

**BEFORE THE  
RAILROAD COMMISSION OF TEXAS**

<b>APPLICATION OF ATMOS ENERGY, WEST TEXAS DIVISION FOR TEST YEAR 2017 ANNUAL INTERIM RATE ADJUSTMENT FILING FOR THE UNINCORPORATED AREAS.</b>	§ § § § §	<b>GAS UTILITIES DOCKET NO. 10697</b>
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**INTERIM RATE ADJUSTMENT ORDER**

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

**FINDINGS OF FACT**

*Background*

1. Atmos Energy Corporation ("Atmos Energy") is a "gas utility," as that term is defined in the Texas Utilities Code and is subject to the jurisdiction of the Railroad Commission of Texas ("Commission").
2. Atmos Energy Corporation, West Texas Division ("Atmos WTX"), owns and operates a gas distribution system.
3. On February 23, 2018, Atmos WTX filed an application for an annual interim rate adjustment (IRA) to its rates for gas service customers located in the areas of the West Texas Division.
4. Atmos WTX requested that the IRA for all customer classes become effective on April 24, 2018.
5. On February 27, 2018, the Commission suspended implementation of Atmos WTX's proposed IRA until June 8, 2018, which would be 45 days following the 60<sup>th</sup> day after the application would be considered complete.
6. Neither TEX. UTIL. CODE §104.301 nor 16 Texas Administrative Code §7.7101 provides the opportunity for parties to intervene in the Commission's review of an application for an annual IRA.

7. 16 TEX. ADMIN. CODE §7.7101 allows written comments or a protest concerning the proposed interim rate adjustment to be filed with the Commission.
8. As of the date of this order, no protests concerning this application have been received by the Commission.
9. This docket represents the fifth annual IRA for the unincorporated areas of the Atmos WTX Division following GUD No. 10174.<sup>1</sup>
10. Until promulgation of TEX. UTIL. CODE §104.301, a utility could not increase its rates subject to the Commission's jurisdiction without filing with the Commission a formal statement of intent rate case, including a comprehensive cost of service rate review.
11. The proposed IRA will allow Atmos WTX an opportunity to recover, subject to refund, a return on investment, depreciation expense, and related taxes on the incremental cost of infrastructure investment since its most recent rate case, GUD No. 10174, without the necessity of filing a statement of intent rate case and without review by the Commission of Atmos WTX's comprehensive cost of service.

#### Applicability

12. This docket applies to only those rates over which the Commission has original jurisdiction, which includes the unincorporated areas of the Atmos WTX Division
13. As of December 31, 2017, Atmos WTX had approximately 301,139 customers in the West Texas Division. Of these, 275,509 were residential customers, 24,166 were commercial customers, 202 were industrial and transportation customers, 1,160 were public authority customers, and 102 were state institution customers.<sup>2</sup>
14. As of December 31, 2017, Atmos WTX had approximately 21,958 customers in the environs subject to this order. Of these, 19,366 were residential customers, 2,322 were commercial customers, 110 were industrial and transportation customers, 131 were public authority customers, and 29 were state institution customers.<sup>3</sup>

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<sup>1</sup> *Statement of Intent Filed by Atmos Energy Corp., to Change Gas Utility Rates within the Unincorporated Areas Served by the Atmos Energy Corp., West Texas Division.*

<sup>2</sup> Response to Staff's RFI No.1-04.

<sup>3</sup> Response to Staff's RFI No.1-04.

Most Recent Comprehensive Rate Case

15. Atmos WTX's most recent rate case for the area in which the IRA will be implemented is GUD No. 10174, *Statement of Intent Filed by Atmos Energy Corp., to Change Gas Utility Rates within the Unincorporated Areas Served by the Atmos Energy Corp., West Texas Division*.
16. GUD No. 10174 was filed on June 6, 2012.
17. The Commission signed the GUD No. 10174 Final Order on October 2, 2012.
18. The following chart shows the factors that were established in GUD No. 10174 to calculate the return on investment, depreciation expense, incremental federal income tax, and ad valorem taxes for Atmos WTX as applied in this proceeding:

**GUD No. 10174 CALCULATION FACTORS**

<b>Factor</b>	<b>Percentage</b>
Rate of return	8.57%
Depreciation Rate	Varies
Federal Income Tax Rate	35%
Ad Valorem Tax Rate	1.03%

Interim Rate Adjustment

19. The revenue amounts to be recovered through Atmos WTX's proposed annual IRA are incremental to the revenue requirement established in Atmos WTX's most recent rate case for the area in which the IRA is to be implemented, GUD No. 10174, and subsequent IRAs.
20. Under TEX. ADMIN. CODE § 7.7101(f)(3), for the first IRA following the most recent rate case, a utility may adjust its rates based on the difference between invested capital at the end of the most recent rate case test-year and the invested capital at the end of the calendar year following the end of the most recent rate case test-year.
21. In GUD No. 10349, the first IRA following the most recent rate case, Atmos WTX adjusted its rates based on the difference between invested capital at the end of the most recent rate case test-year, September 30, 2011 updated through March 31, 2012, and the invested capital at the end of the calendar-year following the end of the most recent rate case test-year, December 31, 2013.
22. In GUD No. 10429, the second IRA, Atmos WTX adjusted its rates based on the difference between invested capital from test year end December 31, 2013 and test year end December 31, 2014.

23. In GUD No. 10503, the third IRA, Atmos WTX adjusted its rates based on the difference between invested capital from test year end December 31, 2014 and test year end December 31, 2015.
24. In GUD 10608, the fourth IRA, Atmos WTX adjusted its rates based on the difference between invested capital from test year end December 31, 2015 and test year end December 31, 2016.
25. In this docket, the fifth IRA, Atmos WTX adjusted its rates based on the difference between invested capital from test year end December 31, 2016 and test year end December 31, 2017.
26. Atmos WTX seeks approval from the Commission for an adjustment to its revenue based on incremental net utility plant investment, with regard to the following components: return on investment; depreciation expense; ad valorem taxes; revenue related taxes; and federal income taxes. The incremental change in revenue requirement to be recovered through this IRA filing from all rate classes using the approved component factors is **\$10,532,112** (Exhibit B) of which **\$905,802** is attributable to customers subject to this order.
27. The value of Atmos WTX's invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment for the Company's interim rate adjustments.
28. Atmos WTX's incremental adjusted net utility plant investment increase is **\$62,345,939** (Exhibit B).
29. Atmos WTX is required to use the same factors to calculate the interim return on investment, depreciation expense, and incremental federal income tax as those established or used in the final order setting rates in Atmos WTX's most recent rate case for the environs area in which the IRA is to be implemented, GUD 10174.
30. Atmos WTX filed the Commission's annual Earnings Monitoring Report ("EMR") as required by 16 TEX. ADMIN. CODE § 7.7101. Atmos WTX's actual rate of return was 6.89% for the test year ended December 31, 2017, which is less than the 8.57% allowed rate of return established in GUD No. 10174.
31. GUD No. 10174, Atmos WTX's most recent Statement of Intent rate case for the unincorporated areas and the basis for the key factors in an IRA calculation, was approved by the Commission on October 2, 2012. Customer charges are shown in Column B of the table below.
32. The interim rate adjustments approved in GUD No. 10349, the first IRA for the unincorporated areas, are shown in Column C of the table below.

33. The interim rate adjustments approved in GUD No. 10429, the second IRA for the unincorporated areas are shown in Column D of the table below.
34. The interim rate adjustments approved in GUD No. 10503, the third IRA for the unincorporated areas are shown in Column E of the table below.
35. The interim rate adjustments approved in GUD No. 10608, the fourth IRA for the unincorporated areas are shown in Column F of the table below.
36. This docket, GUD No. 10697, is the fifth IRA for the unincorporated areas of the Atmos's West Texas Division. The proposed IRA adjustments to the customer charges are shown in Column G of the table below.
37. When the Customer Charge as established in GUD No. 10174 and Interim Rate Adjustments (Columns B, C, D, E, F and G) are added, the resulting customer charge for affected customer classes are as shown in Column H of the table below.

**West Texas Division Customer Charges and Interim Rate Adjustments**

Customer Class	Customer Charge (GUD 10174)	IRA - 2013 (GUD 10349)	IRA - 2014 (GUD 10429)	IRA - 2015 (GUD 10503)	IRA - 2016 (GUD 10608)	IRA - 2017 (GUD 10697)	New Customer Charge
A	B	C	D	E	F	G	H
Residential	\$ 13.50	\$ 2.36	\$ 1.90	\$ 1.75	\$ 2.34	\$ 2.40	\$ 24.25
Commercial	\$ 30.00	\$ 6.49	\$ 5.23	\$ 4.81	\$ 6.46	\$ 6.68	\$ 59.67
Industrial / Transportation	\$ 275.00	\$ 75.59	\$ 62.88	\$ 58.57	\$ 85.66	\$ 94.95	\$ 652.65
Public Authority	\$ 75.00	\$ 19.94	\$ 15.61	\$ 14.38	\$ 18.73	\$ 19.17	\$ 162.83
State Institution	\$ 75.00	\$ 21.27	\$ 14.91	\$ 12.68	\$ 16.93	\$ 18.06	\$ 158.85

38. Atmos WTX filed its Annual Project Report as required by 16 TEX. ADMIN. CODE § 7.7101(d).
- Net capital additions included in this docket totaled \$62,714,181.<sup>4</sup>
  - Gross capital project additions totaled \$ 85,440,883.<sup>5</sup>
  - Safety-related improvements/infrastructure projects are 85.2% of total additions.<sup>6</sup>

<sup>4</sup> Schedule IRA - 3.

<sup>5</sup> Schedule IRA - 10.

<sup>6</sup> Response to Staff's RFI No. 1-5.

39. Atmos WTX proposed the IRA as a flat rate to be applied to the monthly customer charges rather than as a volumetric rate to be applied to the initial block usage rates (Exhibit B).
40. Atmos WTX is required to show its annual IRA on its customers' monthly billing statements as a surcharge.
41. The proposed IRA does not require an evidentiary proceeding; rather, TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE §7.7101 require the regulatory authority to review a utility's method of calculating the IRA.
42. Due process protections are deferred until the Atmos WTX files its next full statement of intent rate case.

#### Notice

43. Atmos WTX provided adequate notice to customers via bill insert in the unincorporated areas of Atmos WTX between March 5, 2018 and April 5, 2018, and as a result, adequate notice was completed within 45 days of the filing, fulfilling the requirements under TEX. UTIL. CODE § 104.301(a).

#### Comprehensive Rate Case Required

44. Atmos WTX is not required to initiate a rate case supporting a statement of intent at the time it applies for an IRA.
45. Under 16 TEX. ADMIN. CODE § 7.7101(l) a gas utility that implements an IRA and does not file a rate case before the fifth anniversary of the date its initial IRA became effective is required to file a rate case not later than the 180th day after that anniversary.
46. Atmos WTX is required to file a statement of intent rate case no later than December 14, 2019.
47. Under 16 TEX. ADMIN. CODE § 7.7101(j), any change in investment and related expenses and revenues that have been included in any IRA shall be fully subject to review for reasonableness and prudence in the next rate case. Per 16 TEX. ADMIN. CODE § 7.7101(i), all amounts collected from customers under and IRA tariff are subject to refund until the conclusion of the next rate case.

Review of Interim Rate Adjustment

48. Atmos WTX's proposed allocation methodology complies with TEX. UTIL. CODE §104.301, and with 16 TEX. ADMIN. CODE §7.7101.
49. It is reasonable for the Commission to approve use of the allocation methodology used to determine Atmos WTX's overall cost of services (less other revenue, gas cost, and revenue related taxes) as determined in its most recent rate case. The following overall cost of service allocation factors for use in the calculation of Atmos WTX's interim rate adjustment are reasonable:

Customer Class	Allocation Factors
Residential	75.13%
Commercial	18.39%
Industrial/Transportation	2.16%
Public Authority	3.97%
State Institution	0.35%
Total	100.0%

50. Atmos WTX's proposed customer counts comply with TEX. UTIL. CODE §104.301, and with 16 TEX. ADMIN. CODE §7.7101. For calculating the number of customer charges per year, it is reasonable for the Commission to approve use of Atmos WTX's 2017 actual number of customer charges. The following total numbers of customer for use in the calculation of the IRA are reasonable:

Customer Class	Annual Number of Customer Charges
<b>Distribution:</b>	
Residential (R)	3,299,980
Commercial (C)	290,162
Industrial & Transportation (I & T)	2,396
Public Authority (PA)	21,814
State Institution (SI)	2,041
<b>Total</b>	<b>3,616,393</b>

51. It is reasonable for the Commission to approve Atmos WTX's application for an IRA. The following amounts of IRA revenue and additional customer charges by customer class are reasonable:

Customer Class	Interim Rate Adjustment Revenue	IRA Revenue from the Environs	Additional Customer Charge
Residential (R)	\$7,912,776	\$556,375	\$2.40
Commercial (C)	\$1,936,855	\$187,530	\$6.68
Industrial (I & T)	\$227,494	\$119,919	\$94.95
Public Authority (PA)	\$418,125	\$34,809	\$19.17
State Institution (SI)	\$36,862	\$7,170	\$18.06
Total Increase	\$10,532,112	\$905,802	

Voluntary Rate Reduction to Reflect the Tax Cuts and Jobs Act of 2017

52. On March 15, 2018, in response to the Commission Accounting Order established in GUD No. 10695, Atmos WTX filed for Commission approval to implement a rate reduction to existing rates, including base rates set in GUD No. 10174 and interim rates set in GUD No. 10349, 10429, 10503, and 10608, to reflect the impact of a 21% Federal Corporate Income Tax rate as set in the Tax Cuts and Jobs Act of 2017 ("TCJA"). This filing was docketed as GUD No. 10711. The requested reduced rates were administratively approved on March 29, 2018.
53. In this docket, Atmos WTX voluntarily requested a reduction to the change in revenue requirement based on implementation of the 21% Federal Corporate Income Tax rate as set in the TCJA.
54. As a result of the change, the Company filed revised schedules and Atmos WTX seeks approval from the Commission for a revised adjustment to its IRA revenue based on incremental net utility plant investment with regard to the following components: return on investment; depreciation expense; ad valorem taxes; and federal income taxes. The incremental change in revenue requirement, calculated using a 21% Federal Income Tax rate, to be recovered through this IRA filing from all rate classes using the approved component factors is **\$9,604,110** (Exhibit C), of which **\$825,990** is attributable to customers subject to this order.
55. GUD No. 10174, Atmos WTX's most recent Statement of Intent rate case and the basis for the key factors in an IRA calculation, was approved by the Commission on October 2, 2012. Customer charges, as reduced in GUD No. 10711 to reflect the impact of the TCJA, are shown in Column B of the table below.



56. The interim rate adjustments approved in GUD No. 10349, Atmos WTX's first IRA for the unincorporated areas, as reduced in GUD No. 10711, is shown in Column C, below.
57. The interim rate adjustments approved in GUD No. 10429, Atmos WTX's second IRA for the unincorporated areas, as reduced in GUD No. 10711, is shown in Column D, below.
58. The interim rate adjustments approved in GUD No. 10503, Atmos WTX's third IRA for the unincorporated areas, as reduced in GUD 10711, is shown in Column E, below.
59. The interim rate adjustments approved in GUD No. 10608, Atmos WTX's fourth IRA for the unincorporated areas, as reduced in GUD 10711, is shown in Column F, below.
60. When the Customer Charge, as established in GUD No. 10174 and reduced in GUD No. 10711, the first IRA set in GUD No. 10349 and reduced in GUD No. 10711, the second IRA set in GUD. 10429 and reduced in GUD No. 10711, the third IRA set in GUD No. 10503 and reduced in GUD No. 10711, the fourth IRA set in GUD No. 10608 and reduced in GUD No. 10711, and the revised test year 2017 Interim Rate Adjustment are added, the resulting customer charges for affected customer classes are as shown in Column H of the table below.

**Atmos WTX Customer Charges and Interim Rate Adjustments**

Customer Class	Customer Charge (GUD 10174)	IRA - 2013 (GUD 10349)	IRA - 2014 (GUD 10429)	IRA - 2015 (GUD 10503)	IRA - 2016 (GUD 10608)	IRA - 2017 (GUD 10697)	New Customer Charge
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
Residential	\$ 12.83	\$ 2.16	\$ 1.73	\$ 1.60	\$ 2.13	\$ 2.19	\$ 22.64
Commercial	\$ 28.52	\$ 5.94	\$ 4.77	\$ 4.39	\$ 5.89	\$ 6.09	\$ 55.60
Industrial / Transportation	\$ 261.44	\$ 69.19	\$ 57.37	\$ 53.46	\$ 78.14	\$ 86.58	\$ 606.18
Public Authority	\$ 71.30	\$ 18.25	\$ 14.24	\$ 13.13	\$ 17.09	\$ 17.48	\$ 151.49
State Institution	\$ 71.30	\$ 19.47	\$ 13.60	\$ 11.58	\$ 15.44	\$ 16.47	\$ 147.86

61. It is reasonable for the Commission to approve Atmos WTX's revised application for IRA calculated using a 21% Federal Income Tax rate as requested by Atmos WTX in this docket. The following amounts of interim rate adjustment revenue and additional customer charges by customer class are reasonable:

<b>Customer Class</b>	<b>Interim Rate Adjustment Revenue</b>	<b>IRA Revenue from Environs</b>	<b>Additional Customer Charge</b>
Residential (R)	\$7,215,568	\$507,352	\$2.19
Commercial (C)	\$1,766,196	\$171,006	\$6.09
Industrial (I & T)	\$207,449	\$109,352	\$86.58
Public Authority (PA)	\$381,283	\$31,742	\$17.48
State Institution (SI)	\$33,614	\$6,538	\$16.47
<b>Total Increase</b>	<b>\$9,604,110</b>	<b>\$825,990</b>	

Reimbursements of Expense

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

**CONCLUSIONS OF LAW**

1. Atmos Energy Corporation (Atmos) is a “gas utility” as defined in TEX. UTIL. CODE § 101.003(7) and § 121.001 and is therefore subject to the jurisdiction of the Railroad Commission of Texas (Commission).
2. The Commission has jurisdiction over Atmos WTX’s applications for interim adjustments for incremental changes in investment, and the subject matter of this case under TEX. UTIL. CODE §§ 102.001, 104.001, 104.002, and 104.301.
3. Under TEX. UTIL. CODE ANN. § 102.001, the Commission has exclusive original jurisdiction over the rates and services of a gas utility that distributes natural gas in areas outside of a municipality and over the rates and services of a gas utility that transmits, transports, delivers, or sells natural gas to a gas utility that distributes the gas to the public.
4. Under the provisions of the TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101, Atmos WTX is required to seek Commission approval before implementing an IRA tariff for environs customers.
5. Atmos WTX filed its application for an IRA for changes in investment in accordance with the provisions of TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
6. Atmos WTX’s application for an IRA was processed in accordance with the requirements of TEX. UTIL. CODE ANN. § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
7. In accordance with 16 TEX. ADMIN. CODE § 7.315, within thirty days of the effective date of any change to rates or services, Atmos WTX is required to file with the Commission its revised tariffs.
8. In accordance with TEX. UTIL. CODE § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(a), the filing date of Atmos WTX’s most recent rate case, in which there is a final order setting rates for the area in which the interim rate adjustment will apply, was no more than two years prior to the date Atmos WTX filed its initial interim rate adjustment.
9. Atmos WTX is required, under TEX. UTIL. CODE § 104.301(e) and 16 TEX. ADMIN. CODE § 7.7101(d), to file with the Commission an annual project report, including the cost, need, and customers benefited by the change in investment, and describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year.
10. Atmos WTX shall include in all future annual IRA filings, relocation project reports that provide additional information about relocation project costs included in investment projects, in the same format as required in this docket.

11. Atmos WTX is required, under TEX. UTIL. CODE § 104.301(f) and 16 TEX. ADMIN. CODE § 7.7101(e), to file with the Commission an annual earnings monitoring report demonstrating the Atmos WTX's earnings during the preceding calendar year.
12. Atmos WTX is required, under 16 TEX. ADMIN. CODE § 7.7101(h), to recalculate its approved IRA annually and is required to file an application for an annual adjustment no later than 60 days prior to the one-year anniversary of the proposed implementation date of the previous IRA application.
13. In accordance with 16 TEX. ADMIN. CODE § 7.7101(i), all amounts collected from customers under Atmos WTX's IRA tariffs or rate schedules are subject to refund. The issues of refund amounts, if any, and whether interest should be included on refunded amounts and, if so, the rate of interest, shall be addressed in the rate case Atmos WTX files or the Commission initiates after the implementation of an IRA and shall be the subjects of specific findings of fact in the Commission's final order setting rates.
14. In accordance with 16 TEX. ADMIN. CODE § 7.7101(j), in the rate case that Atmos WTX files or the Commission initiates after the implementation of an IRA, any change in investment and related expenses and revenues that have been included in any IRA shall be fully subject to review for reasonableness and prudence. Upon issuance of a final order setting rates in the rate case that Atmos WTX files or the Commission initiates after the implementation of an IRA, any change in investment and related expenses and revenues that have been included in any IRA shall no longer be subject to review for reasonableness or prudence.
15. The Commission has authority to suspend the implementation of the IRA, under TEX. UTIL. CODE § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(e).
16. Atmos WTX provided adequate notice of its IRA, in accordance with TEX. UTIL. CODE ANN. § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(b).
17. Atmos WTX's application for an IRA complies with all provisions of TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
18. Atmos WTX's IRA established in the findings of fact and conclusions of law complies with the provisions of TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
19. In accordance with TEX. UTIL. CODE § 104.301(h) and 16 TEX. ADMIN. CODE § 7.7101(l), Atmos WTX shall file a comprehensive rate case for the areas in which the IRA is implemented, not later than the 180th day after the fifth anniversary of the date its initial interim rate adjustment became effective, or December 14, 2019.

20. The Commission has authority, under TEX. UTIL. CODE § 104.301(j) and 16 TEX. ADMIN. CODE § 7.7101(m), to recover from Atmos WTX the proportionate share of the Commission's annual costs related to the administration of the IRA mechanism.

**IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT** Atmos WTX's interim rate adjustments as recommended to be approved in the findings of fact and conclusions of law are **HEREBY APPROVED**, subject to refund, to be effective for bills rendered on or after the date of this order.

**IT IS FURTHER ORDERED THAT** within 30 days of this order in accordance with 16 TEX. ADMIN. CODE § 7.315 Atmos WTX **SHALL** electronically file its interim rate adjustment tariffs in proper form that accurately reflect the rates, as expressed in Exhibit A, approved by the Commission in this Order.

**IT IS FURTHER ORDERED THAT** Atmos WTX **SHALL** file with the Commission no later than December 14, 2019, a statement of intent to change rates as required under TEX. UTIL. CODE § 104.301(h) and 16 TEX. ADMIN. CODE § 7.7101(l).

**IT IS FURTHER ORDERED THAT** any incremental change in rates approved by this order and implemented by Atmos WTX shall be subject to refund unless and until Atmos WTX's interim rate adjustment tariffs are electronically filed and accepted by Gas Services in accordance with 16 TEX. ADMIN. CODE § 7.315.

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

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

SIGNED this 5<sup>th</sup> day of June, 2018.


RAILROAD COMMISSION OF TEXAS

Christi Craddick  
CHRISTI CRADDICK  
CHAIRMAN

Ryan Sitton  
RYAN SITTON  
COMMISSIONER

Wayne Christian  
WAYNE CHRISTIAN  
COMMISSIONER

ATTEST  
Kathy Way  
SECRETARY



**WEST TEXAS DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>RESIDENTIAL GAS SERVICE</b>	
<b>APPLICABLE TO:</b>	<b>ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION</b>	
<b>EFFECTIVE DATE:</b>		

This schedule is applicable to general use by Residential customers for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Charge	Amount
Customer Charge – per GUD 10174 <sup>1</sup>	\$ 12.83
Interim Rate Adjustment ("IRA") <sup>2</sup>	\$ 9.81
<b>Total Customer Charge</b>	<b>\$ 22.64</b>
Consumption Charge – WTX Cities Unincorporated Areas <sup>3</sup>	\$ 0.16221 per ccf
Consumption Charge – Amarillo Unincorporated Areas <sup>4</sup>	\$ 0.07184 per ccf
Consumption Charge – Lubbock Unincorporated Areas <sup>5</sup>	\$ 0.08729 per ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division Interim Rate Adjustment applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

<sup>1</sup> Customer charge of \$13.50 (GUD 10174) revised to \$12.83 (GUD 10711).

<sup>2</sup> 2013 IRA of \$2.36 (GUD 10349) revised to \$2.16 (GUD 10711); 2014 IRA of \$1.90 (GUD 10429) revised to \$1.73 (GUD 10711); 2015 IRA of \$1.75 (GUD 10503) revised to \$1.60 (GUD 10711); 2016 IRA of \$2.34 (GUD 10608) revised to \$2.13 (GUD 10711); 2017 IRA of \$2.19 (GUD 10697).

<sup>3</sup> Consumption charge of \$0.17055 (GUD 10174) revised to \$0.16221 (GUD 10711).

<sup>4</sup> Consumption charge of \$0.07550 (GUD 10174) revised to \$0.07184 (GUD 10711).

<sup>5</sup> Consumption charge of \$0.09175 (GUD 10174) revised to \$0.08729 (GUD 10711).

**WEST TEXAS DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>COMMERCIAL GAS SERVICE</b>	
<b>APPLICABLE TO:</b>	<b>ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION</b>	
<b>EFFECTIVE DATE:</b>		

Availability

This schedule is applicable to Commercial customers, including hospitals and churches, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Charge	Amount
Customer Charge – per GUD 10174 <sup>1</sup>	\$ 28.52
Interim Rate Adjustment (“IRA”) <sup>2</sup>	\$ 27.08
<b>Total Customer Charge</b>	<b>\$ 55.60</b>
Consumption Charge – WTX Cities Unincorporated Areas <sup>3</sup>	\$ 0.10770 per ccf
Consumption Charge – Amarillo Unincorporated Areas <sup>4</sup>	\$ 0.09310 per ccf
Consumption Charge – Lubbock Unincorporated Areas <sup>5</sup>	\$ 0.08598 per ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division Interim Rate Adjustment applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

<sup>1</sup> Customer charge of \$30.00 (GUD 10174) revised to \$28.52 (GUD 10711).

<sup>2</sup> 2013 IRA of \$6.49 (GUD 10349) revised to \$5.94 (GUD 10711); 2014 IRA of \$5.23 (GUD 10429) revised to \$4.77 (GUD 10711); 2015 IRA of \$4.81 (GUD 10503) revised to \$4.39 (GUD 10711); 2016 IRA of \$6.46 (GUD 10608) revised to \$5.89 (GUD 10711); 2017 IRA of \$6.09 (GUD 10697).

<sup>3</sup> Consumption charge of \$0.11330 (GUD 10174) revised to \$0.10770 (GUD 10711).

<sup>4</sup> Consumption charge of \$0.09794 (GUD 10174) revised to \$0.09310 (GUD 10711).

<sup>5</sup> Consumption charge of \$0.09045 (GUD 10174) revised to \$0.08598 (GUD 10711).



**WEST TEXAS DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>INDUSTRIAL GAS SERVICE</b>	
<b>APPLICABLE TO:</b>	<b>ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION</b>	
<b>EFFECTIVE DATE:</b>		

Availability

This schedule is applicable to the sales to any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating or other similar type uses. Service under this schedule is available to eligible customers following execution of a contract specifying the maximum hourly load. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Charge	Amount
Customer Charge – per GUD 10174 <sup>1</sup>	\$ 261.44
Interim Rate Adjustment ("IRA") <sup>2</sup>	\$ 344.74
<b>Total Customer Charge</b>	<b>\$ 606.18</b>
Consumption Charge – WTX Cities Unincorporated Areas <sup>3</sup>	\$ 0.05790 per ccf
Consumption Charge – Amarillo Unincorporated Areas <sup>4</sup>	\$ 0.10716 per ccf
Consumption Charge – Lubbock Unincorporated Areas <sup>5</sup>	\$ 0.07037 per ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division Interim Rate Adjustment applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

<sup>1</sup> Customer charge of \$275.00 (GUD 10174) revised to \$261.44 (GUD 10711).

<sup>2</sup> 2013 IRA of \$75.59 (GUD 10349) revised to \$69.19 (GUD 10711); 2014 IRA of \$62.88 (GUD 10429) revised to \$57.37 (GUD 10711); 2015 IRA of \$58.57 (GUD 10503) revised to \$53.46 (GUD 10711); 2016 IRA of \$85.66 (GUD 10608) revised to \$78.14 (GUD 10711); 2017 IRA of \$86.58 (GUD 10697).

<sup>3</sup> Consumption charge of \$0.06091 (GUD 10174) revised to \$0.05790 (GUD 10711).

<sup>4</sup> Consumption charge of \$0.11273 (GUD 10174) revised to \$0.10716 (GUD 10711).

<sup>5</sup> Consumption charge of \$0.07402 (GUD 10174) revised to \$0.07037 (GUD 10711).

**WEST TEXAS DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>PUBLIC AUTHORITY GAS SERVICE</b>	
<b>APPLICABLE TO:</b>	<b>ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION</b>	
<b>EFFECTIVE DATE:</b>		

Availability

This schedule is applicable to general use by Public Authority type customers, including public schools, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Charge	Amount
Customer Charge – per GUD 10174 <sup>1</sup>	\$ 71.30
Interim Rate Adjustment (“IRA”) <sup>2</sup>	\$ 80.19
<b>Total Customer Charge</b>	<b>\$151.49</b>
Consumption Charge – WTX Cities Unincorporated Areas <sup>3</sup>	\$ 0.09579 per ccf
Consumption Charge – Amarillo Unincorporated Areas <sup>4</sup>	\$ 0.10113 per ccf
Consumption Charge – Lubbock Unincorporated Areas <sup>5</sup>	\$ 0.12341 per ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division Interim Rate Adjustment applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

<sup>1</sup> Customer charge of \$75.00 (GUD 10174) revised to \$71.30 (GUD 10711).

<sup>2</sup> 2013 IRA of \$19.94 (GUD 10349) revised to \$18.25 (GUD 10711); 2014 IRA of \$15.61 (GUD 10429) revised to \$14.24 (GUD 10711); 2015 IRA of \$14.38 (GUD 10503) revised to \$13.13 (GUD 10711); 2016 IRA of \$18.73 (GUD 10608) revised to \$17.09 (GUD 10711); 2017 IRA of 17.48 (GUD 10697).

<sup>3</sup> Consumption charge of \$0.10076 (GUD 10174) revised to \$0.09579 (GUD 10711).

<sup>4</sup> Consumption charge of \$0.10638 (GUD 10174) revised to \$0.10113 (GUD 10711).

<sup>5</sup> Consumption charge of \$0.12981 (GUD 10174) revised to \$0.12341(GUD 10711).

**WEST TEXAS DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>STATE INSTITUTION GAS SERVICE</b>	
<b>APPLICABLE TO:</b>	<b>ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION</b>	
<b>EFFECTIVE DATE:</b>		

Availability

This schedule is applicable to gas service to state agencies (as provided in Texas Utilities Code, Section 104.202) including, but not limited to, state college and universities, MHMR schools, agriculture, highway and public safety departments, prisons, and other facilities owned or operated by the State of Texas for the purpose of heating, cooking, refrigeration, water heating and other similar type uses.

Monthly Rate

Charge	Amount
Customer Charge – per GUD 10174 <sup>1</sup>	\$ 71.30
Interim Rate Adjustment ("IRA" ) <sup>2</sup>	\$ 76.56
<b>Total Customer Charge</b>	<b>\$147.86</b>
Consumption Charge – WTX Cities Unincorporated Areas <sup>3</sup>	\$ 0.12883 per ccf
Consumption Charge – Lubbock Unincorporated Areas <sup>4</sup>	\$ 0.10567 per ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division Interim Rate Adjustment applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

<sup>1</sup> Customer charge of \$75.00 (GUD 10174) revised to \$71.30 (GUD 10711).

<sup>2</sup> 2013 IRA of \$21.27 (GUD 10349) revised to \$19.47 (GUD 10711); 2014 IRA of \$14.91 (GUD 10429) revised to \$13.60 (GUD 10711); 2015 IRA of \$12.68 (GUD 10503) revised to \$11.58 (GUD 10711); 2016 IRA of \$16.93 (GUD 10608) revised to \$15.44 (GUD 10711); 2017 IRA of \$16.47 (GUD 10697).

<sup>3</sup> Consumption charge of \$0.13551 (GUD 10174) revised to \$0.12883 (GUD 10711).

<sup>4</sup> Consumption charge of \$0.11115 (GUD 10174) revised to \$0.10567 (GUD 10711).

**WEST TEXAS DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>TRANSPORTATION SERVICE</b>	
<b>APPLICABLE TO:</b>	<b>ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION</b>	
<b>EFFECTIVE DATE:</b>		

**Application**

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., West Texas Division Distribution System 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 with an estimated annual usage greater than 100,000 Ccf per 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 bill will be calculated by adding the following Customer and Ccf charges to the amounts and quantities due under the riders listed below:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Meter – per GUD 10174 <sup>1</sup>	\$ 261.44
Interim Rate Adjustment (“IRA”) <sup>2</sup>	\$ 344.74
<b>Total Customer Charge</b>	<b>\$ 606.18</b>
Consumption Charge – WTX Cities Unincorporated Areas <sup>3</sup>	\$ 0.05790 per ccf
Consumption Charge – Amarillo Unincorporated Areas <sup>4</sup>	\$ 0.10716 per ccf
Consumption Charge – Lubbock Unincorporated Areas <sup>5</sup>	\$ 0.07037 per ccf

Upstream Transportation Cost Recovery: The customer is responsible for all upstream transportation costs.

Retention Adjustment: Plus a quantity of gas equal to the Company's most recently calculated financial L&U percentage for the twelve months ended September multiplied by the gas received into Atmos Energy Corporation's West Texas Division for transportation to the customer.

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

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

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

<sup>1</sup> Customer charge of \$275.00 (GUD 10174) revised to \$261.44 (GUD 10711).

<sup>2</sup> 2013 IRA of \$75.59 (GUD 10349) revised to \$69.19 (GUD 10711); 2014 IRA of \$62.88 (GUD 10429) revised to \$57.37 (GUD 10711); 2015 IRA of \$58.57 (GUD 10503) revised to \$53.46 (GUD 10711); 2016 IRA of \$85.66 (GUD 10608) revised to \$78.14 (GUD 10711); 2017 IRA of \$86.58 (GUD 10697).

<sup>3</sup> Consumption charge of \$0.06091 (GUD 10174) revised to \$0.05790 (GUD 10711).

<sup>4</sup> Consumption charge of \$0.11273 (GUD 10174) revised to \$0.10716 (GUD 10711).

<sup>5</sup> Consumption charge of \$0.07402 (GUD 10174) revised to \$0.07037 (GUD 10711).

**WEST TEXAS DIVISION  
ATMOS ENERGY CORPORATION**

<b>RATE SCHEDULE:</b>	<b>TRANSPORTATION SERVICE</b>	
<b>APPLICABLE TO:</b>	<b>ALL UNINCORPORATED AREAS IN THE WEST TEXAS DIVISION</b>	
<b>EFFECTIVE DATE:</b>		

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

The West Texas Division Interim Rate Adjustment applies to this schedule.

Conversions: Units may be converted from Ccf to Mcf or Mmbtu as necessary to comply with the underlying transportation agreement.

**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 a monthly imbalance fee at the end of each month as defined in the applicable Transportation Agreement,

**Curtailement Overpull Fee**

Upon notification by Company of an event of curtailement or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailement or interruption, pay Company 200% of the "Index" price reported for the month of delivery in Inside FERC's Gas Market Report under the heading "West Texas Waha".

**Replacement Index**

In the event the "Index" price reported for the month of delivery in Inside FERC's Gas Market Report under the heading "West Texas Waha" 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 transportation service under this tariff, customer must have the type of meter, instrumentation, and communication required by Company. Customer must pay Company all costs associated with the acquisition and installation of the required equipment.

ATMOS ENERGY, WEST TEXAS DIVISION  
2017 UNINCORPORATED AREAS  
TWELVE MONTH PERIOD ENDING DECEMBER 31, 2017  
SUMMARY

Line Number	Description	Per GUD 10608 at 12/31/16 (1)	Increase in WTX Division	Adjusted Balance at 12/31/2017
	[a]	[b]	[c]	[d]
1	Utility Plant Investment	\$ 725,368,339	\$ 67,445,471	\$ 792,813,810
2	Accumulated Depreciation	(157,168,735)	(4,731,290)	(161,900,025)
3	Net Investment	\$ 568,199,604	\$ 62,714,181	\$ 630,913,785
4				
5	Exclusions from Filing (2)		\$ 368,242	
6				
7	Adjusted Net Investment		\$ 62,345,939	
8				
9	Increase/(Decrease) in Net Investment		\$ 62,345,939	
10	Authorized Return on Capital - Per GUD 10170		8.57%	
11	Change in Return on Net Investment		\$ 5,342,043	
12				
13	Change in Depreciation Expense		2,711,308	
14	Change in Ad Valorem Tax		645,956	
15	Change in Federal Tax		1,832,805	
16	Change in Revenue Requirement		\$ 10,532,112	
17				
18	Annual Number of Bills		3,616,393	
19				
20	Increase per Bill per Month (to be applied to Monthly Customer Charge)			
21		Current Rates	IRA Increase	Proposed Rates
22	Monthly Residential Customer Charge - all areas	\$ 21.85	\$ 2.40	\$ 24.25
23	Monthly Commercial Customer Charge - all areas	\$ 52.99	\$ 6.68	\$ 59.67
24	Monthly Industrial Sales \ Transport Customer Charge - all areas	\$ 557.70	\$ 94.95	\$ 652.65
25	Monthly Public Authority Customer Charge - all areas	\$ 143.66	\$ 19.17	\$ 162.83
26	Monthly State Institution Customer Charge - all areas	\$ 140.79	\$ 18.06	\$ 158.85

Notes:

- The amount is per GUD 10174 and subsequent GRIP dockets.
- Voluntary removal of employee expenses and rate base adjustments from the GUD No. 10174 and prior dockets.

Current and Proposed Bill Information - With Gas Cost					
		Current	Proposed	Difference	% Change
27	Residential Customers				
28	Average Monthly Bill @ 52.69 ccf - WTX Cities Unincorporated	\$ 51.52	\$ 53.92	\$ 2.40	4.65%
29	Average Monthly Bill @ 52.69 ccf - Amarillo Unincorporated	\$ 46.51	\$ 48.91	\$ 2.40	5.16%
30	Average Monthly Bill @ 52.69 ccf - Lubbock Unincorporated	\$ 47.37	\$ 49.76	\$ 2.40	5.06%
31					
32	Commercial Customers				
33	Average Monthly Bill @ 239.72 ccf - WTX Cities Unincorporated	\$ 174.25	\$ 180.92	\$ 6.68	3.83%
34	Average Monthly Bill @ 239.72 ccf - Amarillo Unincorporated	\$ 170.57	\$ 177.24	\$ 6.68	3.91%
35	Average Monthly Bill @ 239.72 ccf - Lubbock Unincorporated	\$ 168.77	\$ 175.45	\$ 6.68	3.96%
36					
37	Industrial Sales \ Transport Customers				
38	Average Monthly Bill @ 3,950.03 ccf - WTX Cities Unincorporated	\$ 2,348.84	\$ 2,443.78	\$ 94.95	4.04%
39	Average Monthly Bill @ 3,950.03 ccf - Amarillo Unincorporated	\$ 2,553.53	\$ 2,648.47	\$ 94.95	3.72%
40	Average Monthly Bill @ 3,950.03 ccf - Lubbock Unincorporated	\$ 2,400.62	\$ 2,495.57	\$ 94.95	3.96%
41					
42	Public Authority Customers				
43	Average Monthly Bill @ 794.39 ccf - WTX Cities Unincorporated	\$ 535.53	\$ 554.70	\$ 19.17	3.58%
44	Average Monthly Bill @ 794.39 ccf - Amarillo Unincorporated	\$ 540.00	\$ 559.16	\$ 19.17	3.55%
45	Average Monthly Bill @ 794.39 ccf - Lubbock Unincorporated	\$ 558.61	\$ 577.78	\$ 19.17	3.43%
46					
47	State Institution Customers				
48	Average Monthly Bill @ 825.04 ccf - WTX Cities Unincorporated	\$ 576.43	\$ 594.49	\$ 18.06	3.13%
49	Average Monthly Bill @ 825.04 ccf - Lubbock Unincorporated	\$ 556.33	\$ 574.39	\$ 18.06	3.25%

Current and Proposed Bill Information - Without Gas Cost					
		Current	Proposed	Difference	% Change
50	Residential Customers				
51	Average Monthly Bill @ 52.69 ccf - WTX Cities Unincorporated	\$ 30.84	\$ 33.23	\$ 2.40	7.78%
52	Average Monthly Bill @ 52.69 ccf - Amarillo Unincorporated	\$ 25.83	\$ 28.23	\$ 2.40	9.28%
53	Average Monthly Bill @ 52.69 ccf - Lubbock Unincorporated	\$ 26.68	\$ 29.08	\$ 2.40	8.99%
54					
55	Commercial Customers				
56	Average Monthly Bill @ 239.72 ccf - WTX Cities Unincorporated	\$ 80.15	\$ 86.83	\$ 6.68	8.33%
57	Average Monthly Bill @ 239.72 ccf - Amarillo Unincorporated	\$ 76.47	\$ 83.14	\$ 6.68	8.73%
58	Average Monthly Bill @ 239.72 ccf - Lubbock Unincorporated	\$ 74.67	\$ 81.35	\$ 6.68	8.94%
59					
60	Industrial Sales \ Transport Customers				
61	Average Monthly Bill @ 3,950.03 ccf - WTX Cities Unincorporated	\$ 798.30	\$ 893.24	\$ 94.95	11.89%
62	Average Monthly Bill @ 3,950.03 ccf - Amarillo Unincorporated	\$ 1,002.99	\$ 1,097.93	\$ 94.95	9.47%
63	Average Monthly Bill @ 3,950.03 ccf - Lubbock Unincorporated	\$ 850.08	\$ 945.03	\$ 94.95	11.17%
64					
65	Public Authority Customers				
66	Average Monthly Bill @ 794.39 ccf - WTX Cities Unincorporated	\$ 223.70	\$ 242.87	\$ 19.17	8.57%
67	Average Monthly Bill @ 794.39 ccf - Amarillo Unincorporated	\$ 228.17	\$ 247.33	\$ 19.17	8.40%
68	Average Monthly Bill @ 794.39 ccf - Lubbock Unincorporated	\$ 246.78	\$ 265.95	\$ 19.17	7.77%
69					
70	State Institution Customers				
71	Average Monthly Bill @ 825.04 ccf - WTX Cities Unincorporated	\$ 252.59	\$ 270.65	\$ 18.06	7.15%
72	Average Monthly Bill @ 825.04 ccf - Lubbock Unincorporated	\$ 232.49	\$ 250.55	\$ 18.06	7.77%

ATMOS ENERGY, WEST TEXAS DIVISION  
2017 UNINCORPORATED AREAS  
TWELVE MONTH PERIOD ENDING DECEMBER 31, 2017  
SUMMARY

Line Number	Description	Per GUD 10608 at 12/31/16 (1)	Increase in WTX Division	Adjusted Balance at 12/31/2017
	[a]	[b]	[c]	[d]
1	Utility Plant Investment	\$ 725,368,339	\$ 67,445,471	\$ 792,813,810
2	Accumulated Depreciation	(157,168,735)	(4,731,290)	(161,900,025)
3	Net Investment	\$ 568,199,604	\$ 62,714,181	\$ 630,913,785
4				
5	Exclusions from Filing (2)		\$ 368,242	
6				
7	Adjusted Net Investment		\$ 62,345,939	
8				
9	Increase/(Decrease) in Net Investment		\$ 62,345,939	
10	Authorized Return on Capital - Per GUD 10170		8.57%	
11	Change in Return on Net Investment		\$ 5,342,043	
12				
13	Change in Depreciation Expense		2,711,308	
14	Change in Ad Valorem Tax		645,956	
15	Change in Federal Tax		904,803	
16	Change in Revenue Requirement		\$ 9,604,110	
17				
18	Annual Number of Bills		3,616,393	
19				
20	Increase per Bill per Month (to be applied to Monthly Customer Charge)			
21		Current Rates	IRA Increase	Proposed Rates
22	Monthly Residential Customer Charge - all areas	\$ 20.45	\$ 2.19	\$ 22.64
23	Monthly Commercial Customer Charge - all areas	\$ 49.51	\$ 6.09	\$ 55.60
24	Monthly Industrial Sales \ Transport Customer Charge - all areas	\$ 519.60	\$ 86.58	\$ 606.18
25	Monthly Public Authority Customer Charge - all areas	\$ 134.01	\$ 17.48	\$ 151.49
26	Monthly State Institution Customer Charge - all areas	\$ 131.39	\$ 16.47	\$ 147.86

Notes:

- The amount is per GUD 10174 and subsequent GRIP dockets.
- Voluntary removal of employee expenses and rate base adjustments from the GUD No. 10174 and prior dockets.

	Current	Proposed	Difference	% Change
27 Residential Customers				
28 Average Monthly Bill @ 52.69 ccf - WTX Cities Unincorporated	\$ 49.68	\$ 51.87	\$ 2.19	4.41%
29 Average Monthly Bill @ 52.69 ccf - Amarillo Unincorporated	\$ 44.92	\$ 47.11	\$ 2.19	4.88%
30 Average Monthly Bill @ 52.69 ccf - Lubbock Unincorporated	\$ 45.73	\$ 47.92	\$ 2.19	4.79%
31				
32 Commercial Customers				
33 Average Monthly Bill @ 239.72 ccf - WTX Cities Unincorporated	\$ 169.43	\$ 175.52	\$ 6.09	3.59%
34 Average Monthly Bill @ 239.72 ccf - Amarillo Unincorporated	\$ 165.93	\$ 172.02	\$ 6.09	3.67%
35 Average Monthly Bill @ 239.72 ccf - Lubbock Unincorporated	\$ 164.22	\$ 170.31	\$ 6.09	3.71%
36				
37 Industrial Sales \ Transport Customers				
38 Average Monthly Bill @ 3,950.03 ccf - WTX Cities Unincorporated	\$ 2,298.85	\$ 2,385.43	\$ 86.58	3.77%
39 Average Monthly Bill @ 3,950.03 ccf - Amarillo Unincorporated	\$ 2,493.42	\$ 2,580.00	\$ 86.58	3.47%
40 Average Monthly Bill @ 3,950.03 ccf - Lubbock Unincorporated	\$ 2,348.10	\$ 2,434.68	\$ 86.58	3.69%
41				
42 Public Authority Customers				
43 Average Monthly Bill @ 794.39 ccf - WTX Cities Unincorporated	\$ 521.93	\$ 539.41	\$ 17.48	3.35%
44 Average Monthly Bill @ 794.39 ccf - Amarillo Unincorporated	\$ 526.18	\$ 543.66	\$ 17.48	3.32%
45 Average Monthly Bill @ 794.39 ccf - Lubbock Unincorporated	\$ 543.87	\$ 561.35	\$ 17.48	3.21%
46				
47 State Institution Customers				
48 Average Monthly Bill @ 825.04 ccf - WTX Cities Unincorporated	\$ 561.52	\$ 577.99	\$ 16.47	2.93%
49 Average Monthly Bill @ 825.04 ccf - Lubbock Unincorporated	\$ 542.41	\$ 558.88	\$ 16.47	3.04%

	Current	Proposed	Difference	% Change
50 Residential Customers				
51 Average Monthly Bill @ 52.69 ccf - WTX Cities Unincorporated	\$ 29.00	\$ 31.19	\$ 2.19	7.55%
52 Average Monthly Bill @ 52.69 ccf - Amarillo Unincorporated	\$ 24.24	\$ 26.43	\$ 2.19	9.04%
53 Average Monthly Bill @ 52.69 ccf - Lubbock Unincorporated	\$ 25.05	\$ 27.24	\$ 2.19	8.74%
54				
55 Commercial Customers				
56 Average Monthly Bill @ 239.72 ccf - WTX Cities Unincorporated	\$ 75.33	\$ 81.42	\$ 6.09	8.08%
57 Average Monthly Bill @ 239.72 ccf - Amarillo Unincorporated	\$ 71.83	\$ 77.92	\$ 6.09	8.48%
58 Average Monthly Bill @ 239.72 ccf - Lubbock Unincorporated	\$ 70.12	\$ 76.21	\$ 6.09	8.68%
59				
60 Industrial Sales \ Transport Customers				
61 Average Monthly Bill @ 3,950.03 ccf - WTX Cities Unincorporated	\$ 748.31	\$ 834.89	\$ 86.58	11.57%
62 Average Monthly Bill @ 3,950.03 ccf - Amarillo Unincorporated	\$ 942.89	\$ 1,029.47	\$ 86.58	9.18%
63 Average Monthly Bill @ 3,950.03 ccf - Lubbock Unincorporated	\$ 797.56	\$ 884.14	\$ 86.58	10.86%
64				
65 Public Authority Customers				
66 Average Monthly Bill @ 794.39 ccf - WTX Cities Unincorporated	\$ 210.10	\$ 227.58	\$ 17.48	8.32%
67 Average Monthly Bill @ 794.39 ccf - Amarillo Unincorporated	\$ 214.35	\$ 231.83	\$ 17.48	8.16%
68 Average Monthly Bill @ 794.39 ccf - Lubbock Unincorporated	\$ 232.05	\$ 249.53	\$ 17.48	7.53%
69				
70 State Institution Customers				
71 Average Monthly Bill @ 825.04 ccf - WTX Cities Unincorporated	\$ 237.67	\$ 254.14	\$ 16.47	6.93%
72 Average Monthly Bill @ 825.04 ccf - Lubbock Unincorporated	\$ 218.57	\$ 235.04	\$ 16.47	7.54%