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RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

GUD NO. 10604
Proposal for Decision

**RATE CASE EXPENSES SEVERED FROM GUD NO. 10580, STATEMENT OF INTENT TO
CHANGE THE RATES OF CITY GATE SERVICE (CGS) AND RATE PIPELINE
TRANSPORTATION (PT) RATES OF ATMOS PIPELINE – TEXAS**

Administrative Law Judges: John Dodson, Dana Lewis

Technical Examiners: Rose Ruiz, James Currier

APPEARANCES

Atmos Pipeline – Texas (Atmos)

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PROCEDURAL HISTORY:

RCE Severed from GUD No. 10580:	February 17, 2017
Rate Case Final Order Signed:	August 1, 2017
Hearing on the Merits:	May 8, 2018
Heard By:	John Dodson, Administrative Law Judge Dana Lewis, Administrative Law Judge Rose Ruiz, Technical Examiner James Currier, Technical Examiner
Evidentiary Record Closed:	July 19, 2018
PFD Issued:	August 7, 2018
Deadline for Commission Action:	N/A

STATEMENT OF THE CASE

This docket is to consider and approve rate case expenses incurred during a completed Atmos Pipeline rate case docket, GUD No. 10580, along with rate case expenses incurred during this related docket. The rate case was litigated extensively from January to August 2017, with numerous contested issues, significant discovery, a multi-day merits hearing, and several rounds of necessary briefing by the parties. The Commission signed a Final Order in GUD No. 10580 on August 1, 2017.

While 11 parties participated in the primary GUD No. 10580 rate case, only four parties are eligible to recover their expenses: Atmos, Atmos Cities Steering Committee (ACSC), Atmos Texas Municipalities (ATM), and the City of Dallas. On March 26, 2018, these parties and Commission Staff filed an Unopposed Stipulation and Settlement Agreement, resolving all issues, including expense amounts and proposed allocation/recovery. Under the Settlement, the amount of recoverable rate case expenses for all parties totals \$2,614,802.54—including future estimated expenses to litigate the appeal—recoverable over an approximate 12-month period by application of a fixed-price customer surcharge.

The Examiners have reviewed the documentation supporting these requested amounts, along with the proposed allocation/recovery, and recommend that the Settlement be approved.

There is no deadline for Commission action.

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	APPEARANCES.....	1
III.	PROCEDURAL BACKGROUND	2
IV.	JURISDICTION, BURDEN OF PROOF, AND NOTICE	2
V.	TERMS OF THE SETTLEMENT.....	3
VI.	CONCLUSION	8
VII.	FINDINGS OF FACT AND CONCLUSIONS OF LAW	8

PROPOSAL FOR DECISION

I. INTRODUCTION

On January 6, 2017, Atmos Pipeline – Texas (“Atmos”), a division of Atmos Energy Corporation, filed with the Commission a statement of intent to change its rate city gate service (“CGS”) and rate pipeline transportation (“PT”)—and related riders—under the provisions of Subchapter C (Rate Changes Proposed by Utility) of Chapter 104 (Rates and Services) of the Gas Utility Regulatory Act (“GURA”). The statement of intent (“SOI”) was docketed as GUD No. 10580. Subsequently, the rate case expenses portion of GUD No. 10580 was severed into this separate docket, GUD No. 10604. The rate case was litigated extensively in 2017, with numerous contested issues, significant discovery, a multi-day merits hearing, and several rounds of necessary briefing by the parties. This docket is to consider and approve rate case expenses incurred during the completed rate case and during this related docket.

While 11 parties participated in the completed GUD No. 10580 rate case, only four parties are eligible to recover their expenses: Atmos, Atmos Cities Steering Committee (“ACSC”), Atmos Texas Municipalities (“ATM”), and the City of Dallas (“Dallas”). On March 26, 2018, these parties and Commission Staff filed an Unopposed Stipulation and Settlement Agreement (“Settlement”), resolving all issues, including expense amounts and proposed allocation/recovery.

Under the Settlement, the amount of recoverable rate case expenses for all parties totals \$2,614,802.54—including future estimated expenses to litigate the appeal—recoverable over an approximate 12-month period by application of a fixed-price customer surcharge. The requested expenses per party are:

- For Atmos, recovery of up to \$1,719,778.80 including estimated expenses;
- For ACSC, recovery of up to \$396,592.82, including estimated expenses;
- For ATM, recovery of up to \$187,804.30, including estimated expenses; and
- For Dallas, recovery of up to \$310,626.62, including estimated expenses.

The Examiners recommend that the Settlement be approved. There is no deadline for Commission action.

II. APPEARANCES

Four parties from the completed GUD No. 10580 rate case are eligible under Texas law to recover their rate case expenses: Atmos, ACSC, ATM, and Dallas. These parties, along with Commission Staff (the “GUD No. 10604 Parties”), appeared in this severed docket.

III. PROCEDURAL BACKGROUND

On January 6, 2017, Atmos filed its SOI. On February 17, 2017, the rate case expenses portion of GUD No. 10580 was severed into this separate docket, GUD No. 10604.

From January to August 2017, the rate case was litigated. On August 1, 2017, the Commission issued its Final Order in GUD No. 10580.

On March 26, 2018, the GUD No. 10604 Parties filed the Settlement. On April 17, 2018, the Notice of Hearing was issued, setting the hearing on the merits to commence on May 8, 2018 ("Notice of Hearing").¹ On April 30, 2018, the Commission published the Notice of Hearing in *Gas Utilities Information Bulletin No. 1082*.²

The hearing on the merits was held on May 8, 2018 (the "Hearing"). At the Hearing, the Settlement was admitted into evidence. On July 19, 2018, the Administrative Law Judge ("ALJ") took official notice of the following materials:

- Schedules and other materials in the GUD No. 10580 evidentiary record that are referenced in this docket's Settlement; and
- *Curricula vitae* of all testifying witnesses for Atmos, ACSC, ATM, and Dallas.

On July 19, 2018, after taking official notice of the above materials, the ALJ closed the evidentiary record.³

IV. JURISDICTION, BURDEN OF PROOF, AND NOTICE

Jurisdiction

The Commission has jurisdiction over Atmos, which is a gas utility under GURA Section 101.003(7), and the issues in this docket. In the completed rate docket, GUD No. 10580, the Commission had original jurisdiction over rates for Atmos.

Burden of Proof

Atmos, ACSC, ATM, and Dallas each carries the burden of proving the reasonableness of its own rate case expenses by a preponderance of the evidence.⁴

¹ See Examiner Letter No. 4 (Notice of Hearing), issued April 17, 2018 (attaching the Notice of Hearing).

² See *Gas Utilities Information Bulletin No. 1082*, published by the Railroad Commission of Texas Oversight and Safety Division on April 30, 2018 ("Bulletin"), at 3-5.

³ See Examiner Letter No. 6 (Close of Evidentiary Record), issued July 19, 2018.

⁴ 16 Tex. Admin. Code § 7.5530(a) (Allowable Rate Case Expenses) ("In any rate proceeding, any utility and/or municipality claiming reimbursement for its rate case expenses pursuant to Texas Utilities Code, § 103.022(b),

Notice

Proper notice has been issued in this proceeding in accordance with applicable statutes and rules. The Notice of Hearing complied with Chapter 2001 (Administrative Procedure) of the Texas Government Code and Part 1 (Railroad Commission of Texas) of Title 16 (Economic Regulation) of the Texas Administrative Code, and other applicable authority. The Notice of Hearing was published in *Gas Utilities Information Bulletin No. 1082*, in compliance with Commission Rule § 7.235 (Publication and Service of Notice).⁵

Proper notice has been issued in this proceeding in accordance with applicable statutory and regulatory requirements.

V. TERMS OF THE SETTLEMENT

The Settlement resolves all issues in GUD No. 10604. The parties—Atmos, ATM, ACSC, Dallas, and Staff—represent diverse interests. The parties agree that the Settlement resolves all issues in a manner consistent with the public interest. A copy of the Settlement⁶ is attached to this PFD as Attachment 2.

Atmos, ATM, ACSC, and Dallas request reimbursement/recovery of reasonable rate case expenses incurred for the completed rate case, GUD No. 10580, and for this related docket. Amounts and allocation under the Settlement are treated separately below.

1. Allowable Rate Case Expenses; Generally

Atmos, ACSC, ATM, and Dallas request reimbursement/recovery of reasonable rate case expenses totaling \$2,614,802.54.⁷ This includes a voluntary, settled reduction of Atmos's expenses by \$47,683.41, a reduction of ACSC's expenses by \$173.90, and a reduction of ATM's expenses by \$1,457.50.

In any gas utility rate proceeding, the utility and municipalities participating in the proceeding, if any, may be reimbursed their reasonable rate case expenses.⁸ Any

shall have the burden to prove the reasonableness of such rate case expenses by a preponderance of the evidence.”).

⁵ See Bulletin, pp. 3-5 (containing the GUD No. 10604 Notice of Hearing); see also 16 Tex. Admin. Code § 7.235(a)(1)(A) (Publication and Service of Notice) (“The Commission shall publish the notice of hearing in the next Bulletin published after the date of issuance of the notice of hearing.”).

⁶ The attached Settlement excludes Exhibit D (voluminous invoices and receipts).

⁷ Atmos Ex. 1 (Settlement) ¶ 1.

⁸ See 16 Tex. Admin. Code § 7.5530 (Allowable Rate Case Expenses) (providing that a utility may be reimbursed its reasonable rate case expenses from certain customers), Tex. Util. Code § 103.022 (Rate Assistance and Cost Reimbursement) (providing that the governing body of a participating municipality may be reimbursed its reasonable rate case expenses from the utility).

gas utility or municipality claiming reimbursement for its rate case expenses shall have the burden to prove the reasonableness of such rate case expenses by a preponderance of the evidence.⁹ Each gas utility and/or municipality shall detail and itemize all rate case expenses and allocations and shall provide evidence showing the reasonableness of the cost of all professional services, including but not limited to:

- (1) the amount of work done;
- (2) the time and labor required to accomplish the work;
- (3) the nature, extent, and difficulty of the work done;
- (4) the originality of the work;
- (5) the charges by others for work of the same or similar nature; and
- (6) any other factors taken into account in setting the amount of the compensation.¹⁰

In determining the reasonableness of the rate case expenses, the Commission shall consider all relevant factors including, but not limited to, the above evidence, and the Commission also shall consider whether the request for a rate change was warranted, whether there was duplication of services or testimony, whether the work was relevant and reasonably necessary to the proceeding, and whether the complexity and expense of the work was commensurate with both the complexity of the issues in the proceeding and the amount of the increase sought, as well as the amount of any increase that may be granted.¹¹

2. Amounts

The parties represent that their reasonable rate case expenses are as follows¹²:

	Actual Invoices Received	Invoices Due and Est. to Completion	Total
Atmos	\$1,544,778.80	\$175,000	\$1,719,778.80
ACSC	\$321,592.82	\$75,000	\$396,592.82
ATM	\$109,304.30	\$78,500	\$187,804.30
Dallas	\$258,126.62	\$52,500	\$310,626.62
TOTAL	\$2,233,802.54	\$381,000	\$2,614,802.54

Atmos's expenses, by category, are as follows:

Required Regulatory Expenses	Litigation Expenses	Estimated Expenses	Total Atmos Expenses
\$432,723.63	\$1,112,055.17	\$175,000	\$1,719,778.80

⁹ 16 Tex. Admin. Code § 7.5530(a) (Allowable Rate Case Expenses).

¹⁰ *Id.*

¹¹ *Id.*

¹² Atmos Ex. 1 (Settlement) ¶ 1 and Exhibit C.

Attorney hourly rates ranged from \$215 to \$560, with an average of approximately \$370.¹³ Consultant hourly rates for which recovery is sought¹⁴ ranged from \$200 to \$775,¹⁵ with an average of approximately \$350.

Atmos, ATM, ACSC, and Dallas each provided evidence showing the reasonableness of the cost of all professional services, including but not limited to: (1) the amount of work done; (2) the time and labor required to accomplish the work; (3) the nature, extent, and difficulty of the work done; (4) the originality of the work; (5) the charges by others for work of the same or similar nature; and (6) other factors taken into account in setting the amount of compensation.¹⁶

Below is a detailed breakdown of expenses by party.

Atmos Summary

	Actual	Future Estimated	Adjustments*	Total
Legal	\$ 818,667.80	\$ 175,000.00		\$ 993,667.80
Consulting	\$ 736,105.84		\$ (47,141.82)	\$ 688,964.02
Other Expenses	\$ 37,688.57		\$ (541.59)	\$ 37,146.98
TOTAL	\$ 1,592,462.21	\$ 175,000.00	\$ (47,683.41)	\$ 1,719,778.80

*Voluntary reduction

ACSC Summary

	Actual	Future Estimated	Adjustments*	Total
Legal	\$ 248,026.25	\$ 75,000.00	\$ (173.90)	\$ 322,852.35
Consulting	\$ 73,740.47			\$ 73,740.47
Other Expenses				
TOTAL	\$ 321,766.72	\$ 75,000.00	\$ (173.90)	\$ 396,592.82

*Voluntary reduction

ATM Summary

	Actual	Future Estimated	Adjustments*	Total
Legal	\$ 79,017.85	\$ 78,500.00	\$ (1,457.50)	\$ 156,060.35
Consulting	\$ 31,743.95			\$ 31,743.95
Other Expenses				
TOTAL	\$ 110,761.80	\$ 78,500.00	\$ (1,457.50)	\$ 187,804.30

*Billing Error Credit

¹³ *Id.* at Exhibit C and D (attorney affidavits and invoices).

¹⁴ Atmos does not seek recovery of fees totaling \$44,450.88 from a consultant whose hourly rate is \$855. See Atmos Ex. 1 (Settlement), Exhibit C, p. 11, In. 119.

¹⁵ The upper \$775 hourly rate was charged by an Atmos financial and economic consultant, who is the Chairman and CEO of his firm and who has over 35 years of experience in the energy industry. See CV of John J. Reed (official notice taken on July 19, 2018). The majority of his firm's hourly billed work during the completed GUD No. 10580 rate case was at a lower hourly rate of \$575.

¹⁶ See Atmos Ex. 1 (Settlement), Exhibit C and D (attorney affidavits by counsel for Atmos, ACSC, ATM, and Dallas).

Dallas Summary

	Actual	Future Estimated	Total
Legal	\$ 147,287.00	\$ 52,500.00	\$ 199,787.00
Consulting	\$ 99,975.00		\$ 99,975.00
Other Expenses	\$ 10,864.62		\$ 10,864.62
TOTAL	\$ 258,126.62	\$ 52,500.00	\$ 310,626.62

Examiner Findings and Recommendation

The Examiners reviewed the sworn affidavits and documentation supporting the rate case expense amounts shown above. Considering the above factors, the Examiners find that these amounts are reasonable and necessary, and that Atmos, ACSC, ATM, and Dallas each proved the reasonableness of their expenses by a preponderance of the evidence. The rate case docket involved numerous complex and contested issues, significant discovery, a multi-day merits hearing, and several rounds of necessary legal briefing. The Commission determined at the conclusion of the GUD No. 10580 rate case that Atmos's request for a rate change was warranted.¹⁷ This severed rate case expense docket, GUD No. 10604, involved negotiation among the parties, several required filings, and a merits hearing. Accordingly, the Examiners recommend that these amounts be approved.

3. Allocation and Surcharge

The GUD No. 10604 Parties agree that the total reimbursable rate case expenses, described above, shall be recovered over an approximate 12-month period by application of a fixed-price surcharge on customer bills, commencing within a reasonable period from the date of the Commission's final order.¹⁸ The parties further agree to the following:

- Rate case expenses shall be allocated to the Rate CGS – Mid-Tex, Rate CGS – Other, and Rate PT customer classes in the same proportion as the revenue requirement was allocated to each class in the completed GUD No. 10580 rate case, and that those allocated amounts shall be further allocated to each customer within the Rate CGS – Mid-Tex, Rate CGS – Other, and Rate PT customer classes based on the customer's maximum daily quantity ("MDQ") as a percentage of the total MDQ in the class; and
- The surcharge rider attached to the Settlement as Exhibit A is reasonable and should be approved.

¹⁷ Final Order, GUD No. 10580, at Finding of Fact 6.

¹⁸ Atmos Ex. 1 (Settlement) ¶ 2.

Below is a table that shows the amount and proportion allocated to each of the three customer classes.¹⁹

Customer Class	Expenses	Allocation
CGS-Mid Tex	\$2,432,916.18	0.930440
CGS-Other	\$116,051.60	0.044383
PT	\$65,834.76	0.025178

Per the Settlement, the following surcharges shall be recovered from Rate CGS – Mid-Tex and Rate CGS – Other customers by adding the amounts designated below to their otherwise applicable customer charge for each month in an approximate 12-month period:²⁰

Customer Class	Surcharge
Rate CGS – Mid-Tex	\$202,743.02
Rate CGS – Other (Coserv)	\$8,852.81
Rate CGS – Other (Texas Gas)	\$531.59
Rate CGS – Other (Navasota)	\$212.64
Rate CGS – Other (Terra Gas)	\$32.25
Rate CGS – Other (Rising Star)	\$15.95
Rate CGS – Other (WTX)	\$13.47
Rate CGS – Other (Corix Utilities)	\$12.26

Per the Settlement, a surcharge shall be recovered from the Rate PT customers by adding an amount equal to each customer's MDQ times \$0.03904 per MMBtu of MDQ to their otherwise applicable total customer charge for each month in an approximate 12-month period.²¹

Examiner Findings and Recommendation

The Examiners find the above allocation and surcharges, per the Settlement, to be just and reasonable. Use of a surcharge is a reasonable mechanism for recovering rate case expenses and a 12-month recovery period is reasonable in this case. The surcharge rider attached to the Settlement as Exhibit A is reasonable, and the Examiners recommend approval.

4. Compliance

Consistent with the Settlement, it is reasonable that Atmos file annually, due on or before December 31, a rate case expense recovery report with the

¹⁹ See Atmos Ex. 1 (Settlement), Exhibit B, p. 2.

²⁰ *Id.* at Exhibit A (surcharge rider), p. 1.

²¹ *Id.*

Commission's Oversight and Safety Division, referencing GUD No. 10604.²² The report shall detail the amount recovered by month by customer class, the amount of RCE recovered, and the outstanding balance by month.

VI. CONCLUSION

The Examiners recommend approval of the Settlement. Atmos, ATM, ACSC, and Dallas each proved by a preponderance of the evidence the reasonableness of rate case expenses incurred for the completed rate case, GUD No. 10580, and for this docket. The evidence supports that allocation of recoverable rate case expenses, as proposed in the Settlement, is consistent with Commission Rule § 7.5530 (Allowable Rate Case Expenses).

VII. FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Findings of Fact and Conclusions of Law contained in the Proposed Final Order, attached to this PFD as Attachment 1, are incorporated herein by reference.

SIGNED August 7, 2018.



John Dodson
Administrative Law Judge



Dana Avant Lewis
Administrative Law Judge



James Currier
Technical Examiner



Rose Ruiz
Technical Examiner

²² *Id.*, p. 2.

Proposal for Decision
GUD No. 10604

ATTACHMENT 1

(Proposed Final Order)

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

RATE CASE EXPENSES SEVERED	§	
FROM GUD NO. 10580, STATEMENT	§	
OF INTENT TO CHANGE THE RATES	§	GAS UTILITIES DOCKET
OF CITY GATE SERVICE (CGS) AND	§	NO. 10604
RATE PIPELINE TRANSPORTATION	§	
(PT) RATES OF ATMOS PIPELINE -	§	
TEXAS	§	

PROPOSED FINAL ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to Chapter 551 (Open Meetings) of the Texas Government Code. The Railroad Commission of Texas ("Commission") adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

General

1. On January 6, 2017, Atmos Pipeline – Texas ("Atmos"), a division of Atmos Energy Corporation, filed with the Commission a statement of intent ("SOI") to change its rate city gate service ("CGS") and rate pipeline transportation ("PT") rates. The filing was docketed as GUD No. 10580.
2. Atmos filed its SOI pursuant to Subtitle A (Gas Utility Regulatory Act) ("GURA") of the Texas Utilities Code, Chapter 104 (Rates and Services), Subchapter C (Rate Changes Proposed by Utility). Subsequently, the rate case expenses portion of GUD No. 10580 was severed into this separate docket, GUD No. 10604.
3. The completed rate case, GUD No.10580, was litigated extensively from January to August 2017, including a multi-day merits hearing and several rounds of briefing by the parties, with numerous contested issues.
4. The Commission determined at the conclusion of the rate case, GUD No. 10580, that Atmos's request for a rate change was warranted.
5. This docket is to consider and approve reimbursement of certain rate case expenses associated with the completed GUD No. 10580 rate case and during this related docket.

Parties

6. The parties appearing in this proceeding are Atmos, Atmos Cities Steering Committee ("ACSC"), Atmos Texas Municipalities ("ATM"), City of Dallas ("Dallas"), and Commission Staff ("Staff").
7. Atmos is a "gas utility" under GURA Section 101.003 (Definitions).

Procedural Background

8. On January 6, 2017, Atmos filed its SOI.
9. On February 17, 2017, the rate case expenses portion of GUD No. 10580 was severed into this separate docket, GUD No. 10604.
10. From January to August 2017, the rate case was litigated. On August 1, 2017, the Commission issued its Final Order in GUD No. 10580.
11. On March 26, 2018, the parties—Atmos, ACSC, ATM, Dallas, and Commission Staff—filed an Unopposed Stipulation and Settlement Agreement ("Settlement"), resolving all issues, including expense amounts and proposed allocation/recovery.
12. On April 17, 2018, the Notice of Hearing was issued, setting the hearing on the merits to commence on May 8, 2018 ("Notice of Hearing").
13. On April 30, 2018, the Commission published the Notice of Hearing in *Gas Utilities Information Bulletin No. 1082*.
14. The hearing on the merits was held on May 8, 2018 (the "Hearing").
15. At the Hearing, the Settlement was admitted into evidence.
16. On July 19, 2018, the Administrative Law Judge ("ALJ") took official notice of the following materials:
 - Schedules and other materials in the GUD No. 10580 evidentiary record that are referenced in this docket's Settlement; and
 - *Curricula vitae* of all testifying witnesses for Atmos, ACSC, ATM, and Dallas.
17. On July 19, 2018, after taking official notice of the above materials, the ALJ closed the evidentiary record.
18. On August 7, 2018, the Proposal for Decision ("PFD") was issued.

Terms of the Settlement

19. The Settlement resolves all issues in GUD No. 10604. A copy of the Settlement, with Exhibits A and B, is appended to this Order.
20. The parties—Atmos, ACSC, ATM, Dallas, and Staff—represent diverse interests.
21. The Settlement resolves all issues in a manner consistent with the public interest.
22. Atmos, ACSC, ATM, and Dallas request reimbursement/recovery of reasonable rate case expenses incurred for the completed rate case, GUD No. 10580, and for this related docket.

Amounts

23. Atmos, ACSC, ATM, and Dallas each incurred rate case expenses associated with litigating the completed rate case, GUD No. 10580, and in this related docket.
24. The parties represent that their reasonable rate case expenses are as follows:

	Actual Invoices Received	Invoices Due and Est. to Completion	Total
Atmos	\$1,544,778.80	\$175,000	\$1,719,778.80
ACSC	\$321,592.82	\$75,000	\$396,592.82
ATM	\$109,304.30	\$78,500	\$187,804.30
Dallas	\$258,126.62	\$52,500	\$310,626.62
TOTAL	\$2,233,802.54	\$381,000	\$2,614,802.54

25. Atmos's expenses, by category, are as follows:

Required Regulatory Expenses	Litigation Expenses	Estimated Expenses	Total TGS Expenses
\$662,935.69	\$611,631.50	\$30,000	\$1,304,567.19

26. Atmos, ACSC, ATM, and Dallas each provided evidence showing the reasonableness of the cost of all professional services, including but not limited to: (1) the amount of work done; (2) the time and labor required to accomplish the work; (3) the nature, extent, and difficulty of the work done; (4) the

originality of the work; (5) the charges by others for work of the same or similar nature; and (6) other factors taken into account in setting the amount of compensation.

27. The above rate case expense amounts for Atmos, ACSC, ATM, and Dallas are reasonable and necessary. The rate case docket, GUD No. 10580, involved numerous complex and contested issues, significant discovery, a multi-day merits hearing, and several rounds of necessary legal briefing. This severed rate case expense docket, GUD No. 10604, involved negotiation among the parties, several required filings, and a merits hearing.
28. Atmos proved by a preponderance of the evidence the reasonableness of its actual and estimated rate case expenses totaling \$1,719,778.80.
29. ACSC proved by a preponderance of the evidence the reasonableness of its actual and estimated rate case expenses totaling \$396,592.82.
30. ATM proved by a preponderance of the evidence the reasonableness of its actual and estimated rate case expenses totaling \$187,804.30.
31. Dallas proved by a preponderance of the evidence the reasonableness of its actual and estimated rate case expenses totaling \$310,626.62.

Allocation and Surcharge

32. It is reasonable in this case that all reimbursable rate case expenses, described herein, shall be recovered over an approximate 12-month period by application of a fixed-price surcharge on customer bills.
33. It is reasonable that rate case expenses shall be allocated to the Rate CGS – Mid-Tex, Rate CGS – Other, and Rate PT customer classes in the same proportion as the revenue requirement was allocated to each class in the completed GUD No. 10580 rate case, and that those allocated amounts shall be further allocated to each customer within the Rate CGS – Mid-Tex, Rate CGS – Other, and Rate PT customer classes based on the customer's maximum daily quantity ("MDQ") as a percentage of the total MDQ in the class.
34. Below is a table that shows the amount and proportion allocated to each of the three customer classes:

Customer Class	Expenses	Allocation
CGS-Mid Tex	\$2,432,916.18	0.930440
CGS-Other	\$116,051.60	0.044383
PT	\$65,834.76	0.025178

35. It is reasonable that the following surcharges shall be recovered from Rate CGS – Mid-Tex and Rate CGS – Other customers by adding the amounts designated below to their otherwise applicable customer charge for each month in an approximate 12-month period:

Customer Class	Surcharge
Rate CGS – Mid-Tex	\$202,743.02
Rate CGS – Other (Coserv)	\$8,852.81
Rate CGS – Other (Texas Gas)	\$531.59
Rate CGS – Other (Navasota)	\$212.64
Rate CGS – Other (Terra Gas)	\$32.25
Rate CGS – Other (Rising Star)	\$15.95
Rate CGS – Other (WTX)	\$13.47
Rate CGS – Other (Corix Utilities)	\$12.26

36. It is reasonable that a surcharge shall be recovered from the Rate PT customers by adding an amount equal to each customer's MDQ times \$0.03904 per MMBtu of MDQ to their otherwise applicable total customer charge for each month in an approximate 12-month period.
37. The surcharge rider attached to the Settlement as Exhibit A is reasonable.

Compliance

38. Consistent with the Settlement, it is reasonable that Atmos file annually, due on or before December 31, a rate case expense recovery report with the Commission's Oversight and Safety Division, referencing GUD No. 10604. The report shall detail the amount recovered by month by customer class, the amount of RCE recovered, and the outstanding balance by month.
39. It is reasonable that Atmos, ACSC, ATM, and Dallas submit to Commission Staff invoices reflecting actual rate case expenses, with sufficient detail to allow accurate auditing by Staff for the purposes of reconciling estimated rate case expenses to actual rate case expenses.
40. The total recoverable expenses shall not exceed actual expenses submitted to the Commission, plus approved estimated expenses, as approved herein.

CONCLUSIONS OF LAW

General & Jurisdiction

1. The Commission has jurisdiction over Atmos, which is a gas utility under GURA Section 101.003(7), and the issues in this docket.
2. In the completed rate docket, GUD No. 10580, the Commission had original jurisdiction over rates for Atmos.
3. Atmos, ACSC, ATM, and Dallas are entitled under Texas law to reimbursement of their reasonable rate case expenses associated with the completed GUD No. 10580 rate case, appeals of the Commission's Final Order in that docket, and this related docket.

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.

Rate Case Expenses: Amounts, Allocation, and Surcharge

6. The rate case expense amounts approved herein are reasonable and recoverable under Commission Rule § 7.5530 (Allowable Rate Case Expenses).
7. Allocation of rate case amounts approved herein is reasonable and consistent with Commission Rule § 7.5530 (Allowable Rate Case Expenses).
8. Recovery by Atmos via the surcharge rider described herein is reasonable and consistent with Commission Rule § 7.5530 (Allowable Rate Case Expenses).

IT IS THEREFORE ORDERED that all terms in the Settlement are **APPROVED**.

IT IS FURTHER ORDERED that Atmos file annually, due on or before December 31, a rate case expense recovery report with the Commission's Oversight and Safety Division, referencing GUD No. 10604. The report shall detail the amount recovered by month by customer class, the amount of RCE recovered, and the outstanding balance by month.

IT IS FURTHER ORDERED that Atmos, ACSC, ATM, and Dallas submit to Commission Staff invoices reflecting actual rate case expenses, with sufficient detail to allow accurate auditing by Staff for the purposes of reconciling estimated rate case expenses to actual rate case expenses.

IT IS FURTHER ORDERED that the total recoverable rate case expenses shall not exceed actual expenses submitted to the Commission, plus approved estimated expenses, as approved herein.

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 21st day of August, 2018.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN CHRISTI CRADDICK

COMMISSIONER RYAN SITTON

COMMISSIONER WAYNE CHRISTIAN

ATTEST:

SECRETARY

Proposed for Decision
GUD No. 10604

ATTACHMENT 2

(Settlement Agreement)

GUD NO. 10604

RATE CASE EXPENSES SEVERED FROM	§	
GUD NO. 10580, STATEMENT OF INTENT	§	
TO CHANGE THE RATES OF CITY GATE	§	BEFORE THE
SERVICE (CGS) AND RATE PIPELINE	§	RAILROAD COMMISSION
TRANSPORTATION (PT) RATES OF	§	
ATMOS PIPELINE - TEXAS	§	OF TEXAS

UNNOPOSED STIPULATION AND SETTLEMENT AGREEMENT

This Unopposed Stipulation and Settlement Agreement (“Agreement”) is entered into by and between Atmos Pipeline – Texas (“APT” or the “Company”), Atmos Texas Municipalities (“ATM”), Atmos Cities Steering Committee (“ACSC”), the City of Dallas (“Dallas”) and the Staff of the Railroad Commission (“Staff”) (collectively, the “Parties”).

WHEREAS, it is agreed that the terms of this Agreement represent a fair and reasonable compromise and settlement of the rate case expenses that have or are expected to be incurred in connection with GUD No. 10580, *Statement of Intent to Change the Rate CGS and Rate PT Rates of Atmos Pipeline-Texas*, and that this Agreement is just, reasonable, and in the public interest, and should therefore be approved and adopted by the Railroad Commission of Texas (the “Commission”);

NOW, THEREFORE, the Parties, through their undersigned representatives, agree to and recommend for approval by the Commission the Stipulation and Settlement Terms listed below as a means of resolving all issues in dispute.

STIPULATION AND SETTLEMENT TERMS:

1. Costs Incurred: The Parties stipulate that the total amount of reasonably and necessarily incurred rate case expenses is \$2,614,802.54. This amount includes future estimated expenses. Future estimated expenses represent the amount expected to be incurred for the completion of this case and litigation of the appeal from the Commission’s Final Order in GUD No. 10580. Future expenses up to the estimated amount will be reimbursed upon presentation of invoices evidencing that the amounts were actually incurred. Total reimbursement to parties will not exceed the amounts listed below. The Parties agree that the total amount of reasonably and necessarily rate case expenses consists of the following respective costs:

- a. APT: \$1,719,778.80
 - b. ACSC: \$396,592.82
 - c. ATM: \$187,804.30
 - d. City of Dallas: \$310,626.62
2. Surcharge & Amortization: The Parties agree that the total reimbursable rate case expenses agreed upon herein shall be recovered over an approximate 12-month period by application of a fixed-price surcharge on the customer's bill commencing within a reasonable period from the date a final order in this proceeding, GUD No. 10604. Use of a surcharge is a reasonable mechanism for recovering rate case expenses and a 12-month recovery period is reasonable in this case. The Parties further agree that:
- a. The Parties' rate case expenses shall be allocated to the Rate CGS - Mid-Tex, Rate CGS - Other and Rate PT customer classes in the same proportion as the revenue requirement was allocated to each class in GUD No. 10580 and those allocated amounts shall be further allocated to each customer within the Rate CGS - Mid-Tex, Rate CGS - Other and Rate PT customer classes based on the customer's maximum daily quantity ("MDQ") as a percentage of the total MDQ in the class;
 - b. The attached Rate Schedule, attached as Exhibit A, authorizing the recovery of rate case expenses is reasonable and should be approved.
3. Evidentiary Support for Settlement Agreement: A summary of the rate case expenses and the allocation of those expenses is attached as Exhibit B. The rate case expenses for each party are supported by the affidavits from counsel and summarized in Exhibit C. The rate case expenses are supported by the invoices and other supporting documentation included as Exhibit D. In support of this Settlement Agreement, the Parties agree that the expense reports and affidavits attesting to actual and future estimated expenses submitted by APT, ACSC, ATM and the City of Dallas shall be admitted into the evidentiary record of this proceeding. The Parties agree that the allocation of rate case expenses shall be made in accordance with the allocations ordered in GUD No. 10580 and the allocations are detailed as part of Exhibit B. The Parties further agree that, if requested by the Administrative Law Judge, the Parties shall offer respective witnesses to appear before the Administrative Law Judge to respond to any clarifying questions regarding the expenses at issue in this proceeding, the treatment of these expenses under the terms of this Agreement, and why Commission approval of this Agreement is reasonable and in the public interest.
4. Additional Terms: The Parties agree to the following additional terms and conditions:
- a. The Parties arrived at this Agreement through negotiation and compromise. The Parties agree that all actual expenses reimbursed remain subject to refund to APT in the event that the Commission does not issue an order approving this Agreement. The Parties further agree that the failure to address any specific issue in this proceeding does not mean that any Party or the Commission approves of any

particular treatment of costs or the underlying assumptions associated with costs. Furthermore, the Parties stipulate that the failure to litigate any specific issue in this docket does not waive any Party's right to contest that issue in any other current or future docket and that the failure to litigate an issue cannot be asserted as a defense or estoppel, or any similar argument, by or against any Party in any other proceeding.

- b. The Parties urge the Commission to adopt an appropriate order consistent with the terms of this Agreement. Other than to support the implementation by APT of the stipulated surcharge, the terms of this Agreement may not be used either as an admission or concession of any sort or as evidence in any proceeding. The Parties further agree that: (a) oral or written statements made during the course of the settlement negotiations may not be used for any purposes other than as necessary to support the entry by the Commission of an order implementing this Agreement, and (b) other than to support the entry of such an order, all oral or written statements made during the course of the settlement negotiations are governed by Texas Rule of Evidence 408 and are inadmissible. The obligations set forth in this subsection shall continue and be enforceable, even if this Agreement is terminated as provided below.
- c. This Agreement reflects a compromise, settlement and accommodation among the Parties, and the Parties agree that the terms and conditions herein are interdependent. If the Commission does not issue a final order which implements provisions consistent with the material terms of this Agreement, each Party has the right to withdraw from this Agreement and to assume any position it deems appropriate with respect to any issue in this proceeding. A Party who withdraws shall not be deemed to have waived any procedural right or taken any substantive position on any fact or issue by virtue of the Party's entry into the Agreement or its subsequent withdrawal. However, the parties agree that, if a Party withdraws from this Agreement, all negotiations, discussions and conferences related to this settlement are privileged, inadmissible, and not relevant to prove any issues in GUD No. 10580 or GUD No. 10604 or their respective appeals, pursuant to Texas law, including but not limited to Texas Rule of Evidence 408.
- d. This Agreement is binding on each of the Parties only for the purpose of settling the issues as set forth herein and for no other purposes. Except to the extent that this Agreement expressly governs a Party's rights and obligations for future periods, this Agreement shall not be binding or precedential upon a Party outside this case. It is acknowledged that a Party's support of the matters contained in this Agreement may differ from the position taken or testimony presented by it in other dockets. To the extent that there is a difference, a Party does not waive its position in any other dockets. Because this is a stipulated resolution, no Party is under any obligation to take the same positions as set out in this Agreement in other dockets, whether those dockets present the same or a different set of circumstances, except as may otherwise be explicitly provided in this Agreement.
- e. Each person signing this document represents that he or she is authorized to sign it on behalf of the Party represented. For administrative convenience, this document

may be executed in multiple counterparts with facsimile signatures. This agreement supersedes any prior agreements executed by any party to this proceeding.

Agreed to this 22nd day of March 2018.

By: 

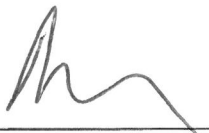
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By: Natahie Dubiel

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**ATTORNEY FOR STAFF OF THE
RAILROAD COMMISSION OF TEXAS**

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

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

Applicability

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

Monthly Calculation

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

GUD No. 10580 - MAOP

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

GUD No. 10704 – Tax Reform – 2016 GRIP

The following negative surcharge as authorized in GUD No. 10704 shall be credited to customer's bills for the number of months of service following January 1, 2018 billed to customers prior to April 1, 2018 as follows:

Rate CGS – Mid-Tex - \$0.07890 per MMBtu of MDQ

Rate CGS – Other -\$0.07890 per MMBtu of MDQ

Rate PT - \$0.04009 per MMBtu of MDQ

GUD No. 10604 – Rate Case Expense Recovery

The following surcharges as authorized in GUD No. 10604 shall be recovered from Rate CGS – Mid-Tex and Rate CGS – Other customers by adding the amounts designated below to their otherwise applicable customer charge for each month in an approximate 12-month period:

Rate CGS – Mid-Tex	\$ 202,743.02
Rate CGS – Other (Coserv)	\$ 8,852.81
Rate CGS – Other (Texas Gas)	\$ 531.59
Rate CGS – Other (Navasota)	\$ 212.64
Rate CGS – Other (Terra Gas)	\$ 32.25
Rate CGS – Other (Rising Star)	\$ 15.95
Rate CGS – Other (WTX)	\$ 13.47
Rate CGS – Other (Corix Utilities)	\$ 12.26

A surcharge as authorized in GUD No. 10604 shall be recovered from the Rate PT customers by adding an amount equal to each customer's MDQ times \$0.03904 per MMBtu of MDQ to their otherwise applicable total customer charge for each month in an approximate 12-month period.

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

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

The Company will file annually, due on or before December 31, a rate case expense recovery report with the Railroad Commission of Texas (“Commission”), Oversight and Safety Division, referencing GUD No. 10604. The report shall detail the amount recovered by month by customer class, the amount of RCE recovered, and the outstanding balance by month. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Compliance Filings
Oversight and Safety Division
Gas Services Department
Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711 – 2967.

Atmos Pipeline - Texas ("APT")
GUD No. 10604, Rate Case Expenses Severed from GUD No. 10580
Summary of Rate Case Expenses
At March 22, 2018

Line No.	Description (a)	Total Amount Before Adjustment (b)	Adjustment Amounts (c)	Total Adjusted Amounts (d)
1	Atmos Pipeline - Texas			
2	Total Legal Expenses <i>(Includes an Estimate)</i>	\$ 993,667.80	\$ -	\$ 993,667.80
3	Total Consulting Expenses	736,105.84	(47,141.82)	688,964.02
4	Total Other Expenses	37,688.57	(541.59)	37,146.98
5				
6	Total APT Legal, Consulting and Other Expenses (Sum Lns 2 - 4)	\$ 1,767,462.21	\$ (47,683.41)	\$ 1,719,778.80
7				
8	Atmos Cities Steering Committee ("ACSC")			
9	Total Legal Expenses	\$ 248,026.25	\$ (173.90)	\$ 247,852.35
10	Total Consulting Expenses	73,740.47	-	73,740.47
11	Total Other Expenses <i>(Includes an Estimate)</i>	75,000.00	-	75,000.00
12				
13	Total ACSC Legal, Consulting and Other Expenses (Sum Lns 9 - 11)	\$ 396,766.72	\$ (173.90)	\$ 396,592.82
14				
15	Atmos Texas Municipalities ("ATM")			
16	Total Legal Expenses	\$ 79,017.85	\$ (1,457.50)	\$ 77,560.35
17	Total Consulting Expenses	31,743.95	-	31,743.95
18	Total Other Expenses <i>(Includes an Estimate)</i>	78,500.00	-	78,500.00
19				
20	Total ATM Legal, Consulting and Other Expenses (Sum Lns 16 - 18)	\$ 189,261.80	\$ (1,457.50)	\$ 187,804.30
21				
22	City of Dallas ("Dallas")			
23	Total Legal Expenses	\$ 158,151.62	\$ -	\$ 158,151.62
24	Total Consulting Expenses	99,975.00	-	99,975.00
25	Total Other Expenses <i>(Includes an Estimate)</i>	52,500.00	-	52,500.00
26				
27	Total Dallas Legal, Consulting and Other Expenses (Sum Lns 23 - 25)	\$ 310,626.62	\$ -	\$ 310,626.62
28				

Atmos Pipeline - Texas ("APT")
GUID No. 10604, Rate Case Expenses Severed from GUID No. 10580
Summary of Rate Case Expenses
At March 22, 2018

Line No.	Description (a)	Total Amount Before Adjustment (b)	Adjustment Amounts (c)	Total Adjusted Amounts (d)
29	<i>Total Intervenor - Legal, Consulting and Other Expenses (Ln 13</i>			
30	<i>+ Ln 20 + Ln 27)</i>			
31		\$ 896,655.14	\$ (1,631.40)	\$ 895,023.74
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
Total Expenses All Parties (Ln 6 + Ln 29)				
		\$ 2,664,117.35	\$ (49,314.81)	\$ 2,614,802.54
Allocation Factors.				
36	Rate Schedule CGS - Mid-Tex	0.930440	GUID 10580, Sch A, (Col (d), Ln 2) divided by Col (d), Ln 5	
37	Rate Schedule CGS - Other	0.044383	GUID 10580, Sch A, (Col (d), Ln 3) divided by Col (d), Ln 5	
38	Rate Schedule PT	0.025178	GUID 10580, Sch A, (Col (d), Ln 4) divided by Col (d), Ln 5	
39	Total	1.000000	Sum of Ln 37 through Ln 39	
40				
41				
42				
43				
44				
45				
46				
Total Expense Amount times the Allocation Factors:				
36	Rate Schedule CGS - Mid-Tex	2,432,916.18	(Col (d), Ln 32 times Col (b), Ln 37)	
37	Rate Schedule CGS - Other	116,051.60	(Col (d), Ln 32 times Col (b), Ln 38)	
38	Rate Schedule PT	65,834.76	(Col (d), Ln 32 times Col (b), Ln 39)	
39	Total	2,614,802.54	Sum of Ln 43 through Ln 45	

Atmos Pipeline - Texas ("APT")
GUD No. 10604, Rate Case Expenses Severed from GUD No. 10580
Rate Schedule CGS - Mid-Tex Allocation of Rate Case Expenses
At March 22, 2018

Line No.	Description (a)	Amount (b)	Reference (c)
1	Rate Schedule CGS - Mid-Tex		
2	Allocation Factor:		
3	Rate Schedule CGS - Mid-Tex	0.930440	Summary, Col (b), Ln 33
4			
5	Maximum Daily Quantity (MDQ) 12 Months:		
6	Mid-Tex	32,793,300	GUD 10580, Sch I, Col (d), Ln 2
7	Rate Schedule CGS - Mid-Tex	32,793,300	Current MDQ per contract
8			
9	Total Expense Amount times the Allocation Factors:		
10	Atmos Expenses	\$ 1,600,150.53	Ln 3 times Summary, Col (d), Ln 6
11	Intervenor Expenses	832,765.65	Ln 3 times Summary, Col (d), Ln 29
12	Total Rate Schedule CGS - Mid-Tex	\$ 2,432,916.18	Ln 10 + Ln 11
13			
14	Percentage MDQ's for Rate Schedule CGS - Mid-Tex:		
15	Mid-Tex	100.0000%	
16			
17	Total Annual Change in Capacity Charge:		
18	Mid-Tex	\$ 2,432,916.18	Ln 12
19			
20	Total Monthly Change in Capacity Charge:		
21	Mid-Tex	\$ 202,743.02	Ln 18 divided by 12

Atmos Pipeline - Texas ("APT")
GUD No. 10604, Rate Case Expenses Severed from GUD No. 10580
Rate Schedule CGS - Other Allocation of Rate Case Expenses
At March 22, 2018

Line No.	Description (a)	Amount (b)	Reference (c)
1	<u>Rate Schedule CGS - Other</u>		
2	Allocation Factor:		
3	Rate Schedule CGS - Other	0.044383	Summary, Col (b), Ln 34
4			
5	Maximum Daily Quantity (MDQ) 12 Months:		
6	Coserv	1,498,800	GUD 10580, Sch I, Col (d), Ln 5
7	Texas Gas	90,000	GUD 10580, Sch I, Col (d), Ln 6
8	Navasota	36,000	GUD 10580, Sch I, Col (d), Ln 7
9	Terra Gas	5,460	GUD 10580, Sch I, Col (d), Ln 8
10	Rising Star	2,700	GUD 10580, Sch I, Col (d), Ln 9
11	WTX	2,280	GUD 10580, Sch I, Col (d), Ln 10
12	Corix Utilities	2,076	GUD 10580, Sch I, Col (d), Ln 11
13	Rate Schedule CGS - Other	1,637,316	Current MDQ per contract
14			
15	Total Expense Amount times the Allocation Factors:		
16	Atmos Expenses	\$ 76,328.16	Ln 3 times Summary, Col (d), Ln 6
17	Intervenor Expenses	39,723.43	Ln 3 times Summary, Col (d), Ln 29
18	Total Rate Schedule CGS - Other	\$ 116,051.60	Ln 16 + Ln 17
19			
20	Percentage MDQ's for Rate Schedule CGS - Other:		
21	Coserv	91.5401%	Ln 6 divided by Ln 13
22	Texas Gas	5.4968%	Ln 7 divided by Ln 13
23	Navasota	2.1987%	Ln 8 divided by Ln 13
24	Terra Gas	0.3335%	Ln 9 divided by Ln 13
25	Rising Star	0.1649%	Ln 10 divided by Ln 13
26	WTX	0.1393%	Ln 11 divided by Ln 13
27	Corix Utilities	0.1268%	Ln 12 divided by Ln 13
28	Total Percentage MDQ's	100.0000%	Sum Ln 21 - Ln 27
29			

Atmos Pipeline - Texas ("APT")
GUD No. 10604, Rate Case Expenses Severed from GUD No. 10580
Rate Schedule CGS - Other Allocation of Rate Case Expenses
At March 22, 2018

Line No.	Description (a)	Amount (b)	Reference (c)
30	Total Annual Change in Capacity Charge:		
31	Coserv	\$ 106,233.70	Ln 18 times Ln 21
32	Texas Gas	6,379.13	Ln 18 times Ln 22
33	Navasota	2,551.65	Ln 18 times Ln 23
34	Terra Gas	387.00	Ln 18 times Ln 24
35	Rising Star	191.37	Ln 18 times Ln 25
36	WTX	161.60	Ln 18 times Ln 26
37	Corix Utilities	147.15	Ln 18 times Ln 27
38	Total Annual Change in Capacity Charge	<u>\$ 116,051.60</u>	Sum Ln 31 - Ln 37
39			
40	Total Monthly Change in Capacity Charge:		
41	Coserv	\$ 8,852.81	Ln 31 divided by 12
42	Texas Gas	531.59	Ln 32 divided by 12
43	Navasota	212.64	Ln 33 divided by 12
44	Terra Gas	32.25	Ln 34 divided by 12
45	Rising Star	15.95	Ln 35 divided by 12
46	WTX	13.47	Ln 36 divided by 12
47	Corix Utilities	12.26	Ln 37 divided by 12
48	Total Monthly Change in Capacity Charge	<u>\$ 9,670.97</u>	Sum Ln 41 - Ln 47

Atmos Pipeline - Texas ("APT")
GUD No. 10604, Rate Case Expenses Severed from GUD No. 10580
Rate Schedule PT Allocation of Rate Case Expenses
At March 22, 2018

Line No.	Description (a)	Annual MDQ (1) (b)	Percent of Total (c)	Allocated Annual Amount per MDQ (2) (d)	Allocated Monthly Amount per MDQ (3) (e)
1	Rate Schedule PT				
2	Allocation Factors:				
3	Rate Schedule PT	0.025178	Summary, Col (b), Ln 35		
4					
5	Total Expense Amount times the Allocation Factors:				
6	Atmos Expenses	\$ 43,300.10	Ln 3 times Summary, Col (d), Ln 6		
7	Intervenor Expenses	22,534.65	Ln 3 times Summary, Col (d), Ln 29		
8	Total Rate Schedule PT	\$ 65,834.76	Ln 6 + Ln 7		
9					
10	Customer 1	4,800	0.28% \$	187.38 \$	15.62
11	Customer 2	43,656	2.59%	1,704.24	142.02
12	Customer 4	9,096	0.54%	355.09	29.59
13	Customer 5	4,680	0.28%	182.70	15.22
14	Customer 8	3,600	0.21%	140.54	11.71
15	Customer 9	2,040	0.12%	79.64	6.64
16	Customer 10	4,260	0.25%	166.30	13.86
17	Customer 11	72,000	4.27%	2,810.73	234.23
18	Customer 12	6,900	0.41%	269.36	22.45
19	Customer 13	2,400	0.14%	93.69	7.81
20	Customer 14	300	0.02%	11.71	0.98
21	Customer 15	36,000	2.13%	1,405.36	117.11
22	Customer 16	936	0.06%	36.54	3.04
23	Customer 18	27,000	1.60%	1,054.02	87.84
24	Customer 19	27,756	1.65%	1,083.54	90.29
25	Customer 20	9,960	0.59%	388.82	32.40
26	Customer 21	5,400	0.32%	210.80	17.57
27	Customer 23	6,000	0.36%	234.23	19.52
28	Customer 24	4,056	0.24%	158.34	13.19
29	Customer 25	-	0.00%	-	-
30	Customer 27	6,348	0.38%	247.81	20.65
31	Customer 28	15,900	0.94%	620.70	51.73
32	Customer 29	72,000	4.27%	2,810.73	234.23
33	Customer 31	49,104	2.91%	1,916.92	159.74

Atmos Pipeline - Texas ("APT")
GUD No. 10604, Rate Case Expenses Severed from GUD No. 10580
Rate Schedule PT Allocation of Rate Case Expenses
At March 22, 2018

Line No.	Description (a)	Annual MDQ (1) (b)	Percent of Total (c)	Allocated Annual Amount per MDQ (2) (d)	Allocated Monthly Amount per MDQ (3) (e)
34	Customer 32	14,760	0.88%	576.20	48.02
35	Customer 33	600	0.04%	23.42	1.95
36	Customer 34	-	0.00%	-	-
37	Customer 35	6,600	0.39%	257.65	21.47
38	Customer 36	13,200	0.78%	515.30	42.94
39	Customer 37	8,592	0.51%	335.41	27.95
40	Customer 38	2,088	0.12%	81.51	6.79
41	Customer 40	69,084	4.10%	2,696.89	224.74
42	Customer 41	36,000	2.13%	1,405.36	117.11
43	Customer 42	30,276	1.80%	1,181.91	98.49
44	Customer 44	5,820	0.35%	227.20	18.93
45	Customer 45	720	0.04%	28.11	2.34
46	Customer 47	66,000	3.91%	2,576.50	214.71
47	Customer 50	7,200	0.43%	281.07	23.42
48	Customer 51	3,300	0.20%	128.83	10.74
49	Customer 52	7,380	0.44%	288.10	24.01
50	Customer 54	23,172	1.37%	904.59	75.38
51	Customer 55	6,552	0.39%	255.78	21.31
52	Customer 56	7,800	0.46%	304.50	25.37
53	Customer 57	84,000	4.98%	3,279.18	273.27
54	Customer 58	30,000	1.78%	1,171.14	97.59
55	Customer 59	18,000	1.07%	702.68	58.56
56	Customer 60	35,412	2.10%	1,382.41	115.20
57	Customer 62	31,572	1.87%	1,232.50	102.71
58	Customer 63	19,200	1.14%	749.53	62.46
59	Customer 65	6,600	0.39%	257.65	21.47
60	Customer 67	152,400	9.04%	5,949.38	495.78
61	Customer 68	60,000	3.56%	2,342.27	195.19
62	Customer 69	32,592	1.93%	1,272.32	106.03
63	Customer 71	30,000	1.78%	1,171.14	97.59
64	Customer 73	166,080	9.85%	6,483.41	540.28
65	Customer 74	13,200	0.78%	515.30	42.94
66	Customer 254	31,836	1.89%	1,242.81	103.57

Atmos Pipeline - Texas ("APT")
GUD No. 10604, Rate Case Expenses Severed from GUD No. 10580
Rate Schedule PT Allocation of Rate Case Expenses
At March 22, 2018

Line No.	Description (a)	Annual MDQ (1) (b)	Percent of Total (c)	Allocated Annual Amount per MDQ (2) (d)	Allocated Monthly Amount per MDQ (3) (e)
67	Customer 258	12,000	0.71%	468.45	39.04
68	Customer 274	15,276	0.91%	596.34	49.70
69	Customer 285	6,528	0.39%	254.84	21.24
70	Customer 286	8,400	0.50%	327.92	27.33
71	Customer 288	108,000	6.40%	4,216.09	351.34
72	Customer 289	2,880	0.17%	112.43	9.37
73	Customer 308	3,900	0.23%	152.25	12.69
74	Customer 309	18,240	1.08%	712.05	59.34
75	Customer 310	25,608	1.52%	999.68	83.31
76	Customer 341	12,000	0.71%	468.45	39.04
77	Customer 385	13,272	0.79%	518.11	43.18
78	Customer 387	3,600	0.21%	140.54	11.71
79	Customer 388	2,400	0.14%	93.69	7.81
80	Customer 389	1,800	0.11%	70.27	5.86
81	Customer 400	11,100	0.66%	433.32	36.11
82	Customer 402	7,200	0.43%	281.07	23.42
83	Total Rate Schedule PT (Sum Ln 10 - Ln 82)	1,686,432	100%	\$ 65,834.76	\$ 5,486.23
84					
85	Total Rate per MDQ (Col (b), Ln 8 divided by Col (b), Ln 83)		\$ 0.03904		
86					

Notes:

1. See Attachment 1, Column (d), Ln 16 for Rate Schedule PT's Annual MDQ. Attachment 1 is an Excerpt from GUD No. 10580 Final Order Schedules, Schedule 1.
2. Allocated Annual Amount per MDQ is calculated by taking Column (c), Line 8 times each customer's percent of total in Column (d).
3. Allocated Monthly Amount per MDQ is calculated by taking Column (e) divided by 12.

GUD NO. 10604

RATE CASE EXPENSES SEVERED FROM	§	BEFORE THE
GUD NO. 10580, STATEMENT OF INTENT	§	
TO CHANGE THE RATES OF CITY GATE	§	RAILROAD COMMISSION
SERVICE (CGS) AND RATE PIPELINE	§	
TRANSPORTATION (PT) RATES OF	§	OF TEXAS
ATMOS PIPELINE - TEXAS	§	

AFFIDAVIT OF ANN M. COFFIN

Before me, the undersigned authority, on this date personally appeared Ann M. Coffin, known to me to be the person whose name is subscribed below, and being by me first duly sworn, stated upon oath as follows:

1. "My name is Ann M. Coffin. I am over 18 years of age, of sound mind, and fully competent to make this affidavit. Each statement of fact herein is true and of my own personal knowledge.
2. I am a partner in the Austin, Texas law firm of Coffin Renner LLP, and have practiced law in Travis County since 1993. I have held positions at both the Railroad Commission of Texas and the Public Utility Commission of Texas. My law practice encompasses a wide range of administrative areas, including the representation of natural gas distribution companies and pipeline companies, as well as electric and telecommunications utilities. I have extensive experience representing and defending clients before the Railroad Commission of Texas and the Public Utility Commission of Texas.
3. I was retained by Atmos Pipeline – Texas ("APT") to serve as counsel of record in GUD No 10580 and currently serve as counsel of record in the pending District Court appeal and in the severed rate case expense docket, GUD No. 10604.
4. Attached to this Affidavit are invoices supporting \$1,544,778.80 in actual rate case expenses incurred by APT. In addition, based on my experience in proceedings of this type and my knowledge of issues likely to be raised, I estimate that rate case expenses incurred for the completion of this docket and the appeal of the Final Order in GUD No. 10580 to be \$175,000. Collectively, APT seeks recovery of its total actual and estimated future rate case expenses in the amount of \$1,719,778.80. APT also seeks to recover the expenses of other parties that the Commission deems reasonable and necessary.
5. In GUD No. 10580, my services, and the services of my firm, were associated with efforts that were reasonable and necessary for the presentation and defense of APT's rate filing. The services performed include the preparation of testimony and exhibits, consultation with the expert witnesses, responses to discovery, attention to prehearing matters, attendance at the hearing and Commission meetings, post hearing briefing, and the drafting of various pleadings throughout the proceeding.

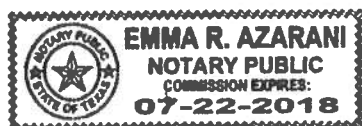
6. I have reviewed the billings of Coffin Renner LLP submitted to APT for legal services performed in this proceeding and I affirm that those billings accurately reflect the time spent and expenditures incurred by Coffin Renner LLP on APT's behalf. The charges and rates of my firm are reasonable and consistent with those billed by others for similar work, and the legal rates charged by the Coffin Renner attorneys that worked on this matter are comparable to rates charged by other professionals with the same level of expertise and experience and commensurate with the complexity of the issues in the proceeding. The calculation of the charges is correct and there was no duplication of services and no double billing of charges.
7. I have reviewed the consultant and expert witness fees and expenses and, based upon my experience, I believe the consultant and expert witness fees and expenses are reasonable for the work performed, the complexity of the issues presented, and as compared to similar work performed by other consultants.
8. I am familiar with the Railroad Commission of Texas ("Commission") Rule on Rate Case Expenses, 16 Tex. Admin. Code §7.5530, as well as past decisions rendered by the Commission regarding the types of expenses that are eligible for rate case expenses. Based upon my experience, my review of the work performed in this proceeding, the invoices of my firm and of the various consultants, I believe that the work done was reasonable, the time and labor to accomplish the work was reasonable and commensurate with the nature, extent, difficulty and complexity of the work done. The filing in this case was necessitated by regulatory requirements set forth in Tex. Util. Code Ann. § 104.301.
9. As required by Rule 7.5530 (d), APT's reasonably and necessarily incurred required regulatory expenses, litigation expenses and estimated expenses are as follows:


APT's Required Regulatory Expenses	APT's Litigation Expenses	APT's Estimated Expenses	Total APT Expenses
\$432,723.63	\$1,112,055.17	\$175,000.00	\$1,719,778.80

10. No portion of fees or expenses is or will be for luxury items, such as limousine service, sporting events, alcoholic beverages, hotel movies, or other entertainment. The charges for copies, printing, overnight courier service, transcripts, and other expenses and costs were necessary for the prosecution of the case and are reasonable."


Ann M. Coffin

SWORN AND SUBSCRIBED before me on this 21st day of March, 2018.




Notary Public in and for the State of Texas

Atmos Pipeline - Texas ("APT")
GUD No. 10604 - Rate Case Expenses Severed from GUD No. 10580
Summary of APT Required Regulatory, Litigation and Estimated Expenses
At March 22, 2018

Statement of Intent Filing Date: January 6, 2017

Line No.	Description (a)	Total Adjusted Amounts (b)
1	Total Required Regulatory Expenses	
2	Required Regulatory Expenses	\$ 432,723.63
3		
4	Total Litigation Expenses	
5	Litigation Expenses	\$ 1,112,055.17
6		
7	Total Estimated Expenses	
8	Estimated Expenses	\$ 175,000.00
9		
10		
11	Total APT - Required Regulatory, Litigation and Estimated Expenses (Ln 2 + Ln 5 + Ln 8)	\$ 1,719,778.80
12		
13		
14		
15		

Notes:

1. APT rate case expenses have been grouped into the three (3) categories as per 16 TEX. ADMIN. CODE § 7.5530 (d)(1-3), as follows:

- 1) required regulatory expenses, which shall consist of expenses the utility incurs that are related to the initial filing of the statement of intent and the expenses the utility incurs to provide or publish notices;
- 2) litigation expenses, which shall consist of expenses incurred after the utility files its statement of intent, excluding the cost of providing notice; and,
- 3) estimated expenses, which shall consist of the costs the utility estimates it will incur for potential appellate proceedings.

Atmos Pipeline - Texas ("APT")
GUD No. 10604 - Rate Case Expenses Severed from GUD No. 10580
Summary of APT Legal, Consulting and Other Expenses
At March 22, 2018

Line No.	Description (a)	Total Amount Before Adjustment (b)	Adjustment Amounts (c)	Total Adjusted Amounts (d)
1	Total Legal Expenses			
2	Legal Expenses	\$ 818,667.80	\$ -	\$ 818,667.80
3				
4	Total Consulting Expenses			
5	Consulting Expenses	\$ 736,105.84	\$ (47,141.82)	\$ 688,964.02
6				
7	Total Other Expenses			
8	Other Expenses	\$ 37,688.57	\$ (541.59)	\$ 37,146.98
9				
10	Total Legal, Consulting and Other Expenses (Ln 2 + Ln 5 + Ln 8)	\$ 1,592,462.21	\$ (47,683.41)	\$ 1,544,778.80
11				
12	Total Legal Expense Estimate (1)	\$ 175,000.00	\$ -	\$ 175,000.00
13				
14				
15	Total APT - Legal, Consulting and Other Expenses (Ln 10 + Ln 12)	\$ 1,767,462.21	\$ (47,683.41)	\$ 1,719,778.80
16				

Note:

1. The legal expense estimate is to complete the appeal process.

Atmos Pipeline - Texas ("APT")
GUD No. 10604 - Rate Case Expenses Severed from GUD No. 10580
Summary of Legal Expenses
At March 22, 2018

Line No.	Description (a)	Total Amount Before Adjustment (b)	Adjustment Amounts (c)	Total Adjusted Amounts (d)
1	Total Legal Expenses			
2	Legal Expenses	\$ 818,667.80	\$ -	\$ 818,667.80
3				
4	Total Legal Expenses (Ln 2)	\$ 818,667.80	\$ -	\$ 818,667.80

Atmos Pipeline - Texas ("APT")
Statement of Intent Filing Date: January 6, 2017
Summary of Legal Expenses - Detail
At March 22, 2018

Statement of Intent Filing Date: January 6, 2017

Line No.	Invoice Date (a)	Invoice Number (b)	Vendor Name (c)	Total Amount (d)	Service Period / Description (e)	Category (f)	Required (g)	Litigated (h)	Total (i)
1	08/31/2016	5307	Parsley, Coffin, Renner LLP	\$ 12,570.70	Aug-16	Required	\$12,570.70		
2	09/30/2016	5314	Parsley, Coffin, Renner LLP	492.50	Sep-16	Required	492.50		
3	10/31/2016	5319	Parsley, Coffin, Renner LLP	650.00	Oct-16	Required	650.00		
4	11/30/2016	5326	Parsley, Coffin, Renner LLP	14,145.00	Nov-16	Required	14,145.00		
5	12/31/2016	5332	Parsley, Coffin, Renner LLP	55,034.70	Dec-16	Required	55,034.70		
6	01/31/2017	5338	Parsley, Coffin, Renner LLP	17,211.50	Jan-17	Required /	3,757.50	\$ 13,454.00	
7	02/28/2017	5475	Parsley, Coffin, Renner LLP	6,077.60	Feb-17	Litigation		6,077.60	
8	03/31/2017	5403	Parsley, Coffin, Renner LLP	91,566.88	Mar-17	Litigation		91,566.88	
9	04/30/2017	5408	Parsley, Coffin, Renner LLP	362,729.22	Apr-17	Litigation		362,729.22	
10	05/31/2017	5412	Parsley, Coffin, Renner LLP	65,826.07	May-17	Litigation		65,826.07	
11	07/26/2017	5419	Parsley, Coffin, Renner LLP	31,304.50	Jun-17	Litigation		31,304.50	
12	08/21/2017	5428	Parsley, Coffin, Renner LLP	70,920.55	Jul-17	Litigation		70,920.55	
13	09/25/2017	5437	Parsley, Coffin, Renner LLP	43,804.56	Aug-17	Litigation		43,804.56	
14	10/20/2017	5446	Parsley, Coffin, Renner LLP	8,156.41	Sep-17	Litigation		8,156.41	
15	11/20/2017	5456	Coffin, Renner LLP	10,518.45	Oct-17	Litigation		10,518.45	
16	12/15/2017	5469	Coffin, Renner LLP	2,135.00	Nov-17	Litigation		2,135.00	
17	01/22/2018	5479	Coffin, Renner LLP	3,671.62	Dec-17	Litigation		3,671.62	
18	02/21/2018	5492	Coffin, Renner LLP	6,629.00	Jan-18	Litigation		6,629.00	
19	03/20/2018	6725	Coffin, Renner LLP	15,223.54	Feb-18	Litigation		15,223.54	
20									
21									
22			Total Legal (Sum of Lns 1 - 20)	\$818,667.80			\$86,650.40	\$732,017.40	\$ 818,667.80
23									
24			No Adjustments	\$ -			\$ -	\$ -	\$ -
25									
26			Total Adjustments Legal (Sum of Lns 24 - 25)	\$ -			\$ -	\$ -	\$ -
27									
28			Total Adjusted Legal (Ln 21 + Ln 26)	\$818,667.80			\$86,650.40	\$732,017.40	\$ 818,667.80

Atmos Pipeline - Texas ("APT")
GUD No. 10604 - Rate Case Expenses Severed from GUD No. 10580
Summary of Consulting Expenses
At March 22, 2018

Line No.	Description (a)	Total Amount Before Adjustment (b)	Adjustment Amounts (c)	Total Adjusted Amounts (d)
1	Total Consulting Expenses			
2	Consulting Expenses	\$ 736,105.84	\$ (47,141.82)	\$ 688,964.02
3				
4	Total Consulting Expenses (Ln 2)	\$ 736,105.84	\$ (47,141.82)	\$ 688,964.02

Atmos Pipeline - Texas ("APT")
GUD No. 10604 - Rate Case Expenses Severed from GUD No. 10580
Summary of Consulting Expenses - Detail
At March 22, 2018

Statement of Intent Filing Date: January 6, 2017

Line No.	Invoice Date	Invoice Number	Vendor Name	Total Amount	Service Period / Description	Category	Required	Litigated	Total
(a)		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	03/31/2016	160303	ALLIANCE CONSULTING GROUP	\$ 3,840.30	Mar-16	Required	\$ 3,840.30		
2	04/30/2016	160403	ALLIANCE CONSULTING GROUP	2,264.40	Apr-16	Required	2,264.40		
3	05/31/2016	160504	ALLIANCE CONSULTING GROUP	8,117.78	May-16	Required	8,117.78		
4	06/30/2016	160606	ALLIANCE CONSULTING GROUP	1,856.40	Jun-16	Required	1,856.40		
5	08/31/2016	160805	ALLIANCE CONSULTING GROUP	5,566.65	Aug-16	Required	5,566.65		
6	09/30/2016	160905	ALLIANCE CONSULTING GROUP	1,064.98	Sep-16	Required	1,064.98		
7	10/31/2016	161006	ALLIANCE CONSULTING GROUP	9,218.25	Oct-16	Required	9,218.25		
8	11/30/2016	161103	ALLIANCE CONSULTING GROUP	22,307.40	Nov-16	Required	22,307.40		
9	12/31/2016	161202	ALLIANCE CONSULTING GROUP	7,156.58	Dec-16	Required	7,156.58		
10	02/28/2017	170202	ALLIANCE CONSULTING GROUP	2,677.50	Feb-17	Litigation		\$ 2,677.50	
11	03/31/2017	170303	ALLIANCE CONSULTING GROUP	15,845.70	Mar-17	Litigation		15,845.70	
12	04/30/2017	140403	ALLIANCE CONSULTING GROUP	19,558.91	Apr-17	Litigation		19,558.91	
13	05/31/2017	170501	ALLIANCE CONSULTING GROUP	831.30	May-17	Litigation		831.30	
14	08/31/2017	170803	ALLIANCE CONSULTING GROUP	1,509.60	Aug-17	Litigation		1,509.60	
15	07/27/2016	0009459	CONCENTRIC ENERGY ADVISORS INC	575.00	Jun-16	Required	575.00		
16	08/25/2016	0009534	CONCENTRIC ENERGY ADVISORS INC	11,247.50	Jul-16	Required	11,247.50		
17	09/22/2016	0009575	CONCENTRIC ENERGY ADVISORS INC	30,484.07	Aug-16	Required	30,484.07		
18	10/25/2016	0009657	CONCENTRIC ENERGY ADVISORS INC	31,092.36	Sep-16	Required	31,092.36		
19	11/14/2016	0009749	CONCENTRIC ENERGY ADVISORS INC	39,181.25	Oct-16	Required	39,181.25		
20	01/03/2017	0009778	CONCENTRIC ENERGY ADVISORS INC	64,489.28	Nov-16	Required	64,489.28		
21	01/25/2017	0009850	CONCENTRIC ENERGY ADVISORS INC	39,290.32	Dec-16	Required	39,290.32		
22	03/06/2017	0009886	CONCENTRIC ENERGY ADVISORS INC	5,128.12	Jan-17	Litigation	437.50	4,690.62	
23	04/04/2017	0009977	CONCENTRIC ENERGY ADVISORS INC	2,631.25	Feb-17	Litigation		2,631.25	
24	05/11/2017	0010058	CONCENTRIC ENERGY ADVISORS INC	65,075.00	Mar-17	Litigation		65,075.00	
25	06/06/2017	0010115	CONCENTRIC ENERGY ADVISORS INC	106,181.66	Apr-17	Litigation		106,181.66	
26	07/12/2017	0010214	CONCENTRIC ENERGY ADVISORS INC	3,368.72	May-17	Litigation		3,368.72	
27	08/03/2017	0010309	CONCENTRIC ENERGY ADVISORS INC	2,751.12	Jun-17	Litigation		2,751.12	
28	09/13/2017	0010375	CONCENTRIC ENERGY ADVISORS INC	9,318.75	Jul-17	Litigation		9,318.75	
29	06/06/2017	16434	PAY GOVERNANCE	44,450.88	Mar-17 - Apr-17	Litigation		44,450.88	
30	10/26/2016	011348	SCOTTMADDEN INC	4,813.75	Sep-16	Required	4,813.75		

Atmos Pipeline - Texas ("APT")
 GUD No. 10604 - Rate Case Expenses Severed from GUD No. 10580
 Summary of Consulting Expenses - Detail
 At March 22, 2018

Statement of Intent Filing Date: January 6, 2017

Line No	Invoice Date (a)	Invoice Number (b)	Vendor Name (c)	Total Amount (d)	Service Period / Description (e)	Category (f)	Required (g)	Litigated (h)	Total (i)
31	10/26/2016	011354	SCOTTMADDEN INC	2,545.00	Sep-16	Required	2,545.00		
32	12/07/2016	011510	SCOTTMADDEN INC	4,277.50	Oct-16	Required	4,277.50		
33	12/14/2016	011605	SCOTTMADDEN INC	15,007.50	Oct-16	Required	15,007.50		
34	12/27/2016	011702	SCOTTMADDEN INC	19,308.75	Nov-16	Required	19,308.75		
35	12/27/2016	011704	SCOTTMADDEN INC	17,812.50	Nov-16	Required	17,812.50		
36	01/25/2017	011808	SCOTTMADDEN INC	3,062.50	Dec-16	Required	3,062.50		
37	02/27/2017	012024	SCOTTMADDEN INC	555.00	Jan-17	Required	555.00		
38	03/28/2017	012194	SCOTTMADDEN INC	3,515.00	Feb-17	Litigation		3,515.00	
39	04/28/2017	012390	SCOTTMADDEN INC	59,712.76	Mar-17	Litigation		59,712.76	
40	05/19/2017	012466	SCOTTMADDEN INC	5,155.00	Apr-17	Litigation		5,155.00	
41	05/30/2017	012532	SCOTTMADDEN INC	43,259.55	Apr-17	Litigation		43,259.55	
42									
43									
44									
Total Consulting (Sum of Lns 1 - 42)				\$736,105.84			\$345,572.52	\$390,533.32	\$736,105.84

Atmos Pipeline - Texas ("APT")
GUD No. 10604 - Rate Case Expenses Severed from GUD No. 10580
Summary of Consulting Expenses - Detail
At March 22, 2018

Statement of Intent Filing Date: January 6, 2017

Line No.	Invoice Date	Invoice Number	Vendor Name	Total Amount	Service Period / Description	Category	Required	Litigated	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
45	Adjustments:								
46	04/30/2017	140403	ALLIANCE CONSULTING GROUP	\$	No receipt (taxi) (4/17/17)	Litigation	\$	(32.00)	
47	04/30/2017	140403	ALLIANCE CONSULTING GROUP		No receipt (tips) (4/19/17)	Litigation		(9.00)	
48	04/30/2017	140403	ALLIANCE CONSULTING GROUP		No receipt (Misc.) 4/17-21)	Litigation		(25.00)	
49	09/22/2016	0009575	CONCENTRIC ENERGY ADVISORS INC	(177.34)	First class airfare	Required	\$ (177.34)		
50	09/22/2016	0009575	CONCENTRIC ENERGY ADVISORS INC	(19.00)	Room rate > than \$150	Required	(19.00)		
51	09/22/2016	0009575	CONCENTRIC ENERGY ADVISORS INC	(191.60)	Airfare no detail	Required	(191.60)		
52	09/22/2016	0009575	CONCENTRIC ENERGY ADVISORS INC	(15.62)	Room rate > than \$150	Required	(15.62)		
53	09/22/2016	0009575	CONCENTRIC ENERGY ADVISORS INC	(20.00)	No detailed receipt	Required	(20.00)		
54	09/22/2016	0009575	CONCENTRIC ENERGY ADVISORS INC	(24.99)	No receipt	Required	(24.99)		
55	09/22/2016	0009575	CONCENTRIC ENERGY ADVISORS INC	(23.79)	No receipt	Required	(23.79)		
56	09/22/2016	0009575	CONCENTRIC ENERGY ADVISORS INC	(20.00)	No receipt	Required	(20.00)		
57	10/25/2016	0009657	CONCENTRIC ENERGY ADVISORS INC	(59.40)	No detailed receipt	Required	(59.40)		
58	10/25/2016	0009657	CONCENTRIC ENERGY ADVISORS INC	(19.00)	Room rate > than \$150	Required	(19.00)		
59	10/25/2016	0009657	CONCENTRIC ENERGY ADVISORS INC	(29.43)	No detailed receipt	Required	(29.43)		
60	06/06/2017	0010115	CONCENTRIC ENERGY ADVISORS INC	(165.71)	First class airfare	Litigation		(165.71)	
61	06/06/2017	0010115	CONCENTRIC ENERGY ADVISORS INC	(409.49)	First class airfare	Litigation		(409.49)	
62	06/06/2017	0010115	CONCENTRIC ENERGY ADVISORS INC	(44.60)	No detailed receipt	Litigation		(44.60)	
63	07/12/2017	0010214	CONCENTRIC ENERGY ADVISORS INC	(383.98)	Duplicate airfare - billed (6/6/17)	Litigation		(383.98)	
64	06/06/2017	16434	PAY GOVERNANCE	(48.05)	No detailed receipt	Litigation		(48.05)	
65	06/06/2017	16434	PAY GOVERNANCE	(24.57)	No detailed receipt	Litigation		(24.57)	
66	06/06/2017	16434	PAY GOVERNANCE	(52.30)	No detailed receipt	Litigation		(52.30)	
67	06/06/2017	16434	PAY GOVERNANCE	(45.00)	No receipt	Litigation		(45.00)	
68	04/28/2017	012390	SCOTT MADDEN INC	(2.26)	Meal - no receipt (3/20/17)	Litigation		(2.26)	
69	04/28/2017	012390	SCOTT MADDEN INC	(1.96)	Meal - no receipt (3/21/17)	Litigation		(1.96)	
70	04/28/2017	012390	SCOTT MADDEN INC	(2.05)	Meal - no receipt (3/21/17)	Litigation		(2.05)	
71	04/28/2017	012390	SCOTT MADDEN INC	(2.38)	Meal - no receipt (3/22/17)	Litigation		(2.38)	
72	04/28/2017	012390	SCOTT MADDEN INC	(1.87)	Meal - no receipt (3/23/17)	Litigation		(1.87)	
73	04/28/2017	012390	SCOTT MADDEN INC	(1.90)	Meal - no receipt (3/23/17)	Litigation		(1.90)	
74	04/28/2017	012390	SCOTT MADDEN INC	(1.77)	Meal - no receipt (3/27/17)	Litigation		(1.77)	
75	04/28/2017	012390	SCOTT MADDEN INC	(3.04)	Room rate > than \$150 (3/27)	Litigation		(3.04)	
76	04/28/2017	012390	SCOTT MADDEN INC	(0.88)	Meal - no receipt (3/28/17)	Litigation		(0.88)	
77	04/28/2017	012390	SCOTT MADDEN INC	(1.78)	Meal - no receipt (3/28/17)	Litigation		(1.78)	
78	04/28/2017	012390	SCOTT MADDEN INC	(2.24)	Meal - no receipt (3/28/17)	Litigation		(2.24)	
79	04/28/2017	012390	SCOTT MADDEN INC	(3.04)	Room rate > than \$150 (3/28)	Litigation		(3.04)	
80	04/28/2017	012390	SCOTT MADDEN INC	(1.75)	Meal - no receipt (3/29/17)	Litigation		(1.75)	
81	04/28/2017	012390	SCOTT MADDEN INC	(1.92)	Meal - no receipt (3/29/17)	Litigation		(1.92)	
82	04/28/2017	012390	SCOTT MADDEN INC	(3.04)	Room rate > than \$150 (3/29)	Litigation		(3.04)	
83	04/28/2017	012390	SCOTT MADDEN INC	(2.07)	Meal - no receipt (3/30/17)	Litigation		(2.07)	
84	05/30/2017	012532	SCOTT MADDEN INC	(5.00)	Meal - no receipt (4/18/17)	Litigation		(5.00)	
85	05/30/2017	012532	SCOTT MADDEN INC	(5.50)	Meal - no receipt (4/18/17)	Litigation		(5.50)	
86	05/30/2017	012532	SCOTT MADDEN INC	(6.00)	Meal - no receipt (4/18/17)	Litigation		(6.00)	
87	05/30/2017	012532	SCOTT MADDEN INC	(24.49)	No detailed receipt (4/18/17)	Litigation		(24.49)	
88	05/30/2017	012532	SCOTT MADDEN INC	(25.57)	No detailed receipt (4/19/17)	Litigation		(25.57)	
89	05/30/2017	012532	SCOTT MADDEN INC	(69.38)	No detailed receipt (4/20/17)	Litigation		(69.38)	
90	05/30/2017	012532	SCOTT MADDEN INC	(606.74)	Airfare no detail	Litigation		(606.74)	
91	05/30/2017	012532	SCOTT MADDEN INC	(0.93)	Meal - no receipt (4/21/17)	Litigation		(0.93)	
92	05/30/2017	012532	SCOTT MADDEN INC	(2.33)	Meal - no receipt (4/21/17)	Litigation		(2.33)	
93	05/30/2017	012532	SCOTT MADDEN INC	(0.44)	Tax Room rate > \$150	Litigation		(0.44)	
94	05/30/2017	012532	SCOTT MADDEN INC	(3.80)	Room rate > \$150	Litigation		(3.80)	

Atmos Pipeline - Texas ("APT")
GUD No. 10604 - Rate Case Expenses Severed from GUD No. 10580
Summary of Consulting Expenses - Detail
At March 22, 2018

Statement of Intent Filing Date: January 6, 2017

Line No.	Invoice Date (a)	Invoice Number (b)	Vendor Name (c)	Total Amount (d)	Service Period / Description (e)	Category (f)	Required (g)	Litigated (h)	Total (i)
95	05/30/2017	012532	SCOTTMADDEN INC	(1.39)	Meal - no receipt (4/4/17)	Litigation		(1.39)	
96	05/30/2017	012532	SCOTTMADDEN INC	(2.20)	Meal - no receipt (4/4/17)	Litigation		(2.20)	
97	05/30/2017	012532	SCOTTMADDEN INC	(2.51)	Meal - no receipt (4/4/17)	Litigation		(2.51)	
98	05/30/2017	012532	SCOTTMADDEN INC	(0.44)	Tax Room rate > \$150	Litigation		(0.44)	
99	05/30/2017	012532	SCOTTMADDEN INC	(3.80)	Room rate > \$150	Litigation		(3.80)	
100	05/30/2017	012532	SCOTTMADDEN INC	(1.18)	Meal - no receipt (4/5/17)	Litigation		(1.18)	
101	05/30/2017	012532	SCOTTMADDEN INC	(2.48)	Meal - no receipt (4/5/17)	Litigation		(2.48)	
102	05/30/2017	012532	SCOTTMADDEN INC	(0.44)	Tax Room rate > \$150	Litigation		(0.44)	
103	05/30/2017	012532	SCOTTMADDEN INC	(3.80)	Room rate > \$150	Litigation		(3.80)	
104	05/30/2017	012532	SCOTTMADDEN INC	(1.09)	Meal - no receipt (4/6/17)	Litigation		(1.09)	
105	05/30/2017	012532	SCOTTMADDEN INC	(2.01)	Meal - no receipt (4/6/17)	Litigation		(2.01)	
106	05/30/2017	012532	SCOTTMADDEN INC	(5.12)	Meal - no receipt (4/6/17)	Litigation		(5.12)	
107	05/30/2017	012532	SCOTTMADDEN INC	(10.12)	Fuel purchase	Litigation		(10.12)	
108	05/30/2017	012532	SCOTTMADDEN INC	(2.17)	Meal - no receipt (4/17/17)	Litigation		(2.17)	
109	05/30/2017	012532	SCOTTMADDEN INC	(0.47)	Tax Room rate > \$150	Litigation		(0.47)	
110	05/30/2017	012532	SCOTTMADDEN INC	(4.02)	Room rate > \$150	Litigation		(4.02)	
111	05/30/2017	012532	SCOTTMADDEN INC	(2.35)	Meal - no receipt (4/18/17)	Litigation		(2.35)	
112	05/30/2017	012532	SCOTTMADDEN INC	(2.97)	No detailed receipt (4/18/17)	Litigation		(2.97)	
113	05/30/2017	012532	SCOTTMADDEN INC	(0.47)	Tax Room rate > \$150	Litigation		(0.47)	
114	05/30/2017	012532	SCOTTMADDEN INC	(4.02)	Room rate > \$150	Litigation		(4.02)	
115	05/30/2017	012532	SCOTTMADDEN INC	(7.30)	No detailed receipt (4/18/17)	Litigation		(7.30)	
116	05/30/2017	012532	SCOTTMADDEN INC	(0.47)	Tax Room rate > \$150	Litigation		(0.47)	
117	05/30/2017	012532	SCOTTMADDEN INC	(4.02)	Room rate > \$150	Litigation		(4.02)	
118	05/30/2017	012532	SCOTTMADDEN INC	(2.10)	No detailed receipt (1/20/17)	Litigation		(2.10)	
119	06/06/2017	16434	VOLUNTARY REDUCTION OF EXPENSE	(44,450.88)		Litigation		(44,450.88)	
120									
121			Total Adjustments Consulting (Sum of Lns 46 - 120)	\$ (47,141.82)			\$ (600.17)	\$ (46,541.65)	\$ (47,141.82)
122									
123			Total Adjusted Consulting (Ln 43 + Ln 121)	\$688,964.02			\$344,972.35	\$343,991.67	\$688,964.02

Atmos Pipeline - Texas ("APT")
GUD No. 10604 - Rate Case Expenses Severed from GUD No. 10580
Summary of Other Expenses
At March 22, 2018

Line No.	Description (a)	Total Amount Before Adjustment (b)	Adjustment Amounts (c)	Total Adjusted Amounts (d)
1	Total Other Expenses			
2	Other Expenses	\$ 37,688.57	\$ (541.59)	\$ 37,146.98
3				
4	Total Other Expenses (Ln 2)	\$ 37,688.57	\$ (541.59)	\$ 37,146.98

Atmos Pipeline - Texas ("APT")
GUD No. 10604 - Rate Case Expenses Severed from GUD No. 10580
Summary of Other Expenses - Detail
At March 22, 2018

Statement of Intent Filing Date: January 6, 2017

Line No.	Invoice Date (a)	Invoice Number (b)	Vendor Name (c)	Total Amount (d)	Service Period / Description (e)	Category (f)	Required (g)	Litigated (h)	Total (i)
1	07/16/2016	010_PAMELA PERRY_JUL	BANK OF AMERICA	\$ 21.25	6-30-16 - FedEx	Required	\$ 21.25		
2	08/16/2016	010_PAMELA PERRY_AUG	BANK OF AMERICA	108.44	8-02-16 - BuyOnlineNow	Required	108.44		
3	09/16/2016	010_PAMELA PERRY_SEP	BANK OF AMERICA	21.50	8-25-16 - FedEx	Required	21.50		
4	09/16/2016	010_PAMELA PERRY_SEP	BANK OF AMERICA	19.99	9-01-16 - FedEx	Required	19.99		
5	09/16/2016	010_PAMELA PERRY_SEP	BANK OF AMERICA	19.99	9-08-16 - FedEx	Required	19.99		
6	10/16/2016	010_PAMELA PERRY_OCT	BANK OF AMERICA	42.86	10-05-16 - FedEx	Required	42.86		
7	10/16/2016	010_PAMELA PERRY_OCT	BANK OF AMERICA	41.34	9-15-16 - FedEx	Required	41.34		
8	11/16/2016	010_PAMELA PERRY_NOV	BANK OF AMERICA	21.42	10-13-16 - FedEx	Required	21.42		
9	11/16/2016	010_PAMELA PERRY_NOV	BANK OF AMERICA	21.42	11-10-16 - FedEx	Required	21.42		
10	12/16/2016	010_PAMELA PERRY_DEC	BANK OF AMERICA	145.40	11-29-16 - OfficeSupply.com	Required	145.40		
11	12/16/2016	010_PAMELA PERRY_DEC	BANK OF AMERICA	19.96	12-01-16 - FedEx	Required	19.96		
12	12/16/2016	010_PAMELA PERRY_DEC	BANK OF AMERICA	21.46	11-17-16 - FedEx	Required	21.46		
13	12/16/2016	010_PAMELA PERRY_DEC	BANK OF AMERICA	595.85	12-01-16 - BuyOnlineNow	Required	595.85		
14	01/16/2017	010_PAMELA PERRY_JAN	BANK OF AMERICA	722.77	1-12-17 - FedEx	Litigation		\$ 722.77	
15	02/16/2017	010_PAMELA PERRY_FEB	BANK OF AMERICA	266.76	1-19-17 - FedEx	Litigation		266.76	
16	02/16/2017	010_PAMELA PERRY_FEB	BANK OF AMERICA	129.29	1-26-17 - FedEx	Litigation		129.29	
17	02/16/2017	010_PAMELA PERRY_FEB	BANK OF AMERICA	45.41	2-02-17 - FedEx	Litigation		45.41	
18	02/16/2017	010_PAMELA PERRY_FEB	BANK OF AMERICA	44.53	2-09-17 - FedEx	Litigation		44.53	
19	03/16/2017	010_PAMELA PERRY_MAR	BANK OF AMERICA	89.32	2-21-17 - BuyOnlineNow	Litigation		89.32	
20	03/16/2017	010_PAMELA PERRY_MAR	BANK OF AMERICA	55.18	2-16-17 - FedEx	Litigation		55.18	
21	03/16/2017	010_PAMELA PERRY_MAR	BANK OF AMERICA	31.73	2-23-17 - FedEx	Litigation		31.73	
22	03/16/2017	010_PAMELA PERRY_MAR	BANK OF AMERICA	165.56	3-15-17 - FedEx	Litigation		165.56	
23	03/16/2017	010_PAMELA PERRY_MAR	BANK OF AMERICA	16.87	3-16-17 - FedEx	Litigation		16.87	
24	03/16/2017	010_PAMELA PERRY_MAR	BANK OF AMERICA	547.80	3-09-17 - FedEx	Litigation		547.80	
25	03/16/2017	010_PAMELA PERRY_MAR	BANK OF AMERICA	387.61	3-02-17 - FedEx	Litigation		387.61	
26	04/16/2017	010_PAMELA PERRY_APR	BANK OF AMERICA	479.38	3-23-17 - FedEx	Litigation		479.38	
27	04/16/2017	010_PAMELA PERRY_APR	BANK OF AMERICA	303.14	3-16-17 - FedEx	Litigation		303.14	
28	04/16/2017	010_PAMELA PERRY_APR	BANK OF AMERICA	29.65	4-6-17 - BuyOnlineNow	Litigation		29.65	
29	04/16/2017	010_PAMELA PERRY_APR	BANK OF AMERICA	293.43	3-30-17 - FedEx	Litigation		293.43	
30	04/16/2017	010_PAMELA PERRY_APR	BANK OF AMERICA	176.08	4-6-17 - FedEx	Litigation		176.08	
31	04/16/2017	010_PAMELA PERRY_APR	BANK OF AMERICA	249.96	3-22-17 - FedEx	Litigation		249.96	
32	05/16/2017	010_PAMELA PERRY_MAY	BANK OF AMERICA	132.18	4-20-17 - FedEx	Litigation		132.18	
33	05/16/2017	010_PAMELA PERRY_MAY	BANK OF AMERICA	22.96	4-27-17 - FedEx	Litigation		22.96	

Atmos Pipeline - Texas ("APT")
GUD No. 10604 - Rate Case Expenses Severed from GUD No. 10580
Summary of Other Expenses - Detail
At March 22, 2018

Statement of Intent Filing Date: January 6, 2017

Line No.	Invoice Date (a)	Invoice Number (b)	Vendor Name (c)	Total Amount (d)	Service Period / Description (e)	Category (f)	Required (g)	Litigated (h)	Total (i)
34	05/16/2017	010_PAMELA PERRY_MAY	BANK OF AMERICA	184.11	4-13-17 - FedEx	Litigation		184.11	
35	05/16/2017	010_PAMELA PERRY_MAY	BANK OF AMERICA	16.92	5-4-17 - FedEx	Litigation		16.92	
36	06/16/2017	010_PAMELA PERRY_JUN	BANK OF AMERICA	16.72	6-1-17 - FedEx	Litigation		16.72	
37	06/16/2017	010_PAMELA PERRY_JUN	BANK OF AMERICA	14.77	5-25-17 - FedEx	Litigation		14.77	
38	07/16/2017	010_PAMELA PERRY_JUL	BANK OF AMERICA	22.65	6-29-17 - FedEx	Litigation		22.65	
39	07/16/2017	010_PAMELA PERRY_JUL	BANK OF AMERICA	14.80	6-22-17 - FedEx	Litigation		14.80	
40	07/16/2017	010_PAMELA PERRY_JUL	BANK OF AMERICA	21.14	7-6-17 - FedEx	Litigation		21.14	
41	08/16/2017	010_PAMELA PERRY_AUG	BANK OF AMERICA	37.50	8-3-17 - FedEx	Litigation		37.50	
42	09/16/2017	010_PAMELA PERRY_SEP	BANK OF AMERICA	14.85	8-17-17 - FedEx	Litigation		14.85	
43	09/16/2017	010_PAMELA PERRY_SEP	BANK OF AMERICA	22.87	8-31-17 - FedEx	Litigation		22.87	
44	10/16/2017	010_PAMELA PERRY_OCT	BANK OF AMERICA	59.83	10-5-17 - FedEx	Litigation		59.83	
45	03/30/2017	IEXP-2488383	SMITH, GARY L	468.40	TRAVEL EXPENSE	Litigation		468.40	
46	03/31/2017	IEXP-2488537	JOLLY, NEIMAN K (KODEY)	127.56	MEALS & ENTERTAINMENT	Litigation		127.56	
47	03/31/2017	IEXP-2488537	JOLLY, NEIMAN K (KODEY)	523.68	TRAVEL EXPENSE	Litigation		523.68	
48	04/11/2017	IEXP-2491343	TAYLOR, BRANNON C	155.98	TRAVEL EXPENSE	Litigation		155.98	
49	05/02/2017	IEXP-2496309	CHRISTIAN, JOE T	682.46	MEALS & TRAVEL	Litigation		682.46	
50	04/27/2017	IEXP-2491408	CONNELLY, MELANIE P	291.25	MEALS & TRAVEL	Litigation		291.25	
51	05/09/2017	IEXP-2494646	ERSKINE, RICHARD A (DICK)	336.06	MEALS, TRAVEL & MILEAGE	Litigation		336.06	
52	05/09/2017	IEXP-2505409	GORDON, DENNIS L	243.40	TRAVEL & MILEAGE	Litigation		243.40	
53	04/24/2017	IEXP-2494316	GUILFORD, JOHN R	400.61	MEALS, TRAVEL & MILEAGE	Litigation		400.61	
54	04/24/2017	IEXP-2494360	HISE, ERIKKA L	500.88	MEALS, TRAVEL & MILEAGE	Litigation		500.88	
55	05/01/2017	IEXP-2495381	JOLLY, NEIMAN K (KODEY)	21,988.00	LODGING (1)	Litigation		21,988.00	
56	04/27/2017	IEXP-2494617	JOLLY, NEIMAN K (KODEY)	1,618.04	MEALS, TRAVEL & MILEAGE	Litigation		1,618.04	
57	04/28/2017	IEXP-2494572	KNIGHTS, JEFFREY S	569.25	MEALS, OTHER & MILEAGE	Litigation		569.25	
58	04/24/2017	IEXP-2494357	MYERS, BARBARA W	296.57	MEALS, OTHER & MILEAGE	Litigation		296.57	
59	05/03/2017	IEXP-2499335	SMITH, GARY L	754.60	MEALS & TRAVEL EXPENSE	Litigation		754.60	
60	05/05/2017	IEXP-2503335	STOJAK, SARAH E	496.22	MEALS	Litigation		496.22	
61	05/16/2017	IEXP-2509465	STOJAK, SARAH E	195.82	TRAVEL	Litigation		195.82	
62	04/24/2017	IEXP-2494333	TAYLOR, BRANNON C	20.28	MEALS & TRAVEL	Litigation		20.28	
63	04/26/2017	IEXP-2494512	WHITAKER, JOSEPH D	608.96	TRAVEL	Litigation		608.96	
64	04/24/2017	IEXP-2494314	WILEN, ERIC J	1,263.50	MEALS, OTHER & TRAVEL	Litigation		1,263.50	
65	06/21/2017	IEXP-2511365	YARBROUGH, CHARLES R.	430.40	MEALS & TRAVEL EXPENSE	Litigation		430.40	
66									
67									
Total Other (Sum of Lns 1 - 66)				\$ 37,688.57			\$1,100.88	\$36,587.69	\$37,688.57

Atmos Pipeline - Texas ("APT")
GUD No. 10604 - Rate Case Expenses Severed from GUD No. 10580
Summary of Other Expenses - Detail
At March 22, 2018

Statement of Intent Filing Date: January 6, 2017

Line No.	Invoice Date (a)	Invoice Number (b)	Vendor Name (c)	Total Amount (d)	Service Period / Description (e)	Category (f)	Required (g)	Litigated (h)	Total (i)
68	Adjustments:								
69	05/09/2017	EXP-2494646	ERSKINE, RICHARD A (DICK)	\$	(8.00) Alcohol	Litigation		\$ (8.00)	
70	04/24/2017	EXP-2494316	GUILFORD, JOHN R		(3.00) Meal > \$25 per person	Litigation		(3.00)	
71	04/24/2017	EXP-2494360	HISE, ERIKKA L		(30.00) No detailed receipt	Litigation		(30.00)	
72	04/24/2017	EXP-2494360	HISE, ERIKKA L		(16.24) No detailed receipt	Litigation		(16.24)	
73	04/24/2017	EXP-2494360	JOLLY, NEIMAN K (KODEY)		(20.75) Meal > \$25 per person	Litigation		(20.75)	
74	04/27/2017	EXP-2494617	KNIGHTS, JEFFREY S		(3.00) Tip > 20%	Litigation		(3.00)	
75	04/28/2017	EXP-2494572			Expense for Atmos				
76	05/03/2017	EXP-2499335	SMITH, GARY L	(159.80)	Personnel not directly related to rate case	Litigation		(159.80)	
77	05/03/2017	EXP-2499335	SMITH, GARY L	(57.00)	Expense for Atmos				
78	05/05/2017	EXP-2503335	STOJAK, SARAH E	(168.25)	Personnel not directly related to rate case	Litigation		(57.00)	
79	05/05/2017	EXP-2503335	STOJAK, SARAH E	(56.55)	Meal > \$25 per person	Litigation		(168.25)	
80	04/24/2017	EXP-2494314	WILEN, ERIC J	(17.50)	Alcohol	Litigation		(56.55)	
81	04/24/2017	EXP-2494314	WILEN, ERIC J	(1.50)	Meal > \$25 per person	Litigation		(17.50)	
82					Tip > 20%	Litigation		(1.50)	
83	Total Adjustments Other (Sum of Lns 70 - 82)				\$ (541.59)		\$ -	\$ (541.59)	\$ (541.59)
84	Total Adjusted Other (Ln 67 + Ln 83)				\$ 37,146.98		\$ 1,100.88	\$ 36,046.10	\$ 37,146.98

Note:

1. The accommodations for the APT hearing at the Embassy Suites in Austin were contracted at \$239.00 per night. This rate included breakfast and Wifi. The room rate exceeded the \$150.00 per night per person by \$89 per night per person; however, in order to procure rooms in Austin during the legislative session the Company had to contract for a block of rooms at a contract rate. The contract rate was much lower than market rates for comparable rooms in Austin during the hearing.

GAS UTILITIES DOCKET NO. 10604

RATE CASE EXPENSES SEVERED	§	BEFORE THE
FROM GAS UTILITIES DOCKET	§	RAILROAD COMMISSION
NO. 10580	§	OF TEXAS

AFFIDAVIT OF GEOFFREY M. GAY

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this date personally appeared Geoffrey M. Gay, known to me to be the person whose name is subscribed below, and being by me first duly sworn, stated upon oath as follows:

1. My name is Geoffrey M. Gay. I am a principal with Lloyd Gosselink Rochelle & Townsend, P.C., attorneys for the Atmos Cities Steering Committee ("ACSC") in Gas Utilities Docket ("GUD") No. 10580. I have 39 years of experience in utility ratemaking proceedings, and am over the age of 18 years and fully competent to make this affidavit. Each statement of fact herein is true of my own personal knowledge.
2. I have been continuously included in Best Lawyers in America each year since 1995. I have been designated a Super Lawyer on multiple occasions and was included among Who's Who in Energy – Austin in 2013 by the Austin Business Journal.
3. I am familiar with the work performed by Lloyd Gosselink and the technical consultants on behalf of ACSC in connection with GUD No. 10580. I have reviewed the attached invoices from both my firm and the consultants hired on behalf of ACSC, namely Constance T. Cannady with NewGen Strategies & Solutions, LLC, Richard A. Baudino with J. Kennedy & Associates, and Karl J. Nalepa with ReSolved Energy Consulting, LLC. Each consultant was assigned specific tasks with strict budget constraints. I have worked with each of the consultants numerous times over several decades.
4. With regard to the invoices from the consultants hired on behalf of ACSC, based on my 39 years of experience in proceedings of this type and on my knowledge of the issues, I believe the consultant and witness fees and expenses are reasonable for the work performed, and as compared to similar work performed by other consultants. The consultants performed their work in an efficient manner. Their invoices identified the specific tasks performed, all of which were necessary to complete their work in a professional manner and on a timely basis.

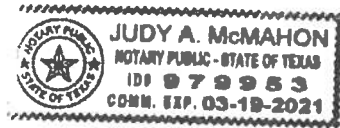
5. The legal services provided by my firm to ACSC included propounding discovery requests, negotiating discovery disputes, motions practice, legal research, providing legal advice and strategy, coordination with consultants, client consultations, preparation of testimony, preparation for hearing, participation in the contested case hearing, post-hearing briefing and arguments, participation in settlement negotiations on revenue requirements and rate case expenses in GUD No. 10580, and preparation and review of various documents. Based on my 39 years of experience in proceedings of this type and my knowledge of the issues, I believe these legal fees and expenses are reasonable for the work performed, and as compared to similar work performed by other law firms. The number of attorneys working on the underlying docket was minimized, the attorneys performed their work in an efficient manner, and there was no duplication of services. The hourly rates charged are appropriate for the level of experience and responsibilities assigned each attorney. I am familiar with hourly rates charged for regulatory work, and the rates charged are consistent with or below rates charged by comparably experienced attorneys. These services were necessary to complete assigned tasks in a professional manner and on a timely basis.
6. The invoices provided by the consultants and the attorneys clearly show the amount of work done, the time and labor required to accomplish the work, the nature and extent of the work done, and the charges associated with the work done. Based on my experience, the charges are commensurate with the difficulty of the work done and the complexity of the issues in the proceeding, and with the originality of the work performed.
7. In addition, my review of the invoices and charges by the attorneys and consultants supports my conclusions that:
 - The hourly rates charged by ACSC's consultants and attorneys are within the range of reasonable rates;
 - The number of individuals working on this matter at any given time was minimized;
 - Consultants and attorneys accurately documented hours worked and services provided on their invoices;
 - There were no time entries by any individual that exceeded 12 hours per day on any single matter or on a combined basis when work was performed on this case; and
 - There were no expenses that are subject to special scrutiny (*e.g.*, luxury hotels, valet parking, designer coffee, first-class airfare, non-commercial aircraft, limousine service, alcoholic beverages, sporting events, or entertainment).
8. In addition to the expenses incurred through January 2018, Lloyd Gosselink will incur fees and expenses in the future associated with this rate case expense docket and defending the Railroad Commission's Order in GUD No. 10580 through the appellate process. In consideration of this future activity, ACSC estimates that its remaining expenses of participating in this case and all appeals will not exceed \$75,000.

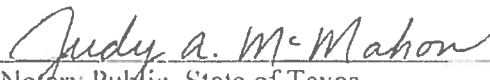
9. The total amounts requested for expenses through January 2018 of \$396,592.82 for GUD No. 10580, including estimated future expenses are reasonable given the complexity, importance, and magnitude of this case, the comprehensive nature of ACSC's case, and the number of issues. In addition, the estimated future expenses to finalize all issues related to rate case expenses as well as defending the Railroad Commission's Order in GUD No. 10580 through the appellate process, are reasonable and necessary. Attachment A to this Affidavit is a table detailing the components of ACSC's total rate case expenses for this matter.



GEOFFREY M. GAY, Alliant

SWORN AND SUBSCRIBED TO BEFORE ME, the undersigned authority, on this the 19th day of March, 2017.





Judy A. McMahon
Notary Public, State of Texas

	Invoice Date	Invoice No.	Billing Period	Through Period	Invoice Amount	Total Billed to Date	
Lloyd Gosselink	2/9/2017	97479576	1/1/2017	1/31/2017	\$ 13,724.52	\$ 13,724.52	
	3/24/2017	97480435	2/1/2017	2/28/2017	\$ 4,105.05	\$ 17,829.57	
	4/21/2017	97481049	3/1/2017	3/31/2017	\$ 24,711.82	\$ 42,541.39	
	5/10/2017	97481971	4/1/2017	4/30/2017	\$ 112,475.73	\$ 155,017.12	
	6/15/2017	97482718	5/1/2017	5/31/2017	\$ 23,113.84	\$ 178,130.96	
	7/21/2017	97484304	6/1/2017	6/30/2017	\$ 2,702.13	\$ 180,833.09	
	8/18/2017	97484763	7/1/2017	7/31/2017	\$ 37,055.10	\$ 217,888.19	
	9/20/2017	97485516	8/1/2017	8/31/2017	\$ 20,637.75	\$ 238,525.94	
	10/31/2017	97486682	9/1/2017	9/30/2017	\$ 2,745.50	\$ 241,271.44	
	11/14/2017	97487387	10/1/2017	10/31/2017	\$ 504.50	\$ 241,775.94	
	12/13/2017	97488129	11/1/2017	11/30/2017	\$ 225.00	\$ 242,000.94	
	1/24/2018	97488917	12/1/2017	12/31/2017	\$ 1,457.31	\$ 243,458.25	
	2/22/2018	97489404	1/1/2018	1/31/2018	\$ 4,568.00	\$ 248,026.25	
						LG total:	\$ 248,026.25
NewGen	2/16/2017	5094	1/9/2017	2/15/2017	\$ 11,882.50	\$ 11,882.50	
	3/16/2017	5255	2/16/2017	3/15/2017	\$ 19,997.50	\$ 31,880.00	
	4/17/2017	5333	3/16/2017	4/16/2017	\$ 9,970.00	\$ 41,850.00	
	5/16/2017	5394	4/17/2017	5/15/2017	\$ 4,470.00	\$ 46,320.00	
	7/17/2017	5588	6/16/2017	7/15/2017	\$ 245.00	\$ 46,565.00	
						NewGen total:	\$ 46,565.00
J Kennedy	1/31/2017	APR16-1	1/1/2017	1/31/2017	\$ 1,480.50	\$ 1,480.50	
	2/28/2017	APR16-2	2/1/2017	2/28/2017	\$ 1,659.87	\$ 3,140.37	
	3/31/2017	APR16-3	3/1/2017	3/31/2017	\$ 20,143.20	\$ 23,283.57	
	4/30/2017	APR16-4	4/1/2017	4/30/2017	\$ 3,891.90	\$ 27,175.47	
						J Kennedy total:	\$ 27,175.47
LG + Consultants	2/9/2017	97479576	1/1/2017	1/31/2017	\$ 25,607.02	\$ 25,607.02	
	3/24/2017	97480435	2/1/2017	2/28/2017	\$ 25,583.05	\$ 51,190.07	
	4/21/2017	97481049	3/1/2017	3/31/2017	\$ 26,371.69	\$ 77,561.76	
	5/10/2017	97481971	4/1/2017	4/30/2017	\$ 147,058.93	\$ 224,620.69	
	6/15/2017	97482718	5/1/2017	5/31/2017	\$ 27,005.74	\$ 251,626.43	
	7/21/2017	97484304	6/1/2017	6/30/2017	\$ 2,947.13	\$ 254,573.56	
	8/18/2017	97484763	7/1/2017	7/31/2017	\$ 37,055.10	\$ 291,628.66	
	9/20/2017	97485516	8/1/2017	8/31/2017	\$ 20,637.75	\$ 312,266.41	
	10/31/2017	97486682	9/1/2017	9/30/2017	\$ 2,745.50	\$ 315,011.91	
	11/14/2017	97487387	10/1/2017	10/31/2017	\$ 504.50	\$ 315,516.41	
	12/13/2017	97488129	11/1/2017	11/30/2017	\$ 225.00	\$ 315,741.41	
	1/24/2018	97488917	12/1/2017	12/31/2017	\$ 1,457.31	\$ 317,198.72	
	2/22/2018	97489404	1/1/2018	1/31/2018	\$ 4,568.00	\$ 321,766.72	
TOTAL							\$ 321,766.72
						Expenses to Omit	\$ (173.90)
						Plus estimated	\$ 75,000.00
							\$ 396,592.82

GAS UTILITIES DOCKET NO. 10604

RATE CASE EXPENSES SEVERED	§	
FROM GUD NO. 10580, STATEMENT	§	
OF INTENT TO CHANGE THE RATES	§	BEFORE THE
OF CITY GATE SERVICE (CGS) AND	§	RAILROAD COMMISSION
RATE PIPELINE TRANSPORTATION	§	OF TEXAS
(PT) RATES OF ATMOS PIPELINE -	§	
TEXAS	§	

**AFFIDAVIT OF ALFRED R. HERRERA
RELATED TO THE RATE CASE EXPENSES OF
THE ATMOS TEXAS MUNICIPALITIES**

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me, the undersigned authority, on this day personally appeared Alfred R. Herrera, being by me first duly sworn, on oath deposed and said the following:

1. My name is Alfred R. Herrera, and I am a principal of Herrera Law & Associates, PLLC. I have over 34 years of experience in legal and legislative matters related to the utility industry (gas, electric, water, wastewater, and telecommunications). I have litigated numerous utility-related rate matters. Herrera Law & Associates, PLLC has been retained by the Atmos Texas Municipalities ("ATM") in connection with *GUD Docket No. 10580, Statement of Intent to Change the Rates of City Gate Service (CGS) and Rate Pipeline Transportation (PT) Rates of APT Pipeline – Texas* and with the same statement of intent Atmos Pipeline - Texas ("APT") submitted to the ATM cities under the cities' original jurisdiction (collectively, "*GUD 10580*").
2. I am personally familiar with the work performed by Herrera Law & Associates, PLLC and the technical consultants on behalf of ATM in *GUD 10580*. I am over 18 years of age and I am not disqualified from making this affidavit. My statements are true and correct.
3. This firm has provided services to ATM in *GUD 10580* including, but not limited to, the following activities: the provision of legal advice and strategy; negotiating procedural schedules and substantive issues; identification of consultants and recommendations to the client regarding consultants; coordination of issue development; legal research; preparation and filing of pleadings, briefs and direct testimony; discovery; preparation for and participating in prehearing conferences and a hearing on the merits; briefing clients and discussions with consultants.

4. I am responsible for coordinating and supervising the efforts of my firm's personnel pertaining to the services rendered to ATM in *GUD 10580*. I have personally reviewed all billings for all work performed (legal and consulting) in connection with *GUD 10580*.
5. My firm provided our invoices and backup for the fees and expenses charged to ATM to the City of Longview and to the other members of ATM for forwarding to APT for reimbursement. My firm's billings are associated with efforts that were reasonable and necessary for development of the record and advocacy of ATM's interests in *GUD 10580* and those invoices accurately reflect the time expended and the expenses incurred by Herrera Law & Associates, PLLC and the consultants that worked on matters related to *GUD 10580*. Also, none of ATM's rate case expenses have been reimbursed as of the date of my affidavit. Duplication of effort was avoided.
6. My firm's individual charges and rates are reasonable, consistent with the rates billed to others for similar work and comparable to rates charged by other professionals with the same level of expertise and experience. The amounts charged for such services are reasonable and there has been no double billing of charges. No meal expense has been billed by any attorney or other Herrera Law & Associate, PLLC personnel. No charges have been incurred or billed for luxury items, first-class airfare, limousines, alcohol, sporting events, or entertainment.
7. For the period January 2017 through February, 2018, Herrera Law & Associates, PLLC has billed \$109,304.30 related to *GUD 10580*. This figure includes \$79,017.85 in legal fees and expenses and \$31,743.95 in consultant fees and expenses. The fees and expenses incurred through February, 2018 were necessary to advise ATM on the rate package filing with a focus on APT's proposed rate of return, and to undertake such tasks as reviewing the application, identifying issues, coordinating activities, retaining and working with consultants, engaging in discovery, drafting pleadings, and preparing for hearings and settlement discussions, and assisting the cities in processing APT's application at the city level. A summary of ATM's rate case expenses and the related invoices for *GUD 10580* are appended to my affidavit as Attachment A.
8. The total amount of rate case expenses of \$109,304.30 incurred from January, 2017 through February, 2018, and the estimate beyond February, 2018 of \$78,500.00 (to complete the case at the Railroad Commission and to respond to APT's appeal of the Commission's final order), requested for reimbursement, are reasonable given the complexity, importance, and magnitude of this case, the nature of ATM's positions in the case, and the number of issues ATM addressed.
9. The attorney hourly rates of \$295-\$400, upon which the billings are based, are comparable to hourly rates charged to other clients for comparable services during the same time frame. Herrera Law & Associates, PLLC's rates are in the lower- to mid-range of reasonable hourly rates compared to the rates charges by other lawyers with similar experience providing similar services.

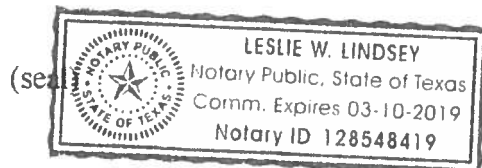
10. The hours spent to perform the tasks assigned to Herrera Law & Associates, PLLC were necessary to complete the required tasks in a professional manner on a timely basis. My many years in working with and supervising attorneys and consultants in utility rate cases, including at the Railroad Commission, facilitate efforts to keep rate case expenses reasonable.
11. J. Randall Woolridge is a Professor of Finance and the Goldman, Sachs & Co. and Frank P. Smeal Endowed University Fellow in Business Administration at the University Park Campus of the Pennsylvania State University. Mr. Woolridge is also the Director of the Smeal College Trading Room and President of the Nittany Lion Fund, LLC. A summary of Mr. Woolridge's educational background, research, and related business experience is provided in Appendix A to Mr. Woolridge's direct testimony. His time and efforts in *GUD 10580* were coordinated by me and by attorneys working under my direction. Mr. Woolridge's background and experience served to allow him to efficiently accomplish his assignment in *GUD 10580*. Mr. Woolridge's time, effort and associated fees in *GUD 10580* of \$31,743.95 are reasonable and necessary.
12. The invoices submitted by Herrera Law & Associates, PLLC include a description of services performed and time expended on each activity. The invoices for *GUD 10580* have been provided to ATM on a monthly basis and to the parties in *GUD 10580*. Herrera Law & Associates, PLLC has documented all charges with time sheets, invoices and records. The documentation in this case is similar to that provided in many previous cases at the Railroad Commission of Texas (Commission) and the Public Utility Commission of Texas.
13. Legal expenses incurred in connection with *GUD 10580*, total \$109,304.30. There are no luxury items associated with Herrera Law & Associates, PLLC's expenses. The total consists of reimbursable items such as courier services, express mail, postage and shipping, and photocopying. Internal copying charges were limited to 15¢ per page.
14. My responsibilities, as well as other attorneys assigned to *GUD 10580* included client communications, strategy development, overall case management, discovery review, review and editing of testimony, preparing for and participating in a hearing on the merits, and drafting of pleadings and briefs. The other attorneys assigned to these proceedings have related utility experience of approximately 9 years.
15. I have reviewed the actual invoices for consultant and legal services presented in Attachment A to my affidavit. The services rendered in these months were necessary for ATM's participation in *GUD 10580* and the fees and expenses were reasonable in relation to the complexity of the issues addressed.
16. Further, the hourly rates charged by ATM's consultant and attorneys are within the range of reasonable rates for ratemaking cases filed by utilities at the Commission; the consultant and attorneys took all reasonable efforts to keep to a minimum the number of individuals assigned to tasks relevant to *GUD 10580*; there were no time entries by any individual that exceeded twelve hours on any day on work performed *GUD 10580*; and

ATM's attorneys and consultant incurred no expenses that are subject to special scrutiny (e.g., luxury hotels, valet parking, designer coffee, airfare, meals).

17. I also reviewed the consultant's and attorney's qualifications, along with an evaluation of their work product and the fees that they charged ATM, and found their services and fees to be reasonable. Each consultant and attorney provided services that were necessary for ATM to fairly represent ATM's interests in *GUD 10580*. The actual fees and expenses incurred to date are substantiated by detailed invoices and are included in Attachment A to my affidavit.
18. To complete *GUD 10580*, I estimate that the cities represented by Herrera Law & Associates, PLLC will incur additional fees and expenses of \$78,500.00 associated with completion of *GUD 10604* (\$3,500.00) and participation in ATM's appeal of the Commission's final order issued in *GUD 10580* to the Travis County District Court (No. D-1-GN-17-005869) (\$75,000.00) and any additional appeals taken thereafter. This amount is based on my prior experience in participating in appeals of Commission final orders. ATM will request reimbursement only for actual amounts billed for work that has been performed.
19. ATM reserves the right to amend this affidavit and its request for reimbursement as more information is gathered over the course of *GUD 10580*, including the appeal of the district's final order currently pending in the Travis County District Court as well as any additional appeals taken thereafter.
20. Statements in this affidavit are true and known by me personally.


Alfred R. Herrera

SWORN AND SUBSCRIBED before me on this the 14th day of March 2018.




Notary Public, State of Texas

ATTACHMENT A

ATM's Late Case Expense Summary for GUD No. 10580

GUD NO. 10604
Exhibit C to Settlement Agreement
Page 24 of 32

	Invoice Date	Invoice No.	Billing Period	Through Period	Invoice Amount	Total Billed to Date	
J. Randall Woolridge	5/17/2017		2/1/2017	5/15/2017	31,743.95	\$31,743.95	
						JRW Total	\$31,743.95
Herrera & Boyle	2/8/2017		1/1/2017	1/31/2017	\$2,914.00	\$2,914.00	
	3/10/2017		2/1/2017	2/28/2017	\$7,072.66	\$9,986.66	
	4/12/2017		3/1/2017	3/31/2017	\$12,717.05	\$22,703.71	
	5/10/2017		4/1/2017	4/30/2017	\$30,660.94	\$53,364.65	
	6/14/2017		5/1/2017	5/31/2017	\$6,453.42	\$59,818.07	
	7/6/2017		6/1/2017	6/30/2017	\$118.00	\$59,936.07	
	8/11/2017		7/1/2017	7/31/2017	\$950.08	\$60,886.15	
	9/11/2017		8/1/2017	8/31/2017	\$4,505.40	\$65,391.55	
	10/9/2017		9/1/2017	9/30/2017	\$9,239.35	\$74,630.90	
	11/14/2017		10/1/2017	10/31/2017	\$3,283.95	\$77,914.85	
	12/7/2017		11/1/2017	11/30/2017	\$472.00	\$78,386.85	
	1/11/2018		12/1/2017	12/31/2017	\$305.50	\$78,692.35	
	3/12/2018		1/1/2018	2/28/2018	\$325.50	\$79,017.85	
						Herrera & Boyle Total	\$79,017.85
Legal and Consultants	2/8/2017		1/1/2017	1/31/2017	\$2,914.00	\$2,914.00	
	3/10/2017		2/1/2017	2/28/2017	\$7,072.66	\$9,986.66	
	4/12/2017		3/1/2017	3/31/2017	\$12,717.05	\$22,703.71	
	5/10/2017		4/1/2017	4/30/2017	\$30,660.94	\$53,364.65	
	6/14/2017		5/1/2017	5/31/2017	\$38,197.37	\$91,562.02	
	7/6/2017		6/1/2017	6/30/2017	\$118.00	\$91,680.02	
	8/11/2017		7/1/2017	7/31/2017	\$950.08	\$92,630.10	
	9/11/2017		8/1/2017	8/31/2017	\$4,505.40	\$97,135.50	
	10/9/2017		9/1/2017	9/30/2017	\$9,239.35	\$106,374.85	
	11/14/2017		10/1/2017	10/31/2017	\$3,283.95	\$109,658.80	
	12/7/2017		11/1/2017	11/30/2017	\$472.00	\$107,216.80	
	1/11/2018		12/1/2017	12/31/2017	\$305.50	\$100,449.64	
	3/12/2018		1/1/2018	2/28/2018	\$325.50	\$88,058.09	
						Legal and Consultants	\$110,761.80
						June 2017 Invoice Billing error Credit	(\$950.00)
						November 2017 Invoice Billing Error Credit	(\$212.50)
						December 2017 Invoice Billing Error Credit	(\$295.00)
						Total Actual Legal and Consultants	\$109,304.30
						Estimate for Completion of GUD 10604	
						(assuming severed RCE case settles)	\$3,500.00
						Total Actual & Estimate for Completion of GUD 10604 (assuming severed RCE case settles)	\$112,804.30
						Estimate for Intervention in Appeal of FO in GUD 10580 (thru final appeal)	\$75,000.00
						Total Actual & Estimate for Completion of GUD 10604 (assuming severed RCE case settles & Appeal)	\$187,804.30

GUD NO. 10604

RATE CASE EXPENSES SEVERED FROM	§	BEFORE THE
GUD NO. 10580, STATEMENT OF INTENT	§	
TO CHANGE THE RATES OF	§	
CITY GATE SERVICE (CGS) AND	§	RAILROAD COMMISSION
RATE PIPELINE TRANSPORTATION	§	
(PT) RATES OF ATMOS PIPELINE-	§	
TEXAS	§	OF TEXAS

AFFIDAVIT OF NORMAN J. GORDON

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

BEFORE ME, the undersigned authority, on this day personally appeared NORMAN J. GORDON, known to me to be the person whose name is subscribed hereto, and being by me duly sworn, upon his oath, stated as follows:

1. My name is Norman J. Gordon. I am over eighteen years of age and I am not disqualified from making this Affidavit.
2. I am an attorney licensed in the States of Texas and Illinois, and numerous federal courts. I received my undergraduate and law degrees from University of Illinois at Urbana Champaign. I have been in private practice of law in El Paso since completing my military service with the Judge Advocate General's Corps of the United States Army in 1974. I am Board Certified in Civil Trial Law by the Texas Board of Legal Specialization, and have been so certified since 1983. One of the areas of my practice is utility regulation. Since 1978, I have been lead counsel for parties in many major rate cases, rule making proceedings, and other administrative dockets before City Councils, the Railroad Commission of Texas, the Public Utility Commission of Texas, State District Courts, United States Bankruptcy Court, and Texas Appellate Courts, including the Supreme Court of Texas. I have filed testimony on rate case expense issues in cases before Railroad Commission of Texas. I have filed testimony and testified as an expert witness on rate case expenses in cases before the Public Utility Commission of Texas. I have also taught principles of regulation to members of the Public Utility Regulation Board of the City of El Paso, an advisory board on utility matters.
3. I am a shareholder in the El Paso law firm Mounce, Green Myers, Safi, Paxson & Galatzan, A Professional Corporation, and have been a shareholder in that firm since October 2003. Prior to that time my private practice was with the El Paso law firm of Diamond Rash Gordon & Jackson, P.C., where I was a shareholder.
4. The City of Dallas ("COD") engaged Mounce, Green, Myers, Safi, Paxson & Galatzan to act as lead outside counsel for it in Atmos Pipeline's 2017 before the Railroad Commission, Gas Utility Docket No. 10580 related matters including this docket. As lead counsel, I was

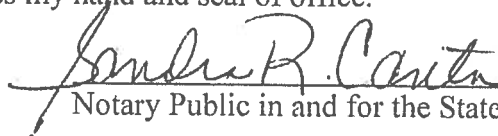
responsible for the coordinating activities the activities of the COD's consultants and expert witnesses, David Garrett, Resolve Energy Consulting, Daniel J. Lawton, The Lawton Law Firm and Mark Garrett, The Garrett Group, LLC,

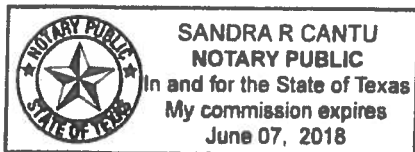
5. A summary of the total rate case expense incurred by the COD including bills submitted through February, 2018 as well as the estimate to complete the case and the Appeal filed by Atmos Pipeline Texas are included in the summary of rate case expenses attached to this affidavit.
6. In connection with, this related rate case expense docket, the total billings sent for services through February 28, 2018 are \$258,126.62 for fees and expenses of the lawyers and consultants. The total fees and expenses are broken down on the City of Dallas Rate Case Summary attached to this affidavit and filed in the City of Dallas Notice and Summary if Rate Case Expenses.
7. There will be additional expenses for some as yet unbilled time in services and expenses to complete this case which are estimated to be no more than \$1,500. I have estimated \$7,500.00 to complete this case as well as \$45,000.00 for the appeal.
8. I have reviewed all the statements of the consultants for mathematical accuracy and the amount of time spent by the consultants for reasonableness. All statements were also reviewed by the City of Dallas. In my opinion, based on my experience, the complexity of the issues in this case, the amounts billed by the consultants, \$99,975.00 is reasonable. Each of the consultants/witnesses filed testimony in the rate case. There was no duplication of effort, and no travel expense for those consultants/witnesses. The hourly rates charged by the consultants was, in my experience reasonable and often below the rates charged by others with similar backgrounds and experience for the same type of work.
9. I have also reviewed the expenses for legal services by our firm as well as the expenses. The total billed for fees and expenses, attorney and consultants, as well as the expenses estimated is \$310,626.62. There were no billings for first class travel, luxury hotels, or alcohol. There were no billings in excess of 12 hours on any day. The expenses billed by my firm were for overnight delivery, transcripts, travel, and copies that needed to be filed with the Commission. In my opinion, the total amounts billed are reasonable.
10. The fees and expenses incurred as were all reasonable and necessary for the presentation and prosecution of the City of Dallas's case. The estimated expenses are also reasonable.

Further Affiant Says Not.


Norman J. Gordon

SUBSCRIBED AND SWORN TO, BEFORE ME, by the said Norman J. Gordon, this
20th day of March 2018 to certify which witness my hand and seal of office.


Notary Public in and for the State of Texas



**RAILROAD COMMISSION OF TEXAS
GAS UTILITIES DOCKET NO. 10604**

Rate Case Expense Severed from Gas Utilities Docket No. 10580

City of Dallas Rate Case Expense Summary

3/8/ 2018 Update

LINE NO.	VENDOR (a)	AREA OF WORK (b)	FEES (c)	EXPENSES (d)	TOTAL (e)
1	Mounce, Green, Myers, Safi, Paxson & Galatzan	LEGAL		\$147,287.00	
2			EXPENSES		
3	Garrett Group	CONSULTING		10,864.62	158,151.62
4			EXPENSES		
5	Resolve Utility Consulting	CONSULTING		28,525.00	28,525.00
6			EXPENSES		
7	The Lawton Law Firm	CONSULTING		41,850.00	41,850.00
8			EXPENSES	0.00	
9	Actual Billed for Services through December 31, 2016			\$247,262.00	\$258,126.62

Estimate for Completion of Current
Estimate for Appeal

7,500.00
45,000.00

Total

\$310,626.62

RAILROAD COMMISSION OF TEXAS
GAS UTILITIES DOCKET NO. 10604
Rate Case Expense Severed from Gas Utilities Docket No. 10580

City of Dallas Rate Case Expense Summary
3/8/2018(Update)

Mounce Green Myers Safi Paxson & Galatzan, PC

LINE NO.	DATE (a)	VENDOR (b)	AREA OF WORK (c)	FEES (d)	FEES (e)	EXPENSES (f)	Total (g)
1	5/22/2017	Mounce Green Myers Safi Paxson & Galatzan, PC	Legal	Fees	\$79,303.00		
2				Expenses		\$10,022.80	\$89,325.80
3	6/21/2017	Mounce Green Myers Safi Paxson & Galatzan, PC	Legal	Fees	\$34,367.50		
4				Expenses		190.62	\$34,558.12
5	8/16/2017	Mounce Green Myers Safi Paxson & Galatzan, PC	Legal	Fees	20,151.00		
6				Expenses		135.89	20,286.89
7	10/18/2017	Mounce Green Myers Safi Paxson & Galatzan, PC	Legal	Fees	\$6,095.50		
8				Expenses		\$484.11	\$6,579.61
9	2/7/2018	Mounce Green Myers Safi Paxson & Galatzan, PC		Fees	4,623.00		
10				Expenses		31.20	4,654.20
11	3/9/2018	Mounce Green Myers Safi Paxson & Galatzan, PC		Fees	\$2,747.00		
12				Expenses		0	
13	Total	Mounce Green Myers Safi Paxson & Galatzan, PC	Legal		\$147,287.00	\$10,864.62	158,151.62

**RAILROAD COMMISSION OF TEXAS
GAS UTILITIES DOCKET NO. 10604**

Rate Case Expense Severed from Gas Utilities Docket No. 10580

City of Dallas Rate Case Expense Summary

December 8, 2017

Witness: Mark Garrett

LINE NO.	DATE (a)	VENDOR (b)	AREA OF WORK (c)	(d)	FEES (e)	EXPENSES (f)	Total (g)
1	5/18/2017	Garrett Group	Accounting Issues	Fees	\$28,525.00		\$28,525.00
2				Expenses			
3	Total				\$ 28,525.00	\$ -	\$ 28,525.00

RAILROAD COMMISSION OF TEXAS
GAS UTILITIES DOCKET NO. 10604
Rate Case Expense Severed from Gas Utilities Docket No. 10580

City of Dallas Rate Case Expense Summary

December 8, 2017

Witness: David Garrett

LINE NO.	DATE (a)	VENDOR (b)	AREA OF WORK (c)	FEES (e)	EXPENSES (f)	Total (g)
1	3/13/17	Resolve Utility Consulting	Depreciation	\$19,300.00		\$19,300.00
2			Expenses			
3	4/5/17	Resolve Utility Consulting	Depreciation	\$18,800.00		\$18,800.00
4			Expenses			
5	5/1/17	Resolve Utility Consulting	Depreciation	\$3,750.00		\$3,750.00
6			Expenses			
7	Total			\$41,850.00		\$41,850.00

RAILROAD COMMISSION OF TEXAS
GAS UTILITIES DOCKET NO. 10604

Rate Case Expense Severed from Gas Utilities Docket No. 10580

City of Dallas Rate Case Expense Summary

December 8, 2017

Witnesses: Daniel Lawton

LINE NO.	DATE (a)	VENDOR (b)	AREA OF WORK (c)	(d)	FEES (e)	EXPENSES (f)	Total (g)
1	4/28/2017	The Lawton Law Firm	Rate of Return	Fees	\$29,600.00		\$29,600.00
2				Expenses			
3	Total				\$29,600.00		\$29,600.00

EXHIBIT D
TO
UNOPPOSED STIPULATION AND SETTLEMENT AGREEMENT
(RATE CASE EXPENSE INVOICES)

Exhibit D to the Unopposed Stipulation and Settlement Agreement is voluminous and is being provided in electronic format.

GUD NO. 10604

**Rate Case Expenses Severed from
GUD 10580, Statement of Intent to
Change Rates of CGS and Rate PT Rates
of Atmos Pipeline - Texas**

**Unopposed
Stipulation and Settlement Agreement**

**Electronic Files
March 26, 2018**