

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

**APPLICATION FILED BY ATMOS § GAS UTILITIES DOCKET NO. 10764
PIPELINE - TEXAS 2018 RIDER REV §
ADJUSTMENT §**

FINAL ORDER

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

FINDINGS OF FACT

Background

1. Atmos Pipeline – Texas (“APT” or “Company”), a division of Atmos Energy Corporation is a gas utility as that term is defined in the Texas Utilities Code.
2. APT is an intrastate natural gas transmission pipeline operating solely in Texas. The Company operates a large intrastate pipeline consisting of approximately 5,700 miles of transmission pipeline, approximately 570 city gate meters, five underground storage facilities, and thirteen (13) gas compressor stations. The geographical areas served by this pipeline division span from the area bound by the Oklahoma border; the Katy hub near Houston; the Carthage hub in East Texas; the Waha hub in West Texas; and the Austin/Hill Country area.
3. On January 6, 2017, APT filed a *Statement of Intent* to change its Rate CGS and Rate PT and related riders and the case was docketed as GUD No. 10580.
4. On August 1, 2017, the Railroad Commission of Texas (“Commission”) issued its *Final Order* in GUD No. 10580 and the rates became effective on August 1, 2017.
5. Since Gas Utilities Docket (“GUD”) No. 10580¹, this is the first Rider REV Adjustment for APT.
6. The proposed effective date to implement the Rider REV Adjustment is November 1, 2018.
7. The Commission did not receive a motion from interested parties to intervene.
8. The Rider REV Tariff provides that directly affected customers may request a hearing if the additional revenue generated from the Rider REV is greater than 2 ½ percent.

¹ *Statement of Intent of Intent to Change the Rates of CGS and Rate PT Rates of Atmos Pipeline-Texas.*

9. The current Rider REV Adjustment does not generate additional revenue greater than 2 ½ percent.
10. The Commission did not receive a request for a hearing.

Review of the Rider REV. Adjustment

11. On August 15, 2018, the Company filed its first Rider REV Adjustment filing docket as GUD No. 10764, since GUD No. 10580.
12. In this docket, APT proposes a Maximum Daily Quantity (MDQ) Timing Adjustment to match MDQs with the Rider REV period. The MDQ Timing Adjustment was specified in the Rider REV tariff as approved in GUD No. 10580.
13. GUD No. 10764 results in a decrease to the rates charged by the Company. The Company's Other Revenue credit in GUD 10580 was \$69,411,586. This represents the bench mark for measurement of a debit or credit for the Rider REV adjustment. In this docket, for the twelve months ending June 30, 2018, Other Revenue increased to \$98,317,086. The difference is \$28,905,500, from GUD No. 10580. Of this amount \$21, 679,125 or 75% will be credited to Rate CGS and PT customers, as shown in Exhibit A.
14. Applying the decrease of \$21,679,125 or 75%, included in the Rider REV Adjustment and the MDQ Timing Adjustment debit of (\$44,975) resulted in the following rates:
 - a. Rate CGS – Mid-Tex: Capacity Charge of \$9.43303 per MMBtu of MDQ, Mid – Tex WGIS Charge of \$0.38317 per MMBtu of MDQ, Annual Rider REV Adjustment of (\$0.60053) per MMBtu of MDQ, Interim Rate Adjustments of \$1.91376 per MMBtu of MDQ, and a Usage Charge of \$0.02785 per MMBtu.
 - b. Rate CGS – Other: Capacity Charge of \$9.43303 per MMBtu of MDQ, Annual Rider REV Adjustment of (\$0.60053) per MMBtu of MDQ, Interim Rate Adjustments of \$1.91376 per MMBtu of MDQ, and a Usage Charge of \$0.02785 per MMBtu.
 - c. Rate PT – Capacity Charge of \$4.83681 per MMBtu of MDQ, Annual Rider REV Adjustment of (\$0.44447) per MMBtu of MDQ, Interim Rate Adjustments of \$1.05029 per MMBtu of MDQ, and a Usage Charge of \$0.01325 per MMBtu.
15. The Railroad Commission's Gas Services Department Audit Section conducted an audit from August 20, 2018 through August 23, 2018, Audit Number 18-134 (Exhibit B). The audit tested the accuracy of the information and calculations reflected in the 2018 filing of the APT Revenue adjustment under the Rider REV Tariff authorized in Gas Utilities Docket No. 10580. Based on the findings of the audit, there were no violations.

16. While the Rider REV tariff is not impacted by APT's use of the Interim Rate Adjustments (IRA), APT has used the IRA to adjust Rate CGS – Mid-Tex, Rate CGS – Other, and Rate PT for capital investment from the test year and initial rates approved in GUD No. 10580.
17. The first IRA for APT was GUD No. 10652, which was approved by the Commission on December 5, 2017.
18. The second IRA for APT was GUD No. 10693, which was approved by the Commission on May 22, 2018.
19. The Rider REV adjustment determined in this docket will adjust the current capacity charge which includes two interim rate adjustments. Therefore, the two interim rate adjustments are included in the table below to show the proposed current capacity charge by customer class:

| Rate Schedules | Capacity Charge Per MDQ GUD No. 10580 ² | 2016 IRA GUD No. 10652 ³ | 2017 IRA GUD No. 10693 | 2018 Rider REV Adjustment GUD No. 10764 | 2018 Capacity Charge Per MDQ |
|-------------------|---|--|---------------------------|---|------------------------------|
| Rate CGS-Mid-Tex* | \$9.43303 | \$0.74102 | \$1.17274 | (\$0.60053) | \$11.12943 |
| Rate CGS-Other | \$9.43303 | \$0.74102 | \$1.17274 | (\$0.60053) | \$10.74626 |
| Rate PT | \$4.83681 | \$0.37633 | \$0.67366 | (\$0.44447) | \$5.44263 |

*Includes a \$0.38317 per MDQ working gas in storage charge applicable only to Rate CGS Mid-Tex customers.

Notice

20. The Company provided adequate notice to its City Gate Service customers, Rate CGS, on August 15, 2018.
21. The notice to Rate CGS customers provided for protests or comments to be filed by September 4, 2018. No protests or comments were received.

² The capacity charge per MDQ in GUD No. 10580 reflects adjustments that were approved in GUD No. 10718 - *Atmos Pipeline – Texas Notice of Intent to Reduce Rates Established in GUD No. 10580 Pursuant to Section 104.111 of the Gas Utility Regulatory Act*. The adjustments incorporate changes that were made to base rates to reflect the 21% Federal Corporate Income Tax rate as set in the Tax Cuts and Jobs Act of 2017 ("TCJA").

³ GUD No. 10652 - *Application filed by Atmos Pipeline - Texas for Test Year 2016 Annual Interim Rate Adjustment Filing* incorporates adjustments to the customer charge for Rate CGS and Rate PT customers. The customer charge reflects adjustments that were approved in GUD No. 10704 - *Atmos Texas Pipeline's Notice of Intent to Reduce Interim Rates Established in GUD No. 10652 pursuant to Section 104.111 of the Gas Utility Regulatory Act*. The adjustments incorporate changes that were made to the interim rates to reflect the 21% Federal Corporate Income Tax rate as set in the Tax Cuts and Jobs Act of 2017 ("TCJA").

22. The Company provided adequate notice to its Pipeline Transportation customers, Rate PT, on August 15, 2018.
23. The notice to Rate PT customers provided for protests or comments to be filed by September 4, 2018. No protests or comments were received.

Reimbursements of Expense

24. As provided in the tariff, the Company is required to reimburse the Commission for the Commission's estimated annual costs related to the annual review and administration of the Rider REV Adjustment.
25. After the Commission has finally acted on APT's application for a Rider REV Adjustment, the Director of the Oversight and Safety Division will estimate the Commission's annual costs related to the processing of such applications.

CONCLUSIONS OF LAW

1. Atmos Pipeline - Texas is a "Gas Utility" as defined in TEX. UTIL. CODE ANN. § 101.003(7) and § 121.001 and is therefore subject to the jurisdiction of the Commission.
2. The Commission has jurisdiction over the Company's Statement of Intent and Rider REV Tariff under TEX. UTIL. CODE ANN. §§ 102.001, 103.022, 103.054, & 103.055, 104.001, and 104.201).
3. Under TEX. UTIL. CODE ANN. § 102.001 the Commission has exclusive original jurisdiction over the rates and services of a gas utility that distributes natural gas in areas outside of a municipality and over the rates and services of a gas utility that transmits, transports, delivers, or sells natural gas to a gas utility that distributes the gas to the public.
4. This adjustment to the rates was processed in accordance with the requirements of the Gas Utility Regulatory Act (GURA) and the tariff that was approved in GUD No. 10580.

IT IS THEREFORE ORDERED that Atmos Pipeline – Texas' proposed adjustment to its current rates is hereby **APPROVED**.

IT IS FURTHER ORDERED that, in accordance with 16 TEX. ADMIN. CODE § 7.315, within 30 days of this order, Atmos Pipeline - Texas **SHALL** electronically file its tariffs in proper form that accurately reflect the rates approved by the Commission in this Order, (Exhibit C).

IT IS THEREFORE ORDERED that Atmos Pipeline – Texas **SHALL** reimburse the estimated expenses incurred by the Commission in reviewing this application. The amount of this reimbursement shall be determined by the Director of the Oversight and Safety Division.

IT IS FURTHER ORDERED that all proposed findings of fact and conclusions of law not specifically adopted in this Order are hereby **DENIED**. **IT IS ALSO ORDERED** that all pending motions and requests for relief not previously granted or granted herein are hereby **DENIED**.

IT IS FURTHER ORDERED THAT Atmos Pipeline - Texas **SHALL** reimburse the estimated expenses incurred by the Commission in reviewing this application. The amount of this reimbursement shall be determined by the Director of the Oversight and Safety Division. If a timely motion for rehearing is filed by any party at interest, this Order shall be subject to further action by the Commission until such motion is overruled or this Order is modified pursuant to such motion for rehearing. Pursuant to TEX. GOV'T. CODE § 2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

SIGNED this 16th day of October 2018

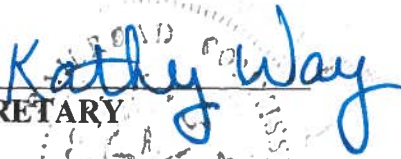
RAILROAD COMMISSION OF TEXAS

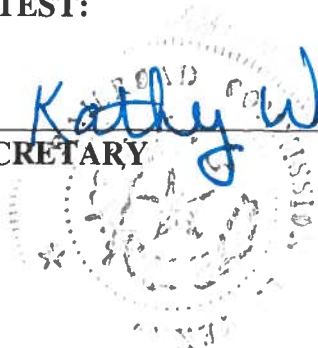

CHRISTI CRADDICK, CHAIRMAN


RYAN SITTON, COMMISSIONER


WAYNE CHRISTIAN, COMMISSIONER

ATTEST:


SECRETARY



GUD NO. 10764

EXHIBIT A

Schedule A

ATMOS ENERGY CORP., ATMOS PIPELINE - TEXAS
2017 RIDER REV CALCULATION WITH MDQ TIMING ADJUSTMENT
REVIEW PERIOD ENDING JUNE 30, 2017

| Line No | Revenue Adjustment Amount | Total | CGS | PT |
|---------|---|-----------------|---------------|--------------|
| | (a) | (b) | (c) | (d) |
| 1 | Other Revenue Per GUD 10000 (1) | \$ 83,723,392 | | |
| 2 | Less: Other Revenue - July 1, 2016 to June 30, 2017 (2) | 76,888,048 | | |
| 3 | (Increase)/Decrease in Other Revenue (Ln 1 - Ln 2) | \$ 6,835,344 | | |
| 4 | Times 75% Sharing Factor (3) | 75.0% | | |
| 5 | Other Revenue Adjustment Amount (Ln 3 x Ln 4) | \$ 5,126,508 | | |
| 6 | | | | |
| 7 | | | | |
| 8 | <u>Rider REV Rate Adjustment</u> | Total | CGS | PT |
| 9 | Other Revenue Allocations per GUD 10000 (4) | \$ 83,723,392 | \$ 81,297,894 | \$ 2,425,498 |
| 10 | Other Revenue Allocation Percentages from GUD 10000 (5) | | 97.10% | 2.90% |
| 11 | Other Revenue Adjustment Shares (Ln 11 Col (b) times Ln 10 Cols (c) & (d)) | \$ 5,126,508 | \$ 4,977,991 | \$ 148,517 |
| 12 | Adjustment for MDQ Timing | (339,727) | (326,794) | (12,932) |
| 13 | Other Revenue Adjustment Shares including Refund (Ln 11 + Ln 12) | \$ 4,786,781 | \$ 4,651,197 | \$ 135,585 |
| 14 | Monthly Class MDQ as of June 30, 2017 (WP_A-2, Lns 3+13, 93) | | 2,869,763 | 134,080 |
| 15 | Annual Rider REV Adjustment (Ln 13 / Ln 14) | \$ | 1.6208 | \$ 1.0112 |
| 16 | Divided by 12 Months | | 12 | 12 |
| 17 | Monthly Rider REV Capacity Charge Adjustment (Ln 15 / Ln 16) | \$ | 0.1351 | \$ 0.0843 |
| 18 | | | | |
| 19 | Base Capacity Charge CGS - Mid-Tex (6) | \$ | 9,8017 | |
| 20 | Base Capacity Charge CGS - Other (6) | \$ | 8,9883 | |
| 21 | Base Capacity Charge Rate PT (6) | | \$ | 4,7591 |
| 22 | | | | |
| 23 | Adjusted Capacity Charge CGS - Mid-Tex | (Ln 17 + Ln 19) | | |
| 24 | Adjusted Capacity Charge CGS - Other | (Ln 17 + Ln 20) | \$ 9,9368 | |
| 25 | Adjusted Capacity Charge Rate PT | (Ln 17 + Ln 21) | \$ 9,1234 | |
| 26 | | | \$ | 4,8434 |
| 27 | Notes: | | | |
| 28 | (1) GUD 10000, Final Order, Schedule A-1, Col (c), Ln 9 | | | |
| 29 | (2) See WP_A-1, Col (p), Ln 43 | | | |
| 30 | (3) GUD 10000, Final Order, Finding of Fact #110 | | | |
| 31 | (4) GUD 10000, Final Order, Schedule J, Ln 12 | | | |
| 32 | (5) GUD 10000, Final Order, Schedule H-4.1, Ln 6 | | | |
| 33 | (6) The Base Capacity Charge includes changes in GRIP. Please see the Rellied Upon file "Base Capacity Charge Tracking.xlsx" for more detail. | | | |
| 34 | | | | |

GUD NO. 10764

EXHIBIT B

Audit Number 18-134

CHRISTI CRADDICK, CHAIRMAN
RYAN SITTON, COMMISSIONER
WAYNE CHRISTIAN, COMMISSIONER



KARI FRENCH
DIVISION DIRECTOR
EDWARD D. ABRAHAMSON
DIRECTOR, UTILITY AUDIT SECTION

RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
GAS SERVICES DEPARTMENT

August 31, 2018

Mr. Charles R. Yarbrough
Vice President, Rates & Regulatory Affairs
Atmos Pipeline - Texas
5420 LBJ Freeway, Suite 1600
Dallas, Texas 75240

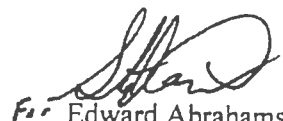
RE: **Audit Number 18-134**
Special Audit – Rider Rev
Refer to Audit Number 18-134 in all
correspondence concerning this audit.

Dear Mr. Yarbrough:

Our auditors, Josh Settle, and Yolandra Davis, contacted you and your representative, Ms. Sharon Whiting, Project Manager, Rates and Regulatory Affairs, on August 20, 2018, through August 23, 2018, and conducted an audit of your **transmission** system in accordance with requirements of rules promulgated under the authority of *Tex. Util. Code, §§ 101.001. et. seq.* The audit tested the accuracy of the information and calculations reflected in the 2018 filing of the Atmos Pipeline – Texas proposed Rider Rev revenue adjustment tariff under Gas Utilities Docket No. **10764**. Based on the findings of this audit there were no violations noted.

If you have any questions concerning this audit, please contact Josh Settle at Josh.Settle@rrc.texas.gov, or (817) 882-8966, the Commission's Fort Worth district office.

Sincerely,


Edward Abrahamson
Director, Utility Audit

EA/sc

cc: Josh Settle
Senior Auditor/Fort Worth

Market Oversight Section

RAILROAD COMMISSION OF TEXAS

Christi Craddick, Chairman
Ryan Sitton, Commissioner
Wayne Christian, Commissioner

INTERNAL
Oversight and Safety Division
Kari French, Division Director
Gas Services
Edward D. Abrahamson
Director, Utility Audit

Audit Number 18-134

August 31, 2018

Mr. Edward Abrahamson
Director, Utility Audit
Railroad Commission of Texas
Gas Services Department
P. O. Box 12967
Austin, Texas 78711-2967

RE: Rider Rev Audit
Atmos Energy Corporation,
Atmos Pipeline Texas
5420 LBJ Freeway, Suite 1600
Dallas, Texas 75240

Dear Mr. Abrahamson:

Josh Settle and Yolandra Davis performed a special Rider Rev audit on Atmos Energy Corporation, Atmos Pipeline Texas (Atmos PT) on August 20 – August 23, 2018. The audit was done at the utility's main offices located in Dallas, Texas. This audit verified the 2018 Rider Rev Calculation, which maintains the approved allocation of revenues between non-regulated earnings and those revenues earned from customers regulated by the Commission as per GUD Docket No. 10580 and the following related Rider Rev Docket 10764.

Atmos PT is a division of Atmos Energy Corporation whose headquarters are located in Dallas Texas. The utility serves as a transportation system for seven city-gate distribution customers and nearly 400 transport, compression, and storage, parking and blending customers. The transmission utility owns and operates approximately 6,000 miles of pipeline and several storage facilities. The utility pipeline reaches 111 counties in the State of Texas. The utility brings gas to North Texas from the three major natural gas hubs in Texas, the Waha, Carthage, and Katy terminals. The Atmos PT pipelines run from North Texas to far West Texas and Southeast to the Gulf Coast area. The gas is then brought North Texas area where it is used by gas consumers served by its customers. The utility provides both intrastate and NGPA Section 311 interstate related services to customers using its system.

by its customers. The utility provides both intrastate and NGPA Section 311 interstate related services to customers using its system.

During this audit various records were made available to complete the audit. Atmos provided the audit staff with 2018 Rider Rev Calculation Report, General Ledger, Trial Balance, Utility work papers, and customer invoices.

Atmos has two types of basic service rates that are charged to its regulated city-gate customers. The largest customer is the utility's affiliate Atmos Mid-Tex the largest burner tip utility in Texas. These rates are noted as Rate CGS Mid-Tex. The Mid-Tex rates are under a Commission regulated transportation agreement for City Gate Service to the Local Distribution Company (LDC) i.e. Atmos Mid-Tex who is connected to the Atmos Pipeline -Texas System for the transportation of all-natural gas supplied by Customer to a Point or Points of Delivery. There is another group of Rate CGS customers served by the utility that are known as Rate CGS Other. This rate is for customers who qualify as a local distribution company that are not affiliated with Atmos Mid-Tex. All customers in the CGS class receive the same type of service. The service provided is the provision of firm transportation and storage of natural gas for use by the Local Distribution Companies. In locations where gas service of the quantity and type required by LDC is not already available at a Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished at such Point of Delivery.

The CGS customers are charged rates for gas services monthly. The rate charged to these customers will be calculated by adding the Monthly Customer Charge and Usage. The Monthly Customer Charge each month will be equal to the Capacity Charge, as adjusted, multiplied by the Customer's Maximum Daily Quantity (MDQ) as set forth in the Transportation Agreement between Customers and the Company. Total Usage Charges each month will be equal to the Usage Charge multiplied by the volume of gas delivered to Customer by Company during such month. The rates charged to Rate CGS customers also contain an Interim Rates Adjustment (IRA) that was approved under GUD Docket No. 10764. The chart below lists the current rates charged and the proposed rates to Rate CGS Mid-Tex and then Rate CGS Other that would include the 2018 Rider Rev adjustment.

Rate CGS Mid-Tex

| Charge | Amount |
|--|-------------------------------------|
| Capacity | \$ 9.43303 per MMBtu of MDQ |
| Capacity Charge related to Mid-Tex Working Gas | \$0.38317 per MMBtu of MDQ |
| Annual Rider REV Adjustment | \$ (0.60053) per MMBtu of MDQ |
| Interim Rate Adjustment ("IRA") | \$ 1.91376 per MMBtu of MDQ |
| Total Capacity Charge | \$ 11.12943 per MMBtu of MDQ |
| Usage | \$ 0.02785 per MMBtu |

Rate CGS Other

| Charge | Amount |
|---------------------------------|-------------------------------------|
| Capacity | \$ 9.43303 per MMBtu of MDQ |
| Annual Rider REV Adjustment | \$ (0.60053) per MMBtu of MDQ |
| Interim Rate Adjustment ("IRA") | \$ 1.91376 per MMBtu of MDQ |
| Total Capacity Charge | \$ 10.74626 per MMBtu of MDQ |
| Usage | \$ 0.02785 per MMBtu |

The third group of regulated customers is Pipeline Transportation (Rate PT) customers served by Atmos PT. The utility has a transportation agreement, for customers directly connected to the Atmos PT System for the transportation of all-natural gas supplied by Customer or Customer's agent for delivery to Customer at one Point of Delivery. These cannot be city gate users although they may receive the same types of service. The rates to Rate PT customers also contain an Interim Rates Adjustment (IRA) that was approved under GUD Docket No. 10764. The chart below lists the current rates charged and the proposed regulated rates to Rate PT customers

Rate PT

| Charge | Amount |
|---------------------------------|------------------------------|
| Capacity | \$ 4.8361 per MMBtu of MDQ |
| Annual Rider REV Adjustment | \$ (0.4447) per MMBtu of MDQ |
| Interim Rate Adjustment ("IRA") | \$ 1.05029 per MMBtu of MDQ |
| Total Capacity Charge | \$ 5.44263 per meter |
| Usage | \$ 0.01325 per MMBtu |

A sample of the utility's contracts were reviewed and briefed during the audit to test their compliance with the rates denoted in the prior paragraphs. First among the contracts to be reviewed was the contract with Atmos Mid-Tex Division, this is Atmos PT's affiliate and its largest CGS customer. Atmos PT has separate third party group of customers that fall in the same CGS class as Atmos Mid-Tex that receive the same rates with exception of a Capacity Charge that is charged to Mid-Tex only. Three of the six current Other CGS customer contracts were reviewed by audit staff. The remainder of the contract sample focused on the rates charged to customer under the approved rate for this group known as Pipeline Transportation customer who receives a docketed rate from Atmos PT for services provided.

When GUD Docket 10580 was approved it was determined that the cost of transmission and storage was primarily caused by the need to supply the City Gate user's service. Therefore, it was determined that this cost should not be overly borne by the Other Revenue customers served by the utility. These customers have rates charged for service that are under competitive contracts between Atmos PT and individual customers who contract with the utility for use of all its numerous services. A method of treating these revenues as a revenue credit was determined to prevent the unnecessary allocation of cost to these customers. GUD Docket 10580 determined that the utility could recover Other Gas Revenues of \$69,411,586.00 during the Rider Rev calculation period 12 months ending on June 30, 2018. The utility's report filed with the Commission stated that the utility had collected \$98,317,086.00 in Other Gas revenues, thus this over-collection will require Atmos PT to apply a credit against the regulated revenues earned by the utility from Rate CGS Mid Tex, Rate CGS Other, and regulated Rate PT industrial transportation customers. The adjusted overage amount of \$4,862,276.00 is 75% of \$28,905,500.00 the total amount over-collected as per the formula stated in the following paragraphs.

The basic formulation of the Rider Rev Calculation that will apply to revenues earned from these customer classes, Rate CGS – Mid-Tex, Rider CGS - Other and Rate PT follows the following format. The final order for GUD Docket 10580 states that effective each November 1, rate schedules subject to this Rider will be adjusted based on the change in: (1) the level of Other Revenue for the twelve-month period from July 1 of the prior year through June 30 of the current year from (2) the level of Other Revenue credited to the total cost of service in GUD Docket No. 10580. Seventy-five percent of the difference between (1) and (2) less revenue related taxes shall be allocated to the Rate CGS class and the Rate PT class in the same proportion as the Other Revenue was allocated to each class in GUD Docket No. 10580. This is as determined from the dollar amounts for Other Revenue Credit on Schedule J to the Final Order in GUD No. 10580, Columns (d) and (e), Line 6 for each class, respectively, as compared to the Total System Other Revenue Credit on Schedule J, Column (c), Line 6. The allocated portion of the difference in Other Revenue for each class shall be divided by the then current MDQ for such class, and 12 to calculate a monthly amount shall divide that result. The resulting amount shall be added to or subtracted from the capacity charge for each class. This rider rev filing Atmos has filed of a Schedule A with an Adjustment for MDQ as CGS MDQ can only once per annum on November 1. So, the utility states because at the time each Rider REV filing is made, the Company uses the most current customer MDQs on WP_A-2. Pursuant to APT's contracts with its Rate CGS customers, any change in a customer's MDQ due to annual reviews takes effect on November 1st of each year. In addition, existing Rate PT customers may have a change in their MDQ at various times during a year. Furthermore, new Rate CGS or Rate PT customers may initiate service at any time during a year and any existing Rate CGS or Rate PT customers may terminate their contracts during a year. Typically, the most notable changes are related to MDQ changes for Mid-Tex and CoServ. The differences between the MDQs utilized to calculate any year's Rider REV Adjustment and the MDQs in effect for billing during the twelve months following each November 1st can result in over or under recoveries of the approved revenue adjustments. The Adjustment for MDQ Timing on Line 12 of Schedule A corrects for any over or under recovery during the prior Rider REV year.

Based on the format stated above the utility determines and files its annual Rider calculation no later than August 15th of each year, the utility has filed with the Commission an "Other Revenue Adjustment" Rider Rev Report that was required to show the following:

1. The actual Other Revenue billed by Atmos PT during the twelve-month period from July 1 of the prior year through June 30 of the current year by FERC Account;
2. A listing of the customers in the Other Revenue class by coded reference showing monthly volumes and monthly revenues for each customer;
3. The then current MDQ for each class (CGS and PT);
4. The Other Revenue allocation percentages for each class
5. The calculations described in the Adjustment Mechanism Section of this Rider REV (like the attached illustrative schedule) and supporting schedules;
6. A confidential cross-reference listing of the Customer codes and names (for Railroad Commission Staff only);
7. A statement on whether the proposed adjustment would generate additional revenue of more than 2 ½% of Atmos Pipeline – Texas' annual per books revenue for the twelve-month period ending on June 30 of the current year; and
8. Proposed tariffs showing the proposed adjusted rates.

The audit reviewed the actual Other Revenue billed out by Atmos PT during the 12-month reporting period. Verification of all Other Revenue was done by scheduling each of the sub accounts that are included in the four revenue FERC Accounts. The largest account is FERC Account 489.2 Revenues from Transportation of Gas of followed by storage related income that was reported in FERC account 489.4 Revenue from Storage Gas of Others. Atmos PT also generated revenues from selling incidental gasoline produced from its operations, which was reported in FERC Account 492 Incidental Gasoline Sales. Finally, the utility reported revenues from FERC account 495 Other Gas Revenues. A list of the FERC Accounts and their subsidiary sub accounts can be found in the audit work papers on page 13. When reporting Other Revenues to be used in Schedule A the utility adjusted for prior periods and such. Atmos did this by applying journal entries and accrual adjustments, reversed out estimates and removed Gas Utility Taxes paid during the period to come up with the final amount of \$98,317,086.00. The audit did the same and verified these adjustments via the general ledger. The audit put special emphasis on FERC Account 489.2 Sub Accounts 31372 and 31373 Industrial Transportation (Transport gas for Industrial end users) as this contained both regulated Rate PT customers and non-regulated competitive rate customers. This was done to make sure no revenue fell into the wrong revenue class. Atmos PT reported all volumes in MMBtu based on these specific reports supplied by the utility.

Mr. Edward Abrahamson
August 27, 2018
Page 6 of 7

The audit specifically reviewed FERC Account 489.2, sub-accounts 31372 and 31373, Industrial Transportation, as reported on Page WP_A-1, Pages 1 and 2 of the 2018 Rider REV Calculation filing. Primary source documents for the review included the utility's general ledger, trial balance, and customer invoices. Secondary verification documents reviewed were the utility's work papers, detail journal, and the 2018 Rider Rev Calculation Report. The utility reported revenue in Transmission/Compression Revenue, FERC Account 489.2, sub-accounts 31372 and 31373 of \$13,169,923.00 during the test year ended June 30, 2018, for all regulated industrial customers. The audit confirmed this information by reviewing actual invoices for several customers and the utility's general ledger. No discrepancies were noted between the reported totals and the audit totals for the test year. Included in FERC Account 489.2, sub-account 31220 was non-regulated revenue for competitive contracts and plant protection fees. The utility reported this non-regulated revenue as \$2,395,914.00 on Page WP_A-1, Page 2 and Page WP_A-3 Page 2. The audit confirmed this amount and no discrepancies were noted between the reported totals and the audited non-regulated revenue. The audit reviewed customer invoices and the utility general ledger to verify the amount reported. No discrepancies were noted between the reported totals on Page WP_A-2 Page 2 and the audited totals for test year ended June 30, 2018.

Atmos PT met the requirement for step two of the report requirement by filing Schedule C and D. Schedule C shows the Other Revenues earned by customers that are deemed to be non-regulated revenue activity. Assigned numbers that are contained in a confidential customer cross-reference that shows each customers number and actual contractual name identifies each of these customers. Based on the same format Schedule D shows the volumes from non-regulated activity by customer. The audit verified by customer samples the volumes and the revenue reported in these two schedules. Pages WP_A-1, Pages 1 and 2 of the 2018 Rider REV Calculation was reviewed by all sub accounts as with the inclusion of adjustments for estimates, journal entries, accruals and gas utility tax.

When filing the 2018 Rider Rev Calculation Report Atmos PT staff did included a work paper showing each regulated customer's contracted monthly Maximum Daily Quantity (MDQ) as of June 30, 2018, which is required to determine the capacity charge to each of three classes Rate CGS Mid-Tex, CGS Other, and PT customers. This capacity charge is where the Rider Rev Capacity charge adjustment will be applied to the Base Capacity charge. The audit verified a sample of customer contracts to determine the current MDQ and requested and received a list of customers whose MDQ changed since the approval of GUD Docket 10580.

The Other Revenue allocation percentages for each class was determined in GUD Docket 10580 based on the Total Revenue Requirement needed to cover the operating expenses and the allowable rate of return allowed by the docket. The docket determined that the Rate CGS class of customer would be required to incur 96.71% of the revenue requirement while Rate PT customers would shoulder 3.29% percent of the requirement. When the adjusted Other Revenue increase or decrease was determined and adjusted down to 75% of its total amount to a \$21,679,125.00 decrease below the allowable Other Revenue per Docket 10580, it is then prorated between the revenue classes and then divided by the total MDQ for Rate CGS and Rate PT classes. This resulted

Mr. Edward Abrahamson
August 27, 2018
Page 7 of 7

in an average annual Rider Rev Adjustment of \$(7.20633) per unit for Rate CGS and \$(5.33369) for Rate PT customers. These amounts are then divided by 12 to determine the monthly Rider Rev capacity charge to determine the monthly adjustment to the capacity charge to regulated customers. Therefore, Rate CGS customers receive a monthly credit of \$(0.60053) per MMBtu of MDQ while Rate PT customers received a monthly credit adjustment of \$(0.44447) per MMBtu of MDQ.

Atmos PT provided a confidential cross-reference listing of the Customer Number and names to be seen by Commission staff only. This was verified against the original confidential cross-reference filed with the 2017 Rider Rev filing to determine if any of the customers had changed from regulated to non-regulated or account for customers who had become inactive or fallen from the customer rolls since the filing of the docket. An analysis was done and found that all customer who were not on the original list had fallen off for acceptable reasons or had been inactive during the 12-month period up to June 30, 2018.

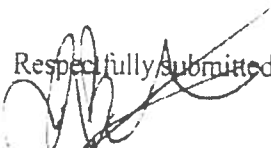
Finally, a statement was filed on whether the proposed adjustment would generate an additional revenue affect of more than 2 ½% of Atmos Pipeline – Texas' annual per books revenue for the twelve-month period ending on June 30 of the calculation year. The audit divided the adjusted Other Revenue decrease in the amount of \$21,679,125.00 by the total audited booked revenue of \$476,200,976.00 This resulted in a Rider REV percentage Increase (Decrease) of (4.55) %. Therefore the amount to be credited is fully allowable in addition to meeting these requirements for filing the 2018 Rider Rev Calculation Report, Atmos PT included the proposed tariffs showing the proposed adjusted rates. In addition to the Rider Rev adjustment, the capacity charge will then be adjusted for any Interim Rate Adjustments approved by the Commission after the issuance of the Final Order in GUD Docket No. 10764. Adjustment Review.

In conclusion, no violations were noted during this special audit of Atmos Pipeline Texas. Ms. Sharon Whiting, Project Manager, Rates and Regulatory Affairs provided all audit information. Ms. Whiting was informed of the audit findings, with Ms. Whiting choosing to agree with the audit results. All subsequent audit correspondence concerning this audit should be addressed to Mr. Charles Yarbrough, Vice President Rates and Regulatory at the utility's Dallas, Texas address noted at the beginning of this report.

Assisted by

Yolandra Davis
Senior Auditor/Fort Worth

Respectfully submitted,


Josh B. Settle
Senior Auditor/Fort Worth

JS

Attachments

cc: Stephen Cooper
Advising Auditor

RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION



SPECIAL AUDIT

UTILITY: Atmos Energy Corp., Atmos Pipeline - Texas
ADDRESS: 5420 LBJ Freeway, Suite 1600
Dallas, Texas 75240

Audit Number: 18-134

Audit Hours: 67

LOCATION:

Audit Period:

July 2017 - June 2018

Telephone: (214) 303-9134

Tax Quarters Reviewed:

Not Reviewed

Utility Classification, based on this audit:

Transmission

Date of Audit:

August 20 - 23, 2018

Section 1.0

Summary of Audit Violations Noted During this Audit:

No violations noted during this Rider Rev. Audit for 2018.

Company Representative (s) & Title (s)

- 1) Mr. Charles Yarbrough, Vice President of Rates and Regulatory
- 2) Ms. Barbara Myers, Manager, Rates and Regulatory Affairs
- 3) Ms. Sharon Whiting, Project Manager, Rates and Regulatory Affairs
- 4)

Audit Member (s)

- 1) Josh Settle, Senior Auditor 50
- 2) Yolandra Davis, Senior Auditor 17
- 3)
- 4)

Section 1.1

Representative's Acknowledgment

I acknowledge that the audit results were discussed with me during the exit interview. Each alleged violation, if any, has been brought to my attention and solutions to the problem area (s) have been considered. After review, I (please check only one of the boxes below) ☒ with the audit results

Agree ☒

Disagree ☐

Remain Uncommitted ☐

Representative's Signature

PROJECT MANAGER
Title

Lead Auditor's Signature

August 23, 2018
Date Recapped

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

DATE 8/23/18

BY JS

Atmos Energy Corp., Atmos Pipeline - Texas

Section 1.2

Summary of Previous (Related) Audit

Audit Number: 17-129

Type of Audit: Special - Rider Rev

Violations Cited: Requirement: Tex. Util. Code, § 102.151; 16 T. A. C. § 7.315

(1) Utility did not file tariff amendments. Utility failed to amend Tariff No. 26024 to reflect customer name change.

Fully abated prior on October 11, 2017

Section 1.3

General Information

- 1) Does this audit find any "REPEAT" violations ? ☐ Yes ☒ No
- 2) How many T-4 Permits to Operate a Pipeline does this gas utility have ? Not Reviewed
- 3) Does this gas utility operate any pipeline associated with past condemnation? ☐ Yes ☐ No
- 4) Does this gas utility have activity governed by the NGPA § 311 ? ☐ Yes ☐ No
- 5) Does this gas utility make sales or transport deliveries to a City Gate/Town Border ? ☐ Yes ☐ No

If yes, list towns/locations: Either type "N/A" or list the locations

- 6) Does this gas utility conduct business with affiliates? ☐ Yes ☐ No

If yes, mark all that apply:

☐ Purchases, ☐ Sales, ☐ Transportation, ☐ Storage, ☐ Other

Remarks: General Information not reviewed during this audit.

RAILROAD COMMISSION OF TEXAS OVERSIGHT AND SAFETY DIVISION

DATE 8/23/18

BY JS

Atmos Energy Corp., Atmos Pipeline - Texas

OTHER REVENUES For Rider Rev Purposes - Docket No. 10580

| Revenue Adjustment Amount | Total | CGS | PT |
|--|---------------------|----------------|-------------|
| (a) | (b) | (c) | (d) |
| 1 Other Revenue per GUD 100580 (Note 1) | \$69,411,586 | | |
| 2 Less: Other Revenue - July 1, 2017 to June 30, 2018 (Note 2) | \$98,317,086 | | |
| 3 (Increase) Decrease in Other Revenue Line 1 - Line 2 | (\$28,905,500.00) | | |
| 4 Times 75% Sharing Factor (Note 3) | 75% | | |
| 5 Other Revenue Adjustment Amount | (\$21,679,125.00) | | |
| 6 | | | |
| 7 | | | |
| 8 Rider Rev Rate Adjustment | Total | CGS | PT |
| 9 Other Revenue Allocations Per GUD 10580 (Note 1) | \$69,411,586 | \$67,126,514 | \$2,285,072 |
| 10 Other Revenue Allocation Percentages | | 96.7079% | 3.2921% |
| 11 Other Revenue Adjustment Shares (Ln 11 Col (b) x Ln 10 Cols (c) & (d) | (\$21,679,125) | (\$21,365,125) | (\$313,998) |
| 12 Adjustment for MDQ Timing (WP_A-1, Line 18) | (\$4,975,000) | (\$6,240,000) | \$20,305.00 |
| 13 Other Revenue Adjustment Shares (Line 11 + Line 12) | (\$21,724,100) | (\$21,085,705) | (\$502,393) |
| 14 Monthly Class MDQ as of June 30, 2018 (WP_A-2, Lns 3-13, 91) | | 2,918,366 | 130,001 |
| 15 Annual Rider Rev Adjustment (Ln 13 - Ln 14) | | (\$7,2062) | (\$5,3338) |
| 16 Divided by 12 months | | 12 | 12 |
| 17 Monthly Rider Rev Capacity Charge Adjustment (Ln 15 - Ln 16) | | (\$6,0005) | (\$9,4445) |
| 18 | | | |
| 19 Base Capacity Charge CGS-Mid-Tex (Note 4) | | \$11,7300 | |
| 20 Base Capacity Charge CGS-Other (Note 4) | | \$11,3468 | |
| 21 Base Capacity Charge Rate PT (Note 4) | | | \$3.8871 |
| 22 | | | |
| 23 Adjusted Capacity Charge CGS-Mid-Tex | (Line 17 + Line 19) | \$11,1294 | |
| 24 Adjusted Capacity Charge CGS - Other | (Line 17 + Line 20) | \$10,7463 | |
| 25 Adjusted Capacity Charge Rate PT | (Line 17 + Line 21) | | \$5.4426 |

Note 1: GUD 10580, Columns (d) and e, Line 6, per the Rider Rev Tariff, Adjustment Mechanism Section, the dollar amounts for Other Revenue are from Schedule J to the Final Order.

Note: 2 See WP_A-1, Col (p), Ln 43.

Note: 3 GUD No. 10580, Final Order, Finding of Fact No. 105.

Note: 4 The Base Capacity Charge includes changes in GRIP and the Impact of Tax Reform.

(A) - CGS Mid-Tex Per MMBtu: Capacity Charge \$9.43303; Capacity Charge Mid-Tex Working Gas \$0.38317
Annual Rate Adj \$(0.60053); Interim Rate Adjustment \$1.91376 for a Total Capacity Chg. of \$1
(B) - CGS Other Per MMBtu: Capacity Charge \$9.43303; Annual Rate Adj \$(0.60053);
Interim Rate Adjustment \$1.91376 for a Total Capacity Chg. of \$10.74626
(C) - CGS PT Per MMBtu: Capacity Charge \$4.83681; Annual Rider Rev Adj. \$(0.4445)
Interim Rate Adjustment \$1.05029 for a total of \$5.44263

Capacity charge of \$0.02785 per MMBtu for Mid-Tex and Other; Capacity charge of \$0.01325 for PT class

Note 5: MDQs verified by a review of sample contracts

of Percentage Increase (Decrease)

| | |
|---|-------------------|
| A Total Atmos Pipeline - Texas Revenue from Audit Workpapers Pages 6-12 | \$476,200,974.97 |
| B Other Revenue Adjustment Amount (Line 5 above) | (\$21,679,125.00) |

Rider Rev Percentage Increase/Decrease (Ln B - Ln A) -4.55%

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION**

DATE 1/23/18

BY JS

Atmos Energy Corp., Atmos Pipeline - Texas

**Recoveries of Rider REV Revenue GUD No. 10540 Approved Amount to Account for MDQ Timing
November 2016-October 2017**

| | Rate CGS | Rate PT | Total |
|--|-----------------|---------------|-----------------|
| GUD No. 10540 Approved Amount (Note 1) | \$ 4,721,705.00 | \$ 140,871.00 | \$ 4,862,576.00 |

| Recoveries | | | |
|---|-------------------|----------------|-------------------|
| November, 2016 | \$ (393,604.15) | \$ (10,399.65) | \$ (404,003.80) |
| December, 2016 | (399,387.49) | (10,392.03) | (409,779.52) |
| January, 2017 | (399,387.49) | (10,392.03) | (409,779.52) |
| February, 2017 | (399,387.49) | (10,389.45) | (409,776.94) |
| March, 2017 | (399,387.49) | (9,957.29) | (409,344.78) |
| April, 2017 | (399,387.49) | (10,009.09) | (409,396.58) |
| May, 2017 | (399,471.01) | (9,844.29) | (409,315.30) |
| June, 2017 | (399,394.45) | (9,569.33) | (408,963.78) |
| July, 2017 | (399,394.45) | (9,964.25) | (409,358.70) |
| August, 2017 | (399,394.45) | (9,905.79) | (409,300.24) |
| September, 2017 | (399,394.45) | (9,961.29) | (409,355.74) |
| October, 2017 | (399,394.45) | (9,781.84) | (409,176.29) |
| Total Recoveries GUD No. 10540 | \$ (4,786,984.86) | | \$ (4,786,984.86) |
| Overcollection of Approved Amount GUD No. 10540 | \$ (65,279.86) | #VALUE! | #VALUE! |

Note1: The total amount in Line 1 was approved in the Final Order in GUD No. 10540 issued October 11, 2016, Finding of Fact No. 40.
The amounts for Rate CGS and PT are on Exhibit A.

RAILROAD COMMISSION OF TEXAS OVERSIGHT AND SAFETY DIVISION

Atmos Energy Corp., Atmos Pipeline - Texas

10/10 5:21a
03 N

Recoveries of Rider REV Revenue GUID No. 10580 per
Base Capacity Charge Tracking

| Lane No | Rate Schedule (a) | Capacity Charge Per MDQ GUID 10580 (b) | Working Gas In Storage (c) | Final Order GUID 10580 (d) | 2016 IRA GUID 10652 (e) | 2016 IRA Adjustment GUID 10704 (f) | 2016 IRA GUID 10693 (g) | Has Reform Impact on GUID 10580 GUID 10718 (h) | Total GUID 10580 Plus GRIP Filings (i) | 2017 Rider Rev Adjustment (j) | Total GRIP Plus Current Rider Rev (k) | Reverse 2017 Rider Rev (l) | 2017 Rider Rev Adj. GUID No 10580 Tunoff (m) | Adjusted Capacity Charge (n) | 2018 Rider Rev Adj Propo sed Tunoff (o) | Memo Adjusted Capacity Charge with Proposed Tunoff (p) |
|---------|----------------------|--|-------------------------------------|----------------------------------|----------------------------------|--|----------------------------------|--|---|--|--|-------------------------------------|---|---------------------------------------|---|--|
| 1 | Rate CUS - Ndu-1ex | \$ 10 20461 | \$ 0 43604 | \$ 10 64155 | \$ 0 81992 | \$ (0 07890) | \$ 1 17274 | \$ (0 82535) | \$ 11 73006 | \$ 0 13510 | \$ 11 86506 | \$ (0 13510) | \$ (0 00053) | \$ 11 12941 | \$ (0 00053) | \$ 11 12941 |
| 2 | Rate CUS - Other | 10 20461 | - | 10 20461 | 0 81992 | (0 07890) | 1 17274 | (0 77158) | 11 34679 | 0 13510 | 11 48189 | (0 13510) | (0 60053) | 10 74626 | (0 60053) | 10 74626 |
| 3 | Rate P1 | 5 40962 | - | 5 40962 | 0 41672 | (0 04009) | 0 67366 | (0 02281) | 5 88710 | 0 02430 | 5 97140 | (0 08810) | (0 44447) | 5 44263 | (0 44447) | 5 44263 |
| 4 | Reference | | | | | | | | (d-e+f+g+h) | | (i+j) | | | (k+l+m) | | (k+l+o) |

Above is the formula applied by Atmos Pipeline - Texas staff to determine the base charges noted on Lines 19, 20 and 21 of Schedule A of the Rider Rev filing

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

DATE: 12/14
BY: J.S.

Atmos Energy Corp., Atmos Pipeline - Texas

Section 3.0

**GAS OPERATING REVENUES
For Rider Rev Purposes**

FISCAL YEAR JULY 2017 THROUGH JUNE 2018

| Accounting Month | | Sub Account 31320 Gas Utility Tax | | Sub Account 31323 Electric Gen-311 | | Sub Account 31324 Parking Transp Rev-311 | | Sub Account 31325 LDC Trans - 3rd Parties | |
|---------------------|----|--------------------------------------|-----------------------|---------------------------------------|---------------------|---|-------------------|--|------------------------|
| | | FERC ACCT No 489.2 | | FERC ACCT No 489.2 | | FERC ACCT No. 489.2 | | FERC ACCT No 489.2 | |
| | | NIMBtu | \$ Amount | NIMBtu | \$ Amount | NIMBtu | \$ Amount | NIMBtu | \$ Amount |
| July | 17 | | 188,535.82 | | 0.00 | | 808.00 | | 1,354,290.57 |
| August | | | 181,182.99 | | 0.00 | | | | 1,325,404.57 |
| September | | | 186,526.36 | 9,950 | 1,393.00 | | | | 1,413,177.71 |
| October | | | 189,843.79 | 0 | 0.00 | | | | 1,323,274.93 |
| November | | | 203,059.22 | 75,840 | 10,617.00 | | 1,182.00 | | 1,916,996.22 |
| December | | | 202,685.81 | 140,384 | 19,653.76 | | | | 1,921,528.33 |
| January | 18 | | 201,393.98 | 29,380 | 4,183.20 | | | | 1,955,325.31 |
| February | | | 199,965.43 | 1,008 | 141.12 | | | | 1,955,383.49 |
| March | | | 196,186.12 | 57,316 | 8,094.24 | | | | 1,836,868.95 |
| April | | | 204,907.87 | 85,532 | 11,977.28 | | | | 1,837,297.51 |
| May | | | 219,850.57 | 99,465 | 13,925.19 | | | | 1,864,306.95 |
| June | | | 217,919.95 | 367,377 | 55,866.10 | | | | 1,502,385.10 |
| Totals | | | <u>\$2,392,055.91</u> | <u>867,272</u> | <u>\$125,851.40</u> | <u>0</u> | <u>\$1,990.00</u> | <u>0</u> | <u>\$20,207,437.62</u> |
| Reported | | | \$2,392,056.00 | | \$125,851.00 | | \$1,990.00 | | \$20,207,438.00 |
| Difference | | | <u>(\$0.09)</u> | <u>867,272</u> | <u>\$0.40</u> | <u>0</u> | <u>\$0.00</u> | <u>0</u> | <u>(\$0.34)</u> |

Remarks: Reported totals taken from the 2018 Rider Rev Filing - Pages WP A-1 (Pages 1 and 2)

Source documentation: Trial Balance (Income Statement, Balance Sheet), 2018 Rider Rev Filing, Utility Work papers, Invoices

This audit schedule is only intended to test the accuracy of the amounts found in the above accounts.

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

DATE: 6/21/18
BY: JN

Atmos Energy Corp., Atmos Pipeline - Texas

Section 3.0

**GAS OPERATING REVENUES
For Rider Rev Purposes**

FISCAL YEAR JULY 2017 THROUGH JUNE 2018

| Accounting Month | | <i>Sub Account 31332</i> <i>Trans for Mid-Tex Rule CGS</i> | | <i>**Sub Account 31333</i> <i>Electric Generation</i> | | <i>Sub Account 31335</i> <i>Parking Transportation Revenue</i> | | <i>Sub Account 31336</i> <i>Lending Transportation Revenue</i> | |
|---------------------|----|---|-------------------------|--|------------------------|---|--------------------|---|--------------------|
| | | FERC ACCT. No. 489.2 | | FERC ACCT. No. 489.2 | | FERC ACCT. No. 489.2 | | FERC ACCT. No. 489.2 | |
| | | MMBtu | \$ Amount | MMBtu | \$ Amount | MMBtu | \$ Amount | MMBtu | \$ Amount |
| July | 17 | | 28,424,655.31 | 4,363,716 | 1,047,327.62 | | | | 0.00 |
| August | | | 27,761,429.52 | 6,742,176 | 1,010,277.23 | | 2,500.00 | | 0.00 |
| September | | | 29,514,689.55 | 5,750,092 | 588,026.28 | | 12,000.00 | | 0.00 |
| October | | | 27,708,841.87 | 3,029,161 | 635,700.83 | | 18,930.00 | | 0.00 |
| November | | | 31,665,216.50 | 2,892,981 | 467,103.86 | | | | 750.00 |
| December | | | 32,091,783.36 | 1,411,315 | 361,649.59 | | | | 0.00 |
| January | 18 | | 32,372,095.62 | 774,708 | 471,084.31 | | | | 0.00 |
| February | | | 32,180,984.01 | 2,159,742 | 191,156.00 | | 4,650.00 | | 0.00 |
| March | | | 30,395,627.55 | 2,322,420 | 521,684.10 | | | | 4,650.00 |
| April | | | 30,427,669.08 | 2,042,708 | 820,613.33 | | 2,581.00 | | 6,000.00 |
| May | | | 30,878,835.76 | 3,801,722 | 1,947,843.71 | | | | 4,131.00 |
| June | | | 24,875,349.46 | 8,503,918 | 1,940,302.71 | | 5,290.00 | | 3,048.00 |
| Totals | | 0 | \$358,297,177.59 | 42,794,659 | \$10,326,271.60 | | \$23,560.00 | | \$18,579.00 |
| Reported | | | \$358,297,178.00 | | \$10,326,273.00 | | \$23,560.00 | | \$18,579.00 |
| Difference | | 0 | (\$0.41) | 42,794,659 | (\$0.41) | | \$0.00 | | \$0.00 |

Remarks: Reported totals taken from the 2018 Rider Rev Filing - Pages WP 1-1 (Pages 1 and 2)

** Volumes taken from Schedule D (Pages 1-12)

Source documentation: Trial Balance (Income Statement, Balance Sheet), 2018 Rider Rev Filing, Utility Work papers, Invoices

This audit schedule is only intended to test the accuracy of the amounts found in the above accounts.

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Atmos Energy Corp., Atmos Pipeline - Texas

Date: 9/11/18
By: J.S.

Section 3.0

**GAS OPERATING REVENUES
For Rider Rev Purposes**

FISCAL YEAR JULY 2017 THROUGH JUNE 2018

| Accounting Month | | **Sub Account 31337 Pipeline | | **Sub Account 31338 Pipeline-311(A)(2)-Texas | | Sub Account 31340 Compress Rev-Transp Customers | | Sub Account 31341 Other Transport Related Rev | |
|---------------------|----|---|------------------------|---|------------------------|--|--------------------|--|-----------------------|
| | | FERC ACCT No 489.2 | | FERC ACCT No 489.2 | | FERC ACCT No 489.2 | | FERC ACCT No 489.2 | |
| | | MMBtu | \$ Amount | MMBtu | \$ Amount | MMBtu | \$ Amount | MMBtu | \$ Amount |
| July | 17 | 33,223,109 | 4,369,689.61 | 14,153,116 | 1,297,844.85 | | 2,325.00 | | 236,018.04 |
| August | | 29,077,819 | 3,741,490.62 | 13,214,346 | 1,417,118.10 | | 4,581.60 | | 193,331.32 |
| September | | 29,686,680 | 4,127,010.81 | 16,557,575 | 1,633,922.15 | | 3,423.65 | | 476,633.88 |
| October | | 33,935,412 | 5,571,163.29 | 16,154,308 | 1,890,099.53 | | 4,175.85 | | 490,413.18 |
| November | | 16,662,441 | 4,619,766.58 | 13,998,408 | 1,119,222.22 | | 3,920.00 | | 236,408.59 |
| December | | 29,058,372 | 3,776,568.52 | 16,659,307 | 1,650,470.73 | | 2,876.70 | | 183,746.38 |
| January | 18 | 25,187,413 | 3,530,092.33 | 15,800,573 | 1,656,497.56 | | 4,196.75 | | 213,766.47 |
| February | | 21,018,508 | 3,626,759.27 | 14,620,484 | 1,557,145.53 | | 2,503.65 | | 96,039.55 |
| March | | 24,842,020 | 5,151,914.54 | 12,343,275 | 2,364,814.88 | | 3,152.15 | | 111,789.26 |
| April | | 29,391,010 | 5,013,959.91 | 17,895,800 | 1,753,670.60 | | 4,321.95 | | 139,422.24 |
| May | | 27,291,771 | 6,421,646.34 | 18,494,054 | 3,576,183.47 | | 3,966.50 | | 208,755.57 |
| June | | 29,124,168 | 7,342,544.94 | 19,848,305 | 2,824,351.00 | | 3,609.75 | | 215,139.22 |
| Totals | | 351,988,723 | \$57,292,606.76 | 189,746,751 | \$22,741,450.84 | | \$43,253.55 | | \$2,135,798.40 |
| Reported | | | \$57,292,607.00 | | \$22,741,451.00 | | \$43,254.00 | | \$2,135,798.00 |
| Difference | | 351,988,723 | (\$0.24) | 189,746,751 | (\$0.16) | | \$45. | | \$0.40 |

Remarks: Reported totals taken from the 2018 Rider Rev Filing - Pages WP A-1 (Pages 1 and 2)

** Volumes taken from Schedule D (Pages 1-12)

Source documentation: Trial Balance (Income Statement, Balance Sheet), 2018 Rider Rev Filing, Utility Work papers, Invoices.
This audit schedule is only intended to test the accuracy of the amounts found in the above accounts.

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

DAVID: 8/2/18
10:00 AM

Atmos Energy Corp., Atmos Pipeline - Texas

Section 3.0

**GAS OPERATING REVENUES
For Rider Rev Purposes**

FISCAL YEAR JULY 2017 THROUGH JUNE 2018

| Accounting Month | Sub Account 31372 Ind Trans - Regulated* | | **Sub Account 31373 Ind Trans - Other R | | **Sub Account 31376 Other Revenue-Operating Fee Intra | | **Sub Account 31378 Ind Trans-Other Rev-Non-Taxable | |
|---------------------|---|-------------------------|--|-----------------------|--|--------------------|--|---------------------|
| | FERC ACCT No 489 2 | | FERC ACCT No 489 2 | | FERC ACCT No 489 2 | | FERC ACCT No 489 2 | |
| | MMBtu | \$ Amount | MMBtu | \$ Amount | MMBtu | \$ Amount | MMBtu | \$ Amount |
| July | 17 | 719,368.76 | 1,331,544 | 305,696.92 | 3,370.371 | 9,341.11 | 22,248 | 25,716.54 |
| August | | 877,291.89 | 1,480,504 | 315,936.61 | 3,072.982 | 9,488.95 | 22,557 | 25,883.43 |
| September | | 812,316.84 | 1,064,745 | 154,163.13 | 3,019.381 | 7,418.14 | 24,303 | 199,631.34 |
| October | | 774,382.51 | 1,282,764 | 315,981.69 | 1,181.306 | 1,295.92 | 25,504 | 30,549.52 |
| November | | 814,827.63 | 1,102,818 | 185,079.32 | 436.614 | 1,129.84 | 25,413 | 25,067.42 |
| December | | 931,246.98 | 1,148,599 | 241,105.20 | 351.706 | 2,915.11 | 24,902 | 23,173.36 |
| January | 18 | 870,262.31 | 1,419,173 | 308,161.31 | 1,028.546 | 17,830.60 | 28,424 | 35,440.11 |
| February | | 848,371.09 | 1,288,290 | 215,617.76 | 1,656.821 | 90.47 | 29,987 | 35,591.19 |
| March | | 849,985.43 | 1,313,791 | 327,171.31 | 102.548 | 4,567.64 | 28,886 | 40,125.97 |
| April | | 801,815.83 | 1,312,760 | 210,119.62 | 1,421,289 | 2,273.87 | 27,633 | 173,374.82 |
| May | | 723,958.44 | 1,329,217 | 816,151.74 | 1,027,469 | 8,032.41 | 35,030 | 35,030.00 |
| June | | 672,928.20 | 1,927,373 | 61,332.26 | 2,295.378 | 5,866.14 | 33,335 | 34,409.34 |
| Totals | | 0 \$9,696,755.91 | 16,202,581 | \$3,473,167.17 | 19,194.411 | \$65,948.20 | 326,032 | \$563,161.91 |
| Reported | | \$9,696,756.00 | | \$3,473,167.00 | | \$65,948.00 | | \$563,162.00 |
| Difference | | 0 (\$0.09) | 16,202,581 | \$0.17 | 19,194.411 | \$0.20 | 326,032 | \$0.09 |

Remarks: Reported totals taken from the 2018 Rider Rev Filing - Pages WP A-1 (Pages 1 and 2)
 *Volumes taken from the Rate PT and CGS Ledger Reconciliation
 ** Volumes taken from Schedule D (Pages 1-12)

Source documentation: Trial Balance (Income Statement, Balance Sheet), 2018 Rider Rev Filing, Utility Work papers, Invoices
 This audit schedule is only intended to test the accuracy of the amounts found in the above accounts.

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

DATE: 4/21/18
BY: JS

Atmos Energy Corp., Atmos Pipeline - Texas

Section 3.0

**GAS OPERATING REVENUES
For Rider Rev Purposes**

FISCAL YEAR JULY 2017 THROUGH JUNE 2018

| Accounting Month | | <i>Sub Account 31343 Res-Storing Gas of Others</i> | | <i>Sub Account 31309 Other Gas Revenues</i> | | <i>Sub Account 31198 Meter Maint & Repair Revenues</i> | | <i>Sub Account 31220 Gas Utility Tax</i> | |
|---------------------|----|--|---------------------|---|--------------------|--|--------------------|--|-------------------|
| | | FERC ACCT No 489 4 | | FERC ACCT No 492 | | FERC ACCT No 495 | | FERC ACCT No 495 | |
| | | MMBtu | \$ Amount | MMBtu | \$ Amount | MMBtu | \$ Amount | MMBtu | \$ Amount |
| July | 17 | | 105,867.40 | | 0.00 | | | | 297.99 |
| August | | | 110,106.68 | | 0.00 | | 0.00 | | 316.35 |
| September | | | 79,794.93 | | 0.00 | | 0.00 | | 293.71 |
| October | | | 72,742.34 | | 0.00 | | 0.00 | | 259.95 |
| November | | | 70,512.55 | | 0.00 | | 0.00 | | 259.92 |
| December | | | 70,500.00 | | 0.00 | | 0.00 | | 286.16 |
| January | 18 | | 5,500.00 | | 17,982.71 | | 0.00 | | 337.74 |
| February | | | 0.00 | | 12,628.27 | | 0.00 | | 370.69 |
| March | | | 0.00 | | 15,336.22 | | 4,050.00 | | 348.13 |
| April | | | 0.00 | | 25,110.74 | | 0.00 | | 302.13 |
| May | | | 0.00 | | 0.00 | | 2,563.00 | | 317.70 |
| June | | | 0.00 | | 0.00 | | 25,075.31 | | 467.82 |
| Totals | | | \$515,023.90 | | \$80,954.34 | | \$31,648.33 | | \$3,858.29 |
| Reported | | | \$515,024.00 | | \$80,954.00 | | \$31,648.00 | | \$3,858.00 |
| Difference | | | (\$0.10) | | \$0.34 | | \$0.33 | | \$0.29 |

Remarks: Reported totals taken from the 2018 Rider Rev Filing - Pages WP A-1 (Pages 1 and 2)

** Volumes taken from Schedule D (Pages 1-12)

Source documentation: Trial Balance (Income Statement, Balance Sheet), 2013 Rider Rev Filing, Utility Work papers, Invoices
This audit schedule is only intended to test the accuracy of the amounts found in the above accounts.

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

10/22/2018
REV 02

Atmos Energy Corp., Atmos Pipeline - Texas

Section 3.0

**GAS OPERATING REVENUES
For Rider Rev Purposes**

FISCAL YEAR JULY 2017 THROUGH JUNE 2018

| Accounting Month | **Sub Account 31374 Other Gas Revenue | | **Sub Account 31375 Other Gas Revenue | | Sub Account 35582 Transp Rev-Pooling Transfer | | Sub Account 331379 Transp-Rev Pooling- Affiliates/AEM | |
|---------------------|--|-------------------|--|---------------------|--|---------------------|--|--------------------------|
| | FERC ACCT No. 495 | | FERC ACCT No. 495 | | FERC ACCT No. 495 | | FERC ACCT No. 496 | |
| | MMBtu | \$ Amount | MMBtu | \$ Amount | MMBtu | \$ Amount | MMBtu | \$ Amount |
| July | 17 | | | 6,317.77 | | 63,538.00 | | |
| August | | | | 6,220.16 | | 61,506.87 | | |
| September | | | | 6,491.21 | | 52,957.16 | | |
| October | | 350.00 | | 6,579.61 | | 54,984.61 | | |
| November | | | | 14,115.88 | | 57,796.30 | | |
| December | | | | 6,215.60 | | 68,869.72 | | |
| January | 18 | 350.00 | | 10,471.95 | | 77,228.15 | | |
| February | | | | 6,303.54 | | 68,570.26 | | |
| March | | | | 6,418.60 | | 62,775.48 | | |
| April | | | | 6,267.68 | | 60,033.87 | | |
| May | | | | 5,179.45 | | 65,931.15 | | |
| June | | | | 5,237.28 | | 77,081.49 | | |
| Totals | | 0 \$700.00 | | \$105,847.21 | | \$771,273.04 | | (\$12,713,396.00) |
| Reported | | \$700.00 | | \$105,847.00 | | \$771,273.00 | | (\$12,713,396.00) |
| Difference | | 0 \$0.00 | | \$0.21 | | \$0.04 | | \$0.00 |

Remarks: Reported totals taken from the 2018 Rider Rev Filing - Pages WP A-1 (Pages 1 and 2)

Source documentation: Trial Balance (Income Statement, Balance Sheet), 2018 Rider Rev Filing, Utility Work papers, Invoices

This audit schedule is only intended to test the accuracy of the amounts found in the above accounts.

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

DATE 5/22/18

BY JS

Atmos Energy Corp., Atmos Pipeline - Texas

Section 3.0

**GAS OPERATING REVENUES
For Rider Rev Purposes**

FISCAL YEAR JULY 2017 THROUGH JUNE 2018

| Accounting Month | | Total | |
|---------------------|----|-----------------------------------|------------------|
| | | FFRC ACCT. No. 489 2-4, 495 & 496 | |
| | | MMBtu* | \$ Amount |
| July | 17 | 56,466,104.00 | 38,145,187.31 |
| August | | 53,610,184.00 | 37,062,142.86 |
| September | | 56,142,726.00 | 39,255,986.32 |
| October | | 54,598,455.00 | 39,019,438.60 |
| November | | 55,193,515.00 | 40,957,524.67 |
| December | | 48,794,585.00 | 41,580,225.24 |
| January | 18 | 44,268,727.00 | 39,113,769.43 |
| February | | 43,774,840.00 | 38,620,632.34 |
| March | | 41,210,759.00 | 39,235,656.12 |
| April | | 52,676,752.00 | 39,052,013.33 |
| May | | 52,283,728.00 | 44,288,594.83 |
| June | | 62,100,054.00 | 39,869,803.92 |
| Totals | | 621,120,429 | \$476,200,974.97 |
| Reported | | 621,120,563 | 476,200,976.00 |
| Difference | | 134 | (\$1.03) |

Remarks: Reported totals taken from the 2018 Rider Rev Filing - Pages WP A-1 (Pages 1 and 2)

Source documentation: Trial Balance (Income Statement, Balance Sheet), 2018 Rider Rev Filing, Utility Work papers, Invoices

This audit schedule is only intended to test the accuracy of the amounts found in the above accounts.

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION**

DATE: 4/25/14

BY: JS

Atmos Energy Corp., Atmos Pipeline - Texas

**OTHER REVENUES
For Rider Rev Purposes**

Comparison of Non-Regulated Revenues Fiscal Year 2016-2017 and 2017-2018

| FERC Acct No. | Sub-Account | Description | July 2016 - June 2017 Total Dollars A | July 2017 - June 2018 Total Dollars B | Total Change In Revenues Increase (Decrease) (B-A) |
|---|-------------|------------------------------------|---|---|---|
| 489.2 | 31220 | Gas Utility Tax | \$ 2,051,795.08 | \$ 2,392,055.91 | \$ 340,260.83 |
| 489.2 | 31220 | Gas Utility Tax | \$ 6,114.94 | \$ - | \$ (6,114.94) |
| 495 | 31220 | Gas Utility Tax | \$ 4,052.22 | \$ - | \$ (4,052.22) |
| 489.2 | 31319 | HUB Transaction Revenue | \$ - | \$ - | \$ - |
| 489.2 | 31323 | Electric Gen-311(A)(2)-Texas | \$ 60,422.04 | \$ 125,851.40 | \$ 65,429.36 |
| 489.2 | 31324 | Parking Transp Rev-311(A)(2) | \$ 23,152.61 | \$ 1,990.48 | \$ (21,162.13) |
| 489.2 | 31325 | LDC Transp - 3rd parties | \$ 14,886,665.17 | \$ 20,207,437.62 | \$ 5,320,772.45 |
| 489.2 | 31326 | Industrial Transportation | \$ - | \$ - | \$ - |
| 489.2 | 31332 | Trans for Mid-Tex-Rate CGS | \$ 329,959,033.29 | \$ 358,297,177.59 | \$ 28,338,144.30 |
| 489.2 | 31333 | Electric Generation | \$ 8,289,325.54 | \$ 10,526,271.60 | \$ 2,036,946.06 |
| 489.2 | 31335 | Parking Transportation Revenue | \$ 733,088.33 | \$ 23,360.00 | \$ (709,728.33) |
| 489.2 | 31336 | Lending Transportation Revenue | \$ 258,317.39 | \$ 18,579.00 | \$ (239,738.39) |
| 489.2 | 31337 | Pipeline | \$ 44,087,850.94 | \$ 57,292,606.76 | \$ 13,204,755.82 |
| 489.2 | 31338 | Pipeline-311(A)(2)-Texas | \$ 12,050,888.54 | \$ 22,741,450.84 | \$ 10,690,562.30 |
| 489.2 | 31340 | Compress Rev-Transp Customers | \$ 47,441.30 | \$ 41,253.55 | \$ (4,187.75) |
| 489.2 | 31311 | Other Transport Related Rev | \$ 5,506,802.66 | \$ 2,135,798.40 | \$ (3,371,004.26) |
| 489.2 | 31342 | HUB Trans Rev-311(A)(2)-Texas | \$ - | \$ - | \$ - |
| 489.2 | 31345 | Parking Trans Rev-Affiliate AEM | \$ 14,725.00 | \$ - | \$ (14,725.00) |
| 489.2 | 31347 | Pipeline-311(A)(2)-Texas-Affiliate | \$ 2,416.60 | \$ - | \$ (2,416.60) |
| 489.2 | 31348 | Pipeline-Affiliate/AEM | \$ 6,857.19 | \$ - | \$ (6,857.19) |
| 489.2 | 31349 | HUB Trans Revenue-Affiliate AEM | \$ - | \$ - | \$ - |
| 489.2 | 31372 | Ind Trans - Regulated | \$ 9,531,336.63 | \$ 9,696,755.91 | \$ 165,419.28 |
| 489.2 | 31373 | Ind Trans - Other R | \$ 2,826,710.95 | \$ 3,473,167.17 | \$ 646,456.22 |
| 489.2 | 31376 | Other Revenue-Operating Fee Intra | \$ 19,971.32 | \$ 65,948.20 | \$ 45,976.88 |
| 489.2 | 31378 | Ind Trans-Other Rev-Non-Taxable | \$ 427,810.68 | \$ 363,181.91 | \$ (64,628.77) |
| 489.4 | 31321 | Rev-Storing 311 Gas for Others | \$ 22,786.08 | \$ - | \$ (22,786.08) |
| 489.4 | 31343 | Rev-Storing Gas of Others | \$ 2,114,860.70 | \$ 515,123.00 | \$ (1,599,737.70) |
| 489.4 | 31350 | Rev-Storage Affiliate AEM | \$ - | \$ - | \$ - |
| 489.4 | 31361 | Storage 311(a)(2)-Affiliate AEM | \$ - | \$ - | \$ - |
| 492 | 31309 | Other Gas Revenues | \$ 102,136.52 | \$ 80,954.34 | \$ (21,182.18) |
| 495 | 31198 | Meter Maint & Repair Revenues | \$ 26,713.25 | \$ 3,348.39 | \$ (23,364.86) |
| 495 | 31220 | Gas Utility Tax | \$ 1,052.22 | \$ 3,858.00 | \$ (2,805.78) |
| 495 | 31374 | Other Gas Revenue | \$ 1,337,497.32 | \$ 740.00 | \$ (1,336,757.32) |
| 495 | 31375 | Other Gas Revenue | \$ 195,687.65 | \$ 135,847.21 | \$ (59,840.44) |
| 495 | 35582 | Transp Rev-Pooling Transfer | \$ 718,840.59 | \$ 77,273.04 | \$ (641,567.55) |
| 495 | 35591 | Transp-Rev Pooling-Affiliate AEM | \$ 103,684.76 | \$ - | \$ (103,684.76) |
| 496 | 31379 | Cost of Service Reserve | \$ - | \$ (12,713,396.00) | \$ (12,713,396.00) |
| Total Other Revenue | | | \$ 433,331,097.51 | \$ 476,200,974.83 | \$ 42,869,877.32 |
| Less: Total Rate CGS-Mid-Tex, Rate CGS-Other and Rate PIF | | | \$ 354,377,035.09 | \$ 375,437,975.12 | \$ 21,110,940.03 |
| Less: Related Taxes and Fees | | | \$ 2,061,962.00 | \$ 2,395,714.00 | \$ 333,752.00 |
| | | | <u>\$ 76,892,100.42</u> | <u>\$ 78,367,285.71</u> | <u>\$ 21,475,185.29</u> |

Remarks:

Utility's related taxes are included in the above dollar amounts. Not excluded for comparison purposes.

July 2016 - June 2017 totals taken from Audit No. 17-129

Regulated Gas Revenues are not included in the above annual comparison as these are excluded when computing Other Total Revenue

Source documentation: Trial Balance, 2018 Rider Rev Filing, Utility Work papers, Invoices

This audit schedule is only intended to test the accuracy of the amounts found in the above accounts

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

Section 3.0

**Sample Verification of Other Gas Revenue Collected
For Annual Revenue Rider Rev Calculation**

FISCAL YEAR JULY 2017 THROUGH JUNE 2018

| Accounting Month | <i>*Confidential Customer No. 39</i> | | <i>*Confidential Customer No. 99</i> | | <i>*Confidential Customer No. 99</i> | |
|---------------------|--------------------------------------|-------------------|--------------------------------------|---------------------|--------------------------------------|--------------------|
| | <i>Tariff No. 23227</i> | | <i>Tariff No. 15049</i> | | <i>Tariff No. 15049</i> | |
| | <i>Customer No. 18913</i> | | <i>Customer No. 18516</i> | | <i>Customer No. 18516</i> | |
| | <i>Sub Account 31372 (Rate PT)</i> | | <i>Sub Account 31337 (Other)</i> | | <i>Sub Account 35582 (Other)</i> | |
| | FERC ACCT. No. 489.2 | | FERC ACCT. No. 489.2 | | FERC ACCT. No. 495 | |
| | MMBtu | \$ Amount | MMBtu | \$ Amount | MMBtu | \$ Amount |
| July | | 300.00 | 53,953 | 8,775.41 | 647,768 | 3,238.84 |
| August | | 300.00 | 70,292 | 9,884.26 | 551,658 | 2,758.29 |
| September | | 300.00 | 60,284 | 9,821.55 | 536,829 | 2,684.14 |
| October | | 300.00 | 58,188 | 9,460.04 | 511,569 | 2,557.84 |
| November | 886 | 454.08 | 238,860 | 22,195.18 | 494,352 | 2,471.76 |
| December | | 300.00 | 47,357 | 8,633.23 | 482,809 | 2,414.04 |
| January | | 300.00 | 75,955 | 11,910.22 | 569,168 | 2,845.84 |
| February | | 300.00 | 57,555 | 10,092.95 | 709,688 | 3,548.44 |
| March | | 300.00 | 49,142 | 8,567.22 | 434,509 | 2,172.54 |
| April | | 300.00 | 53,847 | 9,606.18 | 317,857 | 1,589.28 |
| May | | 300.00 | 55,412 | 11,208.45 | 371,865 | 1,859.32 |
| June | | 300.00 | 102,383 | 13,063.78 | 846,365 | 4,231.82 |
| Totals | 886 | \$3,754.08 | 923,228 | \$133,218.47 | 6,474,437 | \$32,372.15 |
| Reported | 886 | \$3,754.08 | 923,228 | \$133,218.47 | | \$32,372.15 |
| Difference | 0 | \$0.00 | 0 | \$0.00 | | \$0.00 |
| | | | | | Pooling Fees | |

Remarks:

Reported totals taken from Schedules C and D and Relied Upon data of the 2018 Rider Rev Calculation Filing.

- Verified through the utility's general ledger and customer invoices.

Source documentation: Customer invoices, 2018 Rider Rev Filing, Trial Balance, Utility Work papers

This audit makes no claim, and did not audit for, the prudence of the amounts found in the above accounts, only its accuracy.

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

Section 3.0

**Sample Verification of Other Gas Revenue Collected
For Annual Revenue Rider Rev Calculation**

FISCAL YEAR JULY 2017 THROUGH JUNE 2018

| Accounting Month | <i>*Confidential Customer No. 99</i> | | <i>*Confidential Customer No. 430</i> | | <i>*Confidential Customer No. 454</i> | |
|---------------------|--------------------------------------|--------------------|---------------------------------------|-------------------|---|---------------------|
| | <i>Tariff No. 15049</i> | | <i>Tariff No. 30885</i> | | <i>Tariff No. 30421</i> | |
| | <i>Customer No. 18516</i> | | <i>Customer No. 38140</i> | | <i>Customer No. 37766</i> | |
| | <i>Sub Account 31338 (Other)</i> | | <i>Sub Account - 31372 (Rate PT)</i> | | <i>Sub Account - 31337 (Rate Other)</i> | |
| | FERC ACCT. No. 489.2 | | FERC ACCT. No. 489.2 | | FERC ACCT. No. 489.2 | |
| | MMBtu | \$ Amount | MMBtu | \$ Amount | MMBtu | \$ Amount |
| July | | | | | | |
| August | 43,878 | 4,184.81 | | | | |
| September | | | | | | |
| October | | | | | 50,000 | 7,325.00 |
| November | | | | | 713,000 | 7,130.00 |
| December | 9,970 | 1,395.80 | | | 239,700 | 19,761.00 |
| January | 43,425 | 5,514.50 | | | 106,400 | 10,158.00 |
| February | 5,000 | 1,000.00 | | | 0 | 0.00 |
| March | | | 627 | 2,111.88 | 120,320 | 10,822.40 |
| April | | | 1,206 | 2,091.49 | 55,000 | 16,050.00 |
| May | | | 1,316 | 2,092.95 | 45,850 | 8,513.00 |
| June | | | 1,381 | 2,343.62 | 120,900 | 77,712.25 |
| Totals | 102,273 | \$12,095.11 | 4,530 | \$8,639.94 | 1,451,170 | \$157,471.65 |
| Reported | 102,273 | \$12,095.11 | 4,530 | \$8,639.94 | 1,451,170 | \$157,471.65 |
| Difference | 0 | \$0.00 | 0 | \$0.00 | 0 | \$0.00 |

Remarks:

Reported totals taken from Schedules C and D and Relied Upon data of the 2018 Rider Rev Calculation Filing.

• Verified through the utility's general ledger and customer invoices.

Source documentation: Customer invoices, 2018 Rider Rev Filing, Trial Balance, Utility Work papers

This audit makes no claim, and did not audit for, the prudence of the amounts found in the above accounts, only its accuracy.

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

Section 3.0

**Sample Verification of Other Gas Revenue Collected
For Annual Revenue Rider Rev Calculation**

FISCAL YEAR JULY 2017 THROUGH JUNE 2018

| Accounting Month | <i>*Confidential Customer No. 321</i> | | <i>*Confidential Customer No. 41</i> | | <i>*Confidential Customer No. 41</i> | |
|---------------------|---------------------------------------|---------------------|--------------------------------------|-------------------|--------------------------------------|---------------------|
| | Tariff No. 20738 | | Tariff No. 18473 | | Tariff No. 18473 | |
| | Customer No. 34526 | | Customer No. 38361 | | Customer No. 38361 | |
| | Sub Account - 31337 (Rate Other) | | Sub Account - 31373 (Rate Other) | | Sub Account - 31372 (Rate PT) | |
| | FERC ACCT. No. 489.2 | | FERC ACCT. No. 489.2 | | FERC ACCT. No. 489.2 | |
| | MMBtu | \$ Amount | MMBtu | \$ Amount | MMBtu | \$ Amount |
| July | 85,783 | 20,458.68 | | 599.28 | | 14,499.30 |
| August | 78,347 | 19,216.12 | | 599.28 | | 16,749.60 |
| September | 26,670 | 10,580.90 | | 599.28 | | 16,173.60 |
| October | 65,971 | 17,148.09 | | 599.28 | | 16,749.60 |
| November | 87,177 | 20,691.62 | | 599.28 | | 16,780.50 |
| December | 89,772 | 21,125.24 | | 599.28 | | 18,030.66 |
| January | 102,436 | 23,241.40 | | 599.28 | | 18,030.66 |
| February | 103,861 | 23,479.51 | | | | |
| March | 115,197 | 25,373.76 | | | | |
| April | 122,845 | 26,651.74 | | | | |
| May | 117,746 | 25,799.70 | | | | |
| June | 108,655 | 24,280.59 | | | | |
| Totals | 1,104,460 | \$258,047.35 | | \$4,194.96 | | \$117,013.92 |
| Reported | 1,104,460 | \$258,047.35 | | \$4,194.96 | | \$117,013.92 |
| Difference | 0 | \$0.00 | | \$0.00 | | \$0.00 |
| | | | Plant Protection | | | |

Remarks:

Reported totals taken from Schedules C and D and Relied Upon data of the 2018 Rider Rev Calculation Filing.

* Verified through the utility's general ledger and customer invoices.

Source documentation: Customer invoices, 2018 Rider Rev Filing, Trial Balance, Utility Work papers

This audit makes no claim, and did not audit for, the prudence of the amounts found in the above accounts, only its accuracy.

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0 GENERAL INFORMATION

| | | | |
|---|---------------------------|------------------------------|---|
| 1. Type of Contract: | Transportation | 2. "CITY GATE" Involved: | No |
| 3. FERC Account No.: | 489.2 | 4. Proper Classification: | Yes |
| 5. Contract Party: | Customer No. 37693 | | |
| 6. Contract Number: | 07312-00 | 8. Term of Current Contract: | One Year then Month to Month |
| 7. Date of Current Contract: | 02/01/18 | 9. Contract Pressure Base: | 14.65 |
| 10. Delivery Point (City Gate Locations): Delivery Point ID #93188 | | | |

Section 13.1 CONTRACT PRICING

Rate PT - Pipeline Transportation
Capacity \$4.83681 per MMBtu of MDQ
Annual Rider REV Adjustment \$ 0.0843 per MMBtu of MDQ
Interim Rate Adjustment (IRA) \$1.05029 per MMBtu of MDQ
Total Capacity Charge \$5.9714 per MMBtu of MDQ
Usage \$ 0.01325 per MMBtu
Imbalance Fees, Pullover Fees, Fuel Retention
MDQ - 350 MMBtu
MHQ - 53 MMBtu

Section 13.2 OTHER (Regulatory) INFORMATION

| | | | |
|---|---|--|------------------------------|
| Is the contract party an affiliate of the utility? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| Is the party a utility regulated by the Commission? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

COMMENTS

Tariff No. 30885

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0 GENERAL INFORMATION

- | | |
|--|--|
| 1. Type of Contract: <input type="text" value="Transportation"/> | 2. "CITY GATE" Involved: <input type="text" value="No"/> |
| 3. FERC Account No.: <input type="text" value="489.2"/> | 4. Proper Classification: <input type="text" value="Yes"/> |
| 5. Contract Party: <input type="text" value="Customer No. 18913"/> | |
| 6. Contract Number: <input type="text" value="06443-00"/> | 8. Term of Current Contract: <input type="text" value="One Year then Month to Month"/> |
| 7. Date of Current Contract: <input type="text" value="08/01/10"/> | 9. Contract Pressure Base: <input type="text" value="14.65"/> |
10. Delivery Point(s) (utilizing confidential ID's, if applicable):
List delivery point: 50007

Section 13.1 CONTRACT PRICING

Rate CT - Pipeline Transportation
Meter Charge - \$300.00 per meter
First 12 MMBtu per Billing MDU - \$0.17399 per MMBtu
All additional MMBtu - \$0.1579 per MMBtu
Retention Adjustment: 1% of the gas received into the Atmos Pipeline - Texas System.
Franchise Fee Adjustment, Tax Adjustment, Surcharges
Imbalance Fees, Monthly Imbalance Fees, Curtailment Pullover Fees,
MDQ - 1,200 MMBtu
MHQ - 500 MMBtu
Plant Protection - 0 MMBtu

Section 13.2 OTHER (Regulatory) INFORMATION

- | | |
|---|--|
| Is the contract party an affiliate of the utility? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Is the party a utility regulated by the Commission? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |

COMMENTS

Tariff No. 23227

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

| | |
|---------------------|----------------------------|
| Section 13.0 | GENERAL INFORMATION |
|---------------------|----------------------------|

| | | | |
|---|--------------------|------------------------------|---------------------------------|
| 1. Type of Contract: | Transportation | 2. "CITY GATE" Involved: | No |
| 3. FERC Account No.: | 489.2 | 4. Proper Classification: | Yes |
| 5. Contract Party: | Customer No. 34526 | | |
| 6. Contract Number: | 06138-00 | 8. Term of Current Contract: | One Year then Month to Month |
| 7. Date of Current Contract: | 10/01/08 | 9. Contract Pressure Base: | 14.65 |
| 10. Delivery Point(s) (utilizing confidential ID's, if applicable): List delivery point: 68650 | | | |

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| Section 13.1 | CONTRACT PRICING |
|---------------------|-------------------------|

Rate PT - Pipeline Transportation
Meter Charge - \$200.00 per meter
Interim Rate Adjustment - \$5,924.34
Total Amount - \$6,124.34 per meter
Gas Delivered at System Pooling Stations receipt points \$0.1671/MMBtu
Gas Delivered at Line S-2 Non- Pooling Stations receipt points \$0.10/MMBtu
Retention Adjustment: 1% of the gas received into the Atmos Pipeline - Texas System.
Franchise Fee Adjustment, Tax Adjustment, Surcharges
Imbalance Fees, Monthly Imbalance Fees, Curtailment Pullover Fees.
MDQ - 8,600 MMBtu
MHQ - 360 MMBtu
Plant Protection - 0 MMBtu

| | |
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| Section 13.2 | OTHER (Regulatory) INFORMATION |
|---------------------|---------------------------------------|

| | | | |
|---|---|--|------------------------------|
| Is the contract party an affiliate of the utility? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| Is the party a utility regulated by the Commission? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

| |
|-----------------|
| COMMENTS |
|-----------------|

Tariff No. 20738

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0 GENERAL INFORMATION

- | | |
|---|---|
| 1. Type of Contract: Interruptible Transportation | 2. "CITY GATE" Involved: No |
| 3. FERC Account No.: 489.2 | 4. Proper Classification: Yes |
| 5. Contract Party: Customer No. 37766 | |
| 6. Contract Number: APT-#7247 | 8. Term of Current Contract: One Year then Month to Month |
| 7. Date of Current Contract: 07/07/17 | 9. Contract Pressure Base: 14.65 |
10. Delivery Point(s) (utilizing confidential ID's, if applicable):
List delivery point: 50621, 58473, 58533, 58565, 58602, 67044, 86170, 94289

Section 13.1 CONTRACT PRICING

Rate PT - Pipeline Transportation

Intrastate Transportation Rates and Retention are set forth on the Transaction Confirmation attached to the contract.

Imbalance: Shipper must maintain a monthly balance of the gas transported. An Imbalance will exist during any designated time period during the term when there is a numerical difference between the quantity of gas delivered by Transporter to Shipper at the Delivery Point and the quantity of gas received by Transporter from Shipper (or its designee) at the Receipt Point(s), exclusive of the Retention Volumes and Make-up Volumes. At the end of each month, Shipper will pay Transporter \$0.25/MMBtu of Cumulative Imbalance that is greater than 5% of the volume of gas delivered at the Delivery point for such month.

Late charge: an additional one and one half percent (1.5%) interest shall accrue on all unpaid amounts if customer fails to make payments within 10 days of the monthly billing date.

Section 13.2 OTHER (Regulatory) INFORMATION

- | | | |
|---|---|--|
| Is the contract party an affiliate of the utility? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the party a utility regulated by the Commission? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |

COMMENTS

Tariff No. 30092

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0 GENERAL INFORMATION

- | | |
|--|---|
| 1. Type of Contract: Short-Term Transportation | 2. "CITY GATE" Involved: No |
| 3. FERC Account No.: 489.2 | 4. Proper Classification: Yes |
| 5. Contract Party: Customer No. 37766 | |
| 6. Contract Number: APT-#7249 | 8. Term of Current Contract: One Year then Month to Month |
| 7. Date of Current Contract: 07/07/17 | 9. Contract Pressure Base: 14.65 |
10. Delivery Point(s) (utilizing confidential ID's, if applicable):
List delivery point: 50621, 58473, 58533, 58565, 58602, 67044, 86170, 94289

Section 13.1 CONTRACT PRICING

Rate PT - Pipeline Transportation

Priority Short -Term Demand Rates plus Retention Rates: Priority Reservation Fee equal to (i) the Priority Daily Quantity times the rate per MMBtu as set for the on the Transaction Confirmation(s).

Imbalance: Shipper must maintain a monthly balance of the gas transported hereunder. An Imbalance will exist hereunder, during any designated time period during the term hereof, there is a numerical difference between the quantity of gas delivered by Transporter to Shipper at the Delivery Point and the quantity of gas received by Transporter from Shipper (or its designee) at the Receipt Point(s), exclusive of the Retention Volumes and Make-up Volumes. At the end of each month, Shipper will pay Transporter \$0.25/MMBtu of Cumulative Imbalance that is greater than 5% of the volume of gas delivered at the Delivery point for such month
Late charge: an additional one and one half percent (1.5%) interest shall accrue on all unpaid amounts if customer fails to make payments within 10 days of the monthly billing date.

Section 13.2 OTHER (Regulatory) INFORMATION

- | | | |
|---|---|--|
| Is the contract party an affiliate of the utility? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the party a utility regulated by the Commission? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |

COMMENTS

Tariff No. 30421

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0 GENERAL INFORMATION

- | | |
|---|---|
| 1. Type of Contract: Interruptible Transportation | 2. "CITY GATE" Involved: No |
| 3. FERC Account No.: 489.2 | 4. Proper Classification: Yes |
| 5. Contract Party: Customer No. 25686 | |
| 6. Contract Number: LS-MC-#5058 | 8. Term of Current Contract: One Year then Month to Month |
| 7. Date of Current Contract: 12/01/04 | 9. Contract Pressure Base: 14.65 |
| 10. Delivery Point(s) (utilizing confidential ID's, if applicable): List delivery point: 58324 | |

Section 13.1 CONTRACT PRICING

Rate PT - Pipeline Transportation

Base Rate: \$0.25/MMBtu to the Bryan Hicks (station#04016300) , Tunis Ratcliff #3 (station#17182100), (station#17450500), plus 1% retention for all gas volume transported.

Late charge: an additional one and one half percent (1.5%) interest shall accrue on all unpaid amounts if customer Tunis C Fuel Compressor (station#17450500) meters and \$0.35/MMBtu to the Brazos Northwest #2

Section 13.2 OTHER (Regulatory) INFORMATION

- | | | |
|---|---|--|
| Is the contract party an affiliate of the utility? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the party a utility regulated by the Commission? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |

COMMENTS

Tariff No. 16588

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0 GENERAL INFORMATION

- | | |
|---|---|
| 1. Type of Contract: Interruptible Transportation | 2. "CITY GATE" Involved: No |
| 3. FERC Account No.: 489.2 | 4. Proper Classification: Yes |
| 5. Contract Party: Customer No. 19073 | |
| 6. Contract Number: LS-MC-#3280 | 8. Term of Current Contract: One Year then Month to Month |
| 7. Date of Current Contract: 09/29/00 | 9. Contract Pressure Base: 14.65 |
10. Delivery Point(s) (utilizing confidential ID's, if applicable):
List delivery point: 50447, 50621, 50791, 58388, 58436, 58473, 58533, 58565, 58602, 58672, 62361, 67044,
77645, 78270, 79369, 79631, 86554

Section 13.1 CONTRACT PRICING

Base Rate: Fee set forth on Transaction Confirmation plus retention. Balancing: (a) Shipper must ensure that the quantities of gas delivered at the Delivery Point(s) during each hour are within 10% of the confirmed nominated quantities for such hour at the Receipt Point(s), exclusive of the Retention Volumes. In addition to the Base Rate, Shipper will pay Transporter: (i) \$0.25 for each MMBtu delivered hereunder at the Delivery Point(s) during each hour that is greater than 110% or less than 90% of the confirmed nominated Receipt Point(s) quantities for such hour, less the Retention Volumes; and (ii) an additional \$0.25 for each MMBtu delivered hereunder at the Delivery Point(s) during each hour that is greater than 125% or less than 75% of the confirmed nominated Receipt Point(s) quantities for such hour, less the Retention Volumes. (b) If Transporter notifies Shipper with respect to a particular hour that gas quantities delivered at the Delivery Point(s) must be within 10% of the confirmed nominated quantities for such hour at the Receipt Point(s), exclusive of the Retention Volumes (an Operational Balancing Order), then in addition to the Base Rate and the charges set forth in Section 5(a)(1), Shipper will pay Transporter \$0.50 for each MMBtu delivered hereunder at the Delivery Point(s) during each hour that is greater than 110% or less than 90% of the confirmed nominated Receipt Point(s) quantities for such hour, less the Retention Volumes.

Section 13.2 OTHER (Regulatory) INFORMATION

- | | | |
|---|---|--|
| Is the contract party an affiliate of the utility? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the party a utility regulated by the Commission? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |

COMMENTS

Tariff No. 17375

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0 GENERAL INFORMATION

| | |
|---|---|
| 1. Type of Contract: Interruptible Transportation | 2. "CITY GATE" Involved: No |
| 3. FERC Account No.: 489.2 | 4. Proper Classification: Yes |
| 5. Contract Party: Customer No. 19073 | |
| 6. Contract Number: LS-MC-#4593-01 | 8. Term of Current Contract: One Year then Month to Month |
| 7. Date of Current Contract: 09/29/00 | 9. Contract Pressure Base: 14.65 |

10. Delivery Point(s) (utilizing confidential ID's, if applicable):
List delivery point: 50447, 50621, 50791, 58388, 58436, 58473, 58533, 58565, 58602, 58672, 62361, 67044, 77645, 78270, 79369, 79631, 86554

Section 13.1 CONTRACT PRICING

Base Rate: Fee set forth on Transaction Confirmation plus retention.

Balancing: (a) Shipper must ensure that the quantities of gas delivered at the Delivery Point(s) during each hour are within 10% of the confirmed nominated quantities for such hour at the Receipt Point(s), exclusive of the Retention Volumes. In addition to the Base Rate, Shipper will pay Transporter: (i) \$0.25 for each MMBtu delivered hereunder at the Delivery Point(s) during each hour that is greater than 110% or less than 90% of the confirmed nominated Receipt Point(s) quantities for such hour, less the Retention Volumes; and (ii) an additional \$0.25 for each MMBtu delivered hereunder at the Delivery Point(s) during each hour that is greater than 125% or less than 75% of the confirmed nominated Receipt Point(s) quantities for such hour, less the Retention Volumes. (b) If Transporter notifies Shipper with respect to a particular hour that gas quantities delivered at the Delivery Point(s) must be within 10% of the confirmed nominated quantities for such hour at the Receipt Point(s), exclusive of the Retention Volumes (an Operational Balancing Order), then in addition to the Base Rate and the charges set forth in Section 5(a)(1), Shipper will pay Transporter \$0.50 for each MMBtu delivered hereunder at the Delivery Point(s) during each hour that is greater than 110% or less than 90% of the confirmed nominated Receipt Point(s) quantities for such hour, less the Retention Volumes.

Section 13.2 OTHER (Regulatory) INFORMATION

| | | |
|---|---|--|
| Is the contract party an affiliate of the utility? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the party a utility regulated by the Commission? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |

COMMENTS

Tariff No. 15167

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0

GENERAL INFORMATION

- | | |
|---|--|
| 1. Type of Contract: <input type="text" value="Interruptible Transportation"/> | 2. "CITY GATE" Involved: <input type="text" value="No"/> |
| 3. FERC Account No.: <input type="text" value="489.2"/> | 4. Proper Classification: <input type="text" value="Yes"/> |
| 5. Contract Party: <input type="text" value="Customer No. 35630"/> | |
| 6. Contract Number: <input type="text" value="APT #5358"/> | 8. Term of Current Contract: <input type="text" value="One Year then Month to Month"/> |
| 7. Date of Current Contract: <input type="text" value="06/01/05"/> | 9. Contract Pressure Base: <input type="text" value="14.65"/> |
| 10. Delivery Point(s) (utilizing confidential ID's, if applicable): List delivery point: 51853 | |

Section 13.1

CONTRACT PRICING

Rate PT - Pipeline Transportation

OPTION 1 Maximum Daily Quantity 20,000 MMBtu/day Annual Minimum Quantity 438,000 MMBtu/yr.
Transportation Rate: \$0.29/MMBtu Monthly Fee: \$0/Month Annual Fee: \$0/Year Retention Volumes: 1% of the quantities of Gas received at the Receipt Point(s) **OPTION 2** Maximum Daily Quantity 20,000 MMBtu/day Annual Minimum Quantity 0 MMBtu/yr. Transportation Rate: \$0.34/MMBtu Monthly Fee: \$200/Month Annual Fee: \$0/Year Retention Volumes: 1% of the quantities of Gas received at the Receipt Point(s) Imbalance Shipper must maintain a monthly balance of the gas transported hereunder. Cumulative Imbalance means the absolute value of the difference between the cumulative volumes of Gas received at the Receipt Point(s), exclusive of the Retention Volumes. If a Monthly Imbalance exists that is greater than 5% of the volume of gas delivered at the Delivery Point(s) for such month then Shipper will pay Transporter \$0.25 for each MMBtu of cumulative imbalance. Late Charge: an additional one and one half percent (1.5%) interest shall accrue on all unpaid amounts if customer fails to make payments within 10 days of the monthly billing date. Taxes : 100% Tax Reimbursement.

Section 13.2

OTHER (Regulatory) INFORMATION

- | | | |
|---|---|--|
| Is the contract party an affiliate of the utility? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the party a utility regulated by the Commission? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |

COMMENTS

Tariff No. 17521

RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0 GENERAL INFORMATION

- | | | | |
|---|--------------------|------------------------------|---------------------------------|
| 1. Type of Contract: | Transportation | 2. "CITY GATE" Involved: | Yes |
| 3. FERC Account No.: | 489.2 | 4. Proper Classification: | Yes |
| 5. Contract Party: | Customer No. 37693 | | |
| 6. Contract Number: | LS-MC #3124 | 8. Term of Current Contract: | One Year then Month to Month |
| 7. Date of Current Contract: | 10/28/99 | 9. Contract Pressure Base: | 14.65 |
| 10. Delivery Point(s) (utilizing confidential ID's, if applicable): List delivery point: 50055 | | | |

Section 13.1 CONTRACT PRICING

RATE CGS - MID-TEX

Amount Capacity: \$9.43303 per MMBtu of MDQ
Annual Rider REV Adjustment - \$0.1351 per MMBtu of MDQ
Interim Rate Adjustment (IRA) - \$1.91376 per MMBtu of MDQ
Capacity Charge - \$11.86506 per MMBtu of MDQ
Usage - \$0.02785 per MMBtu

Section 13.2 OTHER (Regulatory) INFORMATION

- | | | |
|---|---|--|
| Is the contract party an affiliate of the utility? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the party a utility regulated by the Commission? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |

COMMENTS

Tariff No. 26024

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 09/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0 GENERAL INFORMATION

| | | | |
|---|---------------------------|------------------------------|---|
| 1. Type of Contract: | Transportation | 2. "CITY GATE" Involved: | Yes |
| 3. FERC Account No.: | 489.2 | 4. Proper Classification: | Yes |
| 5. Contract Party: | Customer No. 26560 | | |
| 6. Contract Number: | APT #5922 | 8. Term of Current Contract: | One Year then Month to Month |
| 7. Date of Current Contract: | 02/01/07 | 9. Contract Pressure Base: | 14.65 |
| 10. Delivery Point(s) (utilizing confidential ID's, if applicable): List delivery point: 59282 | | | |

Section 13.1 CONTRACT PRICING

RATE CGS - OTHER

Amount Capacity: \$9.43303 per MMBtu of MDQ
Annual Rider REV Adjustment - \$0.1351 per MMBtu of MDQ
Interim Rate Adjustment (IRA) - \$1.91376 per MMBtu of MDQ
Capacity Charge - \$11.48189 per MMBtu of MDQ
Usage - \$0.02785 per MMBtu

| | | | |
|---|---|---|---|
| Winter (Dec-Feb) MDQ = 225 MMBtu MHQ 10 MMBtu | Winter Shoulder(Nov. & Mar.) MDQ = 165 MMBtu MHQ 10 MMBtu | Summer(May-Sept.) MDQ = 25 MMBtu MHQ 10 MMBtu | Summer (April & Oct.) MDQ = 45 MMBtu MHQ 10 MMBtu |
|---|---|---|---|

Section 13.2 OTHER (Regulatory) INFORMATION

| | | |
|---|---|--|
| Is the contract party an affiliate of the utility? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the party a utility regulated by the Commission? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |

COMMENTS

Tariff No. 17938

RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0 GENERAL INFORMATION

1. Type of Contract: 2. "CITY GATE" Involved:
3. FERC Account No.: 4. Proper Classification:
5. Contract Party:
6. Contract Number: 8. Term of Current Contract:
7. Date of Current Contract: 9. Contract Pressure Base:
10. Delivery Point(s) (utilizing confidential ID's, if applicable):
List delivery point: 56164 - 56169, 56172 - 56175, 56178 - 56180, 56184, 65928, 65930, 65932, 65934, 65936

Section 13.1 CONTRACT PRICING

RATE CGS - OTHER

Amount Capacity: \$9.43303 per MMBtu of MDQ
Annual Rider REV Adjustment - \$0.1351 per MMBtu of MDQ
Interim Rate Adjustment (IRA) - \$1.91376 per MMBtu of MDQ
Capacity Charge - \$11.48189 per MMBtu of MDQ
Usage - \$0.02785 per MMBtu

Daily Delivery Capacity 89,528 MMBtu

Section 13.2 OTHER (Regulatory) INFORMATION

- Is the contract party an affiliate of the utility? ☐ Yes ☒ No
- Is the party a utility regulated by the Commission? ☒ Yes ☒ No
- Is there a tariff on file? ☒ Yes ☐ No ☐ N/A
- Is tariff current, complete & accurate? ☒ Yes ☐ No ☐ N/A

COMMENTS

Tariff No. 26024

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0 GENERAL INFORMATION

- | | |
|---|---|
| 1. Type of Contract: <input type="text" value="Transportation"/> | 2. "CITY GATE" Involved: <input type="text" value="Yes"/> |
| 3. FERC Account No.: <input type="text" value="489.2"/> | 4. Proper Classification: <input type="text" value="Yes"/> |
| 5. Contract Party: <input type="text" value="Customer No. 33732"/> | |
| 6. Contract Number: <input type="text" value="APT #6624"/> | 8. Term of Current Contract: <input type="text" value="2 years then Month to Month"/> |
| 7. Date of Current Contract: <input type="text" value="02/01/12"/> | 9. Contract Pressure Base: <input type="text" value="14.65"/> |
| 10. Delivery Point(s) (utilizing confidential ID's, if applicable): List delivery point: 79369 | |

Section 13.1 CONTRACT PRICING

RATE CGS - OTHER

Amount Capacity: \$9.43303 per MMBtu of MDQ
Annual Rider REV Adjustment - \$0.1351 per MMBtu of MDQ
Interim Rate Adjustment (IRA) - \$1.91376 per MMBtu of MDQ
Capacity Charge - \$11.48189 per MMBtu of MDQ
Usage - \$0.02785 per MMBtu

Section 13.2 OTHER (Regulatory) INFORMATION

- | | | |
|---|---|--|
| Is the contract party an affiliate of the utility? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the party a utility regulated by the Commission? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |

COMMENTS

Tariff No. 24845

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

| | |
|---------------------|----------------------------|
| Section 13.0 | GENERAL INFORMATION |
|---------------------|----------------------------|

| | |
|---|---|
| 1. Type of Contract: Transportation/Storage | 2. "CITY GATE" Involved: Yes |
| 3. FERC Account No.: 489.2 | 4. Proper Classification: Yes |
| 5. Contract Party: Customer No. 37693 | |
| 6. Contract Number: APT #6750 | 8. Term of Current Contract: One Year then Month to Month |
| 7. Date of Current Contract: 04/01/13 | 9. Contract Pressure Base: 14.65 |
| 10. Delivery Point(s) (utilizing confidential ID's, if applicable): List delivery point: 86005 | |

| | |
|---------------------|-------------------------|
| Section 13.1 | CONTRACT PRICING |
|---------------------|-------------------------|

RATE CGS - OTHER

Amount Capacity: \$9.43303 per MMBtu of MDQ
Annual Rider REV Adjustment - \$0.1351 per MMBtu of MDQ
Interim Rate Adjustment (IRA) - \$1.91376 per MMBtu of MDQ
Capacity Charge - \$11.48189 per MMBtu of MDQ
Usage - \$0.02785 per MMBtu

| | |
|---------------------|---------------------------------------|
| Section 13.2 | OTHER (Regulatory) INFORMATION |
|---------------------|---------------------------------------|

| | | |
|---|---|--|
| Is the contract party an affiliate of the utility? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the party a utility regulated by the Commission? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |

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|-----------------|
| COMMENTS |
|-----------------|

Tariff No. 26024

**RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION**

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

| | |
|---------------------|----------------------------|
| Section 13.0 | GENERAL INFORMATION |
|---------------------|----------------------------|

- | | |
|--|---|
| 1. Type of Contract: Transportation/Storage | 2. "CITY GATE" Involved: Yes |
| 3. FERC Account No.: 489.2 | 4. Proper Classification: Yes |
| 5. Contract Party: Customer No. 35340 | |
| 6. Contract Number: APT #6788 | 8. Term of Current Contract: 04/01/2014 - 03/31/2024 Year to Year |
| 7. Date of Current Contract: 04/01/14 | 9. Contract Pressure Base: 14.65 |
| 10. Delivery Point(s) (utilizing confidential ID's, if applicable): List delivery point: 88050, 92896 | |

| | |
|---------------------|-------------------------|
| Section 13.1 | CONTRACT PRICING |
|---------------------|-------------------------|

RATE CGS - OTHER

Amount Capacity: \$9.43303 per MMBtu of MDQ
Annual Rider REV Adjustment - \$0.1351 per MMBtu of MDQ
Interim Rate Adjustment (IRA) - \$1.91376 per MMBtu of MDQ
Capacity Charge - \$11.48189 per MMBtu of MDQ
Usage - \$0.02785 per MMBtu

| | |
|---------------------|---------------------------------------|
| Section 13.2 | OTHER (Regulatory) INFORMATION |
|---------------------|---------------------------------------|

- | | | |
|---|---|--|
| Is the contract party an affiliate of the utility? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the party a utility regulated by the Commission? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is there a tariff on file? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |
| Is tariff current, complete & accurate? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> N/A |

| |
|-----------------|
| COMMENTS |
|-----------------|

Tariff No. 27164

RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0 GENERAL INFORMATION

1. Type of Contract: 2. "CITY GATE" Involved:
3. FERC Account No.: 4. Proper Classification:
5. Contract Party:
6. Contract Number: 8. Term of Current Contract:
7. Date of Current Contract: 9. Contract Pressure Base:
10. Delivery Point(s) (utilizing confidential ID's, if applicable):
List delivery point: 90404

Section 13.1 CONTRACT PRICING

RATE CGS - OTHER

Amount Capacity: \$9.43303 per MMBtu of MDQ
Annual Rider REV Adjustment - \$0.1351 per MMBtu of MDQ
Interim Rate Adjustment (IRA) - \$1.91376 per MMBtu of MDQ
Capacity Charge - \$11.48189 per MMBtu of MDQ
Usage - \$0.02785 per MMBtu

Section 13.2 OTHER (Regulatory) INFORMATION

- Is the contract party an affiliate of the utility? ☐ Yes ☒ No
- Is the party a utility regulated by the Commission? ☒ Yes ☐ No
- Is there a tariff on file? ☒ Yes ☐ No ☐ N/A
- Is tariff current, complete & accurate? ☒ Yes ☐ No ☐ N/A

COMMENTS

Tariff No. 28431

RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION
UTILITY AUDIT SECTION

Date 08/21/2018

BY YD

Atmos Energy Corp., Atmos Pipeline - Texas

CONTRACT BRIEF

Section 13.0 GENERAL INFORMATION

1. Type of Contract: 2. "CITY GATE" Involved:
3. FERC Account No.: 4. Proper Classification:
5. Contract Party:
6. Contract Number: 8. Term of Current Contract:
7. Date of Current Contract: 9. Contract Pressure Base:
10. Delivery Point(s) (utilizing confidential ID's, if applicable):
List delivery point: 58354

Section 13.1 CONTRACT PRICING

RATE CGS - OTHER

Amount Capacity: \$9.43303 per MMBtu of MDQ
Annual Rider REV Adjustment - \$0.1351 per MMBtu of MDQ
Interim Rate Adjustment (IRA) - \$1.91376 per MMBtu of MDQ
Capacity Charge - \$11.48189 per MMBtu of MDQ
Usage - \$0.02785 per MMBtu

| | | | |
|------------------|------------------------------|-------------------|----------------------|
| Winter (Dec-Feb) | Winter Shoulder(Nov. & Mar.) | Summer(May-Sept.) | Summer(April & Oct.) |
| MDQ = 190 MMBtu | MDQ = 130 MMBtu | MDQ = 30 MMBtu | MDQ = 70 MMBtu |
| MHQ 10 MMBtu | MHQ 10 MMBtu | MHQ 10 MMBtu | MHQ 10 MMBtu |

Section 13.2 OTHER (Regulatory) INFORMATION

- Is the contract party an affiliate of the utility? ☐ Yes ☒ No
- Is the party a utility regulated by the Commission? ☐ Yes ☒ No
- Is there a tariff on file? ☒ Yes ☐ No ☐ N/A
- Is tariff current, complete & accurate? ☒ Yes ☐ No ☐ N/A

COMMENTS

Tariff No. 16642

5/1/2018

Gas Utility Audit

Audit Control (Input) Worksheet

Utility Name: Atmos Pipeline - Texas

Audit No.: 18-134

Type of Utility: T (G, T or D)

Records Location: Dallas, Texas (City)

Type of Audit: Special (Routine, Special, C of G, Q of S, Tariff, AFRED)

If 'Q of S', state location of focus: _____

If 'C of G', state location or rate region: Rider Rev Audit for 2018

Tax Qtr.: NA (state latest quarter audited/confirmed (as owing no tax) / or state - "N/A")

For Distribution's that do not owe GU Tax, state the YR/Qtr. of most recent confirmation.

Annual Report: NA (indicate the most recent AR 'verified' by the audit / or state "N/A")

P.G.A.: NA (indicate the most recent Month/Year that the proper calculation of authorized rates were verified.) [The audit workpapers MUST show the PGA workups for the months covered]
If actual authorized rates were not done, state - "N/A".

Auth Rate: NA (indicate the most recent Month/Year that the proper calculation of authorized rates were verified. This is the 'Customer Billing' and must focus on the tariffed rates.
This could be in conjunction with the verification of the PGA, or not. This illustrates the proper billing of the base rates, etc. If the actual mechanics of customer billing was not included in this audit, state "N/A".

Travel Voucher Information:

- ☒ I will file a Travel Voucher for this audit activity.
☐ I will not file a Travel Voucher related to this audit activity.

Initials: _____

Oversight and Safety Division
Gas Services - Utility Audit Section

Auditor: Yolandra Davis

Audit: Atmos Energy Corp., Atmos Pipeline - Texas
2018 Rider Rev



Joint Audit

Lead

Member

Y

[illegible]

Gas Services Division
Utility Audit Section

Auditor: Josh Settle

Audit: Atmos Energy Corp., Atmos Pipeline - Texas

Audit: Rider Rev
Joint Audit ☒

| | | |
|------|-------------------------------------|--------|
| Lead | <input checked="" type="checkbox"/> | Member |
|------|-------------------------------------|--------|

[illegible]

GUD NO. 10764

EXHIBIT C

Rate Schedules

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|----------------------|----------------|
| RATE SCHEDULE: | CGS – MID-TEX | |
| APPLICABLE TO: | Mid-Tex | |
| EFFECTIVE DATE: | 11/01/2018 | PAGE: 8 |

Application

Applicable, in the event that Company has entered into a Transportation Agreement for City Gate Service to a Local Distribution Company (Customer) connected to the Atmos Pipeline -Texas System for the transportation of all natural gas supplied by Customer to a Point or Points of Delivery.

Type of Service

This service provides firm transportation and storage service to Local Distribution Companies. Where service of the quantity and type required by Customer is not already available at a Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished at such Point of Delivery.

Monthly Rate

Customer's monthly bill will be calculated by adding the Monthly Customer and Usage charges to the amounts and quantities due under the Riders listed below. The Monthly Customer Charge each month will be equal to the Capacity Charge, as adjusted, multiplied by the Customer's Maximum Daily Quantity (MDQ) as set forth in the Transportation Agreement between Customer and Company. Total Usage Charges each month will be equal to the Usage Charge multiplied by the volume of gas delivered to Customer by Company during such month:

| Charge | Amount |
|--|--|
| Capacity | \$ 9.43303 per MMBtu of MDQ ¹ |
| Capacity Charge related to Mid-Tex Working Gas | \$ 0.38317 per MMBtu of MDQ |
| Annual Rider REV Adjustment | \$ (0.60053) per MMBtu of MDQ |
| Interim Rate Adjustment ("IRA") | \$ 1.91376 per MMBtu of MDQ ² |
| Total Capacity Charge | \$ 11.12943 per MMBtu of MDQ |
| Usage | \$ 0.02785per MMBtu |

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

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

Rider SUR: Plus an amount for surcharges calculated in accordance with Rider SUR.

Rider REV: Plus an amount per MMBtu in accordance with Rider REV as an adjustment to the Capacity Charge per MMBtu of MDQ.

¹ The Capacity Charge per MMBtu will be adjusted annually as calculated pursuant to Rider REV.
² 2016 IRA - \$0.81992(GUD 10652) revised to \$0.74102 (GUD 10704); 2017 IRA - \$1.17274.

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|----------------------|----------------|
| RATE SCHEDULE: | CGS – MID-TEX | |
| APPLICABLE TO: | Mid-Tex | |
| EFFECTIVE DATE: | 11/01/2018 | PAGE: 9 |

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

Imbalance Fees

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

Monthly Imbalance Fees

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

Curtailement Overpull Fee

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

Replacement Index

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

Agreement

A transportation agreement is required.

Notice

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

Special Conditions

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

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|--|-----------------|
| RATE SCHEDULE: | CGS – OTHER | |
| APPLICABLE TO: | CoServ, WTG Marketing, Inc., the City of Rising Star, the City of Navasota, Corix Utilities (Texas), Inc., Terra Gas Supply, Texas Gas Service Co., and Other City Gate Service Customers, except Mid-Tex | |
| EFFECTIVE DATE: | 11/01/2018 | PAGE: 10 |

Application

Applicable, in the event that Company has entered into a Transportation Agreement for City Gate Service to a Local Distribution Company (Customer), other than Mid-Tex, connected to the Atmos Pipeline -Texas System for the transportation of all natural gas supplied by Customer to a Point or Points of Delivery.

Type of Service

This service provides firm transportation and storage service to Local Distribution Companies. Where service of the quantity and type required by Customer is not already available at a Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished at such Point of Delivery.

Monthly Rate

Customer's monthly bill will be calculated by adding the Monthly Customer and Usage charges to the amounts and quantities due under the Riders listed below. The Monthly Customer Charge each month will be equal to the Capacity Charge, as adjusted, multiplied by the Customer's Maximum Daily Quantity (MDQ) as set forth in the Transportation Agreement between Customer and Company. Total Usage Charges each month will be equal to the Usage Charge multiplied by the volume of gas delivered to Customer by Company during such month:

| Charge | Amount |
|---------------------------------|--|
| Capacity | \$ 9.43303 per MMBtu of MDQ ¹ |
| Annual Rider REV Adjustment | \$ (0.60053) per MMBtu of MDQ |
| Interim Rate Adjustment ("IRA") | \$ 1.91376 per MMBtu of MDQ ² |
| Total Capacity Charge | \$10.74626 per MMBtu of MDQ |
| Usage | \$ 0.02785 per MMBtu |

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

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

Rider SUR: Plus an amount for surcharges calculated in accordance with Rider SUR.

Rider REV: Plus an amount per MMBtu in accordance with Rider REV as an adjustment to the Capacity Charge per MMBtu of MDQ.

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

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

² Interim Rate Adjustment of \$0.81992 (GUD 10652) revised to \$0.74102 (GUD 10704); 2017 IRA - \$1.17274.

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|--|-----------------|
| RATE SCHEDULE: | CGS – OTHER | |
| APPLICABLE TO: | CoServ, WTG Marketing, Inc., the City of Rising Star, the City of Navasota, Corix Utilities (Texas), Inc., Terra Gas Supply, Texas Gas Service Co., and Other City Gate Service Customers, except Mid-Tex | |
| EFFECTIVE DATE: | 11/01/2018 | PAGE: 11 |

the calendar month following the day on which Shipper's daily usage exceeded Shipper's MDQ by 10% or more.

Imbalance Fees

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

Monthly Imbalance Fees

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

Curtailment Overpull Fee

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

Replacement Index

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

Agreement

A transportation agreement is required.

Notice

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

Special Conditions

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

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|-------------------------------------|-----------------|
| RATE SCHEDULE: | PT - PIPELINE TRANSPORTATION | |
| APPLICABLE TO: | Entire System | |
| EFFECTIVE DATE: | 11/01/2018 | PAGE: 12 |

Applicability

This rate schedule is applicable to service by the Company under a Transportation Agreement - Pipeline, to a customer directly connected to the Atmos Pipeline-Texas System for the transportation of all natural gas supplied by Customer or Customer's agent for delivery to Customer at one Point of Delivery.

Not applicable for service to City Gate Service customers.

Type of Service

This service provides interruptible transportation service to end use customers. Where service of the quantity and type desired by Customer is not already available at a Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished at such Point of Delivery.

Monthly Rate

Customer's monthly bill will be calculated by adding the Monthly Customer and Usage charges to the amounts and quantities due under the Riders listed below. The Monthly Customer Charge each month will be equal to the Capacity Charge, as adjusted, multiplied by the Customer's Maximum Daily Quantity (MDQ) as set forth in the Transportation Agreement between Customer and Company. Total Usage Charges each month will be equal to the Usage Charge multiplied by the volume of gas delivered to Customer by Company during such month:

| Charge | Amount |
|---------------------------------|--|
| Capacity | \$ 4.83681 per MMBtu of MDQ ¹ |
| Annual Rider REV Adjustment | \$ (0.44447) per MMBtu of MDQ |
| Interim Rate Adjustment ("IRA") | \$ 1.05029 per MMBtu of MDQ ² |
| Total Capacity Charge | \$ 5.44263 per MMBtu of MDQ |
| Usage | \$ 0.01325 per MMBtu |

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

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

Rider MF: Plus an amount for municipal fees calculated in accordance with Rider MF.

Rider SUR: Plus an amount for surcharges calculated in accordance with Rider SUR.

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

² Interim Rate Adjustment of \$0.41672 (GUD 10652) revised to \$0.37663 (GUD 10704); 2017 IRA - \$0.67366.

**ATMOS PIPELINE-TEXAS
ATMOS ENERGY CORPORATION**

| | | |
|------------------------|-------------------------------------|-----------------|
| RATE SCHEDULE: | PT - PIPELINE TRANSPORTATION | |
| APPLICABLE TO: | Entire System | |
| EFFECTIVE DATE: | 11/01/2018 | PAGE: 13 |

Rider REV: Plus an amount per MMBtu in accordance with Rider REV as an adjustment to the Capacity Charge per MMBtu of MDQ.

Imbalance Fees

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

Monthly Imbalance Fees

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

Curtailment Overpull Fee

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

Replacement Index

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

MDQ Adjustment

If a Customer's daily usage on any day exceeds the Customer's MDQ as set forth in the applicable Transportation Agreement by 10% or more, the Customer's MDQ shall be increased to equal such daily usage. The effective date of such increase in the MDQ shall be the first day of the calendar month that begins following the day on which the Customer's daily usage exceeded the Customer's MDQ.

Agreement

A transportation agreement is required.

Notice

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

Special Conditions

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