

**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	§	

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 Atmos Expenses
\$432,723.63	\$1,112,055.17	\$175,000	\$1,719,778.80

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

Christi Craddick

CHAIRMAN CHRISTI CRADDICK

Ryan Sitton

COMMISSIONER RYAN SITTON

Wayne Christian

COMMISSIONER WAYNE CHRISTIAN

ATTEST:

Kathy Way

SECRETARY



Final Order
GUD No. 10604

ATTACHMENT

(Settlement Agreement)

GUD NO. 10604

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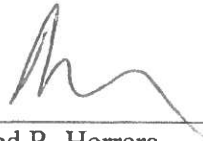
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**ATTORNEY FOR STAFF OF THE
RAILROAD COMMISSION OF TEXAS**

**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	<i>Total APT Legal, Consulting and Other Expenses (Sum Lns 2 -</i>			
6	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	<i>Total ACSC Legal, Consulting and Other Expenses (Sum Lns 9 -</i>			
13	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	<i>Total ATM Legal, Consulting and Other Expenses (Sum Lns 16 -</i>			
20	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	<i>Total Dallas Legal, Consulting and Other Expenses (Sum Lns 23</i>			
27	- 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				
30	<i>Total Intervenor - Legal, Consulting and Other Expenses (Ln 13</i>			
31	<i>+ Ln 20 + Ln 27)</i>	\$ 896,655.14	\$ (1,631.40)	\$ 895,023.74
32				
33	Total Expenses All Parties (Ln 6 + Ln 29)	\$ 2,664,117.35	\$ (49,314.81)	\$ 2,614,802.54
34				
35				
36	Allocation Factors:			
37	Rate Schedule CGS - Mid-Tex	0.930440		
38	Rate Schedule CGS - Other	0.044383		
39	Rate Schedule PT	0.025178		
40	Total	<u>1.000000</u>		
41				
42	Total Expense Amount times the Allocation Factors:			
43	Rate Schedule CGS - Mid-Tex	\$ 2,432,916.18		
44	Rate Schedule CGS - Other	\$ 116,051.60		
45	Rate Schedule PT	\$ 65,834.76		
46	Total	<u>\$ 2,614,802.54</u>		

GUID 10580, Sch A, (Col (d), Ln 2) divided by Col (d), Ln 5
 GUID 10580, Sch A, (Col (d), Ln 3) divided by Col (d), Ln 5
 GUID 10580, Sch A, (Col (d), Ln 4) divided by Col (d), Ln 5
 Sum of Ln 37 through Ln 39

(Col (d), Ln 32 times Col (b), Ln 37)
 (Col (d), Ln 32 times Col (b), Ln 38)
 (Col (d), Ln 32 times Col (b), Ln 39)
 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	<u>0.930440</u>	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	<u>32,793,300</u>	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	<u>\$ 2,432,916.18</u>	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	<u>\$ 2,432,916.18</u>	Ln 12
19			
20	Total Monthly Change in Capacity Charge:		
21	Mid-Tex	<u>\$ 202,743.02</u>	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	Rate Schedule CGS - Other		
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	<u>1,637,316</u>	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	<u>\$ 116,051.60</u>	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	<u>100.0000%</u>	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					

87 Notes:

- 88 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, Sche
- 89 2. Allocated Annual Amount per MDQ is calculated by taking Column (c), Line 8 times each customer's percent of total in Column (d).
- 90 3. Allocated Monthly Amount per MDQ is calculated by taking Column (e) divided by 12.