Rabbi Trust (Div 002)	WP_B-6	(1,442,452)	
11				
12	Remove SSU MIP/VPP recorded to cost centers other than 1904	WP_F-2.8	(22,709)	(24,834)
13				
14	May 26, 2017 Appeal Amount to the Railroad Commission of Texas	Schedule A		<u>\$ 64,929,251</u>
15				
16	Notes:			
17	1. The amounts shown in Column (c), the Adjustment Amount, are before allocation and are the amounts referenced on the noted			
18	2. The amounts shown in Column (d), the Amount, represent the impact to the Cost of Service filing.			
19	3. WP_J-5 was updated to reflect the changes due to the adjusted Cost of Service; however, these changes do not impact the systemwide Cost of Service Amount.			

Atmos Energy Corp., Mid-Tex Division
Atmos Energy's Changes to the Examiner's model

Description of Change	Tab	Cell Reference	Print Cell Impacted	Notes
Calculate the percentage of Franchise Fees that are paid in arrears for Cash Working Capital per the GUD 9889 Cash Working Capital Study	Schedule E	C23	Column (b), Line 14	Please refer to the file labeled "GUD9889 Cash Working Capital Study-ERRATA.xls" included in the relied upons at the time the filing was made. Please refer to Excel Cell G843 for the percentage of franchise fees that are treated as paid in arrears for ratemaking purposes.

Please note that the Company has also changed all the impacts on the Decision Summary tab, Columns G and H, rows 25-50 to reflect recalculation of CWC for any adjustment made to the filing.

Atmos Mid-Tex
GUD No. 10640 / Petition for Review filed 5/26/17
Twelve Months Ending September 30, 2016
Decision Summary GUD No. 10640

	Initial	Appeal	Examiners	Difference
Revenue Requirement Requested	\$ 1,428,035,512	\$ 1,426,036,942	\$ 1,423,073,533	\$ (2,963,409)
System Increase	\$ 66,927,821	\$ 64,929,251	\$ 61,965,842	\$ (2,963,409)
Dallas Increase	\$ 10,714,373	\$ 10,387,483	\$ 9,865,187	\$ (522,296)

Rate R - Residential Sales
Customer Charge per Bill \$ 21.25 **Proposed** \$ 21.25 **Recommended**
Commodity Charge - All Ccf \$ 0.12862 \$ 0.12596

Rate C - Commercial Sales
Customer Charge per Bill \$ 44.00 **Proposed** \$ 44.00 **Recommended**
Commodity Charge - All Ccf \$ 0.08214 \$ 0.08118

Rate I & T - Industrial Sales and Transportation Sales
Customer Charge per Meter \$ 809.25 **Proposed** \$ 805.75 **Recommended**
First 0 MMBtu to 1,500 MMBtu \$ 0.2232 \$ 0.2217
Next 3,500 MMBtu \$ 0.1623 \$ 0.1612
All MMBtu over 5,000 MMBtu \$ 0.0257 \$ 0.0256

1
Rate of Return
a. Capital Structure
Revenue Requirement Impact Dallas Impact

Long-Term Debt 41.49% **Schedule G** 0.414903152 \$ (15,487,798) \$ (2,518,012)
Atmos (41.49%)
Dallas (48%)
Common Equity 58.51% 0.585096848

b. Cost of Long-Term Debt 5.95% \$ (12,133,399) \$ (1,953,403)
Atmos (5.95%) 0.059504571
Dallas (4.77%) 0.047721823

Rate of Return Result **8.38%** 7.54% \$ (29,526,023) \$ (4,754,977)

	Issue	On/Off Switch (1 is on, 0 is off)	Schedule Impacted	Cell Impacted	Adjustment	Revenue Requirement Impact	Dallas Impact
	ADIT						
2	SSU-General Office Director's Deferred Bonus	0	WP_B-6	D64	\$ (166,965)	\$ (8,017)	\$ (2,775)
3	SSU-General Office Restricted Stock Grant Plan	1	WP_B-6	D71	\$ (4,631,448)	\$ (222,364)	\$ (38,946)
4	SSU-General Office Director's Stock Awards	0	WP_B-6	D74	\$ (5,939,395)	\$ (285,160)	\$ (51,775)
5	Mid-Tex Federal Benefit on State NOL	0	WP_B-6	D42	\$ 225,602	\$ 28,280	\$ 5,667
6	SSU-General Office FD - NOL Credit Carryforward - Utility	0	WP_B-6	D93	\$ (725,716,695)	\$ (35,072,400)	\$ (5,574,783)
7	Mid-Tex SEBP Adjustment	0	WP_B-6	D18	\$ (660,822)	\$ (82,839)	\$ (14,502)
8	Capitalized Incentive Compensation--SSU	1	Schedule C	G159	\$ (3,383,751)	\$ (426,925)	\$ (75,000)
9	Capitalized Incentive Compensation--Direct	0	Schedule C	G160	\$ (3,549,342)	\$ (447,818)	\$ (79,221)
10	Capitalized Incentive Compensation--Prior-SSU	0	Schedule C	G161	\$ (20,123,249)	\$ (2,538,933)	\$ (447,296)
11	Capitalized Incentive Compensation--Prior-Direct	0	Schedule C	G162	\$ (14,487,884)	\$ (1,827,924)	\$ (321,913)
	O&M Expenses						
12	Payroll Adjustment	0	Schedule F-1	F63	\$ (1,793,715)	\$ (1,961,609)	\$ (344,911)
13	Incentive Compensation -- SSU	1	Schedule F-1	F64	\$ (2,116,055)	\$ (2,314,121)	\$ (408,350)
14	Incentive Compensation -- Direct	0	Schedule F-1	F65	\$ (995,635)	\$ (1,088,828)	\$ (191,777)
15	North Richland Hills Incident	0	WP_F-2.8	E12	\$ (513,942)	\$ (562,049)	\$ (97,998)
16	Line Locate Contract Increase	0	WP_F-2.8	E16	\$ (2,481,049)	\$ (2,713,279)	\$ (479,192)

GUD No. 10640
Atmos Mid-Tex

Base Revenue Requirement Summary

	Recommended	Proposed	Difference
a Operations and Maintenance Expense	Schedule F-1 \$181,395,249	\$183,536,956	-\$2,141,707
b Depreciation and Amortization Expense	Schedule F-3 \$130,925,809	\$130,925,809	\$0
c Taxes Other than Income Taxes	Schedule F-5 \$40,229,446	\$40,229,446	\$0
d Interest on Customer Deposits	Schedule F-7 \$95,618	\$95,618	\$0
e Rate Base	Schedule B \$2,268,402,553	\$2,273,566,747	-\$5,164,194
f Rate of Return	Schedule G 8.38%	8.38%	
g Return on Rate Base	e * f \$190,054,514	\$190,487,188	-\$432,674
h Income Taxes	Schedule F-6 \$76,758,936	\$76,943,764	-\$184,828
i Revenue Requirement	a + b + c + d + g + h \$619,459,573	\$622,218,782	-\$2,759,209
j Current Base Revenues	WP_J-1, J-2 \$561,763,615	\$561,763,615	\$0
k Base Revenue Requirement Deficiency	i - j \$57,695,957	\$60,455,167	-\$2,759,209
l Base Revenue Requirement Increase	k / j 10.27%	10.76%	

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2	REVENUE REQUIREMENTS	Schedule A Page 2
3	RATE BASE	Schedule B
4	COMPONENTS OF RATE BASE- GROSS PLANT	Schedule C
5	COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION	Schedule D
6	CASH WORKING CAPITAL	Schedule E
7	OPERATION AND MAINTENANCE EXPENSES	Schedule F-1
8	ADJUSTMENTS TO OPERATION AND MAINTENANCE EXPENSES	Schedule F-2
9	DEPRECIATION AND AMORTIZATION EXPENSE	Schedule F-3
10	DEPRECIATION RATE SUMMARY	Schedule F-4
11	TAXES OTHER THAN INCOME TAX - ACCOUNT 408.1	Schedule F-5
12	FEDERAL INCOME TAX AND STATE FRANCHISE ("GROSS MARGIN") TAX	Schedule F-6
13	INTEREST EXPENSE - CUSTOMER DEPOSITS	Schedule F-7
14	SUMMARY OF RETURN	Schedule G
15	CALCULATION OF RIDER GCR PART A	Schedule H
16	CALCULATION OF RIDER GCR PART B	Schedule I
17	SUMMARY OF CURRENT AND PROPOSED RATE STRUCTURE - BASE RATES	Schedule J

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3	GUD 9762 RATE BASE ADJUSTMENTS - AMORTIZATION SCHEDULE	WP B-1.2
4	GUD 9869 RATE BASE ADJUSTMENTS - AMORTIZATION SCHEDULE	WP B-1.3
5	INJURIES AND DAMAGES AND WORKERS COMP RESERVES (1)	WP B-2
6	MATERIALS & SUPPLIES-ACCOUNTS 154 & 163	WP B-3
7	PREPAYMENTS-ACCOUNT 165	WP B-4
8	CUSTOMER DEPOSITS AND CUSTOMER ADVANCES FOR CONSTRUCTION	WP B-5
9	ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 190/282/283 (1)	WP B-6
10	PENSION AND OTHER POSTEMPLOYMENT BENEFITS REGULATORY ASSET	WP B-7
11	PENSION AND OTHER POSTEMPLOYMENT BENEFITS REGULATORY ASSET	WP B-7.1
12	BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 192/282/283 (1)	WP E-1
13	BASE LABOR ADJUSTMENT	WP F-2.1
14	MEDICAL AND DENTAL BENEFITS ADJUSTMENT	WP F-2.2
15	PENSIONS AND RETIREE MEDICAL BENEFITS ADJUSTMENT	WP F-2.3
16	PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITY OF DALLAS APPROVAL	WP F-2.3.1
17	PROPERTY INSURANCE ADJUSTMENT	WP F-2.4
18	INJURIES AND DAMAGES ADJUSTMENT	WP F-2.5
19	EMPLOYEE EXPENSE ADJUSTMENT	WP F-2.6
20	SHARED SERVICES ("SSU") SERVICE-LEVEL FACTORS ADJUSTMENT	WP F-2.7
21	SHARED SERVICES ("SSU") COST CENTER FUNCTIONS	WP F-2.7.1
22	MISCELLANEOUS ADJUSTMENTS	WP F-2.8
23	UNCOLLECTIBLE EXPENSE ADJUSTMENT	WP F-2.9
24	RULE COMPLIANCE ADJUSTMENT	WP F-2.10
25	CUSTOMER CONSERVATION PROGRAM ADJUSTMENT	WP F-2.11

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26	TAXES OTHER THAN INCOME TAX WORKPAPER	WP F-5.1
27	SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO MID-TEX FOR PAYROLL TAX CALCULATION	WP F-5.2
28	SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES	WP J-1
29	CALCULATION OF CURRENT REVENUES BY AREA - RATE R - BASE RATES	WP J-1.1
30	CALCULATION OF CURRENT REVENUES BY AREA - RATE C - BASE RATES	WP J-1.2
31	CALCULATION OF CURRENT REVENUES BY AREA - RATE I&T - BASE RATES	WP J-1.3
32	OTHER REVENUES	WP J-2
33	NON-STANDARD CONTRACT MARGINS	WP J-2.1
34	TYPICAL BILL COMPARISON - BASE RATES	WP J-3
35	CITY OF DALLAS AVERAGE BILL COMPARISON - BASE RATES	WP J-3.1
36	SUMMARY PROOF OF REVENUE AT PROPOSED RATES - BASE RATES	WP J-4
37	CALCULATION OF PROPOSED REVENUES BY AREA - RATE R - BASE RATES	WP J-4.1
38	CALCULATION OF PROPOSED REVENUES BY AREA - RATE C - BASE RATES	WP J-4.2
39	CALCULATION OF PROPOSED REVENUES BY AREA - RATE I&T - BASE RATES	WP J-4.3
40	PROPOSED TARIFF STRUCTURE	WP J-5

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Final Order

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**ATMOS ENERGY CORP., MID-TEX DIVISION
REVENUE REQUIREMENTS BY SERVICE CLASS
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Description	Current Revenues	Proposed Revenues ¹	Proposed Change	Percent Change
	(a)	(b)	(c)	(d)	(e)
1					
2	Residential (Base Revenue)	\$ 439,407,152	\$ 484,983,197	\$ 45,576,045	10.37%
3	Residential (Rider GCR)	435,261,344	435,261,344	-	0.00%
4	Residential (Rider FF & Rider TAX)	64,731,285	68,104,215	3,372,930	5.21%
5	Total Residential	<u>\$ 939,399,780</u>	<u>\$ 988,348,756</u>	<u>\$ 48,948,975</u>	<u>5.21%</u>
6					
7	Commercial (Base Revenue)	\$ 97,812,506	\$ 108,600,864	\$ 10,788,359	11.03%
8	Commercial (Rider GCR)	248,491,277	248,491,277	-	0.00%
9	Commercial (Rider FF & Rider TAX)	25,628,783	26,427,193	798,410	3.12%
10	Total Commercial	<u>\$ 371,932,565</u>	<u>\$ 383,519,334</u>	<u>\$ 11,586,769</u>	<u>3.12%</u>
11					
12	Industrial/Transportation (Base Revenue)	\$ 10,757,258	\$ 12,087,404	\$ 1,330,146	12.37%
13	Industrial/Transportation (Rider GCR)	21,801,515	21,801,515	-	0.00%
14	Industrial/Transportation (Rider FF & Rider TAX)	2,409,566	2,508,005	98,440	4.09%
15	Total Industrial/Transportation	<u>\$ 34,968,338</u>	<u>\$ 36,396,924</u>	<u>\$ 1,428,586</u>	<u>4.09%</u>
16					
17	Other Revenue (Base Revenue)	\$ 13,786,700	\$ 13,786,700	\$ -	0.00%
18	Other Revenue (Rider GCR)	-	-	-	0.00%
19	Other Revenue (Rider FF & Rider TAX)	1,020,307	1,020,307	-	0.00%
20	Total Other Revenue	<u>\$ 14,807,007</u>	<u>\$ 14,807,007</u>	<u>\$ -</u>	<u>0.00%</u>
21					
22	Base Revenue	\$ 561,763,615	\$ 619,458,165	\$ 57,694,550	10.27%
23	Rider GCR	705,554,135	705,554,135	-	0.00%
24	Rider FF & Rider TAX	93,789,940	98,059,721	4,269,780	4.55%
25	Total Operating Revenues	<u>\$ 1,361,107,691</u>	<u>\$ 1,423,072,021</u>	<u>\$ 61,964,330</u>	<u>4.55%</u>

GUJ No. 10640

Final Order

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ATMOS ENERGY CORP., MID-TEX DIVISION
REVENUE REQUIREMENTS
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Reference	Base Revenue	Rider GCR	Rider FF & Rider		Total
					TAX		
	(a)	(b)	(d)	(e)	(f)	(g)	
1							
2	Rider GCR Part A	Schedule H	\$ -	\$ 372,799,841	\$ -	\$ 372,799,841	
3	Rider GCR Part B	Schedule I		332,754,294		332,754,294	
4	Total Rider GCR		\$ -	\$ 705,554,135	\$ -	\$ 705,554,135	
5							
6	Operation and Maintenance Expenses	Schedule F-1	\$ 181,395,249	\$ -	\$ -	\$ 181,395,249	
7							
8	Taxes Other than Income Taxes	Schedule F-5	40,229,446		98,059,825	138,289,271	
9							
10	Depreciation and Amortization Expense	Schedule F-3	130,925,809			130,925,809	
11							
12	Interest on Customer Deposits	Schedule F-7	95,618			95,618	
13							
14	Rate Base	Schedule B	\$ 2,268,402,553				
15	Rate of Return	Schedule G	8.38%				
16			190,054,514			190,054,514	
17							
18	Income Taxes	Schedule F-6	76,758,936			76,758,936	
19							
20	Revenue Requirements		\$ 619,459,573	\$ 705,554,135	\$ 98,059,825	\$ 1,423,073,533	
21							
22	Current Revenues	Schedule A				\$ 1,361,107,691	
23							
24	Proposed Change - Prospective Rates Systemwide					\$ 61,965,842	
25							
26	Proposed Change - City of Dallas					\$ 9,865,187	
27							
28	Note:						
29	1. Atmos Energy Corporation announced the sale of Atmos Energy Marketing ("AEM") on October 31, 2016. The sale of AEM was completed						
30	January 3, 2017. Therefore, the four factor allocation does not include amounts or customers attributable to AEM.						

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Final Order

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Schedule A

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ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE
AS OF SEPTEMBER 30, 2016

Line No.	Description	Reference	Amount per		Total Requested
			Books	Adjustment	
	(a)	(b)	(c)	(d)	(e)=(c)+(d)
1	<u>Net Plant (1):</u>				
2	Gross Plant	Schedule C	\$ 4,117,608,341	\$ (66,839,813)	\$ 4,050,768,528
3	Accumulated Depreciation	Schedule D	1,308,418,428	(77,752,482)	1,230,665,946
4			<u>\$ 2,809,189,913</u>	<u>\$ 10,912,669</u>	<u>\$ 2,820,102,582</u>
5	Total Net Plant (Ln 2 minus Ln 3)				
6	<u>Additions:</u>				
7	Materials & Supplies	WP_B-3	\$ 941,267	\$ 1,249,033	\$ 2,190,300
8	Prepayments	WP_B-4	10,108,283	3,716,304	13,824,587
9	Pension and Other Postemployment Benefits Regulatory Asset	WP_B-7.1	1,904,113	-	1,904,113
10			<u>\$ 12,953,664</u>	<u>\$ 4,965,337</u>	<u>\$ 17,919,001</u>
11	Total Additions (Sum Ln 7 through Ln 9)				
12	<u>Deductions:</u>				
13	Customer Deposits (235)	WP_B-5	\$ 22,766,291	\$ -	\$ 22,766,291
14	Injuries and Damages Reserve	WP_B-2	4,934,869	(3,059,469)	1,875,400
15	Accumulated Deferred Income Taxes	WP_B-6	691,156,595	(184,948,022)	506,208,573
16	Rate Base Adjustments	WP_B-1	-	7,609,627	7,609,627
17			<u>\$ 718,857,755</u>	<u>\$ (180,397,864)</u>	<u>\$ 538,459,891</u>
18	Total Deductions (Sum of Ln 13 through Ln 16)				
19	Total Cash Working Capital	Schedule E	\$ -	\$ (31,159,138)	\$ (31,159,138)
20					
21	Rate Base (Ln 4 plus Ln 10 minus Ln 17 plus Ln 19)		<u>\$ 2,103,285,822</u>	<u>\$ 165,116,731</u>	<u>\$ 2,268,402,553</u>
22					
23	Note:				
24	(1) Rate base excludes Poly 1 previously disallowed and includes other known and measurable rate base adjustments.				

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Schedule B

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ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Amounts
	(a)	(b)
1	GUID 9670 Amortization of Disallowed Projects (WP_B-1.1)	\$ 6,932,384
2	GUID 9762 Amortization of Employee Expenses (WP_B-1.2)	172,904
3	GUID 9869 Amortization of Employee Expenses (WP_B-1.3)	214,153
4	Employee Expense Adjustment, TYE December 31, 2009 (3)	33,874
5	Employee Expense Adjustment, TYE September 30, 2010 (2), (3)	4,487
6	Employee Expense Adjustment, TYE September 30, 2011 (3)	15,892
7	Employee Expense Adjustment, TYE September 30, 2012 (3)	40,067
8	Employee Expense Adjustment, TYE September 30, 2013 (3)	22,588
9	Employee Expense Adjustment, TYE September 30, 2014 (3)	11,579
10	Employee Expense Adjustment, TYE September 30, 2015 (3)	13,902
11	Adjustment to Pension and Other Post Employment Benefits	
12	to the benchmark level approved in 2014 and 2015 DARR filings (4)	127,042
13	Employee Expense Adjustment, TYE September 30, 2016 (1), (3)	20,756
14		
15	Total (Sum of Ln 1 through Ln 13)	<u>\$ 7,609,627</u>
16		
17		
18	Notes:	
19	1. See Page 2, Col (e), Ln 15.	
20	2. September 2010 adjustment is for 9 months, October through December 2009 is included in the test year adjustment on Line 4.	
21	3. The adjustments on Lines 4 through 10 and 13 include amounts for Shared Services Divisions 002 and 012 and Mid-Tex.	
22	4. To align O&M and Capital, see WP_F-2.8	

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**ATMOS ENERGY CORP., MID-TEX DIVISION
EMPLOYEE EXPENSE ADJUSTMENT TO CAPITAL
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Description	Shared Services - Customer Support (012)	Shared Services - General Office (002)	Mid-Tex Direct	Total Adjustment
	(a)	(b)	(c)	(d)	(e)
1	<u>Twelve Months Ended September 30, 2016:</u>				
2	Employee Expense Adjustment	\$ 168,422	\$ 342,962	\$ 265,648	
3	Mid-Tex Allocation Factor (1) (2)	52.01%	38.30%	100.00%	
4					
5	Allocated Employee Expense Totals (Ln 2 times Ln 3)	\$ 87,596	\$ 131,355	\$ 265,648	
6	Capitalization Factor (1)	2.27%	4.24%	0.00%	
7	Subtotal (Ln 5 times Ln 6)	<u>\$ 1,992</u>	<u>\$ 5,564</u>	<u>\$ -</u>	
8					
9	Add Charges Direct to Capital:				
10	Employee Expense Adjustment	\$ 7,065	\$ 7,191	\$ 6,772	
11	Mid-Tex Allocation Factor (1) (2)	52.01%	38.30%	100.00%	
12					
13	Allocated Employee Expense Charged Direct to Capital (Ln 10 times Ln 11)	<u>\$ 3,674</u>	<u>\$ 2,754</u>	<u>\$ 6,772</u>	
14					
15	Total Test Year Ending September 30, 2016 Employee Expense Report Charges (Ln 7 plus Ln 13)	<u>\$ 5,666</u>	<u>\$ 8,318</u>	<u>\$ 6,772</u>	<u>\$ 20,756</u>
16					
17	Notes:				
18	1. See WP_F-2.1, Col (b) and Col (c) Lns 11 and 15, for the Shared Services factors, as adjusted.				
19	2. Mid-Tex costs are directly charged and not allocated.				

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ATMOS ENERGY CORP., MID-TEX DIVISION
 RATE BASE ADJUSTMENTS
 TEST YEAR ENDING SEPTEMBER 30, 2016
 GUD 9670 RATE BASE ADJUSTMENTS
 AMORTIZATION SCHEDULE

Line No.	Year Ended Dec 31	Beginning of Year		Annual Amortization (1)	End of Year		Balance as of September 30, 2016
		Rate Base Adjustment Amount	(b)		Rate Base Adjustment Amount (2)	(d)	
1	2005			\$	10,640,002		
2	2006	\$	10,640,002	\$	344,895	\$	10,640,002
3	2007		10,295,107		344,895		10,295,107
4	2008		9,950,212		344,895		9,950,212
5	2009		9,605,318		344,895		9,605,318
6	2010		9,260,423		344,895		9,260,423
7	2011		8,915,528		344,895		8,915,528
8	2012		8,570,633		344,895		8,570,633
9	2013		8,225,739		344,895		8,225,739
10	2014		7,880,844		344,895		7,880,844
11	2015		7,535,949		344,895		7,535,949
12	2016		7,191,055		344,895		7,191,055
13	2017		6,846,160		344,895		6,846,160
14	2018		6,501,265		344,895		6,501,265
15	2019		6,156,371		344,895		6,156,371
16	2020		5,811,476		344,895		5,811,476
17	2021		5,466,581		344,895		5,466,581
18	2022		5,121,686		344,895		5,121,686
19	2023		4,776,792		344,895		4,776,792
20	2024		4,431,897		344,895		4,431,897
21	2025		4,087,002		344,895		4,087,002
22	2026		3,742,108		344,895		3,742,108
23	2027		3,397,213		344,895		3,397,213
24	2028		3,052,318		344,895		3,052,318
25	2029		2,707,424		344,895		2,707,424
26	2030		2,362,529		344,895		2,362,529
27	2031		2,017,634		344,895		2,017,634
28	2032		1,672,739		344,895		1,672,739
29	2033		1,327,845		344,895		1,327,845
30	2034		982,950		344,895		982,950
31	2035		638,055		344,895		638,055
32	2036		293,161		293,161		293,161
33							

Notes:
 1. The annual amortization is calculated based upon the period specified in GUD 9670 Final Order, Schedule B, Page 2, Footnote 1.
 2. The December 31, 2005 amount is per GUD 9670 Final Order, Schedule B, Page 2, Ln 14.

ATMOS ENERGY CORP., MID-TEX DIVISION
 RATE BASE ADJUSTMENTS
 TEST YEAR ENDING SEPTEMBER 30, 2016
 GUD 9762 RATE BASE ADJUSTMENTS - AMORTIZATION SCHEDULE

Line No.	Year Ended June 30	Beginning of Year		Annual Amortization (1)	End of Year		Balance as of September 30, 2016
		Rate Base Adjustment Amount	Amortization (1)		Rate Base Adjustment Amount (2)		
(a)	(b)	(c)	(d)	(e)			
1	2007						
2	2008	\$ 246,949	\$ 8,005	\$ 246,949	238,944		
3	2009	238,944	8,005	230,939	222,935		
4	2010	230,939	8,005	222,935	214,930		
5	2011	222,935	8,005	214,930	206,925		
6	2012	214,930	8,005	206,925	198,920		
7	2013	206,925	8,005	198,920	190,915		
8	2014	198,920	8,005	182,910	174,906	\$ 172,904	
9	2015	190,915	8,005	182,910	166,901		
10	2016	182,910	8,005	174,906	158,896		
11	2017	174,906	8,005	158,896	142,886		
12	2018	166,901	8,005	150,891	134,881		
13	2019	158,896	8,005	142,886	126,877		
14	2020	150,891	8,005	134,881	118,872		
15	2021	142,886	8,005	126,877	110,867		
16	2022	134,881	8,005	110,867	102,862		
17	2023	126,877	8,005	94,857	86,852		
18	2024	118,872	8,005	86,852	78,848		
19	2025	110,867	8,005	78,848	70,843		
20	2026	102,862	8,005	70,843	62,838		
21	2027	94,857	8,005	62,838	54,833		
22	2028	86,852	8,005	54,833	46,828		
23	2029	78,848	8,005	46,828	38,824		
24	2030	70,843	8,005	38,824	30,819		
25	2031	62,838	8,005	30,819	22,814		
26	2032	54,833	8,005	22,814	14,809		
27	2033	46,828	8,005	14,809	6,804		
28	2034	38,824	8,005	6,804	-		
29	2035	30,819	8,005	-			
30	2036	22,814	8,005				
31	2037	14,809	8,005				
32	2038	6,804	8,005				
33							
34							

Notes:
 1. The annual amortization is calculated based upon the period specified in GUD 9670 Final Order, Schedule B, Page 2, Footnote 1.
 2. The June 30, 2007 amount is per GUD 9762 Final Order, WP_B-1, Page 1, Ln 2+ Ln 3.

ATMOS ENERGY CORP., MID-TEX DIVISION
 RATE BASE ADJUSTMENTS
 TEST YEAR ENDING SEPTEMBER 30, 2016
 GUD 9869 RATE BASE ADJUSTMENTS - AMORTIZATION SCHEDULE

Line No.	Year Ended Dec 31	Beginning of Year Rate Base Adjustment Amount (1)	Amortization (2)	End of Year	
				Rate Base Adjustment Amount	Balance as of September 30, 2016
(a)	(b)	(c)	(d)	(e)	
1	2008			\$	286,001
2	2009	\$ 286,001	9,271		276,730
3	2010	276,730	9,271		267,460
4	2011	267,460	9,271		258,189
5	2012	258,189	9,271		248,918
6	2013	248,918	9,271		239,647
7	2014	239,647	9,271		230,377
8	2015	230,377	9,271		221,106
9	2016	221,106	9,271		211,835
10	2017	211,835	9,271		202,565
11	2018	202,565	9,271		193,294
12	2019	193,294	9,271		184,023
13	2020	184,023	9,271		174,753
14	2021	174,753	9,271		165,482
15	2022	165,482	9,271		156,211
16	2023	156,211	9,271		146,941
17	2024	146,941	9,271		137,670
18	2025	137,670	9,271		128,399
19	2026	128,399	9,271		119,128
20	2027	119,128	9,271		109,858
21	2028	109,858	9,271		100,587
22	2029	100,587	9,271		91,316
23	2030	91,316	9,271		82,046
24	2031	82,046	9,271		72,775
25	2032	72,775	9,271		63,504
26	2033	63,504	9,271		54,234
27	2034	54,234	9,271		44,963
28	2035	44,963	9,271		35,692
29	2036	35,692	9,271		26,421
30	2037	26,421	9,271		17,151
31	2038	17,151	9,271		7,880
32	2039	7,880			0
33					

Notes:

1. The 2008 amount in Col (d) is from GUD9869 WP_B-1, Col (e), Ln 29. The other disallowances from GUD9869 have been removed on Schedule C.
2. The annual amortization is calculated based upon the period specified in GUD 9670 Final Order, Schedule B, Page 2, Footnote 1.

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**ATMOS ENERGY CORP., MID-TEX DIVISION
INJURIES AND DAMAGES AND WORKERS COMP RESERVES (1)
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Month Ending	Per Book Amount	Adjustments	Adjusted Amount	Allocation Factor	Allocated Amount
	(a)	(b)	(c)	(d) = (b)+(c)	(e)	(f) = (d)*(e)
1	<u>Mid-Tex</u>					
2	September 30, 2015	\$ 1,701,508	\$ -	\$ 1,701,508	100.00%	\$ 1,701,508
3	October 31, 2015	1,708,890	-	1,708,890	100.00%	1,708,890
4	November 30, 2015	1,682,875	-	1,682,875	100.00%	1,682,875
5	December 31, 2015	1,734,277	-	1,734,277	100.00%	1,734,277
6	January 31, 2016	1,678,741	-	1,678,741	100.00%	1,678,741
7	February 29, 2016	1,686,011	-	1,686,011	100.00%	1,686,011
8	March 31, 2016	1,689,292	-	1,689,292	100.00%	1,689,292
9	April 30, 2016	1,685,180	-	1,685,180	100.00%	1,685,180
10	May 31, 2016	1,658,137	-	1,658,137	100.00%	1,658,137
11	June 30, 2016	1,696,504	-	1,696,504	100.00%	1,696,504
12	July 31, 2016	1,747,298	-	1,747,298	100.00%	1,747,298
13	August 31, 2016	1,745,015	-	1,745,015	100.00%	1,745,015
14	September 30, 2016	1,765,552	-	1,765,552	100.00%	1,765,552
15						

**ATMOS ENERGY CORP., MID-TEX DIVISION
INJURIES AND DAMAGES AND WORKERS COMP RESERVES (1)
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Month Ending	Per Book Amount	Adjustments	Adjusted Amount	Allocation Factor	Allocated Amount
	(a)	(b)	(c)	(d) = (b)+(c)	(e)	(f) = (d)*(e)
16	<u>Shared Services - General Office (Div 002) (2)</u>					
17	September 30, 2015	\$ 6,726,995	\$ (6,538,170)	\$ 188,825	38.30%	\$ 72,320
18	October 31, 2015	6,655,480	(6,538,170)	117,310	38.30%	44,930
19	November 30, 2015	6,659,186	(6,538,170)	121,016	38.30%	46,349
20	December 31, 2015	6,655,587	(6,538,170)	117,417	38.30%	44,971
21	January 31, 2016	6,787,519	(6,538,170)	249,349	38.30%	95,501
22	February 29, 2016	6,812,059	(6,538,170)	273,888	38.30%	104,899
23	March 31, 2016	7,262,610	(6,988,170)	274,440	38.30%	105,110
24	April 30, 2016	7,255,311	(6,988,170)	267,141	38.30%	102,315
25	May 31, 2016	7,257,531	(6,988,170)	269,360	38.30%	103,165
26	June 30, 2016	7,259,841	(6,988,170)	271,671	38.30%	104,050
27	July 31, 2016	7,268,092	(6,988,170)	279,922	38.30%	107,210
28	August 31, 2016	7,274,731	(6,988,170)	286,561	38.30%	109,753
29	September 30, 2016	8,274,980	(7,988,170)	286,810	38.30%	109,848
30						
31	<u>Shared Services - Customer Support (Div 012)</u>					
32	September 30, 2015	\$ -	\$ -	\$ -	52.01%	\$ -
33	October 31, 2015	-	-	-	52.01%	-
34	November 30, 2015	-	-	-	52.01%	-
35	December 31, 2015	-	-	-	52.01%	-
36	January 31, 2016	-	-	-	52.01%	-
37	February 29, 2016	-	-	-	52.01%	-
38	March 31, 2016	-	-	-	52.01%	-
39	April 30, 2016	-	-	-	52.01%	-
40	May 31, 2016	-	-	-	52.01%	-
41	June 30, 2016	-	-	-	52.01%	-
42	July 31, 2016	-	-	-	52.01%	-
43	August 31, 2016	-	-	-	52.01%	-
44	September 30, 2016	-	-	-	52.01%	-
45	Total at September 30, 2016	(Col	-	-	-	-
46	(f) = Sum Ln 14 plus Ln 29 plus Ln 44)	\$ 4,934,869				\$ 1,875,400
47						
48						
49						

Notes:
1. Account 228.2 and Sub-accounts 28102 (Workers' Comp-Ins Reserve) and 28101 (Inj & Damages - Ins Reserve).
2. The adjustment in Column (c) removes reserves not allocated to the Divisions. Please refer to Cost Center 1903.

**ATMOS ENERGY CORP., MID-TEX DIVISION
 MATERIALS & SUPPLIES-ACCOUNTS 154 & 163
 TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Month/Year Ending	Amount
	(a)	(b)
1	September 30, 2015	3,370,965
2	October 31, 2015	3,093,496
3	November 30, 2015	2,952,181
4	December 31, 2015	2,804,235
5	January 31, 2016	2,723,124
6	February 29, 2016	2,616,582
7	March 31, 2016	2,332,473
8	April 30, 2016	2,062,065
9	May 31, 2016	1,749,954
10	June 30, 2016	1,392,603
11	July 31, 2016	1,309,837
12	August 31, 2016	1,125,116
13	September 30, 2016	941,267
14		
15	13-Month Average	<u><u>2,190,300</u></u>

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ATMOS ENERGY CORP., MID-TEX DIVISION
PREPAYMENTS-ACCOUNT 165
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Month/Year Ending	Amount	Adjustments (1)	Adjusted Total	Allocation %	Allocation to Mid-Tex
	(a)	(b)	(c)	(d) = (b)+(c)	(e)	(f) = (d)x(e)
1	Mid-Tex					
2	September 30, 2015	\$ 4,758,987	\$ (560,825)	\$ 4,198,162		
3	October 31, 2015	6,261,655	(737,908)	5,523,747		
4	November 30, 2015	5,013,571	(590,827)	4,422,744		
5	December 31, 2015	634,052	(74,720)	559,331		
6	January 31, 2016	(3,126,223)	368,411	(2,757,811)		
7	February 29, 2016	6,449,570	(760,053)	5,689,517		
8	March 31, 2016	6,859,558	(808,368)	6,051,190		
9	April 30, 2016	2,815,781	(331,827)	2,483,954		
10	May 31, 2016	10,254,597	(1,208,459)	9,046,139		
11	June 30, 2016	5,271,958	(621,277)	4,650,681		
12	July 31, 2016	3,726,446	(439,145)	3,287,301		
13	August 31, 2016	6,883,336	(811,170)	6,072,165		
14	September 30, 2016	3,660,557	(431,381)	3,229,185		
15	13-Month Average	\$ 4,574,143		\$ 4,035,100	100%	\$ 4,035,100
16						
17	Shared Services-General Office (Div 002)					
18	September 30, 2015	\$ 20,331,955	\$ -	\$ 20,331,955		
19	October 31, 2015	33,755,385	-	33,755,385		
20	November 30, 2015	34,011,139	-	34,011,139		
21	December 31, 2015	31,143,313	-	31,143,313		
22	January 31, 2016	27,823,564	-	27,823,564		
23	February 29, 2016	21,886,615	-	21,886,615		
24	March 31, 2016	26,445,249	-	26,445,249		
25	April 30, 2016	25,550,137	-	25,550,137		
26	May 31, 2016	27,278,517	-	27,278,517		
27	June 30, 2016	24,655,461	-	24,655,461		
28	July 31, 2016	22,751,428	-	22,751,428		
29	August 31, 2016	19,812,706	-	19,812,706		
30	September 30, 2016	16,834,769	-	16,834,769		
31						
32	13-Month Average	\$ 25,560,018		\$ 25,560,018	38.30%	\$ 9,789,487

ATMOS ENERGY CORP., MID-TEX DIVISION
 PREPAYMENTS-ACCOUNT 165
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Month/Year Ending	Amount	Adjustments (1)	Adjusted Total	Allocation %	Allocation to Mid-Tex
	(a)	(b)	(c)	(d) = (b)+(c)	(e)	(f) = (d)x(e)
33						
34	Shared Services-Customer Support (Div 012)					
35	September 30, 2015	\$ -	\$ -	\$ -	-	-
36	October 31, 2015	-	-	-	-	-
37	November 30, 2015	-	-	-	-	-
38	December 31, 2015	-	-	-	-	-
39	January 31, 2016	-	-	-	-	-
40	February 29, 2016	-	-	-	-	-
41	March 31, 2016	-	-	-	-	-
42	April 30, 2016	-	-	-	-	-
43	May 31, 2016	-	-	-	-	-
44	June 30, 2016	-	-	-	-	-
45	July 31, 2016	-	-	-	-	-
46	August 31, 2016	-	-	-	-	-
47	September 30, 2016	-	-	-	-	-
48						
49	13-Month Average	\$ -		\$ -	52.01%	\$ -
50						
51	Total Prepayments September 30, 2016	\$ 10,108,283				
52						
53	Total Prepayments 13-Month Average (Ln 15 plus Ln 32 plus Ln 49)					\$ 13,824,587
54						
55						
56						
57						

Note:
 (1) The adjustment is calculated as the amount in Column (b) times 11.78%. The percentage is based on the GUD 9869 prepayment study.

**ATMOS ENERGY CORP., MID-TEX DIVISION
 CUSTOMER DEPOSITS AND CUSTOMER ADVANCES FOR CONSTRUCTION
 TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Month/Year Ending	Amount
	(a)	(b)
1	<u>Customer Deposits - Acct 235</u>	
2	September 30, 2015	\$ 31,934,292
3	October 31, 2015	32,037,506
4	November 30, 2015	32,303,813
5	December 31, 2015	25,094,543
6	January 31, 2016	24,305,012
7	February 29, 2016	24,122,190
8	March 31, 2016	24,028,006
9	April 30, 2016	23,883,505
10	May 31, 2016	23,769,035
11	June 30, 2016	23,178,285
12	July 31, 2016	23,026,108
13	August 31, 2016	22,846,726
14	September 30, 2016	22,766,291
15		
16	<u>Customer Advances - Acct 252</u>	
17	September 30, 2015	\$ -
18	October 31, 2015	-
19	November 30, 2015	-
20	December 31, 2015	-
21	January 31, 2016	-
22	February 29, 2016	-
23	March 31, 2016	-
24	April 30, 2016	-
25	May 31, 2016	-
26	June 30, 2016	-
27	July 31, 2016	-
28	August 31, 2016	-
29	September 30, 2016	-

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**ATMOS ENERGY CORP., MID-TEX DIVISION
ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 190/282/283 (1)
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line	No.	Description	(a)	(b)	(c)	(d) = (b)+(c)
				Assets / (Liabilities) - Per Book Balances	Adjustments (2)	Balances Adjusted (Liabilities) -

1		Mid-Tex:				
2		Ad Valorem Taxes	\$	(1,548,666)	\$	(1,548,666)
3		MIP/PP Accrual		(1,940,489)		(1,940,489)
4		Miscellaneous Accrued		-		-
5		Self Insurance - Adjustment		-		-
6		Vacation Accrual		-		-
7		Worker's Comp Insurance Reserve		525,321		525,321
8		SEBP Adjustment		660,822		660,822
9		Pension Expense		-		-
10		FAS 106 Adjustment		24,608,158		24,608,158
11		CWIP		(7,349,404)	7,349,404	-
12		RWIP		(3,093,019)		(3,093,019)
13		Fixed Asset Cost Adjustment		(846,449,776)		(846,449,776)
14		Depreciation Adjustment		77,104,231		77,104,231
15		Section 481(a) TPR		-		-
16		Deferred Gas Costs		(17,567,368)	17,567,368	-
17		Over Recoveries of PGA		(25,666,152)	25,666,152	-
18		TXU Goodwill Amortization		(104,761,634)	104,761,634	-
19		Deferred Expense Projects		(4,167)		(4,167)
20		Unicap Section 263A Costs		3,593,587	(3,593,587)	-
21		Allowance for Doubtful Accounts		1,618,585		1,618,585
22		Clearing Account-Adjustment		-		-
23		Charitable Contribution Carryover		-		-
24		Prepayments		(1,335,924)		(1,335,924)
25		Rate Case Accrual		(5,600)	5,600	-
26		WACOG to FIFO Adjustment		(2,180,659)	2,180,659	-
27		Reg Asset Benefit Accrual		(1,229,010)		(1,229,010)
28		TX Rule 8.209 Reg Asset Deferral		(9,352,119)		(9,352,119)
29		Regulatory Liability-Mid-Tex		-		-
30		Intra Period Tax Allocation		-		-
31		State Net Operating Loss		644,576		644,576
32		Federal Benefit on State NOL		(225,602)		(225,602)
33		Total Mid-Tex Direct (Sum Ln 2 through Ln 32)	\$	(913,954,309)	\$	153,937,230
						\$ (760,017,079)
34						
35		SSU - Customer Support (Div 012):				
36		MIP/PP Accrual	\$	(574,777)	\$	574,777
37		Vacation Accrual		-		-
38		Worker's Comp Insurance Reserve		-		-
39		FAS 106 Adjustment		-		-
40		CWIP		(255,614)	255,614	-
41		RWIP		(137)		(137)
42		Fixed Asset Cost Adjustment		(45,459,621)		(45,459,621)

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**ATMOS ENERGY CORP., MID-TEX DIVISION
ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 190/282/283 (1)
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Description	(a)	(b)	(c)	(d) = (b)+(c)
		Assets /	Book Balances	Adjustments (2)	Balances
		(Liabilities) - Per			Adjusted
		Assets /			(Liabilities) -
43	Depreciation Adjustment	17,798,432	-	-	17,798,432
44	Clearing Account-Adjustment	-	-	-	-
45	Charitable Contribution Carryover	-	-	-	-
46	Prepayments	-	-	-	-
47	Intra Period Tax Allocation	-	-	-	-
48	Total Customer Support	\$(28,491,717)	\$830,391	\$(27,661,326)	
49	Allocation to Mid-Tex	52.01%	52.01%	52.01%	52.01%
50	SSU Customer Support Allocated to Mid-Tex	\$(14,818,542)	\$431,886	\$(14,386,656)	
51					
52					
53	SSU - General Office (Div 002):	\$166,965	\$(1,498,907)	\$166,965	
54	Director's Deferred Bonus				
55	MIP/PP Accrual				
56	Miscellaneous Accrued				
57	Self Insurance - Adjustment	2,915,283	(2,915,283)	-	-
58	Vacation Accrual	-	-	-	-
59	Worker's Comp Insurance Reserve	104,671	-	-	104,671
60	SEBP Adjustment	26,316,340	(26,316,340)	-	-
61	Restricted Stock Grant Plan	4,631,448	(4,631,448)	-	-
62	Rabbi Trust	1,442,452	(1,442,452)	-	-
63	Restricted Stock - MIP	12,632,356	(12,632,356)	-	-
64	Director's Stock Awards	5,939,395	-	-	5,939,395
65	Pension Expense	(30,651,600)	-	-	(30,651,600)
66	FAS 106 Adjustment	8,944,489	-	-	8,944,489
67	CWIP	1,707,565	(1,707,565)	-	-
68	RWIP	(3,782)	-	-	(3,782)
69	Fixed Asset Cost Adjustment	(42,023,581)	-	-	(42,023,581)
70	Depreciation Adjustment	17,524,367	-	-	17,524,367
71	Section 481(a) Cushion Gas	549,209	(549,209)	-	-
72	Section 481(a) Line Pack Gas	66,639	(66,639)	-	-
73	Deferred Expense Projects	-	-	-	-
74	Allowance for Doubtful Accounts	2	-	-	2
75	Clearing Account-Adjustment	-	-	-	-
76	Charitable Contribution Carryover	11,032,917	(11,032,917)	-	-
77	Prepayments	(4,047,588)	-	-	(4,047,588)
78	Stock Option Expense	-	-	-	-
79	Federal & State Tax Interest	439,887	-	-	439,887
80	VA Charitable Contribution	(9,275,764)	9,275,764	-	-
81	Regulatory Liability-Atmos 109	-	-	-	-
82	Intra Period Tax Allocation	-	-	-	-
83	FD - NOL Credit Carryforward - Utility	725,716,695	-	-	725,716,695

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**ATMOS ENERGY CORP., MID-TEX DIVISION
ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 190/282/283 (1)
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Description	(a)	(b)	(c)	(d) = (b)+(c)
		Book Balances	Adjustments (2)	Balances	Adjusted (Liabilities) - Assets / (Liabilities) - Balances
84	FD - NOL Credit Carryforward - Non Reg	(237,733,657)	237,733,657	-	-
85	FD-NOL Credit Carryforward - Other	6,052,102	(6,052,102)	-	-
86	ST - State Net Operating Loss	-	-	-	-
87	FD - FAS 115 Adjustment	(2,481,569)	-	-	(2,481,569)
88	FD - Treasury Lock Adjustment - Realized	10,520,828	-	-	10,520,828
89	FD - Treasury Lock Adjustment - Unrealized	97,261,210	(97,261,210)	-	-
90	FD - Federal Benefit on State NOL	-	-	-	-
91	FD - Federal Tax on Enterprise ITC	(614,444)	614,444	-	-
92	ST - Valuation Allow Enterprise Zone ITC	(120,928)	120,928	-	-
93	FD - Valuation Allow Fed Tax Enterprise Zone ITC	42,325	(42,325)	-	-
94	FD - AMT Minimum Tax Credit	10,099,286	-	-	10,099,286
95	ST - Enterprise Zone ITC	1,755,554	(1,755,554)	-	-
96	Total SSU General Office (Sum Ln 54 through Ln 95)	\$ 620,407,979	\$ 79,840,486	\$ 700,248,465	
97	Allocation to Mid-Tex	38.30%	38.30%	38.30%	
98	SSU General Office Allocated to Mid-Tex (Ln 96 times Ln 97)	\$ 237,616,256	\$ 30,578,906	\$ 268,195,162	
99					
100	Total SSU ADIT Allocated to Mid-Tex (Ln 50 plus Ln 98)	\$ 222,797,714	\$ 31,010,793	\$ 253,808,506	
101					
102	Total ADIT Direct and Allocated (Ln 33 plus Ln 100)	\$ (691,156,595)	\$ 184,948,023	\$ (506,208,573)	
103					
104	Notes:				
105	1. Credit amounts are in parentheses.				
106	2. Adjustments are for those items not included in rate base for ratemaking purposes.				

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**ATMOS ENERGY CORP., MID-TEX DIVISION
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:	
2		
3	Pension Asset at September 2016	\$ 4,820,480
4		
5	Total Pension and Other Postemployment Benefits Regulatory Asset (Sum of Line 3)	<u>\$ 4,820,480</u>
6		
7	Summarization of Pension and Other Postemployment Benefits Asset Amortization:	
8		
9	Pension Asset Amortization - Calculated (Pension Asset Amount / 10 years) (1)	\$ 482,048
10		
11	Pension Asset Amortization - Per Book Amount in the Test Year	<u>(882,892)</u>
12		
13	Pension Asset Amortization Adjustment (Line 9 plus Line 11) (2)	<u>\$ (400,844)</u>
14		
15		
16	Notes:	
17	1. The annual recorded amortization of the Pension and Other Postemployment Benefits Regulatory Asset cost is included in O&M.	
18	2. The adjustment to Pension Asset Amortization is shown on WP_F-2.8.	

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ATMOS ENERGY CORP., MID-TEX DIVISION
PENSION AND OTHER POSTEMPLOYMENT BENEFITS REGULATORY ASSET
TEST YEAR ENDING SEPTEMBER 30, 2016
AMORTIZATION SCHEDULE

Line No.	Time Period	Description	Amount - Per Period	Total Amount
	(a)	(b)	(c)	(d)
1	<u>Total Asset Amount - By Period (1):</u>			
2				
3	January 2012 - March 2012	This asset amount was approved in GUD No. 10170 and represents the difference between the GUD No. 9869 benchmark and the fiscal year 2012 Towers Watson Actuarial Report.	\$ 1,954,911	
4	April 2012 - September 2012	This asset amount represents the difference between the GUD No. 9869 benchmark and the fiscal year 2012 Towers Watson Actuarial Report.	3,965,926	
5	October 2012 - December 2012	The asset amount represents the difference between the GUD No. 9869 benchmark and the fiscal year 2013 Towers Watson Actuarial Report.	2,683,521	
6	January 2013 - September 2013	This asset amount represents the difference between the GUD No. 10170 benchmark and the fiscal year 2013 Towers Watson Actuarial Report.	2,185,319	
7	October 2013	This asset amount represents the difference between the GUD No. 10170 benchmark and the fiscal year 2014 Towers Watson Actuarial Report.	47,541	
8	November 2013 - May 2014	This asset amount represents the difference between the RRM benchmark with a test year of the twelve months ending December 31, 2012 and the fiscal year 2014 Towers Watson Actuarial Report.	(1,097,600)	
9	June 2014 - September 2014	This asset amount represents the difference between the DARR benchmark with a test year of the twelve months ending September 30, 2013 and the fiscal year 2014 Towers Watson Actuarial Report.	31,617	
10	October 2014 - September 2015	This asset amount represents the difference between the DARR benchmark with a test year of the twelve months ending September 30, 2014 and the fiscal year 2015 Towers Watson Actuarial Report.	(1,467,220)	
11	October 2015 - September 2016	This asset amount represents the difference between the DARR benchmark with a test year of the twelve months ending September 30, 2015 and the fiscal year 2016 Towers Watson Actuarial Report.	(3,483,536)	
12				
13				
14				
15	<u>Total Asset Amortization - By Period (2):</u>			
16				
17	October 2011 - September 2012	No amortization was recorded in Fiscal Year 2012	\$ -	
18	October 2012 - September 2013	Amortization recorded in Fiscal Year 2013	(134,400)	
19	October 2013 - September 2014	Amortization recorded in Fiscal Year 2014	(798,609)	
20	October 2014 - September 2015	Amortization recorded in Fiscal Year 2015	(1,100,465)	
21	October 2015 - September 2016	Amortization recorded in Fiscal Year 2016	(882,892)	
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
		<u>Total Asset Amortization at September 30, 2016 (Sum Lines 17 through 21)</u>		\$ (2,916,366)
		<u>Net Asset Amount at September 30, 2016 (Sum Line 13 and Line 23)</u>		\$ 1,904,113

Notes:
1. The Company has included in rate base, as a regulatory asset, the Company's calculation of the Pension and Other Postemployment Benefits cost in accordance with TEX. UTILITIES CODE, SECTION 104.059.
2. The annual amortization of the Pension and Other Postemployment Benefits Regulatory Asset cost is included in O&M expense on Schedule F-1. The annual amortization is based on a ten year amortization period.

**ATMOS ENERGY CORP., MID-TEX DIVISION
COMPONENTS OF RATE BASE- GROSS PLANT
AS OF SEPTEMBER 30, 2016**

Line Account No.	Account Description	Reference	Amount Per Books	Adjustments (1)	Adjusted Balance
		(c)	(d)	(e)	(f)=(d)+(e)
1	Mid-Tex:				
2	Distribution Plant				
3	Land				
4	Land Rights				
5	Land & Land Rights				
6	Structures & Improvements				
7	Mains-Cathodic Protection				
8	Mains-Steel				
9	Mains-Plastic				
10	M&R Station Equipment - General				
11	M&R Station Equipment - City Gate				
12	Services				
13	Meters				
14	Meter Installations				
15	House Regulators				
16	Industrial M&R Station Equipment				
17	Total (Sum of Ln 3 through Ln 16)		\$ 3,851,294,014	\$ (62,530,860)	\$ 3,788,763,154
18	General Plant				
20	Franchises & Consents				
21	Computer Software				
22	Land				
23	Structures & Improvements				
24	Air Conditioning Equipment				
25	Office Furniture & Equipment				
26	Transportation Equipment				
27	Stores Equipment				
28	Tools, Shop, and Garage Equipment				
29	Laboratory Equipment				
30	Power Oper. Tool & Work Equipment				
31	Radio Communication Equipment				
32	Miscellaneous Equipment				
33	Other Tangible Property				
34	Other Tangible Property-Servers Hardware				
35	Other Tangible Property-Servers Software				
36	Other Tangible Property-Network-Hardware				
37	Other Tangible Property-PC Hardware				
38	Other Tangible Property-PC Software				
39	Other Tangible Property-Application Software				
40	Total (Sum of Ln 20 through Ln 39)		\$ 125,365,056	\$ (329,060)	\$ 125,035,996
41	Total Mid-Tex Direct (Ln 17 plus Ln 40)		\$ 3,976,659,070	\$ (62,859,920)	\$ 3,913,799,150

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**ATMOS ENERGY CORP., MID-TEX DIVISION
COMPONENTS OF RATE BASE- GROSS PLANT
AS OF SEPTEMBER 30, 2016**

Line Account No.	(a)	(b)	(c)	(d)	(e)	(f)=(d)+(e)
	Account Description	Reference	Amount Per Books	Adjustments (1)	Adjusted Balance	
45	SSU - Customer Support (Div 012): General Plant		2,874,240	\$	2,874,240	\$
47	Land & Land Rights		389			
48	Structures & Improvements		390			
49	Improvements to Leased Premises		390.09			
50	Office Furniture & Equipment		391			
51	Communication Equipment - Telephone		397			
52	Miscellaneous Equipment		398			
53	Other Tangible Property		399			
54	Other Tangible Property-Servers Hardware		399.01			
55	Other Tangible Property-Servers Software		399.02			
56	Other Tangible Property-Network-Hardware		399.03			
57	Other Tangible Property-PC Hardware		399.06			
58	Other Tangible Property-PC Software		399.07			
59	Other Tangible Property-Application Software		399.08			
60	Total (Sum of Ln 47 through Ln 59)		89,487,465		89,487,465	
61	Allocation to Mid-Tex		52.01%		52.01%	
62	Customer Support Allocated to Mid-Tex (Ln 60 times Ln 61)		125,095,393	\$	125,095,393	\$
63	SSU - Customer Support (Div 012): General Plant		65,062,114	\$	65,062,114	\$
64	Charles K. Vaughn Center		389,110			
65	Land & Land Rights		390.10			
66	Structures & Improvements		391.10			
67	Office Furniture & Equipment		392.10			
68	Transportation Equipment		394.10			
69	Tools, Shop, and Garage Equipment		395.10			
70	Laboratory Equipment		397.10			
71	Communication Equipment		398.10			
72	Miscellaneous Equipment		399.10			
73	Other Tangible Equipment		399.16			
74	PC Hardware		399.17			
75	PC Software		399.18			
76	Other Tangible Property		20,560		20,560	
77	Total (Sum of Ln 66 through Ln 77)		15,067,448	\$	15,067,448	\$
78	Allocation to Mid-Tex		77.27%		77.27%	
79	Customer Support: Charles K. Vaughn Center Allocated to Mid-Tex (Ln 78 times Ln 79)		11,643,256	\$	11,643,256	\$
80	Total Customer Support Allocated to Mid-Tex (Ln 62 plus Ln 80)		76,705,370	\$	76,705,370	\$

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ATMOS ENERGY CORP., MID-TEX DIVISION
 COMPONENTS OF RATE BASE- GROSS PLANT
 AS OF SEPTEMBER 30, 2016

Line Account No.	Account Description	(a)	(b)	(c)	(d)	(e)	(f)=(d)+(e)
84	SSU - General Office (Div 002):						
85	General Plant						
86	Structures & Improvements	390		1,411,378	\$		1,411,378
87	Improvements to Leased Premises	390		8,968,040		(136,004)	8,832,037
88	Office Furniture & Equipment	391		9,396,159		(138,595)	9,257,564
89	Remittance Processing Equipment	391.02		-		-	-
90	Office Furniture & Equipment	391.03		-		-	-
91	Transportation Equipment	392		7,125		-	7,125
92	Stores Equipment	393		-		-	-
93	Tools & Work Equipment	394		160,005		-	160,005
94	Laboratory Equipment	395		-		-	-
95	Communication Equipment - Telephone	397		2,429,872		-	2,429,872
96	Miscellaneous Equipment	398		136,510		-	136,510
97	Other Tangible Property	399		162,268		-	162,268
98	Other Tangible Property-Servers Hardware	399.01		31,625,506		-	31,625,506
99	Other Tangible Property-Servers Software	399.02		18,988,317		-	18,988,317
100	Other Tangible Property-Network-Hardware	399.03		3,248,234		-	3,248,234
101	Other Tangible Property-CPU	399.04		-		-	-
102	Other Tangible Property-ITF Hardware	399.05		-		-	-
103	Other Tangible Property-PC Hardware	399.06		1,807,627		-	1,807,627
104	Other Tangible Property-PC Software	399.07		534,105		-	534,105
105	Other Tangible Property-Application Software	399.08		54,497,510		(310,433)	54,187,077
106	Other Tangible Property-System Software	399.09		39,252		-	39,252
107	Other Tangible Property-GenStartUpCost	399.24		-		-	-
108	Total (Sum of Ln 86 through Ln 107)			133,411,908	\$	(585,031)	132,826,877
109	Allocation to Mid-Tex			38.30%		38.30%	38.30%
110	General Office Allocated to Mid-Tex			51,096,761	\$	(224,067)	50,872,694
111	SSU - General Office (Div 002):						
112	General Plant						
113	Greenville Data Center (010.11520)						
114	G-Structures & Improvements	390.05		9,133,015	\$	-	9,133,015
115	G-Office Furniture & Equip.	391.04		63,741		-	63,741
116	Total (Sum of Ln 114 through Ln 115)			9,196,755	\$	-	9,196,755
117	Allocation to Mid-Tex			13.66%		13.66%	13.66%
118	General Office: Greenville Data Center Allocated to Mid-Tex			1,256,006	\$	-	1,256,006
119	(Ln 116 times Ln 117)						
120	SSU - General Office (Div 002):						
121	General Plant						
122	Distribution and Marketing						
123	Office Furniture & Equipment-AEAM	391.20		263,338	\$	(49,664)	213,674
124	Tools & Work Equipment-AEAM	392.20		39,435		-	39,435
125	Communication Equipment-AEAM	397.20		8,824		-	8,824
126	Miscellaneous Equipment-AEAM	398.20		7,388		-	7,388
127	Other Tangible Property-Servers Hardware-AEAM	399.21		1,628,900		-	1,628,900
128	Other Tangible Property-Servers Software-AEAM	399.22		961,256		-	961,256
129	Other Tangible Property-Network-Hardware-AEAM	399.23		37,965		-	37,965
130	Other Tangible Property-PC Hardware-AEAM	399.26		75,783		-	75,783
131	Other Tangible Property-Application Software-AEAM	399.28		18,947,146		(726,300)	18,220,845
132	Total (Sum of Ln 123 through Ln 131)			21,970,034	\$	(775,964)	21,194,070
133	Allocation to Mid-Tex			47.95%		47.95%	47.95%
134	General Office: Distribution & Marketing Allocated to Mid-Tex			10,534,631	\$	(372,075)	10,162,557
135	(Ln 132 times Ln 133)						
136	SSU - General Office (Div 002):						
137	General Plant						
138	Align Pipe Projects						
139	Other Tangible Property-Servers Hardware-Align	399.31		290,843	\$	-	290,843
140	Other Tangible Property-Servers Software-Align	399.32		337,635		-	337,635
141	Other Tangible Property-Application Software-Align	399.38		17,009,382		-	17,009,382
142	Total (Sum of Ln 139 through Ln 141)			17,637,860	\$	-	17,637,860

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**ATMOS ENERGY CORP., MID-TEX DIVISION
COMPONENTS OF RATE BASE-GROSS PLANT
AS OF SEPTEMBER 30, 2016**

Line Account No.	(a)	(b)	(c)	(d)	(e)	(f)=(d)+(e)
	1	Account Description	Reference	Amount Per Books	Adjustments (1)	Adjusted Balance
143		Allocation to Mid-Tex	7.69%		7.69%	7.69%
144		General Office: Align Pipe Projects Allocated to Mid-Tex (Ln 142 times Ln 143)		\$ 1,356,503	\$ -	\$ 1,356,503
145		Total General Office Allocated to Mid-Tex (Ln 110 plus Ln 118 plus Ln 134 plus Ln 144)		\$ 64,243,901	\$ (596,142)	\$ 63,647,759
147		Total SSU Plant Allocated to Mid-Tex (Ln 81 plus Ln 146)		\$ 140,949,271	\$ (596,142)	\$ 140,353,130
148		Total Mid-Tex Gross Plant (Ln 42 plus Ln 148)		\$ 4,117,608,341	\$ (63,456,062)	\$ 4,050,768,528
150		SSU Incentive Compensation Adjustment		\$ -	\$ -	\$ -
151		Direct Incentive Compensation Adjustment		\$ -	\$ -	\$ -
152		SSU Prior Incentive Compensation Adjustment		\$ -	\$ -	\$ -
153		Direct Prior Incentive Compensation Adjustment		\$ -	\$ -	\$ -
				\$ (3,383,751)	\$ -	\$ (3,383,751)

151 Note:
152 1. Please see relied upon "Schedule C Adjustment.xlsx" for details related to adjustments shown in Col (e). The adjustments include removal of
153 Poly 1 previously disallowed and other known and measurable adjustments to gross plant.

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ATMOS ENERGY CORP., MID-TEX DIVISION
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
AS OF SEPTEMBER 30, 2016

Line No.	Account	(a)	(b)	(c)	(d)	(e)	(f)=(d)+(e)
	Account Description	Reference	Amount Per Books	Adjustments	Adjusted Balance		
1	Mid-Tex:						
2	Distribution Plant						
3	Land						
4	Land Rights						
5	Structures & Improvements		1,452,000	-	1,452,000		
6	Mains-Cathodic Protection		970,956	-	970,956		
7	Mains-Steel		88,016,932	(42,925,432)	45,091,500		
8	Mains-Plastic		207,429,617	-	207,429,617		
9	M&R Station Equipment - General		394,245,913	(20,093)	394,225,821		
10	M&R Station Equipment - City Gate		23,410,556	-	23,410,556		
11	Services		3,063,091	-	3,063,091		
12	Meters		378,096,502	(34,355,825)	343,740,677		
13	Meter Installations		63,817,787	-	63,817,787		
14	House Regulators		33,886,890	(32)	33,886,859		
15	Industrial M&R Station Equipment		20,818,246	(3)	20,818,243		
16	Total (Sum of Ln 3 through Ln 15)		1,215,699,024	(77,301,384)	1,138,397,640		
17							
18	General Plant						
19	Franchises & Consents		7,231	-	7,231		
20	Computer Software		3,598,424	(123,721)	3,474,703		
21	Land		114	-	114		
22	Structures & Improvements		13,408,376	-	13,408,376		
23	Air Conditioning Equipment		42,683	-	42,683		
24	Office Furniture & Equipment		1,709,122	(9,570)	1,699,551		
25	Transportation Equipment		739,372	(22,504)	716,868		
26	Stores Equipment		36,612	-	36,612		
27	Tools, Shop, and Garage Equipment		4,977,726	-	4,977,726		
28	Laboratory Equipment		162,792	-	162,792		
29	Power Oper. Tool & Work Equipment		651,227	-	651,227		
30	Radio Communication Equipment		3,218,391	-	3,218,391		
31	Miscellaneous Equipment		624,346	-	624,346		
32	Other Tangible Property		81,085	-	81,085		
33	Other Tangible Property-Servers Hardware		574,796	-	574,796		
34	Other Tangible Property-Servers Software		83,369	-	83,369		
35	Other Tangible Property-Network-Hardware		314,865	-	314,865		
36	Other Tangible Property-PC Hardware		4,607,044	-	4,607,044		
37	Other Tangible Property-PC Software		431,905	-	431,905		
38	Other Tangible Property-Application Software		3,776,844	-	3,776,844		
39	Retirement Work In Progress		(1,735,008)	-	(1,735,008)		
40	Total (Sum of Ln 19 through Ln 39)		37,311,313	(155,795)	37,155,518		
41							
42	Total Mid-Tex Direct (Ln 16 plus Ln 40)		1,253,010,337	(77,457,179)	1,175,553,158		
43							
44							

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COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
AS OF SEPTEMBER 30, 2016

Line No.	Account	(a)	(b)	(c)	(d)	(e)	Adjusted Balance
	Account Description	Reference	Amount Per Books	Adjustments	(f)=(d)+(e)		
45	SSU - Customer Support (Div 012); General Plant						
47	390						
48	Structures & Improvements						
49	390.09		1,464,153				1,464,153
50	Improvements to Leased Premises						
51	391		661,080				661,080
52	Office Furniture & Equipment						
53	397		893,350				893,350
54	Communication Equipment - Telephone						
55	398		8,773				8,773
56	Miscellaneous Equipment						
57	399		310,890				310,890
58	Other Tangible Property						
59	399.01		3,321,754				3,321,754
60	Other Tangible Property-Servers Hardware						
61	399.02		855,082				855,082
62	Other Tangible Property-Servers Software						
63	399.03		261,533				261,533
64	Other Tangible Property-Network-Hardware						
65	399.06		384,882				384,882
66	Other Tangible Property-PC Hardware						
67	399.07		108,878				108,878
68	Other Tangible Property-Application Software						
69	RWIP						
70	Retirement Work in Progress						
71	399.08		22,453,469				22,453,469
72	Other Tangible Property-PC Software						
73	31,838,422		31,838,422				31,838,422
74	Total (Sum of Ln 47 through Ln 59)						
75	Allocation to Mid-Tex						
76	Customer Support Allocated to Mid-Tex						
77	(Ln 60 times Ln 61)						
78	SSU - Customer Support (Div 012); General Plant						
79	390						
80	Structures & Improvements						
81	390.10		1,114,580				1,114,580
82	Improvements to Leased Premises						
83	391		661,080				661,080
84	Office Furniture & Equipment						
85	397		893,350				893,350
86	Communication Equipment - Telephone						
87	398		8,773				8,773
88	Miscellaneous Equipment						
89	399		310,890				310,890
90	Other Tangible Property						
91	399.01		3,321,754				3,321,754
92	Other Tangible Property-Servers Hardware						
93	399.02		855,082				855,082
94	Other Tangible Property-Servers Software						
95	399.03		261,533				261,533
96	Other Tangible Property-Network-Hardware						
97	399.06		384,882				384,882
98	Other Tangible Property-PC Hardware						
99	399.07		108,878				108,878
100	Other Tangible Property-Application Software						
101	RWIP						
102	Retirement Work in Progress						
103	31,838,422		31,838,422				31,838,422
104	Total (Sum of Ln 47 through Ln 59)						
105	Allocation to Mid-Tex						
106	Customer Support Allocated to Mid-Tex						
107	(Ln 60 times Ln 61)						
108	SSU - Customer Support (Div 012); General Plant						
109	390						
110	Structures & Improvements						
111	390.10		2,067,332				2,067,332
112	Improvements to Leased Premises						
113	391		17,114				17,114
114	Office Furniture & Equipment						
115	392		77,650				77,650
116	Transportation Equipment						
117	394		62,766				62,766
118	Tools, Shop, and Garage Equipment						
119	395		13,591				13,591
120	Laboratory Equipment						
121	397		123,797				123,797
122	Communication Equipment						
123	398		115,765				115,765
124	Miscellaneous Equipment						
125	399		88,548				88,548
126	Other Tangible Equipment						
127	399.16		198,147				198,147
128	PC Hardware						
129	399.17		61,102				61,102
130	PC Software						
131	399.18		8,022				8,022
132	Other Tangible Property						
133	Total (Sum of Ln 66 through Ln 77)						
134	Allocation to Mid-Tex						
135	Customer Support Allocated to Mid-Tex						
136	(Ln 78 times Ln 79)						
137	Customer Support: Charles K. Vaughn Center Allocated to Mid-Tex						
138	(Ln 78 times Ln 79)						
139	Customer Support: Charles K. Vaughn Center Allocated to Mid-Tex						
140	(Ln 62 plus Ln 80)						
141	Total Customer Support Allocated to Mid-Tex						
142	18,749,451		18,749,451				18,749,451

ATMOS ENERGY CORP., MID-TEX DIVISION
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
AS OF SEPTEMBER 30, 2016

Line	Account No.	Account Description	Reference	Amount Per Books	Adjustments	Adjusted Balance
	(a)	(b)	(c)	(d)	(e)	(f)=(d)+(e)
85	SSU - General Office (Div 002):					
86	General Plant					
87	390	Structures & Improvements		408,529	\$ -	\$ 408,529
88	390	Improvements to Leased Premises		8,970,747	(70,212)	8,900,535
89	391	Office Furniture & Equipment		5,955,554	(32,753)	5,922,800
90	391.02	Remittance Processing Equipment		-	-	-
91	391.03	Office Furn. - Copiers & Type		-	-	-
92	392	Transportation Equipment		3,546	-	3,546
93	393	Stores Equipment		-	-	-
94	394	Tools & Work Equipment		101,081	-	101,081
95	395	Laboratory Equipment		-	-	-
96	397	Communication Equipment - Telephone		-	-	-
97	398	Miscellaneous Equipment		1,774,856	-	1,774,856
98	399	Other Tangible Property		36,581	-	36,581
99	399.01	Other Tangible Property-Servers Hardware		163,365	-	163,365
100	399.02	Other Tangible Property-Servers Hardware		17,683,721	-	17,683,721
101	399.03	Other Tangible Property-Network-Hardware		14,653,628	-	14,653,628
102	399.04	Other Tangible Property-CPU		2,036,795	-	2,036,795
103	399.05	Other Tangible Property-MF Hardware		-	-	-
104	399.06	Other Tangible Property-PC Hardware		777,115	-	777,115
105	399.07	Other Tangible Property-PC Software		236,291	-	236,291
106	399.08	Other Tangible Property-Application Software		27,059,721	(214,439)	26,845,282
107	399.09	Other Tangible Property-System Software		39,956	-	39,956
108	399.24	Other Tangible Property-GenStartupCost		-	-	-
109		Retirement Work in Progress		-	-	-
110		Total (Sum of Ln 87 through Ln 109)		79,901,486	(317,405)	79,584,082
111		Allocation to Mid-Tex		38.30%	38.30%	38.30%
112		General Office Allocated to Mid-Tex		30,602,269	(121,566)	30,480,703
113	SSU - General Office (Div 002):					
114	General Plant					
115	Greenville Data Center (010.11520)					
116	390.05	G-Structures & Improvements		2,779,715	-	2,779,715
117	391.04	G-Office Furniture & Equip.		27,728	-	27,728
118		Total (Sum of Ln 116 through Ln 117)		2,807,442	-	2,807,442
119		Allocation to Mid-Tex		13.66%	13.66%	13.66%
120		General Office: Greenville Data Center Allocated to Mid-Tex		383,414	-	383,414
121		(Ln 118 times Ln 119)		-	-	-

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ATMOS ENERGY CORP., MID-TEX DIVISION
COMPONENTS OF RATE BASE- ACCUMULATED DEPRECIATION
AS OF SEPTEMBER 30, 2016

Line No.	Account	(a)	(b)	(c)	(d)	(e)	(f)=(d)+(e)
		Account Description	Reference	Amount Per Books	Adjustments	Adjusted Balance	

122	SSU - General Office (Div 002):			\$	83,689	\$	(11,737)	\$	71,953
123	General Plant								
124	Distribution and Marketing								
125	Office Furniture & Equipment-AEAM	391.20							
126	Tools & Work Equipment-AEAM	394.20							20,320
127	Communication Equipment-AEAM	397.20							2,898
128	Miscellaneous Equipment-AEAM	398.20							447
129	Other Tangible Property-Servers Hardware-AEAM	399.21							917,250
130	Other Tangible Property-Servers Software-AEAM	399.22							324,978
131	Other Tangible Property-Network-Hardware-AEAM	399.23							36,123
132	Other Tangible Property-PC Hardware-AEAM	399.26							15,134
133	Other Tangible Property-Application Software-AEAM	399.28							9,929,516
134	Total (Sum of Ln 125 through Ln 133)			\$	11,680,946	\$	(362,329)	\$	11,318,618
135	Allocation to Mid-Tex								47.95%
136	General Office: Distribution & Marketing Allocated to Mid-Tex (Ln 134 times Ln 135)			\$	5,601,014	\$	(173,737)	\$	5,427,277
137	SSU - General Office (Div 002):			\$	10,277	\$	-	\$	10,277
140	Align Pipe Projects								
141	Other Tangible Property-Servers Hardware-Align	399.31							7,318
142	Other Tangible Property-Servers Software-Align	399.32							917,843
143	Other Tangible Property-Application Software-Align	399.38							7.69%
144	Total (Sum of Ln 141 through Ln 143)			\$	935,438	\$	-	\$	935,438
145	Allocation to Mid-Tex								7.69%
146	General Office: Align Pipe Projects Allocated to Mid-Tex (Ln 144 times Ln 145)			\$	71,943	\$	-	\$	71,943
147	Total General Office Allocated to Mid-Tex (Ln 112 plus Ln 120 plus Ln 136 plus Ln 146)			\$	36,658,640	\$	(295,302)	\$	36,363,338
149	Total SSU Accumulated Depreciation Allocated to Mid-Tex (Ln 82 plus Ln 148)			\$	55,408,091	\$	(295,302)	\$	55,112,789
150	Total Mid-Tex Accumulated Depreciation (Ln 42 plus Ln 150)			\$	1,308,419,428	\$	(77,752,482)	\$	1,230,665,946

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

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ATMOS ENERGY CORP., MID-TEX DIVISION
CASH WORKING CAPITAL
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Test Year Expenses (b)	Reference (c)	Avg. Daily Expense (d)=(b)/365	Revenue Lag (e)	Expense Lag (f)	Net Lag (g)=(e)-(f)	Working Capital Requirement (h)=(d)x(g)
1	Gas Supply Expense							
2	Rider GCR Part A	\$ 372,799,841	Schedule H	\$ 1,021,369	35.15	42.02	(6.87)	\$ (7,016,808)
3	Rider GCR Part B	332,754,294	Schedule I	911,656	35.15	39.94	(4.79)	(4,366,830)
4	Total Gas Supply Expense	<u>\$ 705,554,135</u>	Sum Ln 2 through Ln 3					<u>\$ (11,383,638)</u>
5	Operation & Maintenance							
6	Other O&M - Labor	\$ 59,297,719	(1)	\$ 162,460	35.15	24.64	10.51	\$ 1,707,449
7	Other O&M - Non-Labor	122,097,530	Ln 9 minus Ln 7	334,514	35.15	29.41	5.74	1,920,109
8	Total Operation & Maintenance	<u>\$ 181,395,249</u>	Schedule F-1					<u>\$ 3,627,558</u>
9	Taxes Other Than Income							
10	Ad Valorem	\$ 34,217,982	Schedule F-5	\$ 93,748	35.15	213.50	(178.35)	\$ (16,719,937)
11	Payroll Taxes	2,602,410	Schedule F-5	7,130	35.15	28.45	6.70	47,770
12	Franchise Fees (2)	35,291,482	Schedule F-5 x CWC factor	96,689	35.15	95.87	(60.72)	(5,870,956)
13	Railroad Commission Fee	79,858	Schedule F-5	219	35.15	95.69	(60.54)	(13,245)
14	Allocated Taxes-Shared Services:							
15	Ad Valorem	561,236	WP_F-5.1, Col (b), Ln 63	1,538	35.15	213.50	(178.35)	(274,237)
16	Payroll Taxes	2,273,250	WP_F-5.1, Col (b), Ln 52	6,228	35.15	28.45	6.70	41,728
17	Total Taxes Other Than Income Taxes	<u>\$ 75,026,218</u>	Sum Ln 12 through Ln 19					<u>\$ (22,788,876)</u>
18	State Income Tax ("Gross Margin")	\$ 4,577,761	Schedule F-6	\$ 12,542	35.15	77.00	(41.85)	\$ (524,875)
19	Current Federal Income Tax	\$ 2,267,072	(3)	\$ 6,211	35.15	37.50	(2.35)	\$ (14,596)
20	Interest on Customer Deposits	\$ 95,618	Schedule F-7	\$ 262	35.15	320.34	(285.19)	\$ (74,711)
21	Total Cash Working Capital Requirement		Sum Lns 4,9,20,22,24,26					<u>\$ (31,159,138)</u>
22	Notes:							
23	1. WP_F-5.1, Col (b), Ln 47 + WP_F-2.1, Col (e) Ln 17 + WP_F-2.1, Col (c) Ln 32.							
24	2. Paid in Arrears portion of Franchise Fees is per the GUD 9869 CWC study.							
25	3. Schedule F-6, page 1, Col (b), Ln 1 plus WP_B-6 Col (d), Ln 102 minus WP_E-1 Col (d), Ln 96.							

ATMOS ENERGY CORP., MID-TEX DIVISION
BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 192/282/283 (1)
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Assets / (Liabilities) - Per Book Balances at 9/30/2015	Adjustments	Assets / (Liabilities) - Adjusted Balances at 9/30/15
	(a)	(b)	(c)	(d) = (b)+(c)
1	Mid-Tex:			
2	Ad Valorem Taxes	\$ (1,005,920)	\$ -	\$ (1,005,920)
3	MIP/PPP Accrual	(821,174)	-	(821,174)
4	Miscellaneous Accrued	-	-	-
5	Self Insurance - Adjustment	-	-	-
6	Vacation Accrual	-	-	-
7	Worker's Comp Insurance Reserve	486,484	-	486,484
8	SEBP Adjustment	606,004	-	606,004
9	Pension Expense	-	-	-
10	FAS 106 Adjustment	24,906,354	-	24,906,354
11	CWIP	(7,059,761)	7,059,761	-
12	RWIP	(2,972,909)	-	(2,972,909)
13	Fixed Asset Cost Adjustment	(711,242,051)	-	(711,242,051)
14	Depreciation Adjustment	80,388,819	-	80,388,819
15	Section 481(a) TPR	(7,996,011)	-	(7,996,011)
16	Deferred Gas Costs	(2,519,984)	2,519,984	-
17	Over Recoveries of PGA	(29,242,865)	29,242,865	-
18	TXU Goodwill Amortization	(95,657,733)	95,657,733	-
19	Deferred Expense Projects	(2,356)	-	(2,356)
20	Unicap Section 263A Costs	2,658,793	(2,658,793)	-
21	Allowance for Doubtful Accounts	1,716,816	-	1,716,816
22	Clearing Account-Adjustment	9,236	-	9,236
23	Charitable Contribution Carryover	-	-	-
24	Prepayments	(1,736,901)	-	(1,736,901)
25	Rate Case Accrual	(17,270)	17,270	-
26	WACOG to FIFO Adjustment	1,216,267	(1,216,267)	-

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ATMOS ENERGY CORP., MID-TEX DIVISION
BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 192/282/283 (1)
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Assets / (Liabilities) - Per Book Balances at 9/30/2015	Adjustments	Assets / (Liabilities) - Adjusted Balances at 9/30/15
	(a)	(b)	(c)	(d) = (b)+(c)
27	Reg Asset Benefit Accrual	(2,288,747)	-	(2,288,747)
28	TX Rule 8.209 Reg Asset Deferral	(9,284,148)	-	(9,284,148)
29	State Net Operating Loss	697,202	-	697,202
30	Federal Benefit on State NOL	(244,022)	-	(244,022)
31	Total Mid-Tex Direct (Sum Ln 2 through Ln 30)	\$ (759,405,876)	\$ 130,622,553	\$ (628,783,324)
32				

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ATMOS ENERGY CORP., MID-TEX DIVISION
BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 192/282/283 (1)
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Assets / (Liabilities) - Per Book Balances at 9/30/2015		Adjustments	Assets / (Liabilities) - Adjusted Balances at 9/30/15		
		(a)	(b)		(c)	(d) = (b)+(c)	
33	SSU - Customer Support (Div 012):						
34	MIP/VPP Accrual	\$	2,696,072	\$	-	\$	2,696,072
35	Worker's Comp Insurance Reserve		705		-		705
36	FAS 106 Adjustment		-		-		-
37	CWIP		(522,164)		522,164		-
38	RWIP		(745)		-		(745)
39	Fixed Asset Cost Adjustment		(43,780,403)		-		(43,780,403)
40	Depreciation Adjustment		11,859,027		-		11,859,027
41	Clearing Account-Adjustment		-		-		-
42	Charitable Contribution Carryover		-		-		-
43	Prepayments		-		-		-
44	Intra Period Tax Allocation		-		-		-
45	Total Customer Support						
	(Sum Ln 34 through Ln 44)	\$	(29,747,509)	\$	522,164	\$	(29,225,345)
46	Allocation to Mid-Tex		52.01%		52.01%		52.01%
	SSU Customer Support Allocated to Mid-Tex						
	(Ln 45 times Ln 46)	\$	(15,471,679)	\$	271,578	\$	(15,200,102)
47							
48							
49							
50	SSU - General Office (Div 002):						
51	Director's Deferred Bonus	\$	140,541	\$	-	\$	140,541
52	MIP/VPP Accrual		(1,944,142)		-		(1,944,142)
53	Miscellaneous Accrued		28,510		-		28,510
54	Self Insurance - Adjustment		2,386,432		(2,386,432)		-
55	Vacation Accrual		-		-		-
56	Worker's Comp Insurance Reserve		68,217		-		68,217

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ATMOS ENERGY CORP., MID-TEX DIVISION
BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 192/282/283 (1)
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Assets / (Liabilities) - Per Book Balances at 9/30/2015	Adjustments	Assets / (Liabilities) - Adjusted Balances at 9/30/15
	(a)	(b)	(c)	(d) = (b)+(c)
57	SEBP Adjustment	24,888,020	-	24,888,020
58	Restricted Stock Grant Plan	6,917,886	-	6,917,886
59	Rabbi Trust	1,442,650	-	1,442,650
60	Restricted Stock - MIP	11,152,323	-	11,152,323
61	Director's Stock Awards	4,870,800	-	4,870,800
62	Pension Expense	(35,639,201)	-	(35,639,201)
63	FAS 106 Adjustment	8,766,482	-	8,766,482
64	CWIP	(2,150,230)	2,150,230	-
65	RWIP	(3,915)	-	(3,915)
66	Fixed Asset Cost Adjustment	(33,282,595)	-	(33,282,595)
67	Depreciation Adjustment	9,880,161	-	9,880,161
68	Section 481(a) Cushion Gas	549,284	(549,284)	-
69	Section 481(a) Line Pack Gas	66,648	(66,648)	-
70	Deferred Expense Projects	0	-	0
71	Allowance for Doubtful Accounts	2	-	2
72	Clearing Account-Adjustment	3,409	-	3,409
73	Charitable Contribution Carryover	11,423,536	(11,423,536)	-
74	Prepayments	(3,837,217)	-	(3,837,217)
75	Federal & State Tax Interest	271,005	-	271,005
76	VA Charitable Contributions	(10,286,479)	10,286,479	-
77	FD - NOL Credit Carryforward - Utility	530,457,730	-	530,457,730
78	FD - NOL Credit Carryforward - Non Reg	(223,209,326)	223,209,326	-
79	FD-NOL Credit Carryforward - Other	(8,887,801)	8,887,801	-
80	ST - State Net Operating Loss	-	-	-
81	FD - FAS 115 Adjustment	(2,731,369)	-	(2,731,369)
82	FD - Treasury Lock Adjustment - Realized	10,720,230	-	10,720,230

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ATMOS ENERGY CORP., MID-TEX DIVISION
BEGINNING BALANCE ACCUMULATED DEFERRED INCOME TAXES-ACCOUNTS 192/282/283 (1)
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Assets / (Liabilities) - Per Book Balances at 9/30/2015	Adjustments	Assets / (Liabilities) - Adjusted Balances at 9/30/15 (d) = (b)+(c)
	(a)	(b)	(c)	(d) = (b)+(c)
83	FD - Treasury Lock Adjustment - Unrealized	40,346,642	(40,346,642)	-
84	FD - Federal Benefit on State NOL	-	-	-
85	FD -Federal Tax on Enterprise ITC	(408,195)	408,195	-
86	ST - Valuation Allow Enterprise Zone ITC	-	-	-
87	FD- Valuation Allow Fed Tax Enterprise Zone ITC	-	-	-
88	FD - AMT Minimum Tax Credit	10,099,286	-	10,099,286
89	ST - Enterprise Zone ITC	1,166,272	(1,166,272)	-
	Total SSU General Office			
90	(Sum Ln 51 through Ln 89)	\$ 353,265,598	\$ 189,003,216	\$ 542,268,814
91	Allocation to Mid-Tex	38.30%	38.30%	38.30%
	SSU General Office Allocated to Mid-Tex			
92	(Ln 90 times Ln 91)	\$ 135,300,724	\$ 72,388,232	\$ 207,688,956
93				
	Total SSU ADIT Allocated to Mid-Tex			
94	(Ln 47 plus Ln 92)	\$ 119,829,045	\$ 72,659,809	\$ 192,488,854
95				
	Total ADIT Direct and Allocated			
96	(Ln 31 plus Ln 94)	\$ (639,576,832)	\$ 203,282,362	\$ (436,294,470)
97	Note:			
98	1: Credit amounts are in parentheses.			

**ATMOS ENERGY CORP., MID-TEX DIVISION
OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	FERC Acct	Description	Per Book Amount	Adjustments	Adjusted Amount
	(a)	(b)	(c)	(d)	(e)=(c)+(d)
1	840	Natural gas storage - Operation supervision and engineering	\$ -	\$ -	\$ -
2	841	Natural gas storage - Operation labor and expenses	-	-	-
3	856	Mains expenses	369	(369)	-
4	870	Operation Supervision and Engineering	6,170,467	(14,235)	6,156,232
5	871	Distribution Load Dispatching	857,398	(1)	857,398
6	872	Compressor Station Labor and Expenses	41	(0)	41
7	874	Mains and Services Expenses	45,164,761	2,460,475	47,625,236
8	875	Measuring and Regulating Station Expenses - General	32,597	(48)	32,549
9	876	Measuring and Regulating Station Expenses - Industrial	-	-	-
10	877	Measuring and Regulating Station Exp. - City Gate Chk. Sta.	94	-	94
11	878	Meter and House Regulator Expenses	3,715,432	(6,721)	3,708,711
12	879	Customer Installations Expenses	324,521	(614)	323,906
13	880	Other Expenses	6,920,929	(17,291)	6,903,638
14	881	Rents	50,846	-	50,846
15	885	Maintenance Supervision and Engineering	875	-	875
16	886	Maintenance of Structures and Improvements	14,769	(1)	14,769
17	887	Maintenance of Mains	1,437,260	(1,789)	1,435,471
18	888	Maintenance of compressor station equipment	123	-	123
19	889	Maint. of Measuring and Regulating Station Equip. - General	2,060,226	(3,414)	2,056,812
20	890	Maint. of Measuring and Regulating Station Equip. - Industrial	789	1	790
21	891	Maint. of Measuring and Regulating Station Equip. - City Gate	-	-	-
22	892	Maintenance of Services	193,302	(279)	193,024
23	893	Maintenance of Meters and House Regulators	191,094	(361)	190,733
24	894	Maintenance of Other Equipment	469,001	(364)	468,637
25	895	Maintenance of Other Equipment	-	-	-
26	901	Supervision	-	-	-
27	902	Meter Reading Expense	7,620,725	(12,732)	7,607,993
28	903	Customer Records and Collection Expenses	13,852,903	(2,811)	13,850,092
29	904	Uncollectible Accounts	4,659,501	4,431,958	9,091,459
30	905	Miscellaneous Customer Accounts Expenses	79	(0)	79
31	907	Supervision	-	-	-

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**ATMOS ENERGY CORP., MID-TEX DIVISION
OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	FERC Acct	Description	Per Book Amount	Adjustments	Adjusted Amount
	(a)	(b)	(c)	(d)	(e)=(c)+(d)
32	908	Customer Assistance Expenses	423,412	(350,446)	72,966
33	909	Informational and Instructional Advertising Expenses	-	-	-
34	910	Miscellaneous Customer Service and Informational Expenses	2,586,725	(35,958)	2,550,767
35	911	Supervision	634	-	634
36	912	Demonstrating and Selling Expenses	47,098	-	47,098
37	913	Advertising Expenses	234,524	(800)	233,724
38	916	Miscellaneous Sales Expenses	-	-	-
39	920	Administrative and General Salaries	2,277,819	(5,240)	2,272,579
40	921	Office Supplies and Expenses	98,467	(78,422)	20,045
41	922	Administrative Expenses Transferred - Credit	63,961,948	(5,105,299)	58,856,649
42	923	Outside Services Employed	1,584,599	117,640	1,702,239
43	924	Property Insurance	415,866	(9,906)	405,960
44	925	Injuries and Damages	1,263,332	600,000	1,863,332
45	926	Employee Pensions and Benefits	14,668,921	(307,812)	14,361,109
46	928	Regulatory Commission Expenses	76,052	(76,052)	-
47	929	Duplicate Charges - Credit	-	-	-
48	930.1	General Advertising Expenses	-	-	-
49	930.2	Miscellaneous General Expense	596,314	(279,210)	317,104
50	931	Rents	235,639	-	235,639
51	932	Maintenance of General Plant	1,956	-	1,956
52					
53		Total Operation and Maintenance Expenses (Sum Ln 1 through Ln 51)	<u>\$ 182,211,406</u>	<u>\$ 1,299,899</u>	<u>\$ 181,395,249</u>

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ATMOS ENERGY CORP., MID-TEX DIVISION
ADJUSTMENTS TO OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	FERC Account	Description	Base Labor	Medical and					SSU Service-Level Factors
				Dental Benefits	Pensions and Retiree Benefits	Medical Benefits	Property Insurance	Injuries and Damages	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	840	Natural gas storage - Operation supervision and engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	841	Natural gas storage - Operation labor and expenses	-	-	-	-	-	-	
3	856	Mains expenses	(2,070)	-	-	-	-	-	
4	870	Operation Supervision and Engineering	-	-	-	-	-	-	
5	871	Distribution Load Dispatching	(1)	-	-	-	-	-	
6	872	Compressor Station Labor and Expenses	(0)	-	-	-	-	-	
7	874	Mains and Services Expenses	(19,721)	-	-	-	-	-	
8	875	Measuring and Regulating Station Expenses - General	(48)	-	-	-	-	-	
9	876	Measuring and Regulating Station Expenses - Industrial	-	-	-	-	-	-	
10	877	Measuring and Regulating Station Exp. - City Gate Cnk. Sta.	(6,721)	-	-	-	-	-	
11	878	Meter and House Regulator Expenses	(614)	-	-	-	-	-	
12	879	Customer Installations Expenses	(1,213)	-	-	-	-	-	
13	880	Other Expenses	-	-	-	-	-	-	
14	881	Rents	-	-	-	-	-	-	
15	885	Maintenance Supervision and Engineering	-	-	-	-	-	-	
16	886	Maintenance of Structures and Improvements	(1)	-	-	-	-	-	
17	867	Maintenance of Mains	(1,789)	-	-	-	-	-	
18	888	Maintenance of compressor station equipment	-	-	-	-	-	-	
19	889	Maint. of Measuring and Regulating Station Equip. - General	(3,414)	-	-	-	-	-	
20	890	Maint. of Measuring and Regulating Station Equip. - Industrial	1	-	-	-	-	-	
21	891	Maint. of Measuring and Regulating Station Equip. - City Gate	-	-	-	-	-	-	
22	892	Maintenance of Services	(279)	-	-	-	-	-	
23	893	Maintenance of Meters and House Regulators	(361)	-	-	-	-	-	
24	894	Maintenance of Other Equipment	(364)	-	-	-	-	-	
25	895	Maintenance of Other Equipment	-	-	-	-	-	-	
26	901	Supervision	-	-	-	-	-	-	
27	902	Meter Reading Expense	(12,732)	-	-	-	-	-	
28	903	Customer Records and Collection Expenses	(2,811)	-	-	-	-	-	
29	904	Uncollectible Accounts	-	-	-	-	-	-	
30	905	Miscellaneous Customer Accounts Expenses	(0)	-	-	-	-	-	
31	907	Supervision	-	-	-	-	-	-	
32	908	Customer Assistance Expenses	-	-	-	-	-	-	
33	909	Informational and Instructional Advertising Expenses	-	-	-	-	-	-	
34	910	Miscellaneous Customer Service and Informational Expenses	(4,161)	-	-	-	-	-	
35	911	Supervision	-	-	-	-	-	-	
36	912	Demonstrating and Selling Expenses	-	-	-	-	-	-	
37	913	Advertising Expenses	-	-	-	-	-	-	
38	916	Miscellaneous Sales Expenses	(5,240)	-	-	-	-	-	
39	920	Administrative and General Salaries	-	-	-	-	-	-	
40	921	Office Supplies and Expenses	-	-	-	-	-	-	
41	922	Administrative Expenses Transferred - Credit	419,475	650,601	(117,271)	(531)	(211,394)	(5,788,601)	
42	923	Outside Services Employed	-	-	-	-	-	-	
43	924	Property Insurance	-	-	-	(9,906)	-	-	
44	925	Injuries and Damages	-	-	-	-	600,000	-	
45	926	Employee Pensions and Benefits	-	775,022	-	-	-	-	
46	928	Regulatory Commission Expenses	-	-	(809,031)	-	-	-	
47	929	Regulatory Charges - Credit	-	-	-	-	-	-	
48	930.1	General Advertising Expenses	-	-	-	-	-	-	
49	930.2	Miscellaneous General Expense	-	-	-	-	(265,646)	-	
50	931	Rents	-	-	-	-	-	-	
51	932	Maintenance of General Plant	-	-	-	-	-	-	
52									
53		Total Adjustments to Operation and Maintenance Expenses	\$ 357,936	\$ 1,425,623	\$ (926,303)	\$ (10,437)	\$ 600,000	\$ (4,777,042)	
54									
55									

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

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ATMOS ENERGY CORP., MID-TEX DIVISION
ADJUSTMENTS TO OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	FERC Account	Account Description	Customer					Total
			Miscellaneous Adjustments (j)	Uncollectible Expense (k)	Rule Compliance (l)	Conservation Program (m)	Adjustments (n)	
1	840	Natural gas storage - Operation supervision and engineering	\$ -	\$ -	\$ -	\$ -	\$ -	
2	841	Natural gas storage - Operation labor and expenses	(369)	-	-	-	(369)	
3	856	Mains expenses	(12,024)	-	(141)	-	(14,235)	
4	870	Operation Supervision and Engineering	-	-	-	-	(1)	
5	871	Distribution Load Dispatching	-	-	-	-	(0)	
6	872	Compressor Station Labor and Expenses	2,480,241	-	(45)	-	2,460,475	
7	874	Mains and Services Expenses	-	-	-	-	(48)	
8	875	Measuring and Regulating Station Expenses - General	-	-	-	-	-	
9	876	Measuring and Regulating Station Expenses - Industrial	-	-	-	-	-	
10	877	Measuring and Regulating Station Exp. - Cily Gale Chk. Sta.	-	-	-	-	-	
11	878	Meier and House Regulator Expenses	-	-	-	-	(6,721)	
12	879	Customer Installations Expenses	-	-	-	-	(614)	
13	880	Other Expenses	(15,668)	-	(410)	-	(17,291)	
14	881	Rents	-	-	-	-	-	
15	885	Maintenance Supervision and Engineering	-	-	-	-	-	
16	886	Maintenance of Structures and Improvements	-	-	-	-	(1)	
17	887	Maintenance of Mains	-	-	-	-	(1,789)	
18	888	Maintenance of compressor station equipment	-	-	-	-	-	
19	889	Maint. of Measuring and Regulating Station Equip. - General	-	-	-	-	(3,414)	
20	890	Maint. of Measuring and Regulating Station Equip. - Industrial	-	-	-	-	1	
21	891	Maint. of Measuring and Regulating Station Equip. - Cily Gale	-	-	-	-	(279)	
22	892	Maintenance of Services	-	-	-	-	(361)	
23	893	Maintenance of Meters and House Regulators	-	-	-	-	(364)	
24	894	Maintenance of Other Equipment	-	-	-	-	-	
25	895	Maintenance of Other Equipment	-	-	-	-	-	
26	901	Supervision	-	-	-	-	-	
27	902	Meter Reading Expense	-	-	-	-	(12,732)	
28	903	Customer Records and Collection Expenses	-	-	-	-	(2,811)	
29	904	Uncollectible Accounts	-	4,431,958	-	-	4,431,958	
30	905	Miscellaneous Customer Accounts Expenses	-	-	-	-	(0)	
31	907	Supervision	-	-	-	-	-	
32	908	Customer Assistance Expenses	-	-	-	(350,446)	(350,446)	
33	909	Informational and Instructional Advertising Expenses	-	-	-	-	-	
34	910	Miscellaneous Customer Service and Informational Expenses	(14,956)	-	(16,841)	-	(35,958)	
35	911	Supervision	-	-	-	-	-	
36	912	Demonstrating and Selling Expenses	-	-	-	-	(800)	
37	913	Advertising Expenses	(800)	-	-	-	-	
38	916	Miscellaneous Sales Expenses	-	-	-	-	-	
39	920	Administrative and General Salaries	-	-	-	-	(5,240)	
40	921	Office Supplies and Expenses	(78,422)	-	-	-	(78,422)	
41	922	Administrative Expenses Transferred - Credit	(54,643)	-	(2,936)	-	(5,105,299)	
42	923	Outside Services Employed	117,640	-	-	-	1,177,640	
43	924	Property Insurance	-	-	-	-	(9,986)	
44	925	Injuries and Damages	-	-	-	-	-	
45	926	Employee Pensions and Benefits	(273,803)	-	-	-	600,000	
46	928	Regulatory Commission Expenses	(76,052)	-	-	-	(307,812)	
47	929	Duplicate Charges - Credit	-	-	-	-	(76,052)	
48	930.1	General Advertising Expenses	-	-	-	-	-	
49	930.2	Miscellaneous General Expense	(4,165)	-	(9,397)	-	(279,210)	
50	931	Rents	-	-	-	-	-	
51	932	Maintenance of General Plant	-	-	-	-	-	
52								
53		Total Adjustments to Operation and Maintenance Expenses	\$ 2,056,991	\$ 4,431,958	\$ (29,770)	\$ (350,446)	\$ 1,299,899	
54								
55	Adjustment Reference		WP_F-2.8	WP_F-2.9	WP_F-2.10	WP_F-2.11		

ATMOS ENERGY CORP., MID-TEX DIVISION
 BASE LABOR ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description (a)	Shared Services -		Shared Services - Total (3)	Mid-Tex Direct Employees (e)	Total Adjustment (f)
		Customer Support Employees (b)	General Office Employees (c)			
1	Employee Annual Salaries at End of the Test Period (1)	\$ 27,975,095	\$ 48,531,882	\$ 76,506,977	\$ 101,836,462	
2						
3	October 1, 2016 Merit Increase	1.03	1.03	1.03	1.03	
4						
5	Employee Annual Salaries including Merit Increase (Ln 1 times Ln 3)	\$ 28,814,347	\$ 49,987,838	\$ 78,802,186	\$ 104,891,556	
6						
7	Test Year Base Labor Per Book	28,184,026	49,717,642	77,901,668	105,117,221	
8						
9	Base Labor Adjustment Total (Ln 5 minus Ln 7)	\$ 630,322	\$ 270,196	\$ 900,518	\$ (225,665)	
10						
11	Allocation to Mid-Tex (2)	52.01%	38.30%	47.90%	71.19%	
12						
13	Allocated Base Labor Adjustment (Ln 9 times Ln 11)	\$ 327,830	\$ 103,485	\$ 431,316	\$ (160,649)	
14						
15	O&M Expense Factor (2)	97.73%	95.76%	97.25%	38.31%	
16						
17	Test Year Base Labor O&M Expense Adjustment (Ln 13 times Ln 15)	\$ 320,374	\$ 99,101	\$ 419,475	\$ (61,540)	
18						
19	Adjustment Summary:					
20	Account 922	\$ 320,374	\$ 99,101	\$ 419,475	\$ -	\$ 419,475
21	Other O&M Accounts (4)	-	-	-	(61,540)	(61,540)
22	Total (Ln 20 plus Ln 21)	\$ 320,374	\$ 99,101	\$ 419,475	\$ (61,540)	\$ 357,935
23						
24	Notes:					
25	1. Annual salaries are base labor only and do not include items such as overtime and bonuses.					
26	2. Shared Services based on FY16 factors, adjusted to the four-factor formula including Operating Income.					
27	Mid-Tex factors are based upon actual test year ratios. O&M expense factors are based on actual test year ratios.					
28	3. The factors in Col (d) are a calculation derived from the totals of Customer Support and General Office and are only used in the calculation of other employee-related adjustments.					
29						
30	4. Distribution by account is based upon per book O&M test year labor (See Page 2).					

ATMOS ENERGY CORP., MID-TEX DIVISION
 BASE LABOR ADJUSTMENT - DISTRIBUTION OF MID-TEX DIRECT BY FERC ACCOUNT
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	FERC Account	Account Description	Per Book O&M Labor	Ratio of Labor by Account	Base Labor Adjustment Allocated by Account (4)
(a)	(b)	(c)	(d)	(e)=(c)x(d)	
1	840	Natural gas storage - Operation supervision and engineering	\$ -	0.0000%	\$ -
2	870	Operation Supervision and Engineering	1,093,308	3.3638%	(2,070)
3	871	Distribution Load Dispatching	380	0.0012%	(1)
4	872	Compressor Station Labor and Expenses	41	0.0001%	(0)
5	874	Mains and Services Expenses	10,415,387	32.0455%	(19,721)
6	875	Measuring and Regulating Station Expenses - General	25,412	0.0782%	(48)
7	876	Measuring and Regulating Station Expenses - Industrial	-	0.0000%	-
8	877	Measuring and Regulating Station Exp. - City Gate Chk. Sta.	-	0.0000%	-
9	878	Meter and House Regulator Expenses	3,549,890	10.9221%	(6,721)
10	879	Customer Installations Expenses	324,444	0.9982%	(614)
11	880	Other Expenses	640,869	1.9718%	(1,213)
12	886	Maintenance of structures and improvements	350	0.0011%	(1)
13	887	Maintenance of Mains	944,874	2.9071%	(1,789)
14	889	Maint. of Meas. and Reg. Sta. Equip. - Gen.	1,803,061	5.5476%	(3,414)
15	890	Maint. of Meas. and Reg. Sta. Equip. - Ind.	(621)	-0.0019%	1
16	891	Maint. of Meas. and Reg. Sta. Equip. - City Gate	-	0.0000%	-
17	892	Maintenance of Services	147,128	0.4527%	(279)
18	893	Maintenance of Meters and House Regulators	190,801	0.5870%	(361)
19	894	Maintenance of Other Equipment	192,432	0.5921%	(364)
20	901	Supervision	-	0.0000%	-
21	902	Meter Reading Expense	6,724,198	20.6886%	(12,732)
22	903	Customer Records and Collection Expenses	1,484,654	4.5679%	(2,811)
23	905	Miscellaneous Customer Accounts Expenses	79	0.0002%	(0)
24	908	Customer Assistance Expenses	-	0.0000%	-
25	910	Miscellaneous Customer Service and Informational Expenses	2,197,778	6.7620%	(4,161)
26	911	Supervision	-	0.0000%	-
27	912	Demonstrating and Selling Expenses	-	0.0000%	-
28	913	Advertising Expenses	-	0.0000%	-
29	920	Administrative and General Salaries	2,767,426	8.5147%	(5,240)
30	921	Office Supplies and Expenses	-	0.0000%	-
31	923	Outside Services	-	0.0000%	-
32	Total	(Sum Ln 1 through Ln 31)	\$ 32,501,893	100.0000%	\$ (61,540)

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**ATMOS ENERGY CORP., MID-TEX DIVISION
 MEDICAL AND DENTAL BENEFITS ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Description	Shared Services (b)	Mid-Tex Direct (c)	Total Adjustment (d)
1	FY17 Projected Expense per Employee (1)	\$ 13,619	\$ 13,619	
2				
3	Number of Employees at End of Test Period	1,092	1,704	
4				
5	Sub-Total (Ln 1 times Ln 3)	\$ 14,871,571	\$ 23,206,188	
6				
7	Test Year Medical and Dental Cost	13,474,879	20,364,208	
8				
9	Medical and Dental Cost Adjustment (Ln 5 minus Ln 7)	\$ 1,396,693	\$ 2,841,980	
10				
11	Mid-Tex Allocation Factor (2)	47.90%	71.19%	
12				
13	Allocated Medical and Dental Cost Adjustment (Ln 9 times Ln 11)	\$ 668,965	\$ 2,023,181	
14				
15	Labor Expense Factor (2)	97.25%	38.31%	
16				
17	Test Year Medical and Dental Expense Adjustment (Ln 13 times Ln 15)	\$ 650,601	\$ 775,022	
18				
19	Adjustment Summary:			
20	Account 922	\$ 650,601	\$ -	\$ 650,601
21	Account 926	-	775,022	775,022
22	Total (Ln 20 plus Ln 21)	\$ 650,601	\$ 775,022	\$ 1,425,623
23				
24				
25	Notes:			
26	1. Costs are based on the projected Fiscal Year 2017 expense per employee.			
27	2. Shared Services based on FY17 factors, adjusted to the four-factor formula including Operating Income.			
28	Mid-Tex factors are based upon actual test year ratios.			

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**ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106")	Pension Account Plan ("PAP")	Supplemental Executive Benefit Plan ("SERP")	Post-Retirement Medical Plan ("FAS 106")	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Fiscal Year 2017 Willis Towers Watson Report (1)	\$ 5,167,079	\$ 2,956,952	\$ 8,234,627	\$ 194,941	\$ 4,375,142	
2	O&M Expense Factor (2)	97.25%	97.25%	38.31%	20.00%	38.31%	
3	Fiscal Year 2017 Actuarially Determined O&M Benefits (Ln 1 x Ln 2)	\$ 5,025,232	\$ 2,875,777	\$ 3,154,445	\$ 38,988	\$ 1,675,989	
4	Allocation to Mid-Tex (2)	47.90%	47.90%	71.19%	100.00%	71.19%	
5	Mid-Tex Benefits Expense Included in Rates - Proposed (Ln 3 x Ln 4)	\$ 2,406,904	\$ 1,377,393	\$ 2,245,623	\$ 38,988	\$ 1,193,123	\$ 7,262,031
7	Mid-Tex Benefits Expense per 2014 and 2015 DARR Benchmark (3)	\$ 2,341,960	\$ 1,559,608	\$ 2,424,097	\$ 34,361	\$ 1,828,308	\$ 8,188,334
9	Test Year Adjustment (Line 5 minus Line 7)	\$ 64,944	\$ (182,215)	\$ (178,474)	\$ 4,627	\$ (635,185)	\$ (926,303)
10	Adjustment Summary:						
11	Account 922	\$ 64,944	\$ (182,215)	\$ (178,474)	\$ -	\$ -	\$ (117,271)
12	Account 926	\$ -	\$ -	\$ (178,474)	\$ 4,627	\$ (635,185)	\$ (809,031)
13	Total (Ln 12 plus Ln 13)	\$ 64,944	\$ (182,215)	\$ (178,474)	\$ 4,627	\$ (635,185)	\$ (926,303)
14							
15							
16							
17	Notes:						
18	1. Studies not applicable to Mid-Tex or Shared Services are omitted.						
19	2. Shared Services' ratios in Columns (b) and (c) are based upon FY17 factors, as adjusted for the 4-Factor method including Operating Income;						
20	Mid-Tex factors are based upon actual test year ratios.						
21	3. The current composite benchmark consists of the Fiscal 2015 Towers Watson Report for the period October 2015 - May 2016 and the Fiscal 2016						
22	Towers Watson Report for the period June 2016 - September 2016.						

**ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITY OF DALLAS APPROVAL
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Description	Shared Services		Mid-Tex Direct				Adjustment Total
		Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106")	Pension Account Plan ("PAP")	Supplemental Executive Benefit Plan ("SERP")	Post-Retirement Medical Plan ("FAS 106")		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	Fiscal Year 2017 Willis Towers Watson Report (1)	\$ 5,167,079	\$ 2,956,952	\$ 8,234,627	\$ 194,941	\$ 4,375,142		
2	Allocation to Mid-Tex	47.90%	47.90%	71.19%	100.00%	71.19%		
3	FY17 Willis Towers Watson Benefit Costs Allocated to MTX (Ln 1 x Ln 2)	\$ 2,474,844	\$ 1,416,273	\$ 5,862,161	\$ 194,941	\$ 3,114,627		
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%		
5	FY17 Willis Towers Watson Benefit Costs To Approve (Ln 3 x Ln 4)	\$ 2,474,844	\$ 1,416,273	\$ 5,862,161	\$ 194,941	\$ 3,114,627	\$ 13,062,845	
6								
7								
8	Summary of Costs to Approve:							
9								
10	Total Pension Account Plan ("PAP")	\$ 2,474,844	\$ 1,416,273	\$ 5,862,161		\$ 3,114,627	\$ 8,337,005	
11	Total Post-Retirement Medical Plan ("FAS 106")				\$ 194,941		\$ 4,530,899	
12	Total Supplemental Executive Retirement Plan ("SERP")				\$ 194,941	\$ 3,114,627	\$ 194,941	
13	Total (Ln 10 + Ln 11 + Ln 12)	\$ 2,474,844	\$ 1,416,273	\$ 5,862,161	\$ 194,941	\$ 3,114,627	\$ 13,062,845	
14								
15								
16	O&M Expense Factor	97.25%	97.25%	38.31%	20.00%	38.31%		
17								
18	Expense Portion (Ln 13 x Ln 16)	\$ 2,406,904	\$ 1,377,393	\$ 2,245,623	\$ 38,988	\$ 1,193,123	\$ 7,262,031	
19								
20	Capital Factor	2.75%	2.75%	61.69%	80.00%	61.69%		
21								
22	Capital Portion (Ln 13 x Ln 20)	\$ 67,940	\$ 38,880	\$ 3,616,538	\$ 155,953	\$ 1,921,504	\$ 5,800,814	
23								
24	Total (Ln 18 + Ln 22)	\$ 2,474,844	\$ 1,416,273	\$ 5,862,161	\$ 194,941	\$ 3,114,627	\$ 13,062,845	

**ATMOS ENERGY CORP., MID-TEX DIVISION
PROPERTY INSURANCE ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Description	Shared Services		Shared Customer		Mid-Tex Direct	Total Adjustment
		Office	Support	Office	Support		
	(a)	(b)	(c)	(d)	(e)		
1	Premium Adjustment:						
2	Annual Premium - Current Policy (TME March 2017) (1) (2)	\$ 158,719	\$ 119,074	\$ 2,683,994			
3	Less: Test Year Premium Amount	160,271	121,818	2,749,489			
4	Subtotal (Ln 2 minus Ln 3)	\$ (1,552)	\$ (2,744)	\$ (65,495)			
5	Allocation to Mid-Tex (1)	38.30%	52.01%	100.00%			
6	Allocated Total Adjustment (Ln 4 times Ln 5)	\$ (594)	\$ (1,427)	\$ (65,495)			
7	O&M Expense Factor (1) (3)	26.26%	26.26%	15.13%			
8	Premium Adjustment (Ln 6 times Ln 7)	\$ (156)	\$ (375)	\$ (9,906)			
9							
10	Summary by Account:						
11	Account 922	\$ (156)	\$ (375)	\$ -	\$ (531)		
12	Account 924	-	-	(9,906)	(9,906)		
13	Totals (Ln 11 plus Ln 12)	\$ (156)	\$ (375)	\$ (9,906)	\$ (10,437)		
14							
15							
16	Notes:						

1. The Mid-Tex premium has been adjusted to remove the premium associated with Working Gas in Storage ("W/GIS") in alignment with GUD Nos. 9869 and 10000 which moved other costs associated with W/GIS to Atmos Pipeline - Texas.

2. The premium amounts include 4.85% tax per TEX. INS. CODE § 226.003 (a).

3. Shared Services Blueflame Premiums are recorded to Cost Center 1915; however, the Customer Support Premium is allocated to Mid-Tex based on the Customer Support factor (see Cost Center 1212) as adjusted for the 4-Factor method including Operating Income (see WP_F-2.7). Both premiums are capitalized based on the Cost Center 1915 ratio. Mid-Tex factors are based upon actual test year ratios.

ATMOS ENERGY CORP., MID-TEX DIVISION
 INJURIES AND DAMAGES ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	FERC Account	Per Book Amount	Amortized Amount (1)	Adjustment Amount (e) = (d)-(c)
	(a)	(b)	(c)	(d)	(e)
1	Mid-Tex:				
2	Reserve accrual for Lutrell (aka Irving 1) incident (1)		\$ -	-	
3	Reserve accrual for Irving 2 incident			200,000	
4	Reserve accrual for Oak Cliff incident			200,000	
5	Reserve accrual for North Richland Hills incident			200,000	
6	Mid-Tex Total (Sum Ln 2 through 5)	925	\$ -	\$ 600,000	\$ 600,000
7					
8	Total Adjustment to Account 925 Non-Labor O&M (Ln 6)				\$ 600,000
9					
10					
11	Notes:				
12	1. The Lutrell incident has completed a 5 year amortization as of May 31, 2017.				
13	2. Irving 2, Oak Cliff and North Richland Hills incidents are amortized over 5 years.				

GUD No. 10640
 Final Order
 Order Date: December 5, 2017

**ATMOS ENERGY CORP., MID-TEX DIVISION
EMPLOYEE EXPENSE ADJUSTMENT
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Description	Shared Services -				Total Adjustment
		Customer Support	Shared Services - General Office	Mid-Tex Direct		
	(a)	(b)	(c)	(d)	(e)	
1	<u>Twelve Months Ended September 30, 2016:</u>					
2	Employee Expense Adjustment	\$ 168,422	\$ 342,962	\$ 265,648		
3	Mid-Tex Allocation Factor (1) (2)	52.01%	38.30%	100.00%		
4						
5	Allocated Employee Expense Totals (Ln 2 times Ln 3)	\$ 87,596	\$ 131,355	\$ 265,648		
6	Expense Factor (1) (2)	97.73%	95.76%	100.00%		
7	Total Employee Expense Removal, Fiscal Year 2016 (Ln 5 times Ln 6)	\$ 85,604	\$ 125,790	\$ 265,648	\$ 477,042	
8						
9	Summary by Account					
10	Account 922	\$ (85,604)	\$ (125,790)	\$ -	\$ (211,394)	
11	Account 930.2	-	-	(265,648)	(265,648)	
12	Total (Ln 10 plus Ln 11)	\$ (85,604)	\$ (125,790)	\$ (265,648)	\$ (477,042)	
13						

Notes:

1. See WP_F-2.1, Col (b) and Col (c), Ln 11 and Ln 15, as applicable, for the Shared Services factors, as adjusted.
2. Mid-Tex costs are directly charged and not allocated.

GLUD No. 10640

Final Order

Order Date: December 5, 2017

WP_F-2.6

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ATMOS ENERGY CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") SERVICE-LEVEL FACTORS ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description (a)	Per Book SSU O&M (Labor) (b)	Per Book SSU O&M (Non-Labor) (c)	Total Per Book SSU O&M Exp (d) = (b) + (c)	FY17		Four-Factor Allocation Factor (2), (3) (g)	Total (h) = (d) * (g)	SSU Allocated to Capital (4) (i) = sum(b*g*e) + sum(c*g*1)	Expense Allocated to Mid-Tex (j) = (h) - (i)
					Capitalization Rate (Labor Exp) (e)	Capitalization Rate (Non-Labor Exp) (f)				
1	1001 SS Dallas President and COO (9)	\$ 529,654	\$ 1,285,083	\$ 1,814,737	73.74%	73.74%	38.30%	\$ 695,044	\$ 512,505	\$ 182,539
2	1101 SS Dallas Chief Financial Officer	506,677	1,057,461	1,564,138	73.74%	73.74%	38.30%	599,065	441,733	157,332
3	1105 SS Dallas Auditor	-	4,682,407	4,682,407	0.00%	0.00%	38.30%	1,793,362	-	1,793,362
4	1106 SS Dallas Treasurer	415,731	552,582	968,313	77.15%	77.15%	38.30%	370,864	286,112	84,752
5	1107 SS Dallas Treasury	437,225	951,643	1,388,868	73.74%	73.74%	38.30%	531,937	392,234	139,702
6	1108 SS Dallas Risk Management	395,588	311,217	706,775	80.00%	80.00%	38.30%	270,695	216,556	54,139
7	1110 SS Dallas Procurement	103,744	104,651	208,395	46.64%	46.64%	38.59%	80,419	37,510	42,910
8	1112 SS Dallas Mail & Supply	121,107	367,629	488,936	15.73%	17.50%	38.59%	188,680	32,194	156,487
9	1114 SS Dallas Vice Pres & Controller	121,107	411,899	532,999	29.34%	29.34%	38.30%	202,498	85,818	116,680
10	1116 SS Dallas Taxation	212,454	764,713	977,167	2.37%	2.37%	38.30%	374,255	8,883	365,372
11	1117 SS Dallas Acctg Services	299,522	210,931	510,453	65.19%	65.19%	38.30%	195,503	127,454	68,050
12	1118 SS Dallas Supply Chain	417,748	299,388	717,136	46.51%	46.51%	38.59%	276,743	128,700	148,043
13	1119 SS Dallas General Accounting	441,384	289,260	730,644	73.74%	73.74%	38.30%	272,177	200,695	71,482
14	1120 SS Dallas Accounts Payable	473,004	300,093	773,097	31.54%	31.54%	38.30%	296,096	93,391	202,705
15	1121 SS Dallas Plant Accounting	605,281	356,590	961,871	91.20%	91.20%	38.30%	368,397	335,987	32,410
16	1123 SS Dallas Gas Accounting	247,139	217,215	464,353	0.00%	0.00%	38.40%	178,312	-	178,312
17	1125 SS Dallas Financial Reporting	809,035	755,277	1,564,311	0.00%	0.00%	38.30%	599,131	-	599,131
18	1126 SS Dallas Payroll	357,501	414,809	772,310	73.74%	73.74%	38.30%	295,795	218,110	77,684
19	1128 SS Dallas Property & Sales Tax	1,223,144	1,400,894	2,624,038	2.50%	2.50%	38.30%	1,005,006	25,125	979,881
20	1129 SS Dallas Income Tax	438,723	469,236	907,960	2.00%	2.00%	38.30%	347,748	6,955	340,794
21	1130 SS Dallas Business Planning and Analysis	727,864	448,323	1,176,187	56.60%	56.60%	38.30%	450,480	254,953	195,526
22	1131 SS Dallas Media Relations	130,425	95,525	225,950	0.00%	0.00%	38.59%	87,194	-	87,194
23	1132 SS Dallas Investor Relations (s)	332,649	688,282	1,020,931	0.00%	0.00%	38.30%	392,508	-	392,508
24	1133 SS Dallas Communications	745,721	1,483,137	2,228,858	0.00%	0.00%	38.30%	853,653	-	853,653
25	1134 SS Dallas IT	1,345,597	1,428,574	2,774,172	38.57%	38.57%	38.30%	1,062,508	409,824	652,683
26	1135 SS Dallas IT Application Support	1,831,640	5,316,447	7,148,087	23.12%	23.12%	38.30%	2,737,717	844,327	1,893,390
27	1137 SS DAHIT Engineering & Operations	3,392,841	10,893,256	14,286,097	24.96%	24.96%	38.30%	5,471,575	1,855,964	3,615,611
28	1141 SS Dallas Gas Purchase Accounting	492,741	210,137	702,878	0.00%	0.00%	48.54%	341,177	-	341,177
29	1144 SS Dallas Rate Administration	693,863	310,333	1,004,196	0.00%	0.00%	48.54%	487,437	-	487,437
30	1145 SS Dallas Revenue Accounting	266,034	161,852	427,886	0.00%	0.00%	48.54%	207,696	-	207,696
31	1150 SS Dallas Strategic Planning	400,734	601,880	1,002,614	55.56%	55.56%	38.30%	384,001	213,334	170,667
32	1153 SS Dallas Distribution Acctg	613,642	284,860	898,501	0.00%	0.00%	48.54%	436,132	-	436,132

ATMOS ENERGY CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") SERVICE-LEVEL FACTORS ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description (a)	Per Book SSU O&M (Labor)	Per Book SSU O&M (Non-Labor)	Total Per Book SSU O&M Exp (d) = (b) + (c)	FY17 Capitalization Rate (e)		FY17 Capitalization Rate (f)		Four-Factor Allocation (g)		Total (h) = (d) * (g)	SSU Allocated to Capital (i) = sum(b*c*g ²)	Expense Allocated to Mid-Tex (j) = (h) - (i)
					Capitalization Rate (Labor Exp)	Capitalization Rate (Non-Labor Exp)	(2), (3)	(4)					
33	1154 SS Dallas Rates & Regulatory	1,496,541	1,240,738	2,737,279	74.97%	74.97%	0.00%	0.00%	38.59%	1,056,316	791,946	264,371	
34	1155 SS Dallas Texas Gas Pipeline Accounting	84,872	39,387	124,259	0.00%	0.00%	0.00%	0.00%	0.00%	3,473,420	2,667,587	-	
35	1156 SS Dal - IT Customer Svc Support	2,175,341	4,503,029	6,678,370	12.27%	28.48%	52.01%	52.01%	52.01%	1,154,769	1,154,769	-	
36	1159 SS CCC IT Support	-	2,220,284	2,220,284	0.00%	0.00%	0.00%	0.00%	38.30%	833,079	-	833,079	
37	1159 SS Dallas VP of Workforce Development	343,646	1,831,494	2,175,140	0.00%	0.00%	0.00%	0.00%	38.30%	192,559	-	50,572	
38	1161 SS Dallas Benefits and Payroll Accounting	366,804	135,961	502,765	73.74%	73.74%	17.00%	17.00%	38.30%	1,164,388	141,987	50,572	
39	1164 SS Dal-IT Security	865,631	2,174,546	3,040,177	17.00%	60.00%	60.00%	60.00%	38.30%	247,816	79,453	966,442	
40	1167 SS DAHT Enterprise Architecture	448,537	193,639	642,176	20.00%	74.97%	74.97%	74.97%	38.59%	93,404	70,027	23,377	
41	1171 SS Regulatory Accounting Services	172,233	69,808	242,041	73.74%	73.74%	12.02%	12.02%	38.30%	432,687	65,559	367,128	
42	1201 SS Dallas Chief Executive Officer	1,063,037	3,564,895	4,627,932	0.00%	0.00%	0.00%	0.00%	38.59%	606,490	606,490	-	
43	1205 SS Dallas SVP Safety and Enterprise Services	371,529	758,203	1,129,732	20.86%	20.86%	52.01%	52.01%	52.01%	3,006,341	3,006,341	-	
44	1209 SS Dallas Safety & Compliance	343,132	1,228,482	1,571,625	0.00%	0.00%	0.00%	0.00%	52.01%	403,685	403,685	-	
45	1212 SS CSC-Customer Contact Management	13,926,455	7,861,101	21,787,556	0.00%	0.00%	0.00%	0.00%	52.01%	645,373	-	645,373	
46	1213 SS Dallas Quality Assurance	518,351	1,79,868	698,219	0.00%	0.00%	0.00%	0.00%	52.01%	773,014	-	773,014	
47	1214 SS Dallas Workforce Management	539,040	237,128	776,168	0.00%	0.00%	0.00%	0.00%	52.01%	3,006,341	-	3,006,341	
48	1215 SS Dispatch Operations	4,088,368	1,711,946	5,780,314	0.00%	0.00%	0.00%	0.00%	52.01%	645,373	-	645,373	
49	1216 SS Dallas CSO Training & Knowledge Mgmt (9)	830,193	410,670	1,240,864	0.00%	0.00%	0.00%	0.00%	52.01%	1,711,728	-	1,711,728	
50	1224 SS Dallas CSO Human Resources	486,757	999,523	1,486,280	2.43%	18.32%	52.01%	52.01%	38.59%	1,333,295	159,042	1,174,253	
51	1226 SS Dallas Customer Service (7)	1,110,527	2,180,625	3,291,152	3.90%	22.93%	52.01%	52.01%	38.59%	6,179,812	6,179,812	-	
52	1227 SS Dallas Customer Program Management (7)	1,996,816	3,910,348	5,907,164	0.00%	0.00%	0.00%	0.00%	38.59%	553,271	165,983	387,294	
53	1228 SS Dallas Pipeline Revenue Management	7,971,621	794,883	8,766,504	30.00%	30.00%	38.30%	38.30%	38.30%	423,701	423,701	-	
54	1229 SS Dallas Pipeline Safety	638,850	562,021	1,100,871	0.00%	0.00%	0.00%	0.00%	38.30%	1,178,103	-	1,178,103	
55	1401 SS Dallas Employment & Employee Relations	544,249	465,021	1,009,270	0.00%	0.00%	0.00%	0.00%	38.30%	400,566	-	400,566	
56	1403 SS Dallas Executive Compensation	-	467,267	467,267	0.00%	0.00%	0.00%	0.00%	38.30%	436,762	-	436,762	
57	1403 SS Dallas Human Resources - Vice Pres	578,599	528,558	1,107,157	29.28%	29.28%	38.30%	38.30%	38.30%	639,437	187,255	452,182	
58	1405 SS Dallas Compensation & Benefits	611,813	1,058,689	1,669,502	0.00%	0.00%	0.00%	0.00%	38.59%	915,543	-	915,543	
59	1407 SS Dallas Facilities	610,860	1,097,204	1,708,064	0.00%	0.00%	0.00%	0.00%	38.59%	100,037	-	100,037	
60	1408 SS Dallas Employee Development	807,017	1,535,579	2,342,596	0.00%	0.00%	0.00%	0.00%	38.30%	519,919	-	519,919	
61	1414 SS Tech Training Delivery	836,910	71,799	908,709	0.00%	0.00%	0.00%	0.00%	38.30%	26,097	-	26,097	
62	1415 SS Tech Training Prog & Curriculum	187,432	578,255	765,687	0.00%	0.00%	0.00%	0.00%	38.30%	(234,737)	(41,080)	(193,657)	
63	1416 SS Dallas Compensation and HRMS (9)	779,236	68,139	847,375	15.73%	17.50%	38.30%	38.30%	38.30%	2,139,159	1,116,536	1,020,622	
64	1420 SS Dallas EAPC	-	(612,890)	(612,890)	52.29%	52.29%	38.30%	38.30%	38.30%	551,772	-	551,772	
65	1463 SS HR Benefit Variance	-	2,795,770	2,795,770	0.00%	0.00%	0.00%	0.00%	38.59%	290,694	-	290,694	
66	1501 SS Corporate Legal	-	1,440,659	1,440,659	0.00%	0.00%	0.00%	0.00%	38.59%	265,346	195,658	69,688	
67	1502 SS Corporate Secretary	-	392,568	392,568	73.74%	73.74%	-	-	-	-	-	-	
68	1503 SS Corporate Governmental Affairs	360,719	495,155	855,874	-	-	-	-	-	-	-	-	
69	1504 SS Corporate Central Records	192,447	687,602	880,049	-	-	-	-	-	-	-	-	

ATMOS ENERGY CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") SERVICE-LEVEL FACTORS ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Per Book SSU O&M (Labor)	Per Book SSU O&M (Non-Labor)	Total Per Book SSU O&M Exp	FY17		Four-Factor Allocation (2), (3)	Total (h) = (d) + (g)	SSU Allocated to Capital (4) = sum(c*g ⁱ)	Expense Allocated to Mid-Tex (i) = (h) - (i)
					Capitalization Rate (Labor Exp)	Capitalization Rate (Non-Labor Exp)				
	(a)	(b)	(c)	(d) = (b) + (c)	(e)	(f)	(g)	(h)	(i)	(j)
70	1505 SS Corporate Gas Contract Administration	133,262	68,759	202,022	0.00%	0.00%	38.59%	77,960	-	77,960
71	1508 SS Corporate Energy Assistance	462,140	390,631	852,971	0.00%	0.00%	48.54%	414,032	-	414,032
72	1821 SS Gas Supply Executive	349,313	503,647	852,960	0.00%	0.00%	38.40%	327,536	-	327,536
73	1822 SS Dallas-Regional Gas Supply	246,719	128,343	375,062	0.00%	0.00%	82.97%	311,189	-	311,189
74	1823 SS Dallas Gas Contract Admin	355,621	170,623	526,443	0.00%	0.00%	48.54%	255,535	-	255,535
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 & Service	187,203	312,493	499,696	0.00%	0.00%	48.54%	242,553	-	242,553
77	1827 SS Regional Supply Planning	423,365	303,276	726,641	0.00%	0.00%	48.54%	352,711	-	352,711
78	1828 SS Jackson-West Region Gas Supply & Services	110,512	78,035	188,546	0.00%	0.00%	0.00%	-	-	-
79	1829 SS Franklin-East Region Gas Supply & Services	-	38,887	38,887	0.00%	0.00%	0.00%	-	-	-
80	1831 SS Dallas Gas Supply	-	35,068	35,068	0.00%	0.00%	100.00%	35,068	-	35,068
81	1833 SS Dallas-Corporate Gas Supply Risk Mgmt	105,838	102,697	208,535	0.00%	0.00%	48.54%	101,223	-	101,223
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%	38.40%	168,421	-	168,421
84	1837 SS TBS-Application Support	688,867	280,332	969,199	0.00%	0.00%	38.40%	372,172	-	372,172
85	1839 SS TBS-Technical Support	573,232	330,358	903,591	0.00%	0.00%	38.40%	346,979	-	346,979
86	1839 SS TBS-Transportation & Scheduling	203,299	88,640	291,939	0.00%	0.00%	38.40%	112,105	-	112,105
87	1901 SS Dallas Employee Relocation Exp (Div 02) (6)	83,695	85,275	168,970	0.00%	0.00%	38.30%	64,716	-	64,716
88	1901 SS Dallas Employee Relocation Exp (Div 12) (6)	14,624	5,060	19,683	0.00%	0.00%	52.01%	10,237	-	10,237
89	1903 SS Dallas Controller - Miscellaneous (1)	-	-	-	0.00%	0.00%	0.00%	-	-	-
90	1904 SS Dallas Performance Plan (5)	-	12,362,821	12,362,821	0.00%	0.00%	0.00%	-	-	-
91	1905 SS Outside Director Retirement Cost	-	2,929,886	2,929,886	0.00%	0.00%	38.30%	1,122,146	-	1,122,146
92	1908 SS Dallas SEBP (5)	-	5,156,431	5,156,431	0.00%	0.00%	0.00%	-	-	-
93	1910 SS Dallas Overhead Capitalized (4)	-	(56,473,030)	(56,473,030)	0.00%	0.00%	41.01%	-	-	-
94	1913 SS Dallas Fleet Management (8)	541,269	171,446	712,715	46.75%	46.75%	38.59%	275,037	128,579	146,458
95	1915 SS Dallas Insurance	-	19,701,748	19,701,748	0.00%	0.00%	38.30%	7,545,789	5,564,028	1,981,741
96	1953 SS Dallas Enterprise Team Meeting	-	69,934	69,934	0.00%	0.00%	38.30%	26,785	-	26,785
97	1954 SS Dallas Culture Council	-	2,500	2,500	0.00%	0.00%	38.30%	958	-	958
98	TOTAL (Sum Ln 1 through Ln 97)	\$ 73,459,351	\$ 73,603,561	\$ 147,062,912				\$ 78,424,950	\$ 20,251,603	\$ 58,173,347
99										
100	Allocated Shared Services O&M to Mid-Tex Division									63,961,948
101										
102	Total Adjustment to Account 922 (Ln 98 minus Ln 100)									\$ (5,788,601)
103										

104 Notes:

105 1. The entire per book amount of \$1,145,383 in Cost Center 1903 was not allocated during the test period.

106 2. Factors are displayed only if applicable to Mid-Tex.

107 3. Based on FY17 factors, adjusted to the four-factor formula including Operating Income.

108 4. The Total represents the amount that would be credited from Cost Center 1910.

109 5. Allocation percentages have been set to zero to align with GUD 9869 for cost centers 1132, 1904 and 1908.

110 6. Cost center 1901 expenses have been divided between General Office (Div 002) and Customer Support (Div 012) and separately allocated.

111 7. Eight (8) employees transferred from Cost Center 1227 to Cost Center 1226 in August 2016.

112 8. Expenses in Cost Center 1913 include \$50 which was booked to an inactive cost center.

113 9. Cost Centers 1216 and 1416 have been added since the last DARR. Cost Center 1001 has been reactivated. Cost centers 1225 and 1832 are no longer active.

ATMOS ENERGY CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Division (1)	Cost Center/Description (a)	Cost Center Function (b)	Cost Center Function (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	002	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 CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Division (1)	Cost Center/Description (a) (b)	Cost Center Function (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 rate-making 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)

ATMOS ENERGY CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Division (1)	Cost Center/Description (a)	Cost Center Function (c)
27	002	1137 SS Dal-IT Engineering & Operations	Costs associated with the maintenance and support of the Company's data center. Operational services include - <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
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.

ATMOS ENERGY CORP. MID-TEX DIVISION
 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)
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.
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 act 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, union negotiations, and maintenance of HR employee data base. Purpose is to develop, implement and administer employment related activities for the enterprise including: employee relations, labor relations, human resource management systems, corporate compliance, AA/EEO and all other components of employment. Costs charged to this cost center include labor and related expenses, software maintenance, professional association dues, contract labor, legal fees and professional reference books. These costs are a necessary component to providing human resource services to our employees and as such are reasonable and necessary to the provision of safe and reliable service.

ATMOS ENERGY CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Division (1)	Cost Center/Description (a)	Cost Center Function (b)	Cost Center Function (c)
56	002	1402 SS Dallas Executive Compensation		Costs associated with the compensation committee of the Board of Directors. Costs incurred for executive compensation work for the Human Resources Committee of the Atmos Energy Board of Directors. Also included are costs related to corporate officer annual physical exams paid by the Company. These costs are a necessary component of providing human resource services to the corporate officers that are necessary for the provision of safe and reliable service.
57	002	1403 SS Dallas Human Resources - Vice Pres		Costs associated with the VP Human Resources.
58	002	1405 SS Dallas Compensation & Benefits		Costs associated with the management of the Company's compensation and benefit plans. The purpose is to ensure Atmos provides its employees the most cost effective pay and benefit plans that are 1) competitive within the utility sector and general industry overall, and 2) consistently applied to all nonunion employees regardless of where they work, unless the union has bargained for these benefits. Specifically, this cost center is accountable for: Group Medical Plan and Retiree Medical Plan; Group Dental Plan; Employee Assistance Plan; Group Life Insurance Plan; Optional Life Insurance Coverage (Group Variable Universal Life, Dependent Spouse and Child(ren)); Flexible Benefits Plan; Business Travel & Accident Insurance; Service Awards Program; Two Defined Contribution Plans (DC); Two Defined Benefit Plans (DB); The Master Trust (holds assets of the two DB plans); Taxable and Tax Exempt VEBA Trusts; Pension Payments to 1,500 retirees; Collection of Retiree Medical Contributions; Workers' Compensation; Group Long-Term Disability Plan; Short-Term Disability; Family Medical Leave; and Compensation Administration (Executive and Non-Executive). Costs specifically charged to this cost center are: Compensation and Benefits Costs for employees assigned
59	002	1407 SS Dallas Facilities		to this cost center. Service Awards Program for Shared Services; Compensation Consulting Costs and Compensation Surveys; Training Costs for assigned employees; and Business Travel and Accident Insurance Policy for all of Atmos. These costs are a necessary component to providing human resource services to our employees and as such are reasonable and necessary to the provision of safe and reliable service.
60	002	1408 SS Dallas Employee Development		Costs associated with the management of the Company's facilities (offices)
61	002	1414 SS Tech Training Delivery		Costs associated with designing, developing and implementing training and development opportunities for all employees in areas of customer service, leadership, culture shaping and communication. All training and development costs including those that go into the development and delivery of training programs or participant manuals go into this cost center. This cost center also provides training and development support to both customer support centers and all divisions.
62	002	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 CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Division (1)	Cost Center/Description (b)	Cost Center Function (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

ATMOS ENERGY CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Division (1)	Cost Center/Description (b)	Cost Center Function (c)
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 CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Division (1)	Cost Center/Description (b)	Cost Center Function (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.
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>

ATMOS ENERGY CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") COST CENTER FUNCTIONS
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Division (1)	Cost Center/Description (a)	Cost Center Function (c)
92	002	1910 SS Corporate Overhead Capitalized	
93	002	1913 SS Dallas Fleet and Corporate Sourcing	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.
94	002	1915 SS Dallas Insurance	Costs associated with managing Atmos' vehicle fleet
95	002	1953 SS Dallas Enterprise Team Meeting	Used for booking insurance costs related to Shared Services.
96	002	1954 SS Dallas Culture Council	Used to record expenses related to the Enterprise Team Meeting.
97			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:
 98
 99 1. Division 002 represents the General Office and Division 012 represents Customer Support.

ATMOS ENERGY CORP., MID-TEX DIVISION
 MISCELLANEOUS ADJUSTMENTS
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description (a)	Footnote Reference (b)	FERC Account (c)	Amounts (d)	Adjustment Amount (e)
Miscellaneous Adjustments Mid-Tex					
1	Expenses incurred in various proceedings	(1)	923	\$ (395,841)	
2	Expenses incurred in various proceedings	(1)	928	(76,052)	
3	FY 2016 North Richland Hills Incident expenses	(2)	923	513,942	
4	Pension and Other Postemployment Benefits Regulatory Asset Amortization	(3)	926	(400,844)	
5	Test Year Pension and Other Postemployment Benefits O&M				
6	adjustment to previous 2 DARR filings benchmarks	(4)	926	127,042	
7	Adjustment to reflect the change in the Line Locale contract with a new agreement dated December 27, 2016	(5)	874	2,481,049	
8					
9	Adjustment for the interest due for the City of Dallas Franchise Fee audit	(6)	930.2	(4,165)	
10	Adjustment to move transaction to the correct FERC account	(7)	856	(369)	
11	Adjustment to move transaction to the correct FERC account	(7)	874	369	
12	5400 Account Review	(8)	870	(12,024)	
13	5400 Account Review	(8)	874	(1,177)	
14	5400 Account Review	(8)	878	-	
15	5400 Account Review	(8)	880	(15,668)	
16	5400 Account Review	(8)	888	-	
17	5400 Account Review	(8)	910	(14,956)	
18	5400 Account Review	(8)	911	-	
19	5400 Account Review	(8)	913	(800)	
20	5400 Account Review	(8)	921	(78,422)	
21	5400 Account Review	(8)	923	(462)	
22	5400 Account Review	(8)	930.2	-	
23	Total (Sum Ln 1 through Ln 22)			<u>\$ 2,121,623</u>	
24					

ATMOS ENERGY CORP., MID-TEX DIVISION
 MISCELLANEOUS ADJUSTMENTS
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Footnote Reference	FERC Account	Amounts	Adjustment Amount
	(a)	(b)	(c)	(d)	(e)
25	Miscellaneous Adjustments Shared Services				
26	5400 Account Review General Office	(8)	922	\$ (15,125)	
27	5400 Account Review Customer Service	(8)	922	(16,808)	
28	SSU MIP/VPP in cost centers other than 1904	(9)	922	(22,709)	
29	Total (Sum Ln 26 through Ln 28)			<u>\$ (54,643)</u>	
30					
31	Total Miscellaneous Adjustments (Ln 23 plus Ln 29)				<u>\$ 2,066,981</u>
32					
33	Notes:				
34	1. Expenses related to Company rate proceedings the Company reasonably expects to be recovered in other proceedings or				
35	did not seek recovery.				
36	2. Expenses related to the North Richland Hills incident which were included in the per book O&M expense in the current test year.				
37	3. Adjustment to include the annual amortization of the Pension and Other Postemployment Benefits Regulatory Asset. Please see WP_B-7.				
38	4. Adjustment to set Pension and Other Postemployment Benefits O&M expense at the benchmark approved in 2014 DARR filing for October 2015				
39	through May 2016 and the benchmark approved in 2015 DARR filing for June - September 2016.				
40	5. Adjustment to reflect new contract dated December 27, 2016.				
41	6. Adjustment to include interest due from the City of Dallas Franchise Fee Audit.				
42	7. Adjustment to record misbooked expenses to the correct FERC account.				
43	8. O&M expenses recorded in sub accounts 05400-05499 and 07590 that are being voluntarily removed by the Company, and				
44	include items such as alcohol and meals greater than \$25. Any adjustments in sub accounts 05415, 05416, 05417 and				
45	07510 are shown on WP_F-2.10.				
46	9. Remove MIP/VPP expense recorded to Cost Centers other than 1904 which is removed on WP_F-2.7.				

ATMOS ENERGY CORP., MID-TEX DIVISION
 UNCOLLECTIBLE EXPENSE ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	FERC Account	Per Books Amount	Adjusted Cost (1)	Adjustment Amount
	(a)	(b)	(c)	(d)	(e)
1	Total Uncollectible Expense	904	\$ 4,659,501	\$ 9,091,459	\$ 4,431,958
2					
3					
4	Note:				
5	1. The calculation of the adjusted uncollectible expense is shown on Page 2.				

**ATMOS ENERGY CORP., MID-TEX DIVISION
 UNCOLLECTIBLE EXPENSE ADJUSTMENT CALCULATION FOR RIDER GCR PART A
 TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Description	Calculated Amounts
	(a)	(b)
1	Proposed Total Revenue Requirement - Schedule A	\$ 1,423,073,533
2	Per Book Uncollectible Experience Rate (1)	0.866%
3	Estimated Total Uncollectible Expense (Ln 1 times Ln 2) (2)	<u>\$ 12,318,517</u>
4		
5	Proposed Revenue Requirement - Rider GCR Part A (3)	\$ 372,799,841
6	Per Book Uncollectible Experience Rate (1)	0.866%
7	Estimated Uncollectible Expense - Rider GCR Part A (Ln 5 times Ln 6)	<u>\$ 3,227,058</u>
8		
9	Proposed Uncollectible Expense excluding Rider GCR Part A Component (Ln 3 minus Ln 7)	<u><u>\$ 9,091,459</u></u>
10		
11		
12	Notes:	
13	1. The experience rate was calculated using the 3-year average of actual net charge-offs, for the fiscal years 2014 through 2016	
14	the method established in GUD 9670 and used in GUD 9869.	
15	2. The estimated Uncollectible Expense on Ln 3 has been calculated using the method established in GUD 9670.	
16	3. The amount is from Cost of Service Schedule A, Page 2 of 2, Col. (e) Ln 2.	

ATMOS ENERGY CORP., MID-TEX DIVISION
 RULE COMPLIANCE ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Rule (1)	Account	Cost Center	Amount	Allocation Factor	Expense Factor	Total Adjustment
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Mid-Tex:								
1	Nondeductible Dues/Donations	7,5414	870		\$ (141)	100%		(141)
2	Nondeductible Dues/Donations	7,5414	874		(45)	100%		(45)
3	Nondeductible Dues/Donations	7,5414	880		(410)	100%		(410)
4	Nondeductible Dues/Donations	7,5414	887		-	100%		-
5	Nondeductible Dues/Donations	7,5414	910		(16,841)	100%		(16,841)
6	Nondeductible Dues/Donations	7,5414	913		-	100%		-
7	Nondeductible Dues/Donations	7,5414	921		-	100%		-
8	Nondeductible Dues/Donations	7,5414	925		-	100%		-
9	Nondeductible Dues/Donations	7,5414	930.2		(9,397)	100%		(9,397)
10	Total (Sum Ln 1 to Ln 9)				<u>\$ (26,834)</u>			<u>\$ (26,834)</u>
11								
12	Shared Services:							
13	Nondeductible Dues/Donations	7,5414	922	1118	\$ (5,350)	38.59%	53.49%	\$ (1,104)
14	Nondeductible Dues/Donations	7,5414	922	1150	(7,500)	38.30%	44.44%	(1,277)
15	Nondeductible Dues/Donations	7,5414	922	1164	(107)	38.30%	83.00%	(34)
16	Nondeductible Dues/Donations	7,5414	922	1212	(235)	52.01%	79.14%	(97)
17	Nondeductible Dues/Donations	7,5414	922	1401	(275)	38.30%	100.00%	(105)
18	Nondeductible Dues/Donations	7,5414	922	1503	(825)	38.59%	100.00%	(318)
19	Total (Sum Ln 13 to Ln 18)				<u>\$ (14,292)</u>			<u>\$ (2,936)</u>
20								
21	Total Rule Compliance (Ln 10 plus Ln 19)							
22								<u>\$ (29,770)</u>
23	Notes:							
24	1. Expenses in the test year related to sub-accounts 05415, 05416, 05417 and 07510.							
25	2. In compliance with Rule No. 7.501, the Company advises that \$562,017 was recorded in Account 426.4 during							
26	fiscal year 2015 and \$556,014 was recorded in fiscal year 2016 for Legislative Advocacy.							

ATMOS ENERGY CORP., MID-TEX DIVISION
RULE COMPLIANCE, 7.5414, ADJUSTMENT CALCULATION FOR ADVERTISING LIMITATION
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	FERC Account	Per Book Amount (1)	Adjustment Amount
	(a)	(b)	(c)	(d)
1	Supervision	907	\$ -	\$ -
2	Customer Assistance Expenses	908	423,412	-
3	Informational and Instructional Advertising Expenses	909	-	-
4	Miscellaneous Customer Service and Informational Expenses	910	388,947	-
5	Supervision	911	634	-
6	Demonstrating and Selling Expenses	912	47,098	-
7	Advertising Expenses	913	234,524	-
8	Miscellaneous Sales Expenses	916	-	-
9	General Advertising Expenses	930.1	-	-
10				
11	Total Advertising (Sum of Ln 1 through Ln 9)		<u>\$ 1,094,614</u>	<u>\$ -</u>
12				
13	Total Operating Revenue	480-495	\$ 1,189,984,058	
14	Less: Uncollectible Accounts (Schedule F-1, Col (c), Ln 28.	904	4,659,501	
15				
16	Total Gross Receipts (Ln 13 minus Ln 14)		<u>\$ 1,185,324,557</u>	
17				
18	Allowable Percentage for Advertising per Substantive Rule 7.5414		0.500%	
19				
20	Calculated Allowable Advertising Expense (Ln 16 times Ln 18)		<u>\$ 5,926,623</u>	
21				
22	Total Advertising Expense Per Book (Ln 11)		<u>\$ 1,094,614</u>	
23				
24	Adjustment Amount (2)			<u>\$ -</u>
25				
26				
27	Notes:			
28	1. Per Book amount is net of per book labor.			
29	2. The above information is provided per Substantive Rule 7.5414. The advertising expense included in the rate filing			
30	is below the allowable level; consequently, an adjustment to expense is not required.			

ATMOS ENERGY CORP., MID-TEX DIVISION
 CUSTOMER CONSERVATION PROGRAM ADJUSTMENT
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Per Books Amount	Adjusted Costs	Adjustment Amount
	(a)	(b)	(c)	(d)
1	Total Conservation Program Costs	\$ -	\$ -	-
2				
3	Less: Shareholder funding - Account 426.5	-	-	-
4				
5	Customer Funded Program Costs - Account 908	\$ 350,446	\$ (350,446)	-
		<u>\$ 350,446</u>	<u>\$ (350,446)</u>	<u>-</u>

GUD No. 10640
 Final Order
 Order Date: December 5, 2017

ATMOS ENERGY CORP., MID-TEX DIVISION
DEPRECIATION AND AMORTIZATION EXPENSE
BASED ON PLANT IN SERVICE AS OF SEPTEMBER 30, 2016

Line No.	Acct.	Description	Total Plant	Non-depreciable and Fully Depreciated Plant	Depreciable Plant	Rate	Proposed Depreciation Expense Total
	(a)	(b)	(c)	(d)	(e)=(c)-(d)	(f)	(g)=(e)x(f)
1	Mid-Tex:	Distribution Plant					
2	374	Land	\$ 882,059	\$ -	\$ 882,059	0.00%	\$ -
3	374	Land Rights	3,433,768	-	3,433,768	0.98%	8,644
4	374	Structures & Improvements	1,534,998	-	1,534,998	1.15%	39,488
5	374	Mains-Steel	166,308,567	-	166,308,567	1.85%	26,248
6	375	Mains-Cathodic Protection	564,130,235	-	564,130,235	3.97%	3,076,708
7	376.00	Mains-Plastic	1,410,449,314	-	1,410,449,314	2.21%	22,395,970
8	376.01	M&R Station Equipment - General	65,517,759	-	65,517,759	3.09%	31,170,930
9	376.02	M&R Station Equipment - City Gate	5,727,218	-	5,727,218	1.88%	2,024,499
10	378	House Regulators	1,130,511,134	-	1,130,511,134	3.67%	41,489,759
11	379	Meters	238,302,061	-	238,302,061	3.31%	7,887,798
12	380	Meiter Installations	114,839,535	-	114,839,535	3.66%	4,203,127
13	381	House Regulators	84,940,077	-	84,940,077	3.50%	2,972,903
14	382	Industrial M&R Station Equipment	2,186,431	-	2,186,431	2.80%	61,220
15	383	Test Year End Plant Balance (Sum of Ln 3 through Ln 16)	\$ 3,788,763,154	\$ -	\$ 3,788,763,154	3.05%	\$ 115,464,967
16	385	General Plant					
17	302	Franchises & Consents	\$ 18,896	\$ 18,896	\$ -	0.00%	\$ -
18	303	Computer Software	3,386,331	3,386,331	-	0.00%	-
19	303	Land	5,140,478	5,140,478	-	0.00%	-
20	303	Structures & Improvements	49,926,026	-	49,926,026	2.54%	1,268,121
21	389	Air Conditioning Equipment	266,775	-	266,775	2.75%	7,336
22	390	Office Furniture & Equipment	11,949,633	-	11,949,633	4.00%	477,985
23	390	Transportation Equipment	2,007,505	-	2,007,505	9.04%	181,478
24	391	Stores Equipment	168,523	-	168,523	4.00%	6,741
25	392	Tools, Shop, and Garage Equipment	20,946,893	-	20,946,893	5.00%	1,047,345
26	393	Laboratory Equipment	361,884	-	361,884	10.00%	36,188
27	394	Power Oper. Tool & Work Equipment	2,073,893	-	2,073,893	7.24%	150,150
28	395	Radio Communication Equipment	5,675,937	-	5,675,937	6.67%	378,585
29	396	Miscellaneous Equipment	1,832,807	-	1,832,807	2.50%	45,820
30	397	Other Tangible Property-Servers Hardware	270,270	-	270,270	14.29%	38,622
31	398	Other Tangible Property-Servers Software	617,561	-	617,561	14.29%	88,249
32	399	Other Tangible Property-Network-Hardware	323,002	-	323,002	14.29%	46,157
33	399.01	Other Tangible Property-PC Hardware	863,717	-	863,717	11.11%	95,959
34	399.02	Other Tangible Property-PC Software	755,203	-	755,203	14.29%	107,918
35	399.03	Other Tangible Property-Application Software	7,542,613	-	7,542,613	14.29%	1,077,839
36	399.06	Subtotal (Sum of Ln 20 through Ln 39)	\$ 125,035,995	\$ 8,545,706	\$ 116,490,289	5.68%	\$ 6,613,255
37	399.07	Accrual for Reserve Methodology Change (3)					\$ 238,783
38	399.08	Total Mid-Tex Direct (Ln 17 plus Ln 40 plus 42)					\$ 122,317,005
39	40						
40	41						
41	42						
42	43						
43	44						

GUID No. 10640
Final Order
Order Date: December 5, 2017

ATMOS ENERGY CORP., MID-TEX DIVISION
DEPRECIATION AND AMORTIZATION EXPENSE
BASED ON PLANT IN SERVICE AS OF SEPTEMBER 30, 2016

Line No.	Acct.	Description	Total Plant	Non-depreciable and Fully Depreciated Plant	Depreciable Plant	Rate	Proposed Depreciation Expense Total
	(a)	(b)	(c)	(d)	(e)=(c)-(d)	(f)	(g)=(e)x(i)
45							
46							
47	SSU - Customer Support (Div 012):						
48	General Plant						
49	389	Land & Land Rights (1)	2,874,240	2,874,240	-	0.00%	-
50	390	Structures & Improvements	12,620,665	-	12,620,665	3.34%	421,530
51	390.09	Improvements to Leased Premises	2,820,614	-	2,820,614	4.06%	114,517
52	391	Office Furniture & Equipment	2,295,208	-	2,295,208	4.03%	92,497
53	397	Communication Equipment - Telephone	1,962,785	-	1,962,785	5.54%	108,738
54	398	Miscellaneous Equipment	51,379	-	51,379	1.72%	884
55	399	Other Tangible Property	629,166	-	629,166	13.84%	87,077
56	399.01	Other Tangible Property-Servers Hardware	8,903,052	-	8,903,052	8.62%	767,443
57	399.02	Other Tangible Property-Servers Software	1,818,284	-	1,818,284	8.76%	159,645
58	399.03	Other Tangible Property-Network-Hardware	629,226	-	629,226	8.72%	54,868
59	399.06	Other Tangible Property-PC Hardware	813,065	-	813,065	8.78%	71,387
60	399.07	Other Tangible Property-PC Software	190,247	-	190,247	6.64%	12,632
61	399.08	Other Tangible Property-Application Software	89,487,465	-	89,487,465	6.57%	5,879,326
62		Total (Sum of Ln 49 through Ln 61)	125,095,393	2,874,240	122,221,153		7,770,545
63		Customer Support Allocated to Mid-Tex					52,019
64		Allocation to Mid-Tex (Ln 62 times Ln 63)					4,041,461
65	SSU - Customer Support (Div 012):						
66	General Plant						
67	Charles K. Vaughn Center						
68	389	Land & Land Rights (1)	1,887,123	1,887,123	-	0.00%	-
69	390.10	Structures & Improvements	11,239,300	-	11,239,300	3.34%	375,393
70	391.10	Office Furniture & Equipment	204,636	-	204,636	4.03%	8,247
71	392.10	Transportation Equipment (2)	96,290	-	96,290	28.96%	-
72	394.10	Tools, Shop, and Garage Equipment	347,775	-	347,775	8.88%	30,882
73	395.10	Laboratory Equipment	23,632	-	23,632	10.00%	2,363
74	397.10	Communication Equipment	294,319	-	294,319	5.54%	16,305
75	398.10	Miscellaneous Equipment	509,283	-	509,283	1.72%	8,760
76	399.10	Other Tangible Equipment	113,831	-	113,831	13.84%	15,754
77	399.16	PC Hardware	228,123	-	228,123	8.78%	20,029
78	399.17	PC Software	102,576	-	102,576	6.64%	6,811
79	399.18	Other Tangible Property	20,560	-	20,560	13.84%	2,846
80		Total (Sum of Ln 68 through Ln 79)	15,067,448	1,887,123	13,180,325		487,390
81		Allocation to Mid-Tex					77,279
82		Customer Support: Charles K. Vaughn Center Allocated to Mid-Tex (Ln 80 times Ln 81)					376,627
83		Total Customer Support Depreciation Expense Allocated to Mid-Tex (Ln 84 plus Ln 82)					4,418,088
84							
85							

**ATMOS ENERGY CORP., MID-TEX DIVISION
DEPRECIATION AND AMORTIZATION EXPENSE
BASED ON PLANT IN SERVICE AS OF SEPTEMBER 30, 2016**

Line No.	Acct.	Description	Total Plant (c)	Non-depreciable and Fully Depreciated Plant (d)	Depreciable Plant (e)=(c)-(d)	Rate (f)	Proposed Depreciation Expense Total (g)=(e)(f)
86	SSU - General Office (Div. 002)						
87	General Plant						
88	390	Structures & Improvements	\$ 1,411,378	-	\$ 1,411,378	3.34%	\$ 47,140
89	390	Improvements to Leased Premises	8,832,037	8,832,037	-	4.06%	-
90	391	Office Furniture & Equipment	9,257,564	-	9,257,564	4.03%	373,080
91	391.02	Remittance Processing Equipment	-	-	-	4.03%	-
92	391.03	Office Furniture & Equipment	-	-	-	4.03%	-
93	392	Transportation Equipment	7,125	-	7,125	28.96%	2,064
94	393	Stores Equipment	-	-	-	10.00%	-
95	394	Tools & Work Equipment	160,005	-	160,005	8.88%	14,208
96	395	Laboratory Equipment	-	-	-	10.00%	-
97	397	Communication Equipment - Telephone	2,429,872	-	2,429,872	5.54%	134,615
98	398	Miscellaneous Equipment	136,510	-	136,510	1.72%	2,348
99	399	Other Tangible Property	162,268	162,268	-	13.84%	-
100	399.01	Other Tangible Property-Servers Hardware	31,625,506	-	31,625,506	8.62%	2,726,119
101	399.02	Other Tangible Property-Servers Software	18,988,317	-	18,988,317	8.78%	1,667,174
102	399.03	Other Tangible Property-Network-Hardware	3,248,234	-	3,248,234	8.72%	283,246
103	399.04	Other Tangible Property-CPU	-	-	-	26.26%	-
104	399.05	Other Tangible Property-HP Hardware	-	-	-	15.76%	-
105	399.06	Other Tangible Property-PC Hardware	1,807,627	-	1,807,627	8.78%	158,710
106	399.07	Other Tangible Property-PC Software	534,105	-	534,105	6.64%	35,465
107	399.08	Other Tangible Property-Application Software	54,187,077	-	54,187,077	6.57%	3,560,091
108	399.09	Other Tangible Property-System Software	39,252	39,252	-	6.21%	-
109	399.24	Other Tangible Property-GenStartUpCost	-	-	-	15.89%	-
110		Total (Sum of Ln 88 through Ln 109)	\$ 132,826,877	\$ 9,033,556	\$ 123,793,320		\$ 9,004,259
111		General Office Allocated to Mid-Tex					\$ 38,306
112		Allocation to Mid-Tex (Ln 110 times Ln 111)					\$ 3,448,631
113	SSU - General Office (Div. 002)						
114	General Plant						
115	Greenville Data Center (010, 11520)						
116	390.05	G-Structures & Improvements	\$ 9,133,015	-	\$ 9,133,015	3.34%	\$ 305,043
117	391.04	G-Office Furniture & Equip.	63,741	-	63,741	4.03%	2,569
118		Total (Sum of Ln 116 through Ln 117)	\$ 9,196,756	\$ -	\$ 9,196,756		\$ 307,611
119		General Office: Greenville Data Center Allocated to Mid-Tex (Ln 118 times Ln 119)					\$ 13,656
120							\$ 42,011
121							

ATMOS ENERGY CORP., MID-TEX DIVISION
DEPRECIATION AND AMORTIZATION EXPENSE
BASED ON PLANT IN SERVICE AS OF SEPTEMBER 30, 2016

Line No.	Acct.	Description	Total Plant	Non-depreciable and Fully Depreciated Plant	Depreciable Plant	Rate	Proposed Depreciation Expense Total
			(c)	(d)	(e)=(c)-(d)	(f)	(g)=(e)x(f)
122	SSU - General Office (Div. 002)						
123	General Plant						
124	Distribution and Marketing						
125	391.20	Office Furniture & Equipment-AEAM	213,674	-	213,674	4.03%	8,611
126	394.20	Tools & Work Equipment-AEAM	39,435	-	39,435	8.88%	3,502
127	397.20	Communication Equipment-AEAM	8,824	-	8,824	5.54%	489
128	398.20	Miscellaneous Equipment-AEAM	7,388	-	7,388	1.72%	127
129	399.21	Other Tangible Property-Servers Hardware-AEAM	1,628,900	-	1,628,900	8.62%	140,411
130	399.22	Other Tangible Property-Servers Software-AEAM	961,256	-	961,256	8.78%	84,398
131	399.23	Other Tangible Property-Network-Hardware-AEAM	37,965	-	37,965	8.72%	3,311
132	399.26	Other Tangible Property-PC Hardware-AEAM	75,783	-	75,783	8.78%	6,654
133	399.28	Other Tangible Property-Application Software-AEAM	18,220,845	-	18,220,845	6.57%	1,197,110
134		Total (Sum of Ln 125 through Ln 133)	21,194,070	-	21,194,070		1,444,612
135		Allocation to Mid-Tex					47.95%
136		General Office: Distribution & Marketing Allocated to Mid-Tex (Ln 134 times Ln 135)					692,691
137							
138	SSU - General Office (Div. 002):						
139	General Plant						
140	Align Pipe Projects						
141	399.31	Other Tangible Property-Servers Hardware-Align	290,843	-	290,843	8.62%	25,071
142	399.32	Other Tangible Property-Servers Software-Align	337,635	-	337,635	8.78%	29,644
143	399.38	Other Tangible Property-Application Software-Align	17,009,382	-	628,478	6.57%	41,291
144		Total (Sum of Ln 141 through Ln 143)	17,637,860	-	1,256,956		96,006
145		Allocation to Mid-Tex					7.69%
146		General Office: Align Pipe Projects Allocated to Mid-Tex (Ln 144 times Ln 145)					7,384
147							
148		Total SSU - General Office Depreciation Expense Allocated to Mid-Tex (Ln 112 plus Ln 120 plus Ln 136 plus Ln 146)					4,190,717
149							
150		Total SSU Depreciation Expense Allocated to Mid-Tex (Ln 83 plus Ln 148)					8,608,804
151		Total Mid-Tex Depreciation and Amortization Expense (Ln 44 plus Ln 150)					130,925,809
152							
153		Notes: (1) Account only contains Land (no land rights);					
154		(2) Set to zero, less than 1 year remaining reserve;					
155		(3) Adjustment to the reserve balance due to the implementation of amortization rates on General Plant assets as approved by the					
156		Commission in GUD 10170. Amortization has been adjusted to reflect those accounts that will be fully amortized during the rate effective period.					

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

Line No.	Acct.	Description	Reference	Current	Proposed (1)
	(a)	(b)	(c)	(d)	(e)
1	<u>Mid-Tex:</u>				
2	374	Land		0.00%	0.00%
3	374	Land Rights		0.98%	0.98%
4	374	Land & Land Rights		1.15%	1.15%
5	375	Structures & Improvements		1.71%	1.71%
6	376.00	Mains-Cathodic Protection		1.85%	1.85%
7	376.01	Mains-Steel		3.97%	3.97%
8	376.02	Mains-Plastic		2.21%	2.21%
9	378	M&R Station Equipment - General		3.09%	3.09%
10	379	M&R Station Equipment - City Gate		1.88%	1.88%
11	380	Services		3.67%	3.67%
12	381	Meters		3.31%	3.31%
13	382	Meter Installations		3.66%	3.66%
14	383	House Regulators		3.50%	3.50%
15	385	Industrial M&R Station Equipment		2.80%	2.80%
16		Distribution Plant Depreciation Rate		3.05%	3.05%
17					
18		<u>General Plant Depreciation Rates:</u>			
19	389	Land		0.00%	0.00%
20	390	Structures & Improvements		2.54%	2.54%
21	390	Air Conditioning Equipment		2.75%	2.75%
22	391	Office Furniture & Equipment		4.00%	4.00%
23	392	Transportation Equipment		9.04%	9.04%
24	393	Stores Equipment		4.00%	4.00%
25	394	Tools, Shop, and Garage Equipment		5.00%	5.00%
26	395	Laboratory Equipment		10.00%	10.00%
27	396	Power Oper. Tool & Work Equip.		7.24%	7.24%
28	397	Radio Communication Equipment		6.67%	6.67%
29	398	Miscellaneous Equipment		2.50%	2.50%
30	399	Non-Mainframe Computer Equip.		14.29%	14.29%
31	399.01	Other Tangible Property-Servers Hardware		14.29%	14.29%
32	399.02	Other Tangible Property-Servers Software		14.29%	14.29%
33	399.03	Other Tangible Property-Network-Hardware		11.11%	11.11%
34	399.06	Other Tangible Property-PC Hardware		14.29%	14.29%
35	399.07	Other Tangible Property-PC Software		14.29%	14.29%
36	399.08	Other Tangible Property-Application Software		14.29%	14.29%
37					

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

Line No.	Acct.	Description	Reference	Current	Proposed (1)
	(a)	(b)	(c)	(d)	(e)
38		<u>SSU - Customer Support and General Office:</u>			
39		<u>General Plant Depreciation Rates:</u>			
40	390	Structures & Improvements		3.34%	3.34%
41	390.09	Improvements to Leased Premises		4.06%	4.06%
42	390.10	CKV-Structures & Improvements		3.34%	3.34%
43	391	Office Furniture & Equipment		4.03%	4.03%
44	391.02	Remittance Processing Equipment		4.03%	4.03%
45	391.03	Office Furniture & Equipment		4.03%	4.03%
46	392	Transportation Equipment		28.96%	28.96%
47	393	Stores Equipment		10.00%	10.00%
48	394	Tools & Work Equipment		8.88%	8.88%
49	395	Laboratory Equipment		10.00%	10.00%
50	397	Communication Equipment - Telephone		5.54%	5.54%
51	397.10	CKV-Communication Equipment		5.54%	5.54%
52	398	Miscellaneous Equipment		1.72%	1.72%
53	399	Other Tangible Property		13.84%	13.84%
54	399.01	Other Tangible Property-Servers Hardware		8.62%	8.62%
55	399.02	Other Tangible Property-Servers Software		8.78%	8.78%
56	399.03	Other Tangible Property-Network-Hardware		8.72%	8.72%
57	399.04	Other Tangible Property-CPU		26.26%	26.26%
58	399.05	Other Tangible Property-MF Hardware		15.76%	15.76%
59	399.06	Other Tangible Property-PC Hardware		8.78%	8.78%
60	399.07	Other Tangible Property-PC Software		6.64%	6.64%
61	399.08	Other Tangible Property-Application Software		6.57%	6.57%
62	399.09	Other Tangible Property-System Software		6.21%	6.21%
63	399.10	CKV-Other Tangible Equipment		13.84%	13.84%
64	399.16	CKV-PC Hardware		8.78%	8.78%
65	399.17	CKV-PC Software		6.64%	6.64%
66	399.24	Other Tangible Property-GenStartupCost		15.89%	15.89%
67		Note: 1. Depreciation rates are per final order in GUD 10170.			

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ATMOS ENERGY CORP., MID-TEX DIVISION
TAXES OTHER THAN INCOME TAX - ACCOUNT 408.1
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description (a)	Per Book Amount (b)	Adjustments (c)	Adjusted Amount (d)=(b)+(c)
1	<u>Non Revenue - Related</u>			
2	Ad Valorem Tax	\$ 31,619,042	\$ 2,598,940	\$ 34,217,982
3	Taxes Property and Other	440,395	-	440,395
4	Payroll Tax	2,607,118	(4,708)	2,602,410
5	DOT Pipeline User Fee	97,576	-	97,576
6	Non Revenue - Related Taxes Allocated from SSU	3,435,908	(564,825)	2,871,083
7	Total Non Revenue - Related (Sum Ln 2 through Ln 6)	<u>\$ 38,200,039</u>	<u>\$ 2,029,407</u>	<u>\$ 40,229,446</u>
8				
9	<u>Revenue - Related</u>			
10	State Gross Receipts - Tax	\$ 21,047,936	\$ 4,122,788	\$ 25,170,724
11	Franchise Fees	60,883,599	11,925,644	72,809,243
12	Railroad Commission Fees	66,778	13,080	79,858
13	Total Revenue - Related (Sum Ln 10 through Ln 12)	<u>\$ 81,998,313</u>	<u>\$ 16,061,512</u>	<u>\$ 98,059,825</u>
14				
15	Total Taxes Other Than Income (Ln 7 plus Ln 13)	<u>\$ 120,198,352</u>	<u>\$ 18,090,919</u>	<u>\$ 138,289,271</u>

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ATMOS ENERGY CORP., MID-TEX DIVISION
 TAXES OTHER THAN INCOME TAX WORKPAPER
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Amount
	(a)	(b)
1	Mid-Tex Direct:	
2	Payroll Tax	
3	Base Labor Adjustment for Mid-Tex Direct (Schedule F-2.1)	\$ (61,540)
4	Statutory Tax Rate	7.65%
5	Direct Payroll Tax Expense for Base Labor Adjustment (Ln 3 times Ln 4)	<u>\$ (4,708)</u>
6		
7	Direct Payroll Tax Expense for test period (Schedule F-5)	\$ 2,607,118
8	Total Proposed Payroll Tax (Ln 5 plus Ln 7)	<u>\$ 2,602,410</u>
9		
10	Ad Valorem Tax	
11	Mid-Tex Payment of Property Taxes (1) (2)	\$ 36,699,872
12	Capitalized Property Taxes	<u>(2,481,891)</u>
13	Total Mid-Tex Ad Valorem Tax (Sum of Ln 11 through Ln 12)	<u>\$ 34,217,982</u>
14		

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**ATMOS ENERGY CORP., MID-TEX DIVISION
TAXES OTHER THAN INCOME TAX WORKPAPER
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Description	Amount
	(a)	(b)
15	<u>Revenue-Related Taxes:</u>	
16	Total Operating Revenues Per Book (FERC Accounts 480-495)	\$ 1,189,984,058
17	<u>Determination of Tax Rates:</u>	
18	State Gross Receipts Tax Expense (4081-30109) (Schedule F-5)	\$ 21,047,936
19	Ratio to Total Operating Revenues (Ln 18 divided by Ln 16)	<u>1.7688%</u>
20		
21	Franchise Fees Expense (4081-30107) (Schedule F-5)	\$ 60,883,599
22	Ratio to Total Operating Revenues (Ln 21 divided by Ln 16)	<u>5.1163%</u>
23		
24	Railroad Commission Fee Expense (4081-30112) (Schedule F-5)	\$ 66,778
25	Ratio to Total Operating Revenues (Ln 24 divided by Ln 16)	<u>0.0056%</u>
26		
27	<u>State Gross Receipts Tax</u>	
28	Revenue Requirement (Schedule A, Page 2, Col (g), Ln 20)	\$ 1,423,073,533
29	Effective Tax Rate (Ln 19)	1.7688%
30	Proposed State Gross Receipts Tax at Projected Rates (Ln 28 times Ln 29)	<u>\$ 25,170,724</u>
31		
32	<u>Franchise Fees</u>	
33	Revenue Requirement (Schedule A, Page 2, Col (g), Ln 20)	\$ 1,423,073,533
34	Effective Tax Rate (Ln 22)	5.1163%
35	Proposed Franchise Fees at Projected Rates (Ln 33 times Ln 34)	<u>\$ 72,809,243</u>
36		
37	<u>Railroad Commission Fee</u>	
38	Revenue Requirement (Schedule A, Page 2, Col (g), Ln 20)	\$ 1,423,073,533
39	Effective Tax Rate (Ln 25)	0.0056%
40	Proposed Railroad Commission Fee at Projected Rates (Ln 38 times Ln 39)	<u>\$ 79,858</u>
41		

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ATMOS ENERGY CORP., MID-TEX DIVISION
TAXES OTHER THAN INCOME TAX WORKPAPER
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description (a)	Amount (b)
42	SSU:	
43	Payroll Tax Allocated to Mid-Tex	\$ 26,857,366
44	Adjusted Labor Expense Allocated to Mid-Tex (WP_F-5.2, Col (g), Ln 103)	\$ 2,054,589
45	Statutory Tax Rate	7.65%
46	Payroll Tax Expense Allocated to Mid-Tex (Ln 44 times Ln 45)	\$ 149,993
47	Add: Benefit-Related Payroll Tax Expense Allocated to Mid-Tex	\$ 68,668
48	Add: Payroll Tax for FUTA & SUTA Allocated to Mid-Tex	\$ 2,273,250
49	Total Proposed Payroll Tax Expense Allocated to Mid-Tex (Sum of Ln 46 through Ln 48)	<u>\$ 2,273,250</u>
50		
51	Ad Valorem Tax Allocated to Mid-Tex (1)	
52	Shared Services General Office Tax Payment	\$ 720,567
53	Allocation to Mid-Tex	38.30%
54	General Office Ad Valorem Tax Expense Allocated to Mid-Tex (Ln 52 times Ln 53)	<u>\$ 275,977</u>
55		
56	Shared Services Customer Support Tax Payment	\$ 548,470
57	Allocation to Mid-Tex	52.01%
58	Customer Support Ad Valorem Tax Expense Allocated to Mid-Tex (Ln 56 times Ln 57)	<u>\$ 285,259</u>
59		
60	Total Proposed SSU Ad Valorem Tax Expense Allocated to Mid-Tex (Ln 54 plus Ln 58)	<u>\$ 561,236</u>
61		
62	Other Tax Allocated to Mid-Tex	
63	Excise Tax Amount (4081-30102) (Adjusted Test Year Amount)	\$ 95,554
64	Allocation to Mid-Tex	38.30%
65	Total Proposed SSU Excise Tax Expense Allocated to Mid-Tex (Ln 63 times Ln 64)	<u>\$ 36,597</u>
66		
67	Total Non Revenue - Related Tax Expenses Allocated to Mid-Tex (Ln 49 + Ln 60 + Ln 65)	<u>\$ 2,871,083</u>
68		
69	Note:	
70	1. Working Gas In Storage (FERC Account 164. 1) was moved from Mid-Tex to	
71	Pipeline to reflect GUD 9869 Final Order classification for rate purposes.	
72	2. Ad Valorem taxes based on asset valuation as of December 31, 2015.	

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ATMOS ENERGY CORP., MID-TEX DIVISION
SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO MID-TEX FOR PAYROLL TAX CALCULATION
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Per Book SSU O&M Labor (b)	FY17 Capitalization Rate (1) (c)	Four-Factor Allocation		Total (e) = (b) * (d)	SSU Allocated to Capital (3) (f) = (e) * (c)	Expense Allocated to Mid-Tex (g) = (e) - (f)
				(1), (2)	(2)			
1	1001 SS Dallas President and COO	\$ 529,654	73.74%	38.30%	\$	202,857	149,581	\$ 53,276
2	1101 SS Dallas Chief Financial Officer	506,677	73.74%	38.30%		194,057	143,092	50,965
3	1105 SS Dallas Audit	-	0.00%	38.30%		-	-	-
4	1106 SS Dallas Treasurer	415,731	77.15%	38.30%		159,225	122,838	36,387
5	1107 SS Dallas Treasury	437,225	73.74%	38.30%		167,457	123,478	43,979
6	1108 SS Dallas Risk Management	395,558	80.00%	38.30%		151,489	121,199	30,300
7	1110 SS Dallas Procurement	103,744	46.64%	38.59%		40,035	18,673	21,362
8	1112 SS Dallas Mail & Supply	121,107	15.73%	38.59%		46,735	7,353	39,382
9	1114 SS Dallas Vice Pres & Controller	351,803	29.34%	38.30%		134,740	39,532	95,208
10	1116 SS Dallas Taxation	212,454	2.37%	38.30%		81,370	1,931	79,438
11	1117 SS Dallas Acctg Services	299,522	65.19%	38.30%		114,717	74,787	39,930
12	1118 SS Dallas Supply Chain	417,748	46.51%	38.59%		161,209	74,971	86,238
13	1119 SS Dallas General Accounting	441,384	73.74%	38.30%		169,050	124,652	44,398
14	1120 SS Dallas Accounts Payable	473,004	31.54%	38.30%		181,161	57,140	124,021
15	1121 SS Dallas Plant Accounting	605,281	91.20%	38.30%		231,823	211,428	20,395
16	1123 SS Dallas Gas Accounting	247,139	0.00%	38.40%		94,901	-	94,901
17	1125 SS Dallas Financial Reporting	809,035	0.00%	38.30%		309,860	-	309,860
18	1126 SS Dallas Payroll	357,501	73.74%	38.30%		136,923	100,963	35,960
19	1128 SS Dallas Property & Sales Tax	1,223,144	2.50%	38.30%		468,464	11,712	456,752
20	1129 SS Dallas Income Tax	438,723	2.00%	38.30%		168,031	3,361	164,670
21	1130 SS Dallas Business Planning and Analysis	727,864	56.60%	38.30%		278,772	157,774	120,998
22	1131 SS Dallas Media Relations	130,425	0.00%	38.59%		50,331	-	50,331
23	1132 SS Dallas Investor Relations (4)	332,649	0.00%	0.00%		-	-	-
24	1133 SS Dallas Corporate Communications	745,721	0.00%	38.30%		285,611	-	285,611
25	1134 SS Dallas IT	1,345,597	38.57%	38.30%		515,364	198,783	316,581
26	1135 SS Dallas IT E&O, Corporate Systems	1,831,640	23.12%	38.30%		701,518	162,201	539,318
27	1137 SS Dal-IT Engineering & Operations	3,392,841	24.96%	38.30%		1,299,458	324,358	975,100
28	1141 SS Dallas Gas Purchase Accounting	492,741	0.00%	48.54%		239,177	-	239,177
29	1144 SS Dallas Rate Administration	693,863	0.00%	48.54%		336,801	-	336,801
30	1145 SS Dallas Revenue Accounting	266,034	0.00%	48.54%		129,133	-	129,133
31	1150 SS Dallas Strategic Planning	400,734	55.56%	38.30%		153,481	85,267	68,214
32	1153 SS Dallas Distribution Acctg	613,642	0.00%	48.54%		297,862	-	297,862
33	1154 SS Dallas Rates & Regulatory	1,496,541	74.97%	38.59%		577,515	432,977	144,538
34	1155 SS Dallas Texas Gas Pipeline Accounting	84,872	0.00%	0.00%		-	-	-
35	1156 SS Dal-IT Customer Services Systems	2,175,341	12.27%	52.01%		1,131,395	138,790	992,605
36	1158 SS CCC IT Support	-	0.00%	52.01%		-	-	-
37	1159 SS Dallas VP of Workforce Development	343,646	0.00%	38.30%		131,616	-	131,616
38	1161 SS Dallas Benefits and Payroll Accounting	366,804	73.74%	38.30%		140,486	103,590	36,896
39	1164 SS Dal-IT Security	865,631	17.00%	38.30%		331,537	56,361	275,175
40	1167 SS Dal-IT Enterprise Architecture	448,537	20.00%	38.59%		173,090	34,618	138,472

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ATMOS ENERGY CORP., MID-TEX DIVISION
 SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO MID-TEX FOR PAYROLL TAX CALCULATION
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Per Book SSU O&M Labor (b)	FY17 Capitalization Rate (1) (c)	Four-Factor Allocation		Total (e) = (b) * (d)	SSU Allocated to Capital (3) (f) = (e) * (c)	Expense Allocated to Mid-Tex (g) = (e) - (f)
				(1), (2) Factor	(d)			
41	1171 SS Regulatory Accounting Services	172,233	74.97%	38.59%	66,465	49,830	16,635	
42	1201 SS Dallas Chief Executive Officer	1,063,037	73.74%	38.30%	407,143	300,215	106,928	
43	1205 SS Dallas SVP Safety and Enterprise Services	371,529	12.02%	38.30%	142,296	17,103	125,193	
44	1209 SS Dallas Safety & Compliance	343,132	0.00%	38.59%	132,415	-	132,415	
45	1212 SS CSC-Customer Contact Management	13,926,455	20.86%	52.01%	7,243,149	1,510,870	5,732,280	
46	1213 SS Dallas Quality Assurance	518,351	0.00%	52.01%	269,594	-	269,594	
47	1214 SS Dallas Workforce Management	539,040	0.00%	52.01%	280,355	-	280,355	
48	1215 SS Dispatch Operations	4,068,368	0.00%	52.01%	2,115,958	-	2,115,958	
49	1216 SS Dallas CSO Training & Knowledge Mgmt	830,193	0.00%	52.01%	431,784	-	431,784	
50	1224 SS Dallas CSO Human Resources	486,757	0.00%	52.01%	253,162	-	253,162	
51	1226 SS Dallas Customer Service	1,110,527	2.43%	52.01%	577,585	14,041	563,544	
52	1227 SS Dallas Customer Program Management	1,996,816	3.90%	38.59%	770,571	30,036	740,535	
53	1228 SS Dallas Customer Revenue Management	7,971,621	0.00%	52.01%	4,146,040	-	4,146,040	
54	1229 SS Dallas Pipeline Safety	638,850	30.00%	38.59%	246,532	73,960	172,572	
55	1401 SS Dallas Employment & Employee Relations	544,249	0.00%	38.30%	208,447	-	208,447	
56	1402 SS Dallas Executive Compensation	-	0.00%	38.30%	-	-	-	
57	1403 SS Dallas Human Resources - Vice Pres	578,599	0.00%	38.30%	221,603	-	221,603	
58	1405 SS Dallas Compensation & Benefits	611,813	0.00%	38.30%	234,324	-	234,324	
59	1407 SS Dallas Facilities	610,860	29.28%	38.30%	233,959	68,514	165,446	
60	1408 SS Dallas Employee Development	807,017	0.00%	38.30%	309,087	-	309,087	
61	1414 SS Tech Training Delivery	836,910	0.00%	38.59%	322,964	-	322,964	
62	1415 SS Tech Training Prog & Curriculum	187,432	0.00%	38.59%	72,330	-	72,330	
63	1416 SS Dallas Compensation and HRMS	779,236	0.00%	38.30%	298,447	-	298,447	
64	1420 SS Dallas EAPC	-	0.00%	38.30%	-	-	-	
65	1463 SS HR Benefit Variance	-	15.73%	38.30%	-	-	-	
66	1501 SS Corporate Legal	2,785,770	52.29%	38.30%	1,066,950	557,893	509,057	
67	1502 SS Corporate Secretary	-	0.00%	38.30%	-	-	-	
68	1503 SS Corporate Governmental Affairs	360,719	0.00%	38.59%	139,202	-	139,202	
69	1504 SS Corporate Central Records	192,447	73.74%	38.59%	74,265	54,761	19,504	
70	1505 SS Corporate Gas Contract Administration	133,262	0.00%	38.59%	51,426	-	51,426	
71	1508 SS Corporate Energy Assistance	462,140	0.00%	48.54%	224,323	-	224,323	
72	1821 SS Gas Supply Executive	349,313	0.00%	38.40%	134,136	-	134,136	
73	1822 SS Dallas-Regional Gas Supply	246,719	0.00%	82.97%	204,703	-	204,703	
74	1823 SS Dallas Gas Contract Admin	355,621	0.00%	48.54%	172,618	-	172,618	
75	1825 SS Franklin-Gas Control & Storage	298,464	0.00%	0.00%	-	-	-	
76	1826 SS New Orleans Gas Supply & Service	187,203	0.00%	48.54%	90,868	-	90,868	
77	1827 SS Regional Supply Planning	423,365	0.00%	48.54%	205,501	-	205,501	
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%	100.00%	-	-	-	

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ATMOS ENERGY CORP., MID-TEX DIVISION
SHARED SERVICES ("SSU") ADJUSTED TOTAL LABOR ALLOCATED TO MID-TEX FOR PAYROLL TAX CALCULATION
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Per Book SSU O&M Labor (b)	FY17 Capitalization Rate (1) (c)	Four-Factor Allocation Factor (1), (2) (d)	Total (e) = (b) * (d)	SSU Allocated to Capital (3) (f) = (e) * (c)	Expense Allocated to Mid-Tex (g) = (e) - (f)
81	1833 SS Dallas-Corporate Gas Supply Risk Mgmt	105,838	0.00%	48.54%	51,374	-	51,374
82	1835 SS Franklin Gas Control	958,194	0.00%	0.00%	-	-	-
83	1836 SS TBS-System Support	250,219	0.00%	38.40%	96,084	-	96,084
84	1837 SS TBS-Application Support	688,867	0.00%	38.40%	264,525	-	264,525
85	1838 SS TBS-Technical Support	573,232	0.00%	38.40%	220,121	-	220,121
86	1839 SS TBS-Transportation & Scheduling	203,299	0.00%	38.40%	78,067	-	78,067
87	1901 SS Dallas Employee Relocation Exp (5)	83,695	0.00%	38.30%	32,055	-	32,055
88	1901 SS Dallas Employee Relocation Exp (5)	14,624	0.00%	52.01%	7,606	-	7,606
89	1903 SS Dallas Controller - Miscellaneous	-	0.00%	0.00%	-	-	-
90	1904 SS Dallas Performance Plan (4)	-	30.50%	0.00%	-	-	-
91	1905 SS Dallas Outside Director Retirement Cost	-	0.00%	38.30%	-	-	-
92	1908 SS Dallas SEBP (4)	-	0.00%	0.00%	-	-	-
93	1910 SS Dallas Overhead Capitalized (3)	-	0.00%	41.01%	-	-	-
94	1913 SS Dallas Fleet Management	541,269	46.75%	38.59%	208,876	97,649	111,227
95	1915 SS Dallas Insurance	-	0.00%	38.30%	-	-	-
96	1953 SS Dallas Enterprise Team Meeting	-	0.00%	38.30%	-	-	-
97	1954 SS Dallas Culture Council	-	0.00%	38.30%	-	-	-
98	TOTAL (Sum Ln 1 through Ln 97)	<u>\$ 73,459,351</u>	0.00%	38.30%	<u>\$ 32,294,173</u>	<u>\$ 5,856,281</u>	<u>\$ 26,437,891</u>
99							
100	Add: SSU Labor Adjustment (W/P_F-2.1, Col (d), Ln 22)						\$ 419,475
101							<u>\$ 26,857,366</u>
102	Total Adjusted SSU Labor Allocated to Mid-Tex Account 922 (Ln 98 plus Ln 100)						
103							
104	Notes:						
105	1. Factors are displayed only if applicable to Mid-Tex.						
106	2. Based on FY17 factors, adjusted to the four-factor formula including Operating Income.						
107	3. The Total represents the amount that would be credited from Cost Center 1910.						
108	4. Allocation percentages have been set to zero to align with GUID 9869 for cost centers 1132, 1904 and 1908.						
109	5. Cost center 1901 expenses have been divided between General Office (Div 002) and Customer Support (Div 012) and separately allocated.						

ATMOS ENERGY CORP., MID-TEX DIVISION
TOTAL INCOME TAXES
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Amount
	(a)	(b)
1	Federal Income Tax (Page 2, Col (b), Ln 12)	\$ 72,181,175
2	State Income Tax (Page 3, Col (c), Ln 8)	4,577,761
3		
4	Total Income Tax (Sum Ln 1 through Ln 2)	<u>\$ 76,758,936</u>

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ATMOS ENERGY CORP., MID-TEX DIVISION
FEDERAL INCOME TAX
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description (a)	Amount (b)
1	Return on Rate Base (Schedule G, Col (c), Ln 6)	\$ 190,054,514
2		
3	Interest Expense:	
4	Rate Base (Schedule B, Col (e), Ln 21)	\$ 2,268,402,553
5	Weighted Cost of Debt (Schedule G, Col (b), Ln 17)	2.47%
6	Total (Ln 4 times Ln 5)	<u>\$ 56,003,761</u>
7		
8	Taxable component of return (Ln 1 minus Ln 6)	\$ 134,050,753
9		
10	Tax factor (1 / .65) * (.35)	<u>53.85%</u>
11		
12	Federal Income Taxes (Ln 8 times Ln 10)	<u><u>\$ 72,181,175</u></u>

GUID No. 10640

Final Order

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ATMOS ENERGY CORP., MID-TEX DIVISION
STATE FRANCHISE ("GROSS MARGIN") TAX
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description (a)	Reference (b)	Amount (c)
1	Total Proposed Operating Revenues	Schedule A, Col (g), Ln 20	\$ 1,423,073,533
2	Less:		
3	Total Purchased Gas Costs (Rider GCR)	Schedule A, Col (e), Ln 20	705,554,135
4	Taxes Other Than Federal Income Tax- Revenue Related	Schedule F-5, Col (d), Ln 13	98,059,825
5	Bad Debt Expense, not included in Purchased Gas Costs	Schedule F-1, Col (e), Ln 29	9,091,459
6	Gross Profit (Ln 1 minus Sum of Ln 3 through Ln 5)		\$ 610,368,114
7	Tax Rate (1)		0.75%
8	Gross Margin Tax (Ln 6 times Ln 7)		\$ 4,577,761
9			
10	Note:		
11	1. Adjusted the margin tax rate to reflect the change approved by the Legislature.		

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ATMOS ENERGY CORP., MID-TEX DIVISION
 INTEREST EXPENSE - CUSTOMER DEPOSITS
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description (a)	Amount (b)
1	Adjusted Customer Deposits (235)	\$ 22,766,291
2		
3	Current Interest Rate (1)	0.42%
4		
5	Interest on Customer Deposits (Ln 1 times Ln 3)	\$ 95,618
6		
7	Note:	
8	1. Interest Rate per the Public Utility Commission of Texas Press Release	
9	dated December 1, 2016.	

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ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY OF RETURN
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description (a)	Proposed Rates (1) (b)	Proposed Amounts (c)
1	<u>Net Operating Income/Return</u>		
2			
3	Cost of Debt	5.95%	\$ 56,003,761
4	Cost of Equity	10.10%	134,050,753
5			
6	Total Return on Invested Capital (Ln 3 plus Ln 4)		<u>\$ 190,054,514</u>
7			
8	<u>Rate Base - Capitalization Structure</u>		
9			
10	Debt	41.49%	\$ 941,167,370
11	Equity	58.51%	1,327,235,183
12			
13	Total Invested Capital (Ln 10 plus Ln 11)		<u>\$ 2,268,402,553</u>
14			
15	<u>Percent Return - After Tax</u>		
16			
17	Cost of Debt	2.47%	
18	Return on Equity	5.91%	
19			
20	Percent Return - After Tax	<u>8.38%</u>	
21			
22	Notes:		
23	1. Capital Structure and Cost of Debt are 13 month averages in accordance with		
24	Rider DARR, Section III, Item d). Cost of equity is per Rider DARR, Section III, Item c).		
25	2. Return is per City of Dallas Ordinance 28281.		

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**ATMOS ENERGY CORP., MID-TEX DIVISION
CALCULATION OF RIDER GCR PART A
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No.	Month/Year	Estimated Gas Cost	
		Factor (EGCF)/Ccf	
	(a)	(b)	
1	October 31, 2015	\$	0.35000
2	November 30, 2015	\$	0.35000
3	December 31, 2015	\$	0.32500
4	January 31, 2016	\$	0.25000
5	February 29, 2016	\$	0.21500
6	March 31, 2016	\$	0.19500
7	April 30, 2016	\$	0.17000
8	May 31, 2016	\$	0.18500
9	June 30, 2016	\$	0.18500
10	July 31, 2016	\$	0.31000
11	August 31, 2016	\$	0.36000
12	September 30, 2016	\$	0.36000
13			
14	Average	\$	<u>0.27125</u>
15			
16			
17			
18	Rate R		
19	Rate C		
20	Rate I		
21	Total (Sum Ln 18 to Ln 20)		
22			

**Rider GCR
Part A**

Usage (Ccf)		
819,180,191	\$	222,202,627
541,316,781		146,832,177
13,880,322		3,765,037
<u>1,374,377,294</u>	\$	<u>372,799,841</u>

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ATMOS ENERGY CORP., MID-TEX DIVISION
 CALCULATION OF RIDER GCR PART B
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Item	Estimated Billing Units (a)	CGS - Mid-Tex Rate (f)	Total (d)	Quantity (e)	Rate Per Unit (f)	
1	Capacity Charge (2)	32,793,300	\$ 9.9409	\$ 325,994,916			
2							
3	Usage Charge						
4	Residential (MMBtu) (3)	83,884,052					
5	Commercial (MMBtu) (3)	55,430,838					
6	Industrial & Transportation (MMBtu)	40,934,229					
7	Sub-Total Mid-Tex Sales (Sum Ln 4 through Ln 6)	180,249,119					
8	Lost and Unaccounted for Gas (4) (Ln 7 times 2.5932%)	4,674,220					
9	Total Deliveries from APT to Mid-Tex (Sum Ln 7 through Ln 8)	184,923,339	\$ 0.0276	\$ 5,103,884			
10							
11	Estimated Pipeline Cost (Ln 1 plus Ln 9)		\$	\$ 331,098,800			
12	Gas Utility Tax at 0.5%			1,655,494			
13							
14	Total Rider GCR Part B (Ln 11 plus Ln 12)			\$ 332,754,294			
15							
16	<u>Present Total Allocation Factor Calculation:</u>						
17							
18	Rate R	0.64302686	210,671,603	213,058,717		0.64028841	
19	Rate C	0.30547645	100,081,688	101,659,100		0.30550800	
20	Industrial & Transportation	0.05149670	16,871,599	18,036,477		0.05420359	
21							
22	<u>Present Allocation with GUD10170 factors:</u>						
23							
24	Rate R	0.64028841	Rider GCR Part B 213,058,717	Volumes 819,180,191	Ccf	Rate Per Unit \$0.26009	
25	Rate C	0.30550800	101,659,100	541,316,781	Ccf	\$0.18780	
26	Industrial & Transportation	0.05420359	18,036,477	40,934,229	MMBtu	\$0.4406	
27	Total Rider GCR Part B (Sum Ln 24 through Ln 26)			\$ 332,754,294			
28							
29	Notes:						
30	1. Capacity Charge and Usage Charge are per GUD No. 10540, Finding of Fact No. 41a.						
31	2. MDQ is per amendment to contract between Mid-Tex and Atmos Pipeline - Texas dated November 1, 2016.						
32	3. Ccf converted to Mcf by dividing by 10. Mcf converted to MMBtu by multiplication of 1.024.						
33	4. Includes Lost and Unaccounted for Gas factor of 2.5932% per GUD No. 9400, Finding of Fact No. 120A.						

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ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY OF CURRENT AND PROPOSED RATE STRUCTURE - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Description	Current ICL	Proposed ICL
	(a)	(b)	(c)
1	Rate R		
2	Customer Charge per month	\$ 20.00	\$ 21.25
3			
4	Consumption Charge per CCF	\$ 0.09774	\$ 0.12596
5			
6			
7	Rate C		
8	Customer Charge per month	\$ 40.25	\$ 44.00
9			
10	Consumption Charge per CCF	\$ 0.07143	\$ 0.08118
11			
12			
13	Rate I & T		
14	Customer Charge per month	\$ 735.00	\$ 805.75
15			
16	Consumption Charge per MMBTU:		
17	First 1,500 MMBTU	\$ 0.18910	\$ 0.22170
18	Next 3,500 MMBTU	\$ 0.13750	\$ 0.16120
19	Over 5,000 MMBTU	\$ 0.02180	\$ 0.02560

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**ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line	Description	Total	Reference
	(a)	(b)	(c)
	Rate R		
1	<u>Rate Characteristics:</u>		
2	Customer Charge	\$ 20.00	Dallas Ordinance 30088
3			
4			
5	Consumption Charge (\$/Ccf)	\$ 0.09774	Dallas Ordinance 30088
6			
7	Rider GCR Part A	\$ 0.27125	Schedule H
8	Rider GCR Part B	\$ 0.26009	Schedule I
9			
10	<u>Billing Units (1):</u>		
11	Bills	17,967,024	Billing Determinants Study
12	Total Ccf	<u>819,180,191</u>	Billing Determinants Study
13			
14	<u>Present Revenue:</u>		
15	Customer Charge	\$ 359,340,480	Ln 2 times Ln 11
16			
17	Consumption Charge	<u>80,066,672</u>	Ln 5 times Ln 12
18	Base Revenue	\$ 439,407,152	Sum Ln 15 through Ln 17
19	Rider GCR Part A	222,202,627	Ln 7 times Ln 12
20	Rider GCR Part B	213,058,717	Ln 8 times Ln 12
21	Subtotal	\$ 874,668,496	Sum Ln 18 through Ln 20
22	Revenue Related Taxes	64,731,285	Ln 21 times WP_5.1 excel cell G36
23			
24	Total Present Revenue- Rate R	<u>\$ 939,399,780</u>	Ln 21 plus Ln 22
25			
26	Note 1: See Billing Determinants Study for details.		

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ATMOS ENERGY CORP., MID-TEX DIVISION
 SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line	Description	Total	Reference
	(a)	(b)	(c)
Rate C			
1	<u>Rate Characteristics:</u>		
2	Customer Charge	\$ 40.25	Dallas Ordinance 30088
3			
4			
5	Consumption Charge (\$/Ccf)	\$ 0.07143	Dallas Ordinance 30088
6			
7	Rider GCR Part A	\$ 0.27125	Schedule H
8	Rider GCR Part B	\$ 0.18780	Schedule I
9			
10	<u>Billing Units (1):</u>		
11	Bills	1,469,472	Billing Determinants Study
12	Total CCF	<u>541,316,781</u>	Billing Determinants Study
13			
14	<u>Present Revenue:</u>		
15	Customer Charge	\$ 59,146,248	Ln 2 times Ln 11
16			
17	Consumption Charge	<u>38,666,258</u>	Ln 5 times Ln 12
18	Base Revenue	\$ 97,812,506	Sum Ln 15 through Ln 17
19	Rider GCR Part A	146,832,177	Ln 7 times Ln 12
20	Rider GCR Part B	101,659,100	Ln 8 times Ln 12
21	Subtotal	<u>\$ 346,303,782</u>	Sum Ln 18 through Ln 20
22	Revenue Related Taxes	25,628,783	Ln 21 times WP_5.1 excel cell G36
23			
24	Total Present Revenue- Rate C	<u>\$ 371,932,565</u>	Ln 21 plus Ln 22
25			
26	Note 1: See Billing Determinants Study for details.		

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ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2016

Line	Description	Total	Reference
	(a)	(b)	(c)
Rate I & T			
<u>Rate Characteristics:</u>			
1	Customer Charge	\$ 735.00	Dallas Ordinance 30088
2			
3			
4			
5	Block 1 (\$/MMBTU)	\$ 0.18910	Dallas Ordinance 30088
6	Block 2 (\$/MMBTU)	\$ 0.13750	Dallas Ordinance 30088
7	Block 3 (\$/MMBTU)	\$ 0.02180	Dallas Ordinance 30088
8			
9	Rider GCR Part A	\$ 2.71250	Schedule H
10	Rider GCR Part B	\$ 0.44062	Schedule I
11			
<u>Consumption Characteristics:</u>			
12	Block 1	0.24647	Ln 19 divided by Ln 22
13	Block 2	0.27022	Ln 20 divided by Ln 22
14	Block 3	0.48332	Ln 21 divided by Ln 22
15			
16			
<u>Billing Units (1):</u>			
17	Bills	9,384	Billing Determinants Study
18	Block 1	10,088,952	Billing Determinants Study
19	Block 2	11,061,108	Billing Determinants Study
20	Block 3	19,784,169	Billing Determinants Study
21	Total MMBTU	40,934,229	
22			
23			
24	Sales Volumes	1,421,345	Billing Determinants Study
25			
<u>Present Revenue:</u>			
26	Customer Charge	\$ 6,897,240	Ln 2 times Ln 18
27			
28			
29	Block 1	1,907,821	Ln 5 times Ln 19
30	Block 2	1,520,902	Ln 6 times Ln 20
31	Block 3	431,295	Ln 7 times Ln 21

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ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT CURRENT RATES - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2016

Line	Description (a)	Total (b)	Reference (c)
32	Base Revenue	\$ 10,757,258	Sum Ln 27 through Ln 31
33	Rider GCR Part A	3,765,037	Ln 9 times Ln 24
34	Rider GCR Part B	18,036,477	Ln 10 times Ln 22
35	Subtotal	<u>\$ 32,558,773</u>	Sum Ln 32 through Ln 34
36	Revenue Related Taxes	2,409,566	Ln 35 times WP_5.1 excel cell G36
37			
38	Total Present Revenue- Rate I&T	<u><u>\$ 34,968,338</u></u>	Ln 35 plus Ln 36
39			
40	Note 1: See Billing Determinants Study for details.		

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ATMOS ENERGY CORP., MID-TEX DIVISION
 CALCULATION OF CURRENT REVENUES BY AREA - RATE R - BASE RATES
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No	Area (a)	Adjusted Customer Charges (b)	Customer Charge Revenue (c)	Per Book Volume (d)	Adjusted Volume (e)	Consumption Revenue (f)	Base Rate Revenue (g)	Part A (h)	Part B (i)	Subtotal (j)	Rider FF & Rider Tax (k)	Current Revenue (l)
1	CITY OF DALLAS	2,460,664	\$ 49,213,274	110,684,235	134,616,589	\$ 13,157,425	\$ 62,370,699	\$ 36,514,750	\$ 35,012,123	\$ 133,897,572	\$ 9,909,311	\$ 143,806,883
2	OTHER MID-TEX	15,508,360	310,127,206	570,707,345	684,563,601	66,909,246	377,036,453	185,687,877	178,046,594	740,770,923	54,821,974	795,592,897
3												
4	TOTAL	17,967,024	\$ 359,340,480	681,391,580	819,180,191	\$ 80,066,672	\$ 439,407,152	\$ 222,202,627	\$ 213,058,717	\$ 874,668,496	\$ 64,731,285	\$ 939,399,780
5												
6												
7												
8	Ratios:											
9	CITY OF DALLAS											16.43%
10	OTHER MID-TEX											83.57%
11	TOTAL											100.00%

ATMOS ENERGY CORP., MID-TEX DIVISION
 CALCULATION OF CURRENT REVENUES BY AREA - RATE C - BASE RATES
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Area (a)	Adjusted Customer Charges (b)	Customer Charge Revenue (c)	Per Book Volume (d)	Adjusted Volume (e)	Consumption Revenue (f)	Base Rate Revenue (g)	Part A (h)	Part B (i)	Subtotal (j)	Rider FF & Rider TAX (k)	Current Revenue (l)
1	CITY OF DALLAS	239,813	\$ 9,652,468	111,688,873	123,761,593	\$ 8,840,291	\$ 18,492,758	\$ 33,570,332	\$ 23,242,383	\$ 75,305,474	\$ 5,573,106	\$ 80,878,580
2	OTHER MID-TEX	1,229,659	48,493,780	379,166,982	417,555,188	29,825,967	79,319,747	113,261,845	78,416,717	270,998,308	20,055,677	291,053,985
3												
4	TOTAL	1,469,472	\$ 59,146,248	490,855,735	541,316,781	\$ 38,666,258	\$ 97,812,506	\$ 146,832,177	\$ 101,659,100	\$ 346,303,782	\$ 25,628,783	\$ 371,932,565
5												
6												
7												
8	Ratios:											
9	CITY OF DALLAS											22.86%
10	OTHER MID-TEX											77.14%
11	TOTAL											100.00%

ATMOS ENERGY CORP. MID-TEX DIVISION
 CALCULATION OF CURRENT REVENUES BY AREA - RATE IKT - BASE RATES
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Area (a)	Adjusted Meter Charges (b)	Customer Charge Revenue (c)	Sales Volume (d)	Transportation Volume (e)	Total Volume (f)	Volume Block 1 (g)	Volume Block 2 (h)	Volume Block 3 (i)	Consumption Revenue Block 1 (j)	Consumption Revenue Block 2 (k)	Consumption Revenue Block 3 (l)	Total Consumption Revenue (m)	Base Rate Revenue (n)	Part A (o)	Part B (p)	Subtotal (q)	Rider Fee & Rider Tax (r)	Current Revenue (s)
1	CITY OF DALLAS	1,236	\$ 908,460	99,892	7,335,696	8,035,588	1,550,382	2,115,015	4,370,191	\$ 293,177	\$ 290,815	\$ 95,270	\$ 879,262	\$ 1,587,722	\$ 264,606	\$ 3,540,646	\$ 5,392,977	\$ 389,116	\$ 5,792,093
3	OTHER MID-TEX	8,148	\$ 988,760	1,321,453	31,577,188	32,898,641	8,538,570	8,946,093	15,413,978	\$ 1,614,644	\$ 1,230,088	\$ 338,025	\$ 3,180,756	\$ 9,169,536	\$ 3,500,431	\$ 14,495,829	\$ 27,165,796	\$ 2,010,450	\$ 29,176,246
5	TOTAL	9,384	\$ 1,897,240	1,421,345	39,512,884	40,934,229	10,088,952	11,061,108	19,784,169	\$ 1,907,821	\$ 1,520,902	\$ 431,295	\$ 3,860,018	\$ 10,757,258	\$ 3,765,037	\$ 18,036,477	\$ 32,558,773	\$ 2,409,566	\$ 34,968,339

ATMOS ENERGY CORP., MID-TEX DIVISION
 OTHER REVENUES
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	FERC Account	Test Year	Adjustments	Adjusted Amounts
	(a)	(b)	(c)	(d)
1	487	\$ 565,635	-	\$ 565,635
2	488	10,736,331	-	10,736,331
3	481/489 (1)	2,179,080	294,850	2,473,931
4	493	-	-	-
5	495 (2)	13,000	(2,197)	10,803
6				
7	Total Sum of Line 1 through 5	<u>\$ 13,494,046</u>	<u>\$ 292,654</u>	<u>\$ 13,786,700</u>
8				
9	Notes:			
10	1. One customer moved from contract to tariff. There are Five new customers.			
11	Three negative margin customers have been removed. One Customer moved from			
12	NS Sales to NS Transport. Four Customers were adjusted for expected load.			
13	Non-tariffed revenue for tariffed customers has been added.			
14				
15	2. One Accounts receivable write-off. One transaction pending correction			

**ATMOS ENERGY CORP., MID-TEX DIVISION
NON-STANDARD CONTRACT MARGINS
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No	Area	Customer	Customer Numbers	Usage MMBtu	Annual Margin Revenue
	(a)	(b)	(c)	(d)	(e)

1	WAXAHACHIE	Customer 1	1440	-	-
2	BROWNWOOD	Customer 2	1344	-	3,238.24
3	SAN ANGELO	Customer 3	1270	72,556	48,270.72
4	WICHITA FALLS	Customer 4	1521	311,687	193,839.90
5	GATESVILLE	Customer 5	1246	31,118	12,934.77
6	KILLEEN	Customer 5	1246	626,125	58,434.63
7	KILLEEN	Customer 5	1246	220,408	23,918.57
8	FORT WORTH	Customer 6	105887	66,363	50,605.69
9	CENTERVILLE	Customer 7	106293	9,266	10,132.58
10	JOSHUA	Customer 8	109784	1,664	3,549.41
11	JUSTIN	Customer 8	109784	12,304	12,096.63
12	FORT WORTH	Customer 9	108986	47,175	45,368.66
13	ROUND ROCK	Customer 10	112362	1,549	1,884.63
14	WAXAHACHIE	Customer 11	1440	255,310	-
15	BROWNWOOD	Customer 12	1344	-	-
16	RHOME	Customer 13	1398	900,284	-
17	ABILENE	Customer 14	1567	161,161	23,113.59
18	ALLEN	Customer 14	1567	54,860	12,155.37
19	ARLINGTON	Customer 14	1567	19,623	5,446.33
20	BONHAM	Customer 14	1567	29,686	10,280.33
21	BROWNWOOD	Customer 14	1567	10,646	4,855.78
22	BRYAN	Customer 14	1567	19,384	14,449.81
23	BURNET	Customer 14	1567	8,947	4,751.91
24	COLLEGE STATION	Customer 14	1567	327,557	79,809.85
25	COLORADO CITY	Customer 14	1567	-	6,210.24
26	COMMERCE	Customer 14	1567	69,998	29,440.01
27	DALLAS	Customer 14	1567	1,203,751	117,401.91
28	DENTON	Customer 14	1567	270,798	121,346.15
29	FORT WORTH	Customer 14	1567	399,455	52,487.11
30	FRISCO	Customer 14	1567	21,948	5,625.60
31	GAINESVILLE	Customer 14	1567	-	4,729.85
32	GARLAND	Customer 14	1567	5,644	4,520.32
33	GATESVILLE	Customer 14	1567	163,808	27,997.20
34	HURST	Customer 14	1567	17,825	5,297.80
35	HUTCHINS	Customer 14	1567	25,313	5,823.24
36	IRVING	Customer 14	1567	9,761	4,762.57
37	KERRVILLE	Customer 14	1567	23,448	5,715.49
38	MANSFIELD	Customer 14	1567	10,012	8,960.01
39	MARLIN	Customer 14	1567	30,991	6,198.78
40	MART	Customer 14	1567	8,469	4,685.04
41	MCKINNEY	Customer 14	1567	24,128	5,731.72
42	MESQUITE	Customer 14	1567	22,550	9,493.42
43	MEXIA	Customer 14	1567	-	10,006.49
44	PLANO	Customer 14	1567	36,577	14,795.71
45	SAN ANGELO	Customer 14	1567	34,970	10,588.41
46	SAN ANGELO	Customer 14	1567	13,770	5,004.11

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**ATMOS ENERGY CORP., MID-TEX DIVISION
NON-STANDARD CONTRACT MARGINS
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line No	Area	(b) Customer	(c) Customer Numbers	(d) Usage MMBtu	(e) Annual Margin Revenue
47	SNYDER	Customer 14	1567	32,679	6,304.87
48	STEPHENVILLE	Customer 14	1567	68,174	8,711.80
49	TERRELL	Customer 14	1567	31,416	6,211.74
50	VERNON	Customer 14	1567	11,560	4,851.49
51	WACO	Customer 14	1567	55,443	11,887.67
52	WICHITA FALLS	Customer 14	1567	93,474	14,525.68
53	ENNIS	Customer 15	3334	169,151	21,133.03
54	ARLINGTON	Customer 16	3507	281,846	53,444.31
55	RICHARDSON	Customer 16	3507	242,094	24,900.78
56	ARLINGTON	Customer 17	1263	50,271	173,386.87
57	DENTON	Customer 18	10430	337,443	-
58	FORT WORTH	Customer 19	1094	65,083	4,252.14
59	AUBREY	Customer 20	1742	15,743	629.72
60	DENTON	Customer 20	1742	33,735	1,349.40
61	FAIRVIEW	Customer 20	1742	156,468	6,258.72
62	JUSTIN	Customer 20	1742	54,032	2,161.28
63	MCKINNEY	Customer 20	1742	144,952	5,798.08
64	MCKINNEY	Customer 20	1742	398,523	15,940.92
65	PONDER	Customer 20	1742	1,188	47.52
66	WYLIE	Customer 20	1742	406,809	16,272.36
67	FORT WORTH	Customer 21	1069	606,288	17,625.73
68	WAXAHACHIE	Customer 22	1362	63,500	12,982.29
69	WACO	Customer 23	95775	107,672	77,167.52
70	FORT WORTH	Customer 24	101964	51,081	49,259.87
71	FORT WORTH	Customer 25	102606	5,740	5,885.40
72	DALLAS	Customer 26	106906	238,336	228,090.42
73	ARLINGTON	Customer 27	3728	4,576	3,189.92
74	CLEBURNE	Customer 27	3728	13,134	8,294.52
75	DALLAS	Customer 27	3728	124,360	77,917.86
76	EULESS	Customer 27	3728	354,001	216,432.03
77	FORT WORTH	Customer 27	3728	6,258	4,222.76
78	GARLAND	Customer 27	3728	26,173	16,345.87
79	IRVING	Customer 27	3728	14,382	9,616.78
80	DALLAS	Customer 28	108026	49,003	47,035.49
81	WAXAHACHIE	Customer 29	112866	465,649	13,969.46
82	ARLINGTON	Customer 30	100379	158,853	148,154.61
83	Tariff Customers (Non-Tariff Revenue) - Plant Protection Fee				
84					
85	Total Non-Standard Contract Margins and Non-Tariff Revenues				
				10,519,979	\$ 2,473,931

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**ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT PROPOSED RATES - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line	Description	(a)	(b)	(c)
		Total	Total	Reference
1	Rate Characteristics:			
2	Customer Charge	\$ 21.25		WP-J-5
3				
4	Consumption Charge (\$/Ccf)	\$ 0.12596		WP-J-5
5				
6	Rider GCR Part A	\$ 0.27125		Schedule H
7	Rider GCR Part B	\$ 0.26009		Schedule I
8				
9	Billing Units (1):			
10	Bills			
11	Total CCF	17,967,024	819,180,191	WP-J-1 Page 1 Col. (b) Ln. 11 WP-J-1 Page 1 Col. (b) Ln. 12
12				
13	Proposed Revenue:			
14	Customer Charge	\$ 381,799,260		Ln 2 times Ln 10
15	Consumption Charge	103,183,937		Ln 4 times Ln 11
16	Base Revenue	484,983,197		Ln 14 plus Ln 15
17	Rider GCR Part A	222,202,627		Ln 6 times Ln 11
18	Rider GCR Part B	213,058,717		Ln 7 times Ln 11
19	Subtotal	920,244,541		Sum Ln 16 through Ln 18
20	Revenue Related Taxes	68,104,215		Ln 19 times WP_5.1 excel cell G36
21				
22	Total Proposed Revenue- Rate R	\$ 988,348,756		Ln 19 plus Ln 20
23				
24	Note 1: See Billing Determinants Study for details.			

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**ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT PROPOSED RATES - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line	Description	(a)	Total	Reference
		(a)	(b)	(c)
1	Rate Characteristics:			
2	Customer Charge	\$ 44.00		WP-J-5
3				
4	Consumption Charge (\$/Ccf)	\$ 0.08118		WP-J-5
5				
6	Rider GCR Part A	\$ 0.27125		Schedule H
7	Rider GCR Part B	\$ 0.18780		Schedule I
8				
9	Billing Units (1):			
10	Bills			
11	Total CCF	1,469,472	541,316,781	WP-J-1 Page 2 Col. (b) Ln. 11
12				
13	Proposed Revenue:			
14	Customer Charge	\$ 64,656,768		Ln 2 times Ln 10
15	Consumption Charge	\$ 43,944,096		Ln 4 times Ln 11
16	Base Revenue	\$ 108,600,864		Ln 14 plus Ln 15
17	Rider GCR Part A	146,832,177		Ln 6 times Ln 11
18	Rider GCR Part B	101,659,100		Ln 7 times Ln 11
19	Subtotal	\$ 357,092,141		Sum Ln 16 through Ln 18
20	Revenue Related Taxes	26,427,193		Ln 19 times WP_5.1 excel cell G36
21				
22	Total Proposed Revenue- Rate C	\$ 383,519,334		Ln 19 plus Ln 20
23				
24	Note 1: See Billing Determinants Study for details.			

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**ATMOS ENERGY CORP., MID-TEX DIVISION
SUMMARY PROOF OF REVENUE AT PROPOSED RATES - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2016**

Line	Description	(a)	Total	(b)	Reference	(c)
1	Rate Characteristics:					
2	Customer Charge	\$	805.75		WP-J-5	
3						
4	Block 1 (\$/MMBTU)	\$	0.22170		WP-J-5	
5	Block 2 (\$/MMBTU)	\$	0.16120		WP-J-5	
6	Block 3 (\$/MMBTU)	\$	0.02560		WP-J-5	
7						
8						
9						
10						
11						
12	Rider GCR Part A	\$	2.7125		Schedule H	
13	Rider GCR Part B	\$	0.4406		Schedule I	
14						
15						
16	Billing Units (1):					
17	Bills					
18	Block 1		9,384		WP-J-1 Page 3 Col. (b) Ln. 18	
19	Block 2		11,061,108		WP-J-1 Page 3 Col. (b) Ln. 19	
20	Block 3		19,784,169		WP-J-1 Page 3 Col. (b) Ln. 20	
21	Total MMBTU		40,934,229		WP-J-1 Page 3 Col. (b) Ln. 21	
22						
23	Sales Volumes		1,421,345		WP-J-1	
24						
25	Proposed Revenue:					
26	Customer Charge	\$	7,561,158		Ln 2 times Ln 17	
27	Block 1		2,236,721		Ln 4 times Ln 18	
28	Block 2		1,783,051		Ln 5 times Ln 19	
29	Block 3		506,475		Ln 6 times Ln 20	
30	Base Revenue	\$	12,087,404		Sum Ln 26 through Ln 29	
31	Rider GCR Part A		3,765,037		Ln 12 times Ln 23	
32	Rider GCR Part B		18,036,477		Ln 13 times Ln 21	
33	Subtotal	\$	33,888,919		Sum Ln 30 through Ln 32	
34	Revenue Related Taxes		2,508,005		Ln 33 times WP-5.1 excel cell G36	
35						
36	Total Proposed Revenue - Rate I&T	\$	36,396,924		Ln 33 plus Ln 34	

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ATMOS ENERGY CORP., MID-TEX DIVISION
 CALCULATION OF PROPOSED REVENUES BY AREA - RATE R - BASE RATES
 TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Area (a)	Adjusted Customer Charges (b)	Customer Charge Revenue (c)	Adjusted Volume (d)	Consumption Revenue (e)	Base Rate Revenue (f)	Part A (g)	Part B (h)	Subtotal (i)	Rider FF & Rider TAX (j)	Proposed Revenue (k)	Amount Change (l)	Percentage Change (m)
1	CITY OF DALLAS	2,460,664	\$ 52,289,103	134,616,589	\$ 16,956,306	\$ 69,245,409	\$ 36,514,759	\$ 35,012,123	\$ 140,772,282	\$ 10,418,085	\$ 151,190,367	\$ 7,393,484	5.13%
2	OTHER MID-TEX	15,506,360	329,510,157	684,563,601	86,227,631	415,737,788	185,687,877	178,046,594	779,472,259	57,686,130	837,158,389	41,565,491	5.22%
3	TOTAL	17,967,024	\$ 381,799,260	819,180,191	\$ 103,183,937	\$ 484,983,197	\$ 222,202,627	\$ 213,058,717	\$ 920,244,541	\$ 68,104,215	\$ 988,348,756	\$ 48,948,975	5.21%

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ATMOS ENERGY CORP., MID-TEX DIVISION
CALCULATION OF PROPOSED REVENUES BY AREA - RATE C - BASE RATES
TEST YEAR ENDING SEPTEMBER 30, 2016

Line No.	Area	Adjusted Customer Charges (b)	Customer Charge Revenue (c)	Adjusted Volume (d)	Consumption Revenue (e)	Base Rate Revenue (f)	Part A (g)	Part B (h)	Subtotal (i)	Rider FF & Rider TAX (j)	Proposed Revenue (k)	Amount Change (l)	Percentage Change (m)
1	CITY OF DALLAS	239,813	\$10,551,766	123,761,593	\$10,046,966	\$20,598,732	\$33,570,332	\$23,242,383	\$77,411,448	\$5,728,962	\$83,140,410	\$2,261,830	2.80%
2	OTHER MID-TEX	1,229,659	54,105,002	417,555,188	33,897,130	88,002,132	113,261,845	78,416,717	279,680,693	20,698,231	300,378,924	9,324,939	3.20%
3	TOTAL	1,469,472	\$64,656,768	541,316,781	\$43,944,096	\$108,600,864	\$146,832,177	\$101,659,100	\$357,092,141	\$26,427,193	\$383,519,334	\$11,586,769	3.12%

ATMOS ENERGY CORP. - MID-TEX DIVISION
 CALCULATION OF PROPOSED REVENUES BY AREA - RATE/LAT - BASE RATES
 TEST YEAR ENDING SEPTEMBER 30, 2018

Line No.	Area	Adjusted Meter Charges (b)	Customer Charge Revenue (c)	Sales Volume (d)	Transportation Volume (e)	Total Volume (f)	Consumption			Total Consumption Revenue (m)	Base Rate Revenue (n)	Part A (o)	Part B (p)	Sutdtdl (q)	Rider FF & Rider TAX Revenue (r)	Proposed Revenue (s)	Amount Change (t)	Percentage Change (u)			
							Block 1 (g)	Block 2 (h)	Block 3 (i)												
1	CITY OF DALLAS	1,236	\$ 995,907	89,892	7,935,696	8,035,594	1,550,382	2,115,015	4,370,191	\$ 343,720	\$ 340,940	\$ 111,877	\$ 796,537	\$ 1,792,444	\$ 294,606	\$ 3,540,648	\$ 5,597,699	\$ 414,287	\$ 6,011,985	\$ 219,973	3.60%
2	OTHER MID-TEX	8,148	6,565,251	1,321,453	31,577,188	32,898,641	8,538,570	8,946,093	15,413,976	1,893,001	1,442,110	394,598	3,729,709	10,294,980	3,500,431	14,495,829	20,291,420	2,093,736	30,384,959	1,209,713	4.14%
3																					
4	TOTAL	1,236	\$7,561,158	89,892	39,512,884	40,934,229	10,088,952	11,061,108	19,784,169	\$ 2,236,721	\$ 1,783,051	\$ 506,475	\$ 4,526,246	\$ 12,087,404	\$ 3,795,037	\$ 10,036,477	\$33,886,919	\$ 2,508,005	\$ 36,396,924	\$ 1,428,566	4.09%

ATMOS ENERGY CORP., MID-TEX DIVISION
 PROPOSED TARIFF STRUCTURE
 TEST YEAR ENDING SEPTEMBER 30, 2016

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	Proposed Change In Rates:		\$ 61,965,842	Schedule A							
2	Proposed Change In Rates without Revenue Related Taxes:		\$ 57,695,957	Ln 1 divided by factor on WP_F-5.1							
3											
4											
5											
6		Revenue Requirements									
7	Residential	\$ 311,429,186	78.99%	Per GUD 9869 Final Order	\$ 45,576,219.40						
8	Commercial	73,730,840	18.70%	Per GUD 9869 Final Order							
9	Industrial and Transportation	9,095,159	2.30%	Per GUD 9869 Final Order							
10	Net Revenue Requirements GUD No. 9869	<u>\$ 394,245,186</u>									
11											
12											
13											
14											
15											
16	With Proportional Increase:										
17											
18											
19											
20	Residential Base Charge w/ Rider IR	\$ 20.00	\$ 1.27	\$ 22,788,110							
21	Residential Consumption Charge	\$ 0.09774	\$ 0.02782	22,788,110							
22	Commercial Base Charge w/ Rider IR	\$ 40.25	\$ 3.67	5,395,084							
23	Commercial Consumption Charge	\$ 0.07143	\$ 0.00997	5,395,084							
24	I&T Base Charge	\$ 735.00	\$ 70.84	664,786							
25	I&T Consumption Charge Tier 1 MMBTU	\$ 0.1891	\$ 0.0326	328,571							
26	I&T Consumption Charge Tier 2 MMBTU	\$ 0.1375	\$ 0.0237	261,935							
27	I&T Consumption Charge Tier 3 MMBTU	\$ 0.0218	\$ 0.0038	74,279							
28				<u>\$ 57,695,957</u>							

	Proposed Change	Proposed Change In Revenues	Proposed Rates	Proposed Revenues
Residential Base Charge	\$ 1.25	\$ 22,458,780	21.25	\$ 381,799,260
Residential Consumption Charge	\$ 0.02822	23,117,265	0.12596	103,183,937
Commercial Base Charge	\$ 3.75	5,510,520	44.00	64,656,768
Commercial Consumption Charge	\$ 0.00975	5,277,839	0.08118	43,944,096
I&T Base Charge	\$ 70.75	663,918	805.75	7,561,158
I&T Consumption Charge Tier 1 MMBTU	\$ 0.0326	328,900	0.2217	2,236,721
I&T Consumption Charge Tier 2 MMBTU	\$ 0.0237	262,148	0.1612	1,783,051
I&T Consumption Charge Tier 3 MMBTU	\$ 0.0038	75,180	0.0256	506,475
		<u>\$ 57,694,550</u>		<u>\$ 805,671,465</u>